



HANNANS REWARD
Exploring for Gold and Base Metals

ASX Announcement / Media Release

Placement

30 March 2009

- Proposed Placement to accelerate exploration projects
- Funds to be earmarked for geophysics, drilling and a scoping study on three projects covering nickel (sulphides), manganese, iron (high grade) and gold
- Hannans directors ineligible to participate in Placement
- Shareholder meeting to be held on 30 April 2009
- Hannans Directors recommend that Shareholders vote for the resolution

Western Australian mineral explorer Hannans Reward Ltd (ASX:HNR or Hannans) is seeking shareholder approval for the placement of shares to advance its exploration projects in the Forrestania, Eastern Goldfields and Pilbara regions.

Hannans' Managing Director Damian Hicks said the proposed Placement would give Hannans the flexibility to raise funds at the appropriate time to continue to build the Company.

"Hannans' shareholders are highly leveraged to exploration discovery. Our shareholders own well located nickel sulphide projects in both the world-class Forrestania belt (north of Western Area's Flying Fox) and the nickel-producing Lake Johnston belt (south of Norilsk's Maggie Hays); together with high grade iron and substantial surface manganese at Jigalong (near FerrAus Ltd's 150Mt direct shipping iron ore project)."

"Hannans' exploration plans (most recently outlined in the 2nd Quarter Activities Report dated 30 January 2009) are aimed at making a significant exploration discovery. Hannans shareholders have exposure to an excellent portfolio that would be very hard to replicate."

"We are also looking forward to results over the next six months from our joint venture partner at the Queen Victoria Rocks nickel sulphide project south of Coolgardie, where Vale (the world's second largest diversified metals and mining company) is carrying out its activities as previously announced to ASX."

The proposed Placement will provide Hannans with the flexibility to source additional funding to maintain its exploration activities in a financially responsible manner - Hannans' currently has cash at bank of \$1.5 million and no debt.

More specifically funds will be used to continue exploring as follows:

- geophysics (ground based and down hole) and drilling at the Forrestania Project with a view to identifying high grade nickel sulphides within the world-class Forrestania nickel belt;
- bulk sample collection and assaying of manganese at Jigalong for the purpose of initiating a scoping study assessing the economic potential of the surface manganese;
- RC drilling to in-fill the high-grade iron mineralisation discovered by Hannans;
- geophysics (VTEM) and drilling for base metals at Jigalong; and
- lake sampling for copper-molybdenum-gold mineralisation at the expanded Lake Johnston Project.

Hannans encourages all shareholders and interested persons to visit www.hannansreward.com to review the projects.

If you have any questions in relation to this announcement contact Hannans' Managing Director Damian Hicks on +61 8 9324 3388.

Summary

Hannans Reward Ltd has developed a suite of prospective exploration projects within Australia covering iron, manganese, nickel and gold. Hannans Reward Ltd shareholders are exposed to share price appreciation through exploration success.

- Forrestania - nickel project 12km north of Western Area's Flying Fox nickel mine, WA
- Jigalong - iron, manganese & base metals located 150km east of Newman, WA
- Queen Victoria Rocks - JV with Companhia Vale do Rio Doce (Vale), 30km south-west of Coolgardie, WA
- Lake Johnston - located 25km south east of Norilsk's Maggie Hays nickel mine, WA
- Sunday - JV with Australian Mineral Fields Ltd, 10kms east of Leonora, WA

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Board of Directors

Chairman

Richard Scallan

Managing Director

Damian Hicks

Non-Executive Director

Bill Hicks

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The information in this document that relates to exploration results is based on information compiled by Mrs. Amanda Arrowsmith, Exploration Manager, Hannans Reward Ltd who is a Member of the Australian Institute of Mining and Metallurgy. Mrs. Arrowsmith is a full-time employee of Hannans Reward Ltd. Mrs. Arrowsmith has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined by the 2004 edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mrs. Arrowsmith consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

HANNANS REWARD LIMITED

ACN 099 862 129

NOTICE OF GENERAL MEETING

TIME: 9.30am (WST)

DATE: 30 April 2009

PLACE: The Park Business Centre
45 Ventnor Avenue
West Perth
Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9324 3388.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 9.30am (WST) on 30 April 2009 at:

The Park Business Centre
45 Ventnor Avenue
West Perth WA 6005

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) Post to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Victoria 3001;
- (b) Facsimile to Computershare Investor Services Pty Ltd on +61 8 9323 2033, +61 3 9473 2555 or 1800 783 447;
- (c) Personal delivery to Computershare Investor Services Pty Ltd at 452 Johnson Street, Abbotsford, Melbourne, Victoria or Level 2, 45 St George's Terrace, Perth, Western Australia,

so that it is received not later than 9.30am (WST) on 28 April 2009.

Proxy Forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders will be held at 9.30am (WST) on 30 April 2009 at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 9.30am (WST) on 28 April 2009.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1 – PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purpose of ASX Listing Rules 7.1 and 7.9 and for all other purposes, approval is given for the Directors to allot and issue up to 50,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 24 MARCH 2009

BY ORDER OF THE BOARD



**IAN GREGORY
HANNANS REWARD LIMITED
COMPANY SECRETARY**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held at 9.30am (WST) on 30 April 2009 at The Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTION 1 – PLACEMENT

1.1 General

Resolution 1 seeks Shareholder approval for the allotment and issue of 50,000,000 Shares at an issue price of not less than 80% of the market price for Shares calculated over the last 5 days on which sales in Shares are recorded before the day on which the issue is made, or, if there is a prospectus relating to the issue, over the last 5 days on which sales in Shares are recorded before the date of the prospectus (**Share Placement**).

The purpose of this resolution is to seek the support of Shareholders in maintaining the financial strength of the Company for the benefit of all Shareholders and more specifically to ensure the Company continues to have adequate funds to:

- (a) advance the Forrestania nickel & gold project;
- (b) advance the Lake Johnston nickel & copper-molybdenum-gold project (previously known as Maggie Hays South);
- (c) advance the Jigalong iron, manganese and base metals project;
- (d) ensure the Company remains financially strong for the benefit of all shareholders;
- (e) provide for the costs of the current off-market takeover bid, and any potential further bids; and
- (f) meet general working capital requirements

None of the subscribers pursuant to this issue will be related parties of the Company.

1.2 Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

The effect of Resolution 1 will be to allow the Directors to issue the Shares pursuant to the Share Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

1.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Share Placement:

- (a) the maximum number of Shares to be issued is 50,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be not less than 80% of the market price for Shares calculated over the last 5 days on which sales in Shares are recorded before the day on which the issue is made, or, if there is a prospectus relating to the issue, over the last 5 days on which sales in Shares are recorded before the date the prospectus is signed;
- (d) the Shares will be allotted and issued to parties determined at the discretion of the Directors, but none of the subscribers will be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Share Placement towards
 - (i) advancing the Forrester nickel & gold project;
 - (ii) advancing the Lake Johnston nickel & copper-molybdenum-gold project (previously known as Maggie Hays South);
 - (iii) advancing the Jigalong iron, manganese and base metals project;
 - (iv) ensuring the Company remains financially strong for the benefit of all shareholders;
 - (v) providing for the costs of the current off-market takeover bid, and any potential further bids; and
 - (vi) meeting general working capital requirements.

1.4 Listing Rule 7.9

Listing Rule 7.9 prohibits an entity from issuing or agreeing to issue securities, without shareholder approval, for a period of 3 months after it is notified in writing that a person is making, or proposes to make, a takeover bid for securities in it. However, this rule does not apply to an issue or agreement to issue in any of the following cases:

- (a) an issue notified to ASX before the entity was informed about the takeover bid;
- (b) a rights issue;
- (c) an issue made on the exercise of conversion rights;
- (d) an issue made under an off-market takeover bid or merger by scheme of arrangement;
- (e) an issue made under a dividend reinvestment plan; or
- (f) an agreement to issue securities that is conditional on shareholder approval before the issue is made.

Pursuant to Exception 6 of Listing Rule 7.9, a Company may agree to issue equity securities where the agreement is conditional on holders of ordinary securities approving the issue before the issue is made.

This exception allows the Company to undertake the Placement provided that shareholder approval is obtained in advance. As such, the Board recommends that shareholders vote in favour of this Resolution.

The Company also notes that a condition to the proposed off-market takeover bid by Fox Resources Limited (**Fox**) is that the Company must not issue any shares during the period beginning on the date that the bidder's statement is given to the Company and ending at the end of the offer period (**Bid Period**).

Should Shareholders approve the proposed Placement, it is possible that the issue of the Shares pursuant to the Placement would occur during the Bid Period. The Company advises that such an event would give Fox the right to withdraw the bid.

However, the Company also notes that such a result is dependent upon the timing of Fox giving the bidder's statement to the Company (i.e. it is possible that the bidder's statement is given to the Company after the date on which the Shares the subject of the Placement are issued). In this situation, Fox would not be entitled to withdraw the bid.

2. BOARD RECOMMENDATION

The Board recommends that Shareholders vote in favour of Resolution 1 as it considers that the flexibility to raise capital and as when required is important in maintaining the strength of the Company for the benefit of all Shareholders.

3. ENQUIRIES

Shareholders are required to contact Ian Gregory on (+ 61 8) 9324 3388 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or the Australian Securities Exchange as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company means Hannans Reward Limited (ACN 099 862 129).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

General Meeting means the meeting convened by the Notice of Meeting.

Notice of Meeting or **Notice of General Meeting** means this notice of general meeting including the Explanatory Statement.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.