

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

HANNANS REWARD LTD

ABN

52 099 862 129

Quarter ended ("current quarter")

30 JUNE 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(475)	(2,130)
(b) development	-	-
(c) production	-	-
(d) administration	(239)	(938)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	67	188
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(647)	(2,880)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(278)	(329)
(c) other fixed assets	(31)	(68)
1.9 Proceeds from sale of:		
(a) prospects	-	750
(b) equity investments	203	210
(c) other fixed assets	-	-
1.10 Loans to other entities	(8)	(88)
1.11 Loans repaid by other entities	431	431
1.12 Other (provide details if material)	-	(300)
Net investing cash flows	317	606
1.13 Total operating and investing cash flows (carried forward)	(330)	(2,274)

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1.13	Total operating and investing cash flows (brought forward)	(330)	(2,274)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	100	6,222
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	(5)	(326)
	Net financing cash flows	95	5,896
	Net increase (decrease) in cash held	(235)	3,622
1.20	Cash at beginning of quarter/year to date	5,023	1,166
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	4,788	4,788

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	90
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 – Payment of executive and non-executive director's fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	800
4.2 Development	-
4.3 Production	-
4.4 Administration	235
Total	1,035

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	4,788	5,023
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4,788	5,023

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Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed				
	E77/1597	Withdrawal	100%	0%	
	E77/1647	Withdrawal	100%	0%	
6.2	Interests in mining tenements acquired or increased	E63/1422	Application	0%	0%
		E63/1423	Application	0%	0%
		E63/1424	Application	0%	0%
		E16/0401	Application	0%	0%
		E15/1218	Application	0%	0%
		E77/1783	Application	0%	0%
		E77/1784	Application	0%	0%
		E77/1785	Application	0%	0%
		E77/1568	Granted	0%	100%
		E77/1695	Granted	0%	100%
		E77/1696	Granted	0%	100%
		E63/1327	Granted	0%	100%
		E63/1354	Granted	0%	100%
		P63/1800	Granted	0%	100%

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	131,648,715	131,648,715	-	-
7.4 Changes during quarter				
(a) Increases through issues	500,000	500,000	20 cents	20 cents
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options <i>(description and conversion factor)</i>	500,000 1,717,687 2,250,000 2,000,000 1,000,000 100,000 1,000,000		Exercise price 50 cents 40 cents 80 cents 20 cents 80 cents 40 cents 80 cents	Expiry date 31 December 2010 31 December 2010 30 June 2011 31 July 2011 30 June 2012 30 June 2012 30 June 2013
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	500,000	-	20 cents	30 April 2010

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7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>	-	-		
7.12	Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act 2001.
- 2 This statement does give a true and fair view of the matters disclosed.



Michael Craig
Company Secretary

29 July 2010

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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