



HANNANS REWARD

HANNANS

(ASX: HNR)

Annual General Meeting

31 January 2012

(To be read in conjunction with the Notice of Meeting dated 23 December 2011)

BOARD OF DIRECTORS



RICHARD SCALLAN
NON-EXECUTIVE CHAIRMAN

Mr Scallan is a Mining Engineer with 54 years experience in underground and open cut mining, and exploration in South Africa, Zimbabwe and Australia. Dick was employed by the Anglo American Corporation of South Africa Limited for 26 years and joined Renison Goldfields Limited in 1981 where he was employed for 21 years.



WILLIAM HICKS
NON-EXECUTIVE DIRECTOR

Mr Hicks was a founding Director of Hannans Reward Ltd. Mr Hicks has been actively involved in the progress and development of a number of well-known exploration companies. He was a director and secretary of Spargo's Reward Gold Mines NL and was instrumental in the listing on the ASX of both Central Kalgoorlie Gold Mines NL and Maritana Gold NL.



DAMIAN HICKS
MANAGING DIRECTOR

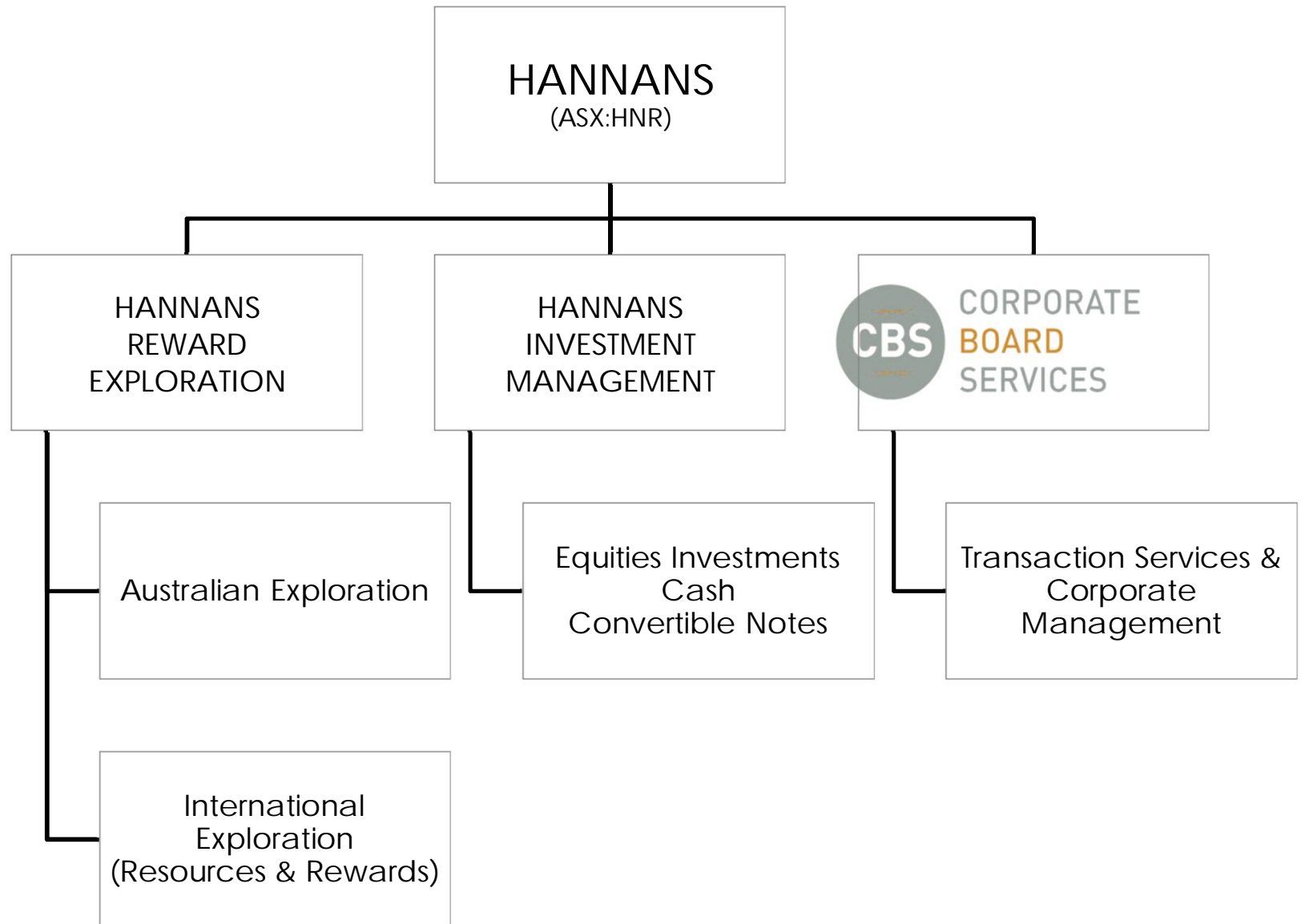
Mr Hicks was a founding Director of Hannans Reward Limited. Mr Hicks holds a Bachelor of Commerce (Accounting and Finance) from the University of Western Australia, is admitted as a Barrister and Solicitor of the Supreme Court of Western Australia and is a Graduate Member of the Australian Institute of Company Directors.



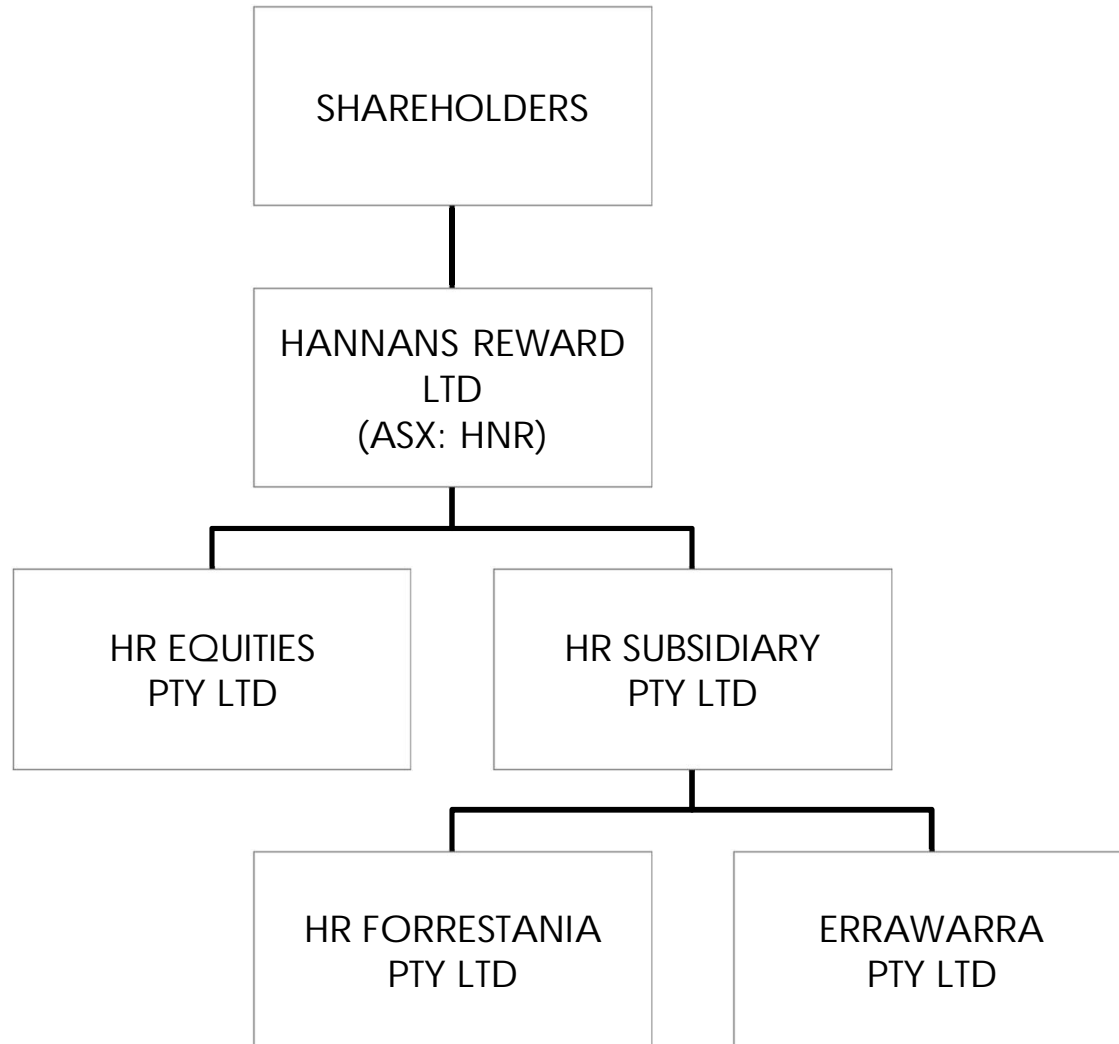
JONATHAN MURRAY
NON-EXECUTIVE DIRECTOR

Mr Murray is a partner at law firm Steinepreis Paganin, based in Perth, Western Australia. He has significant experience in advising on initial public offers and secondary market capital raisings, all forms of commercial acquisitions and divestments and providing general corporate and strategic advice.

GROUP STRUCTURE



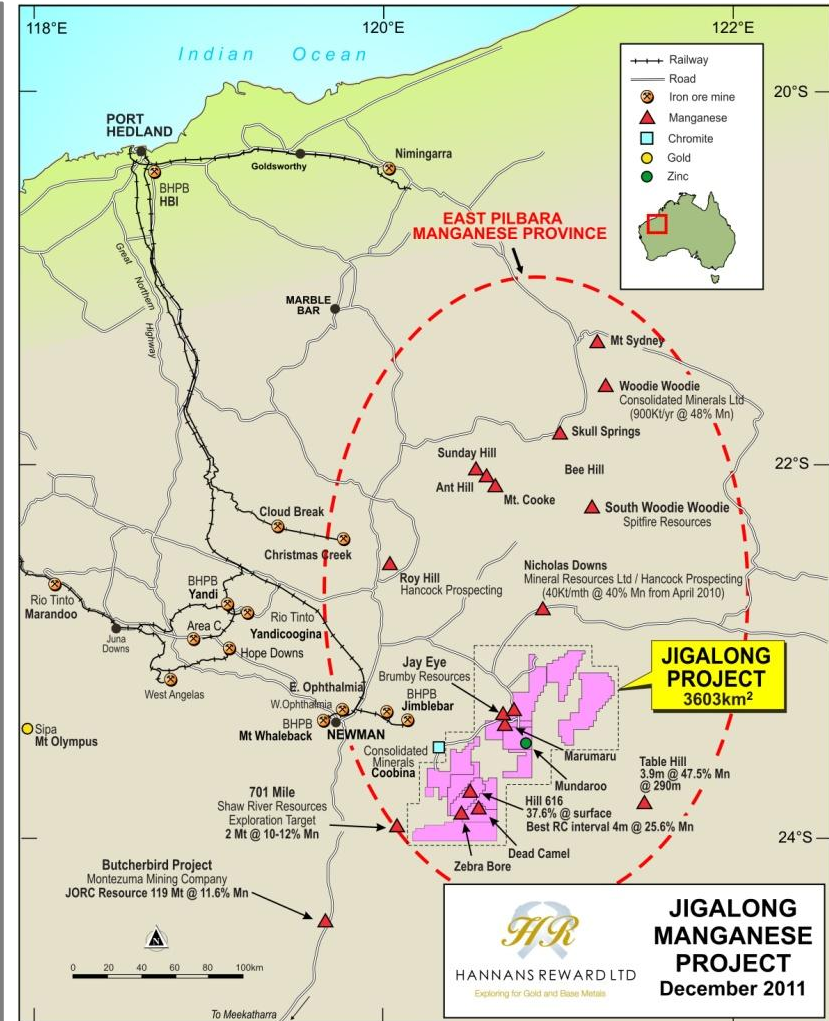
CORPORATE STRUCTURE



MANGANESE 'SPIN OUT'

BACKGROUND

- 'Spin out' to create a new independent manganese company referred to as NewCo
- Manganese assets considered to have significant potential value
- 'Spin out' will protect shareholder value in the interim by preventing an unsolicited bid for these assets while NewCo consolidates a portfolio of manganese assets
- Foundation asset to be the East Pilbara manganese project
- These same assets are being attributed a zero value by the stock market (i.e market capitalisation of Hannans Reward Ltd is less than the net asset position of the Company)
- Spin out' is an attempt to implement a focussed manganese strategy
- Shareholders will hold shares in NewCo
- New Board created to implement manganese strategy
- Hannans Exploration Team to continue providing exploration services



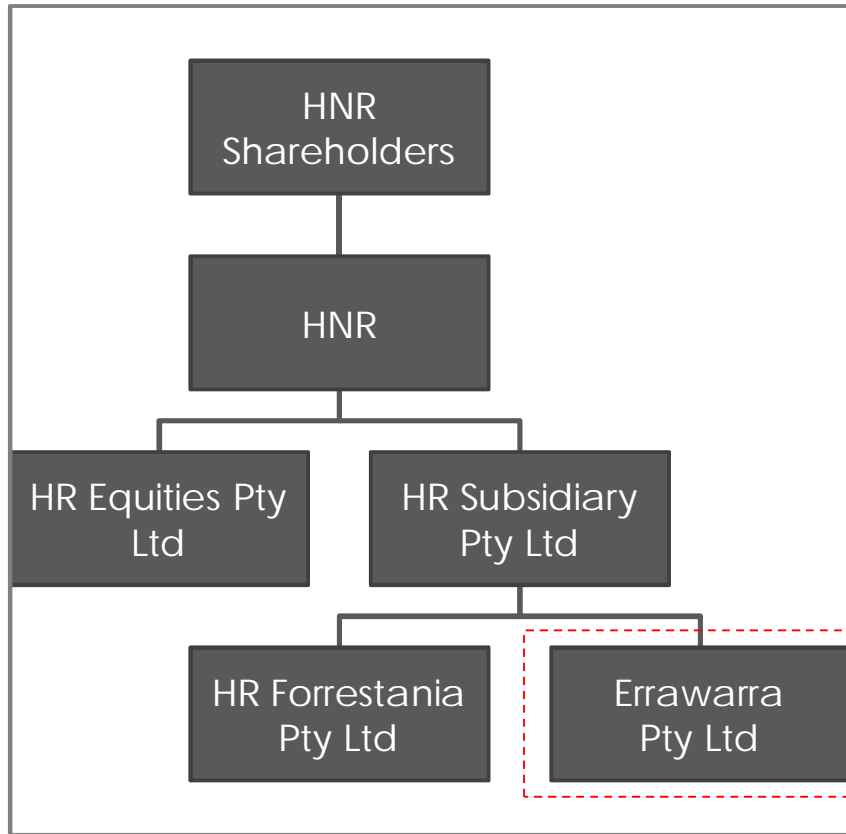
MANGANESE 'SPIN OUT'

APPROACH

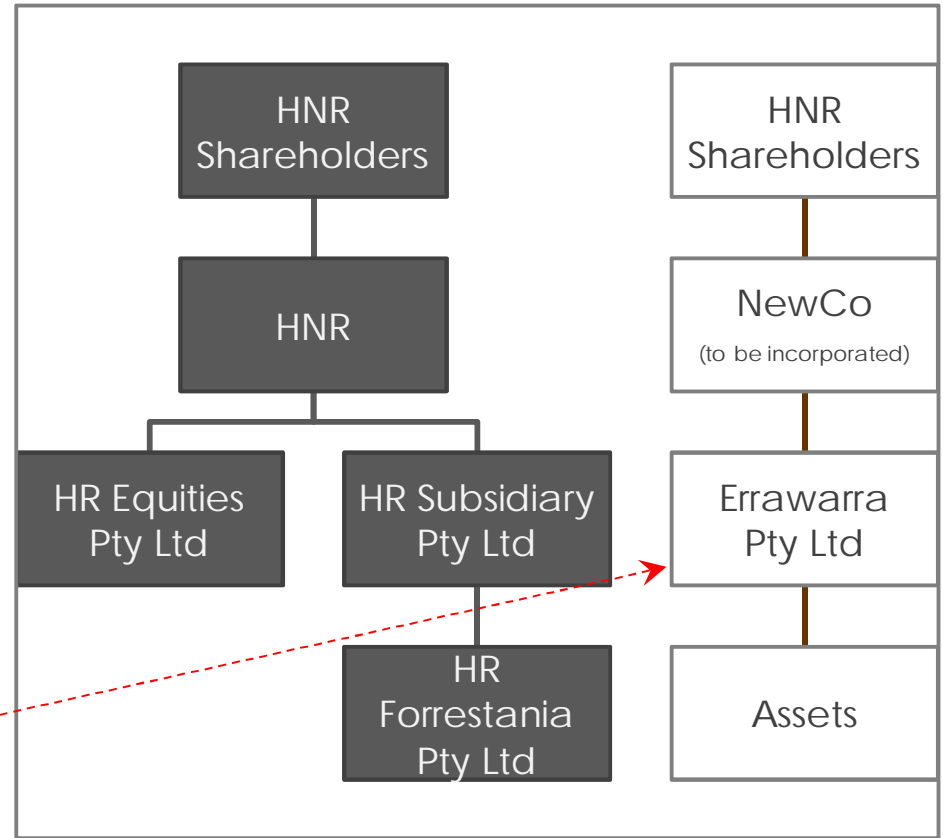
- 'Spin out' of manganese assets held by Hannans subsidiary, Errawarra (excluding Atlas Iron Ltd iron rights) into NewCo to be owned by existing Hannans shareholders
- Hannans will retain all non-manganese rights
- For every share held in Hannans, shareholders will receive the same number of shares in NewCo
- Manganese exploration to continue being funded by Hannans (via repayment of an existing loan)
- After repayment of the existing loan, Hannans may provide a convertible loan of \$2.5m to NewCo should additional funding be required

MANGANESE 'SPIN OUT' STRUCTURE

BEFORE



AFTER



Iron & Manganese

Cross Shareholdings & Common Project Interests

Atlas Iron (Fe) – Pilbara

- Warwick Resources (Fe) – Pilbara
- Aurox Resources (Fe) – Pilbara
- Giralia Resources (Fe) – Pilbara
- FerrAus (Fe & Mn) – Pilbara
- Shaw River Resources (Mn) – Pilbara

Wah Nam (Fe) – Pilbara

- Brockman Resources (Fe) – Pilbara

Mineral Resources (Fe & Mn) – Pilbara & Yilgarn

- Mesa Minerals (Mn) – Pilbara
- Auvex Resources (Mn) – Pilbara
- Polaris (Fe) – Yilgarn

HPPL

- Roy Hill (Fe) – Pilbara
- Nicholas Downs (Mn) – Pilbara

Existing Pilbara Players

– BHPB, RIO Tinto, FMG, Aquila,
Hancock Prospecting ?

OM Holdings (Mn) – Northern Territory

- Shaw River Resources (Mn) – Pilbara
- Northern Iron (Fe) – Norway
- Scandinavian Resources (Fe) – Sweden
- Joint owner of Tshipi with Jupiter Mines (Mn) – Sth Africa
- IronClad (Fe) – South Australia
- Archer (Mn) – South Australia
- Monax (Mn) – South Australia

Consolidated Minerals (Mn) – Pilbara

- BC Iron (Fe)
- OM Holdings (Mn)
- Joint owner of Mindy Mindy with FMG (Fe)

Jupiter Mines (Fe & Mn)

– South Africa, Pilbara & Yilgarn

- Joint owner of Tshipi with OM Holdings (Mn) – Sth Africa

Legacy Iron

- Major inbound investment from Indian company

New Entrants – South Americans, Chinese, Russians

Companies diversifying from magnetite in Mid West to Hematite in the Pilbara ?

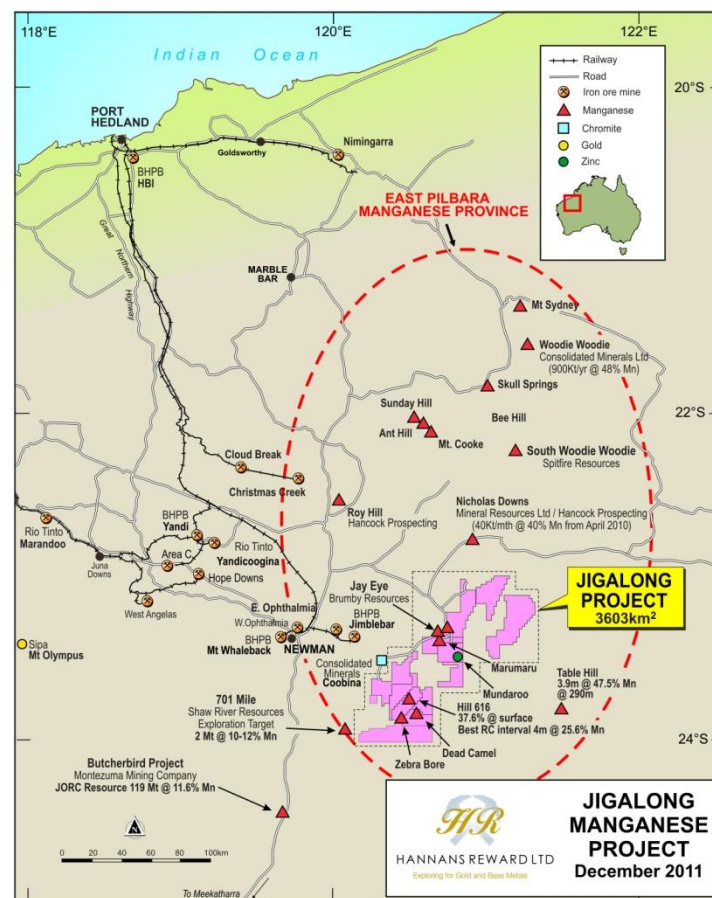
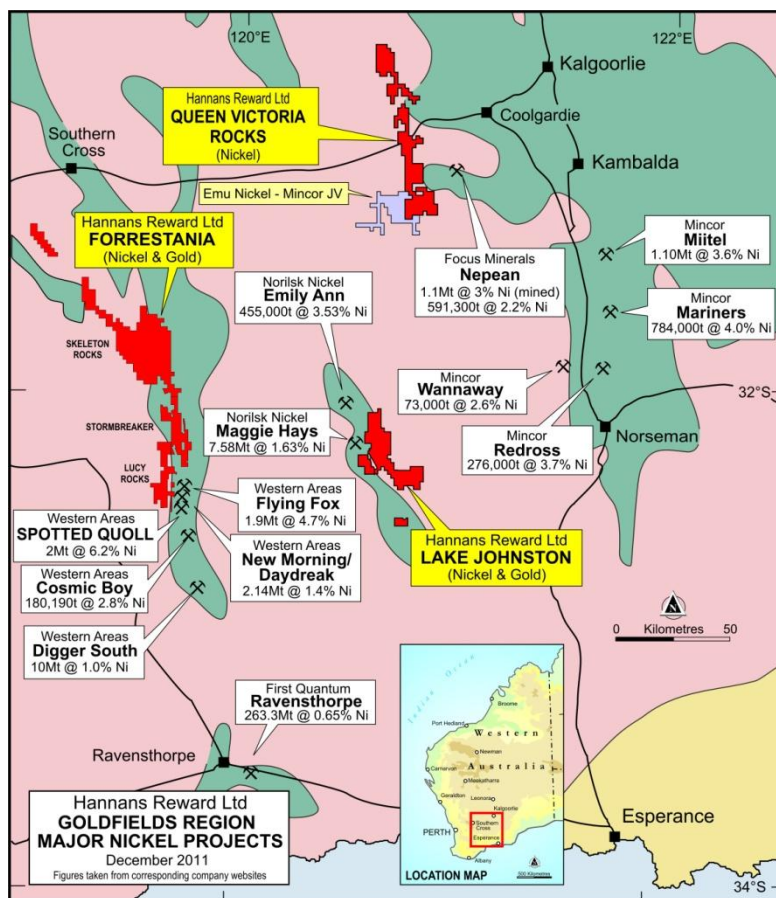
NEWCO STRATEGY

- Envisages once NewCo has reached a critical scale it will seek to raise additional capital through an IPO
- In lieu of not undertaking an IPO, the Company will seek to raise capital via a private equity raising
- In the event an IPO or private equity raising are not considered a viable option the introduction of a joint venture partner may be considered
- In the event none of the options listed above are considered possible projects an asset sale may occur and proceeds from the sale would be used to invest in new resource

PROJECT OVERVIEW

Projects are strategically located within the southern Yilgarn and SE Pilbara regions of WA

- Forrestania Project, target commodities include nickel, gold and iron (hematite)
- Lake Johnston Project, target commodities include nickel and gold
- Queen Victoria Rocks Project, target commodities include nickel and gold
- East Pilbara Project, target commodities include manganese, base metals and gold



EXPLORATION

Hannans tenement portfolio has increased by 726 sq km's (~20%)

New exploration geologist Tom Lyons employed in Mar 2011

Physical exploration on all projects for the 2011 calendar year included:

- 9,311 geochemical samples
- 11.15 line km's of moving loop TEM
- 46.1 line km's of Fixed Loop TEM
- 5,974 gravity readings
- 23 aircore holes for 793 metres
- 252 RC percussion holes for 17,576 metres
- 16 diamond holes for 408 metres
- plus many hours of data collation, validation, mapping and interpretation



FORRESTANIA PROJECT

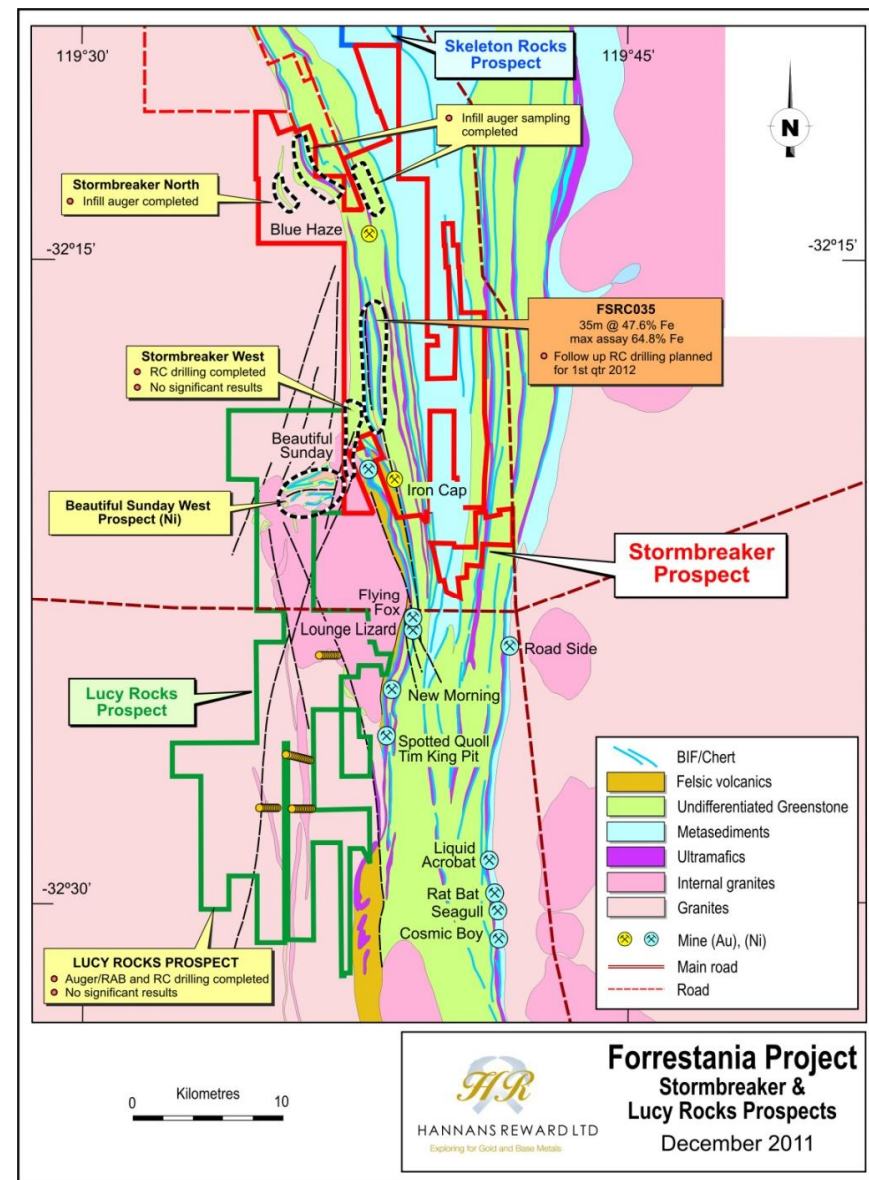
- Nickel sulphide exploration has been very focused within the Stormbreaker and Lucy Rocks Prospect areas, and along strike from the stratigraphy which is host to the Flying Fox and Spotted Quoll Nickel deposits (ASX:WSA)
- Exploration targeting for hematite iron mineralisation commenced during the year with a number of prospective targets outlined for follow up exploration.

Year to June 2011 Exploration Stats

Activity	Completed
Geochemistry	6,619 surface samples
Surface EM	27 line km's of TEM
Aircore Drilling	23 holes for 793 metres
RC Percussion Drilling	18 holes for 3,869 metres

July to Dec 2011 Exploration Stats

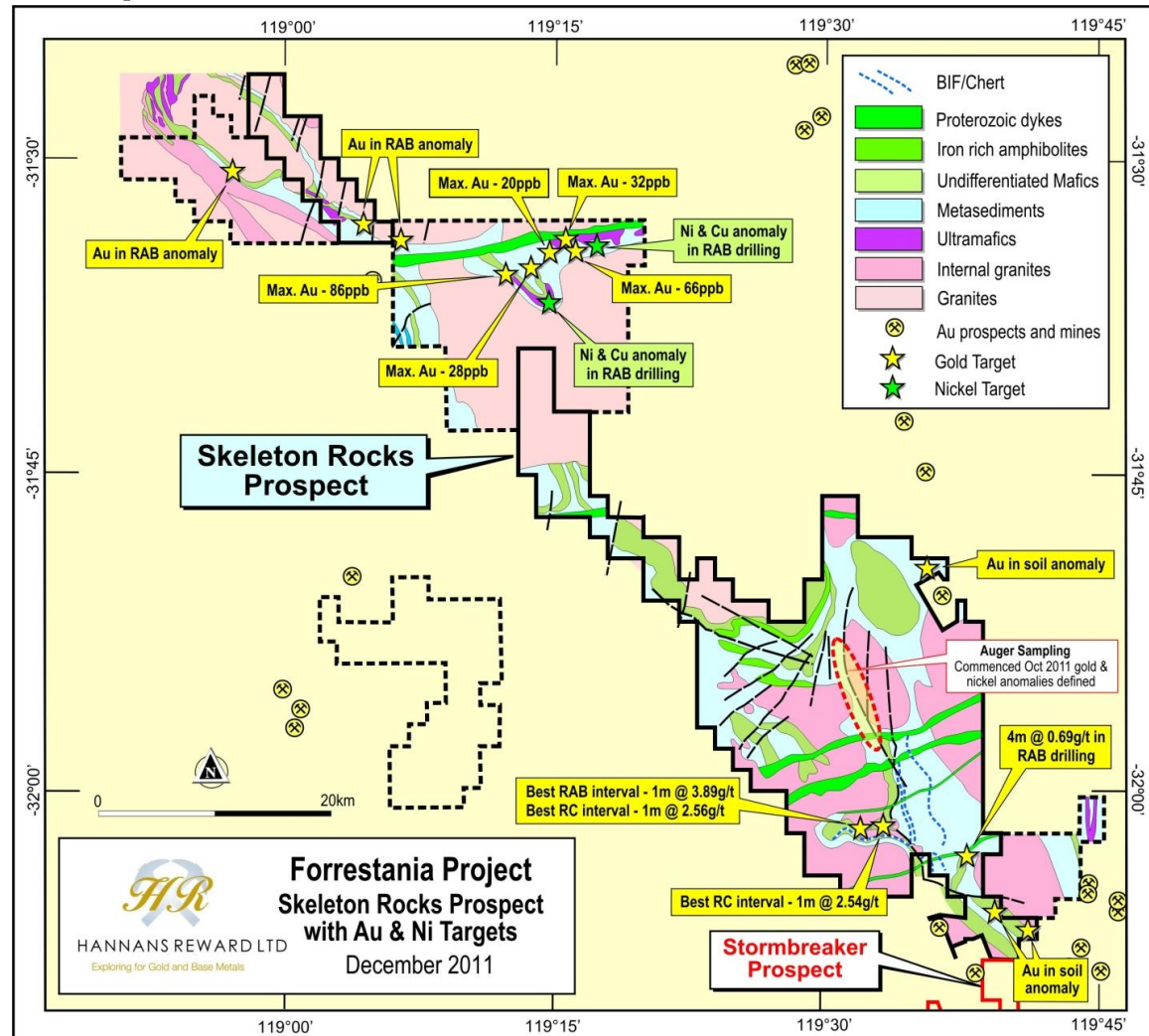
Activity	Completed
Geochemistry	2,727 auger samples
Surface EM	2.5 line km's of MLEM
RC Percussion Drilling	24 holes for 3,367 metres



FORRESTANIA PROJECT

Skeleton Rocks Prospect

- More recent exploration has shifted north to Skeleton Rocks where data compilation and surface geochemistry has identified gold and nickel anomalism
- Exploration will continue in the form of surface geochemical sampling, ground TEM and reconnaissance field work.
- Any high priority targets will be drill tested during the second half of 2012.



FORRESTANIA PROJECT

Exploration Expenditure

	July 2006 to June 2007	July 2007 to June 2008	July 2008 to June 2009	July 2009 to June 2010	July 2010 to June 2011	July 2011 to Dec 2011	Total	
	\$	\$	\$	\$	\$	\$	\$	%
Geological Activities	55,824	115,142	23,231	178,127	217,814	54,911	645,048	11.2%
Geochemical Activities	6,327	129,390	21,284	87,093	336,848	157,094	738,035	12.8%
Geophysical Survey	164,942	229,424	15,696	373,921	160,480	30,106	974,570	17.0%
Airborne Geophysical Survey	-	-	-	158,607	-	-	158,607	2.8%
Non Core Drilling	83,250	286,606	2,160	317,758	536,137	436,859	1,662,771	28.9%
Field Supplies	214	20,271	-	95,596	121,435	80,679	318,195	5.5%
Drafting Activities	1,280	1,918	619	3,510	28	2,218	9,572	0.2%
Travel	2,782	16,658	-	10,988	16,594	16,948	63,970	1.1%
Field Camp activities	5,484	9,974	4,950	38,674	64,116	32,754	155,952	2.7%
Environmental	59,678	1,895	11,650	32,854	91,161	3,121	200,360	3.5%
Rehabilitation Activities	591	2,200	-	-	14,875	-	17,666	0.3%
Aboriginal Heritage Surveys	-	-	-	11,240	-	-	11,240	0.2%
Annual Tenement Rent	-	4,726	4,514	39,716	40,545	34,459	123,960	2.2%
Annual Tenement Rates	-	1,571	5,459	31,345	51,105	69,620	159,101	2.8%
Administration & Overheads	2,398	1,586	16,125	28,406	20,929	18,359	87,803	1.5%
Application Fees	3,866	-	-	96,260	33,872	-	133,999	2.3%
Acquisition Fees	250,000	5,386	-	-	-	-	255,386	4.4%
Penalty & Exemption Fees	-	-	3,150	12,412	11,806	-	27,368	0.5%
Total	636,636	826,746	108,838	1,516,508	1,717,744	937,129	5,743,601	100%

LAKE JOHNSTON PROJECT

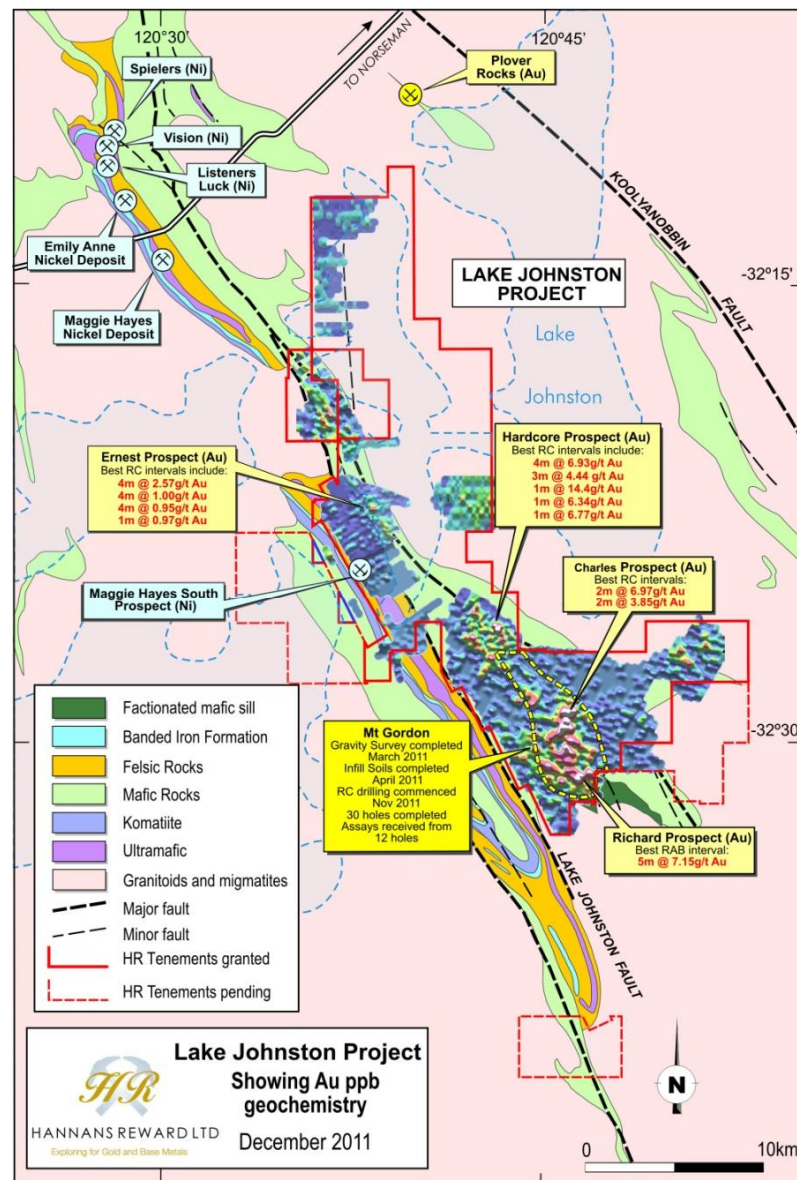
- The project includes a number of high grade gold occurrences, historical exploration for gold within the project has been limited.
- Considerable effort has been directed towards advancing the gold exploration in the form of infill soil sampling, gravity surveys and RC percussion drilling at the Hardcore and Mt Gordon Prospects.

Year to June 2011 Exploration Stats

Activity	Completed
Geochemistry	3,012 surface samples
Surface EM	8 line km's of surface TEM
Gravity	4,450 stations
RC Percussion Drilling	21 holes for 5,039 metres

July to Dec 2011 Exploration Stats

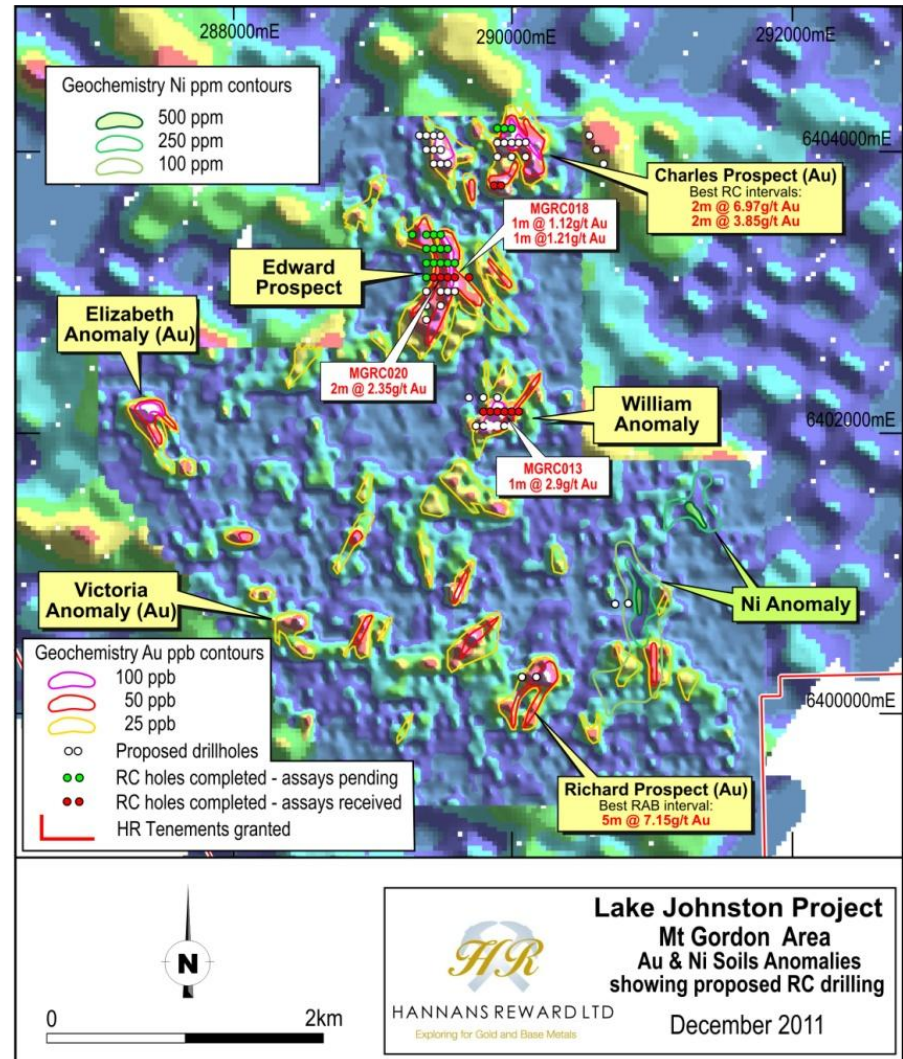
Activity	Completed
Geochemistry	6 rock chip samples
Surface EM	6 line km's of MLEM
Gravity	3,901 stations
RC Percussion Drilling	20 holes for 3,175 metres



LAKE JOHNSTON PROJECT

Mt Gordon Prospect

- The Mt Gordon Prospect area is considered to be a stand out gold prospect.
- 31 holes have been completed to date, assays have been received for 12 holes to date.
- Drilling is expected to be completed during Feb 2012, with all assays received by the end of April 2012.



LAKE JOHNSTON PROJECT

Exploration Expenditure

	July 2006 to June 2007	July 2007 to June 2008	July 2008 to June 2009	July 2009 to June 2010	July 2010 to June 2011	July 2011 to Dec 2011	Total	
	\$	\$	\$	\$	\$	\$	\$	%
Geological Activities	29,520	73,555	5,813	147,599	248,954	83,618	589,059	21.2%
Geochemical Activities	31,621	19,383	49,379	58,907	140,625	58,821	358,734	12.9%
Geophysical Survey	14,624	-	1,920	8,619	130,424	35,899	191,485	6.9%
Airborne Geophysical Activities	33	1,511	-	40,947	-	-	42,490	1.5%
Non Core Drilling	-	-	-	169,813	504,035	364,422	1,038,269	37.4%
Field Supplies	452	504	101	10,961	90,035	70,377	172,431	6.2%
Drafting Activities	-	138	41	725	14,754	126	15,784	0.6%
Travel	734	1,034	343	3,349	6,261	2,960	14,681	0.5%
Field Camp activities	711	522	551	5,765	49,851	55,541	112,942	4.1%
Aboriginal Heritage Surveys	-	16,368	-	-	-	-	16,368	0.6%
Environmental	-	-	-	-	23,514	39,064	62,578	2.3%
Rehabilitation Activities	-	-	-	-	7,970	-	7,970	0.3%
Annual Tenement Rent	2,173	2,293	2,932	8,231	12,313	4,967	32,908	1.2%
Annual Tenement Rates	1,575	1,809	2,048	4,011	6,802	7,914	24,158	0.9%
Administration & Overheads	329	8,180	13,845	8,093	25,597	6,938	62,981	2.3%
Application Fees	3,394	6,484	3,761	261	19,922	-	33,822	1.2%
Total	85,165	131,780	80,733	467,280	1,281,056	730,647	2,776,661	100%

QUEEN VICTORIA ROCKS PROJECT

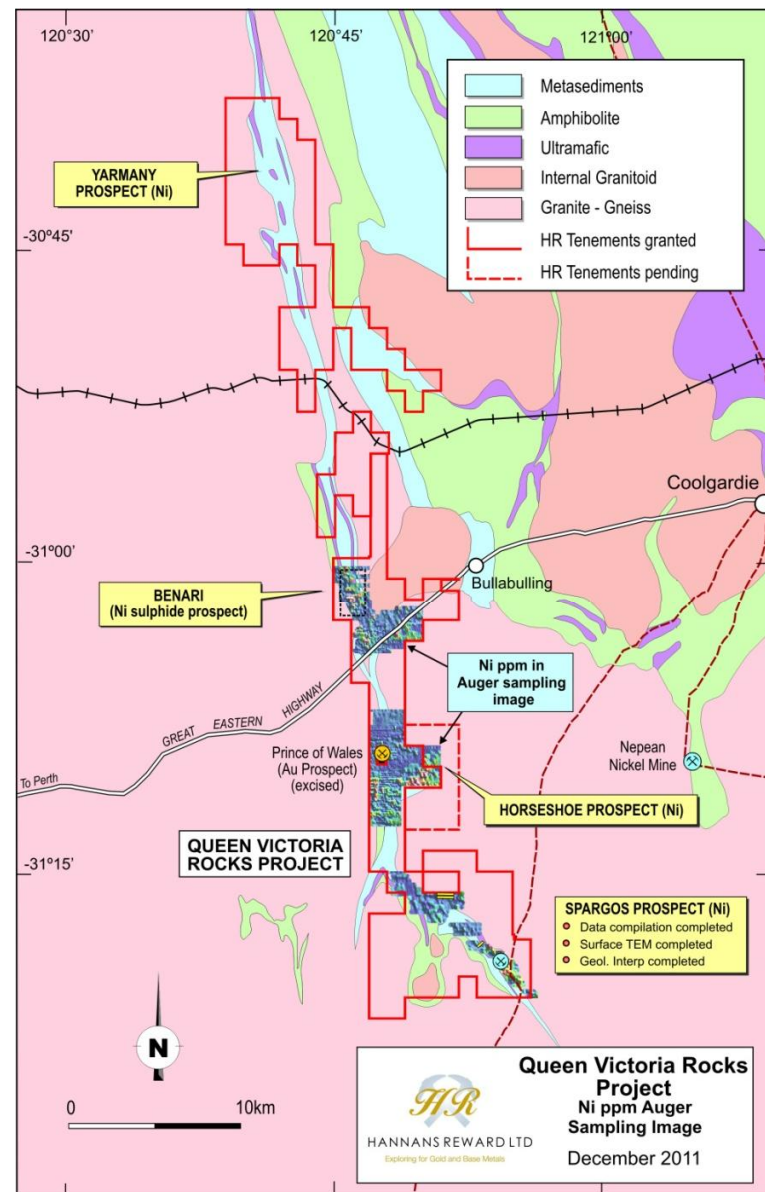
- Exploration has been directed towards improving the geochemical and geophysical coverage along strike from the Spargos nickel sulphide occurrence.
- The tenement portfolio has been extended towards the north covering the prospective stratigraphy.

Year to June 2011 Exploration Stats

Activity	Completed
Geochemistry	1,228 surface samples
Surface EM	57.25 line km's of surface TEM
RC Percussion Drilling	14 holes for 3,388 metres

July to Dec 2011 Exploration Stats

Activity	Completed
Airborne Magnetics	850 line km's



QUEEN VICTORIA ROCKS PROJECT

Exploration Expenditure

	July 2006 to June 2007	July 2007 to June 2008	July 2008 to June 2009	July 2009 to June 2010	July 2010 to June 2011	July 2011 to Dec 2011	Total	
	\$	\$	\$	\$	\$	\$	\$	%
Geological Activities	82,055	76,504	-	58,109	208,258	2,160	427,087	19.6%
Geochemical Activities	156,892	31,784	-	2,275	99,843	-	290,794	13.3%
Geophysical Survey	79,333	8,925	-	20,538	222,519	6,169	337,483	15.5%
Airborne Geophysical Activities	-	205,075	-	-	12,000	12,000	229,075	10.5%
Surveying Activities	20,936	-	-	-	-	-	20,936	1.0%
Non Core Drilling	264,486	-	-	-	296,242	-	560,728	25.7%
Field Supplies	3,190	2,084	-	995	68,490	758	75,516	3.5%
Drafting Activities	-	-	-	-	5,381	850	6,231	0.3%
Travel	1,911	110	-	1,738	9,105	270	13,134	0.6%
Field Camp activities	2,185	35	-	5,191	17,389	6,430	31,230	1.4%
Environmental	9,868	-	-	-	4,200	-	14,068	0.6%
Annual Tenement Rent	8,589	10,410	1,683	11,038	23,474	8,383	63,577	2.9%
Annual Tenement Rates	4,493	5,747	997	4,851	9,924	10,867	36,879	1.7%
Administration & Overheads	-	-	6,020	5,439	30,531	6,361	48,351	2.2%
Application Fees	14,003	-	-	-	15,085	-	29,089	1.3%
Total	647,941	340,673	8,699	110,174	1,022,441	54,247	2,184,176	100%

EAST PILBARA PROJECT

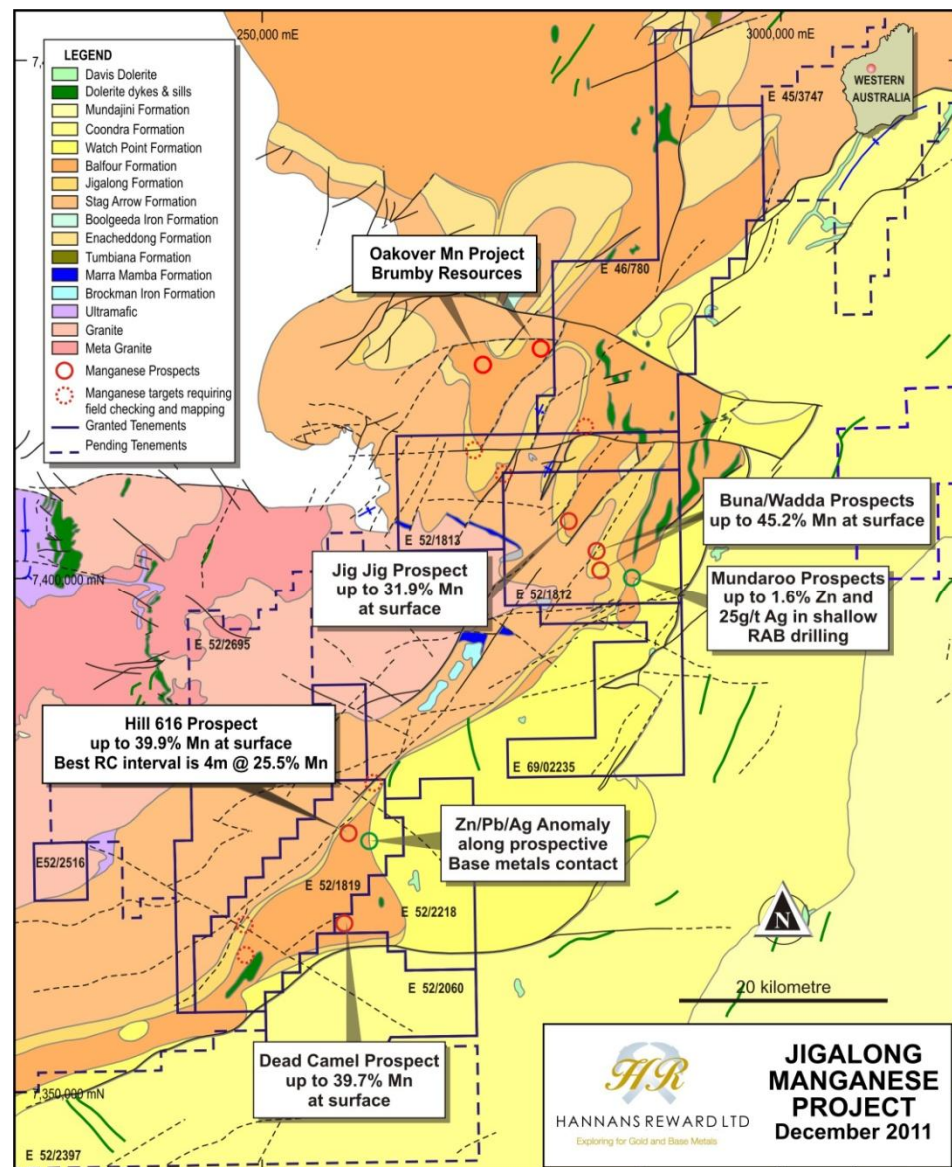
- The region is well endowed with numerous manganese, iron and base metal deposits.
- Tenements cover a large strike extent (~100km's) and also includes the prospective manganese stratigraphy.
- Exploration has been directed towards manganese target generation and definition.

Year to June 2011 Exploration Stats

Activity	Completed
Geochemistry	246 surface samples

July to Dec 2011 Exploration Stats

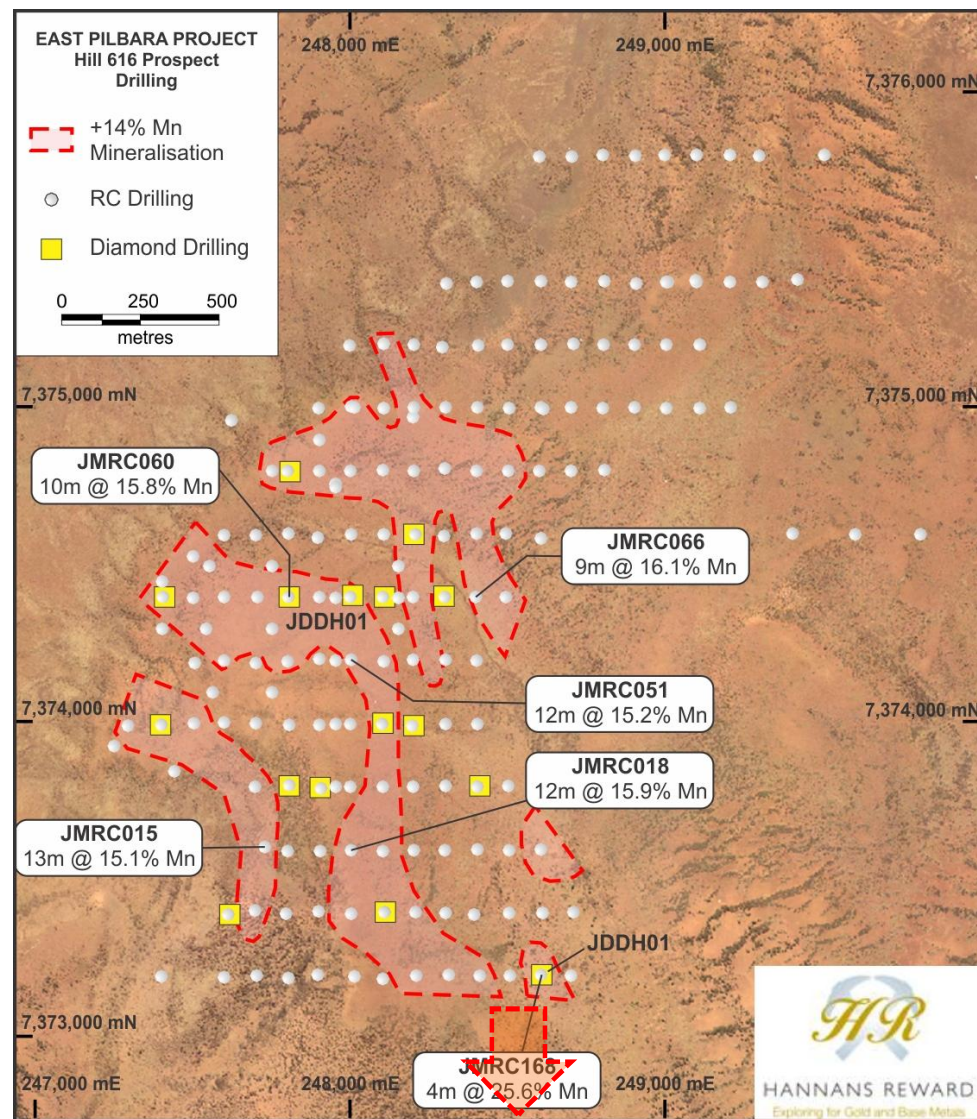
Activity	Completed
Geochemistry	21 rock chip samples
RC Percussion Drilling	186 holes for 6,060 metres
Diamond Drilling	16 holes for 408 metres



EAST PILBARA PROJECT

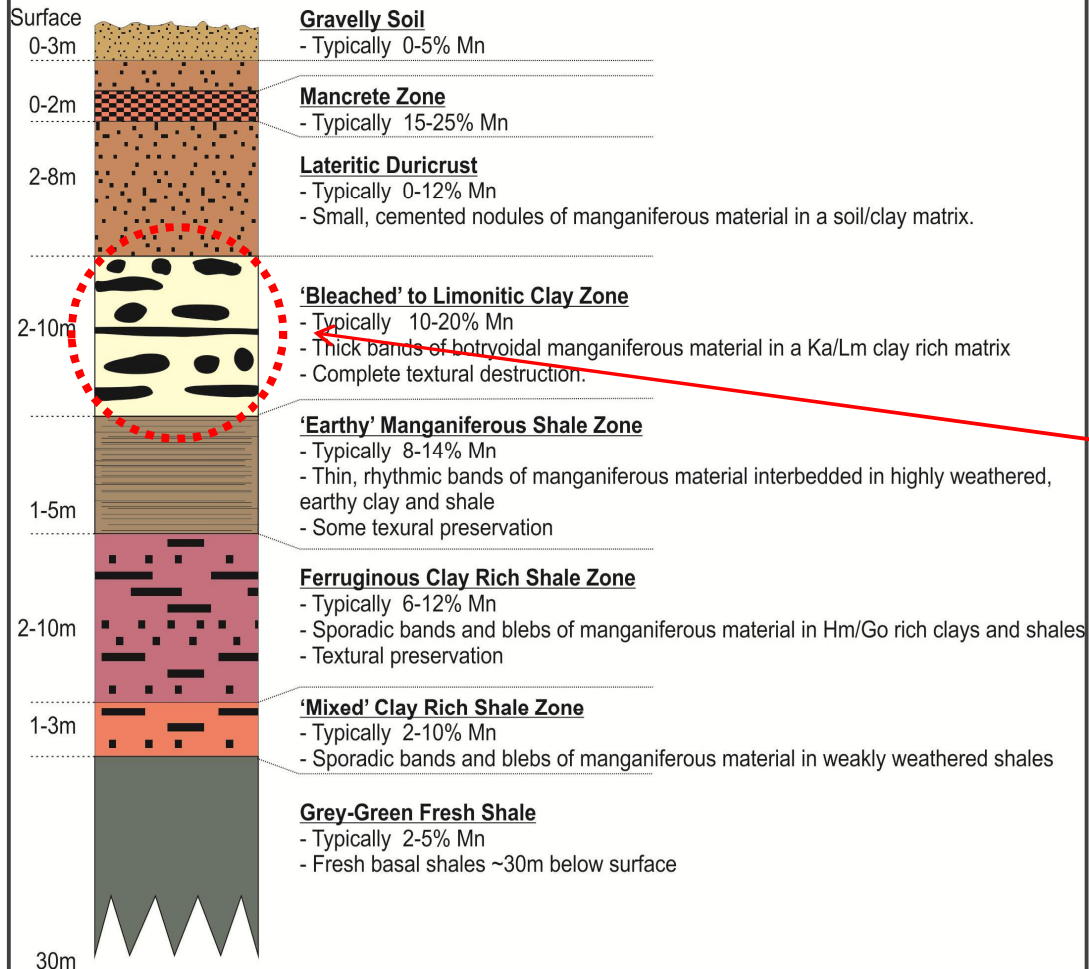
Hill 616 Prospect

- Recent RC drilling has outlined extensive zones of near surface Mn mineralisation over a strike extent of ~2 km's.
- Best intervals include the following;
 - JMRC015 – 13m @ 15.07% Mn from surface
 - JMRC018 – 12m @ 15.90% Mn from 4m
 - JMRC051 – 12m @ 15.18% Mn from 3m
 - JMRC060 – 10m @ 15.76% Mn from 2m
 - JMRC066 – 9m @ 16.15% Mn from 5m
 - JMRC168 – 4m @ 25.56% Mn from 6m
Including 1m @ 31.758% Mn
- High grade Mn mineralisation intersected in JDDH01 remains open to the south.

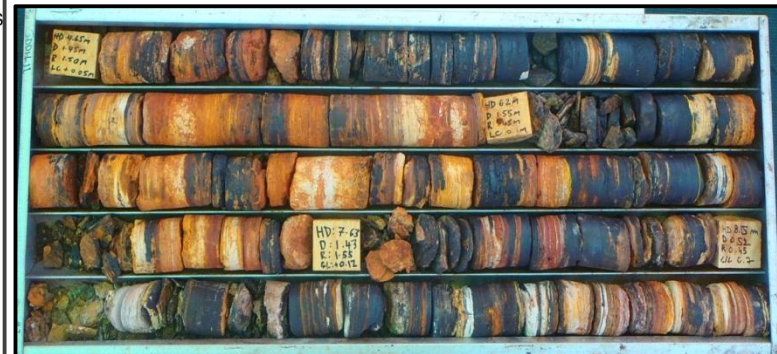


MANGANESE MINERALISATION

Hill 616 Geological Cross Section Model



Metallurgical samples collected from high and medium grade zones



EAST PILBARA PROJECT

Exploration Expenditure

	July 2006 to June 2007	July 2007 to June 2008	July 2008 to June 2009	July 2009 to June 2010	July 2010 to June 2011	July 2011 to Dec 2011	Total	
	\$	\$	\$	\$	\$	\$	\$	%
Geological Activities	22,592	29,602	93,765	122,721	195,185	120,198	584,063	12.9%
Geochemical Activities	143,456	54,994	120,406	96,572	27,306	166,545	609,279	13.5%
Geophysical Activities	2,470	105,887	317,999	17,103	5,513	1,560	450,531	10.0%
Airborne Geophysical Activities	29,207	29,728	1,850	21,292	-	-	82,076	1.8%
Core Drilling	-	-	-	-	-	201,659	201,659	4.5%
Non Core Drilling	-	-	622,430	102,762	-	359,103	1,084,295	24.0%
Field Supplies	32	1,860	43,353	2,538	17,805	132,264	197,852	4.4%
Drafting Activities	89	435	1,752	307	28	2,471	5,080	0.1%
Travel	3,509	12,778	32,285	8,837	7,236	34,589	99,234	2.2%
Field Camp activities	2,520	6,008	16,856	11,109	14,114	76,513	127,120	2.8%
Feasibility Studies	-	-	14,060	-	-	1,620	15,680	0.3%
Rehabilitation Activities	-	-	-	19,833	15,889	-	35,722	0.8%
Aboriginal Heritage Surveys	-	46,477	38,882	-	-	13,013	98,371	2.2%
Annual Tenement Rent	18,718	37,638	30,214	40,112	89,323	23,113	239,118	5.3%
Annual Tenement Rates	5,216	5,499	3,637	13,956	24,542	25,960	78,810	1.7%
Administration & Overheads	296	1,279	2,054	15,549	1,410	7,688	28,276	0.6%
Land Access/Native Title	-	80,130	1,040	422,292	-	2,799	506,261	11.2%
Application Fees	11,705	2,925	17,734	507	12,480	30,158	75,509	1.7%
Total	239,810	415,239	1,358,317	895,491	410,829	1,199,251	4,518,936	100%

EXPLORATION OBJECTIVES 2012

FORRESTANIA PROJECT

- Continue to advance nickel and gold exploration within the Skeleton Rocks Prospect area, define drill targets for the 2nd half of 2012.
- Continue to advance Iron (hematite) exploration within the Stormbreaker and Skeleton Rocks Prospect areas, drilling to commence at Stormbreaker during 1st quarter 2012.

LAKE JOHNSTON PROJECT

- Complete drilling program at Mt Gordon and assess results, additional follow up drilling may be required during the second half of 2012.
- Continue to advance Nickel exploration using high powered surface TEM along prospective ultramafic unit.

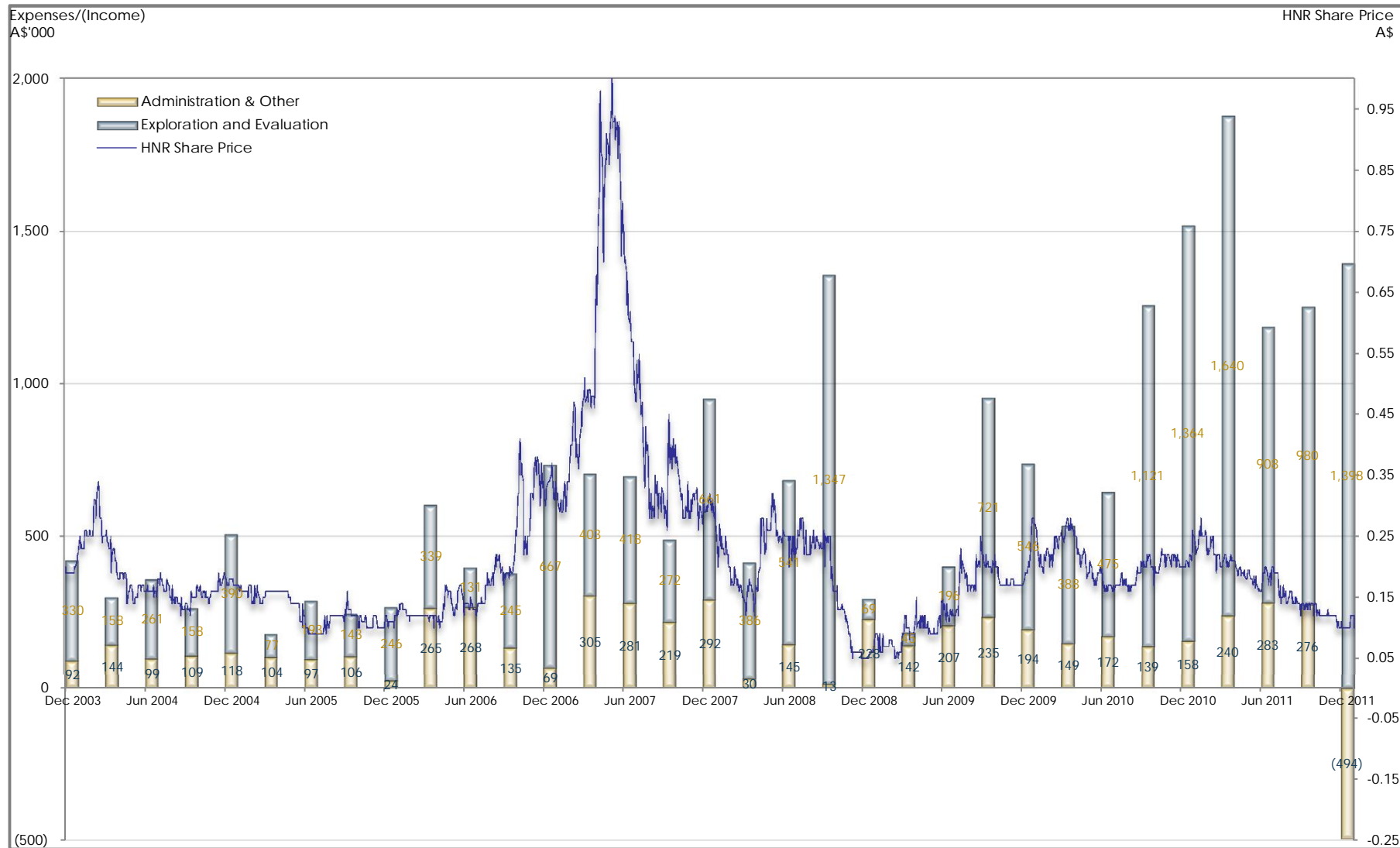
QVR PROJECT

- Complete detailed interpretation of the Spargos Prospect and surrounding area (re-logging drill core).
- Implement first pass Ni sulphide exploration programs (soil/auger sampling) on the northern tenements (Yarmany Prospect).

EAST PILBARA PROJECT

- Continue to define the Mn mineralisation at the Hill 616 Prospect, submit mineralisation report to the DMP.
- Plan and implement drilling programs over other high priority Mn targets.
- Implement first pass exploration programs (soil/auger sampling) for base metal exploration, trial ground geophysics at Mundaroo Zn prospect.

CASH EXPENDITURE & HNR SHARE PRICE



HANNANS INVESTMENT MANAGEMENT

VALUATION OF EQUITIES as of 31 December 2011					
COMPANY	TYPE	NUMBER	PRICE (\$)	VALUE (\$)	NOTES
AGO	FPO	4,300,000	2.70	11,610,000	1
SCR	FPO	19,585,235	0.20	3,917,047	
Other	FPO	165,000	0.08 - 0.15	23,150	
SCR	Options (ex. 20c)	1,250,001	0.07	87,500	2
SCR	Options (ex. 40c)	500,000	0.04	20,000	3
TOTAL EQUITIES AND CASH				18,110,108	

LOAN as of 31 December 2011			
TO	FACILITY (\$)	DRAWN DOWN (\$)	NOTES
Kiruna Iron AB	3,250,000	3,250,000	4
Scandinavian Resources Ltd	1,250,000	395,000	4
Other			
TOTAL	4,500,000	3,645,000	
Total Loan Interest	99,767		
TOTAL RECEIVABLE	3,744,767		4,5

Notes

1. Approximately 300,000 AGO shares were sold during January 2012
2. Theoretical value calculated using BSOPM with 3.16% risk free rate, 100% volatility & 305 days to maturity as of 31 December 2011
3. Theoretical value calculated using BSOPM with 3.16% risk free rate, 100% volatility & 350 days to maturity as of 31 December 2011
4. Assumes 100% of amount currently drawn, converted into SCR at 33c and 66c respectively
5. Refer Financial Report for the Annual Year Ended 30 June 2011

CORPORATE BOARD SERVICES

- CBS revenue reduces Hannans' fixed cost
- CBS offers Hannans shareholders opportunities to access new offerings
- CBS utilises expertise of Hannans corporate team to provide transaction services and corporate management services to listed and unlisted private and public companies

FEES INVOICED

Jan – Mar 2011	\$44,932.61
Apr – Jun 2011	\$125,503.28
Jul – Sep 2011	\$101,887.53
Oct – Dec 2011	\$73,579.66
TOTAL	\$345,903.08

TOP 20 HOLDERS

as of 31 December 2011

Rank	Name	Units	% of Units
1.	JP Morgan Nominees Australia Limited <Cash Income A/C>	11,168,023	8.48%
2.	Marfield Pty Limited	8,724,543	6.63%
3.	Aust Global Resources Pty Ltd	3,636,363	2.76%
4.	Acacia Investments Pty Ltd	3,554,697	2.70%
5.	Eric Preston Pty Ltd	2,825,000	2.15%
6.	Mossisberg Pty Ltd	2,296,296	1.74%
7.	Dixon International Pty Ltd	2,075,720	1.58%
8.	HSBC Custody Nominees (Australia) Limited	1,778,200	1.35%
9.	Ms Mara Jane Rudd	1,700,000	1.29%
10.	Navigator Australia Ltd <Navigator Pers Plan Sett A/C>	1,608,989	1.22%
11.	Kanaslex Pty Limited	1,548,296	1.18%
12.	Ms Susan Eileen Dechow	1,500,001	1.14%
13.	Bonord Pty Ltd <C W Hulls & Co Super Fund>	1,500,000	1.14%
14.	Mr Terrence Ronald Grammer	1,500,000	1.14%
15.	Susern Holdings Pty Ltd	1,500,000	1.14%
16.	Mandies Meats Pty Ltd <Number 2 Account>	1,497,000	1.14%
17.	Mr Terrence Ronald Grammer	1,390,000	1.06%
18.	Jigalong Community Inc/c	1,306,500	0.99%
19.	Mr David Milorad Novac + Ms Cathy Lee Sheehan <Shevac Super Fund A/C>	1,206,346	0.92%
20.	Nijinsky Corporation Pty Ltd <Nijinsky Retire Fund A/C>	1,200,600	0.91%
Totals: Top 20 holders of ORDINARY SHARES (GROUPED)		53,516,574	40.65%
Total Remaining Holders Balance		78,132,141	59.35%

HANNANS REWARD LTD CAPITAL STRUCTURE as of 31 December 2011

TYPE	NUMBER	EXPIRY
FPO	131,648,715	
Options (ex. 80c)	1,000,000	30-Jun-12
Options (ex. 40c)	100,000	30-Jun-12
Options (ex. 80c)	1,000,000	30-Jun-13
Options (ex. 20c)	2,000,000	30-Jun-13
Options (ex. 20c)	300,000	20-Jul 13
Options (ex. 75c)	300,000	20-Jul 13
Options (ex. 100c)	300,000	20-Jul 13
Fully diluted FPO	133,948,715	

HNR 2011 RELATIVE PERFORMANCE



CONTACT US

For more information contact:

Damian Hicks

Managing Director

Hannans Reward Ltd

Tel: +61 8 9324 3388

Email: admin@hannansreward.com