

**FAX TRANSMISSION**  
No of pages (including this sheet) - 295

Level 32, Exchange Plaza  
2 The Esplanade  
Perth WA 6000  
Australia

# Blake Dawson

To  
Company Announcements Office  
Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000  
F 1300 135 638

T 61 8 9366 8000  
F 61 8 9366 8111  
DX 169 Perth  
PO Box 7438  
Cloisters Square  
Perth WA 6850  
Australia  
[www.blakedawson.com](http://www.blakedawson.com)

**24 March 2009**

**Fox Resources Limited – initial substantial holder notice in relation to shares in Hannans Reward Limited**

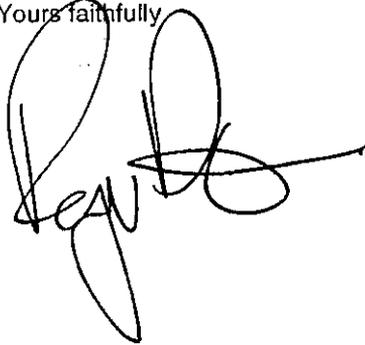
Please see **attached** a copy of an initial substantial shareholder notice given by Fox Resources Limited in relation to shares in Hannans Reward Limited.

**Our reference**  
MRW MCR 09 2005 8403

**Partner**  
Murray Wheeler  
T 61 8 9366 8792  
[murray.wheeler@blakedawson.com](mailto:murray.wheeler@blakedawson.com)

**Contact**  
Matthew Rumpus  
T 61 8 9366 8026  
[matthew.rumpus@blakedawson.com](mailto:matthew.rumpus@blakedawson.com)

Yours faithfully



Please check that you have received this document in full. If not, please telephone the sender or call 61 8 9366 8000.

**Confidentiality**

This document is confidential and may contain legally privileged information. If you are not a named or authorised recipient you must not read, copy, distribute or act in reliance on it. If you have received this document in error, please telephone our operator immediately on 61 8 9366 8000 and return the document by mail.

**Form 603**  
Corporations Act 2001  
Section 671B

**Notice of initial substantial holder**

To Company Name/Scheme Hannans Reward Limited

ACN/ARSN ACN 099 862 129

**1. Details of substantial holder (1)**

Name Fox Resources Limited (ACN 079 902 499); Fox Radio Hill Pty Ltd (ACN 092 493 653); Fox Energy Pty Ltd (ACN 131 681 108); Gascoyne Mines Pty Ltd (ACN 099 001 886); Newcity Corporation Pty Ltd (ACN 096 140 671) (together, Substantial Holders)

ACN/ARSN (if applicable) See above

The holder became a substantial holder on 20/03/09

**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary Shares	17,065,447	17,065,447	18.95%

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Fox Resources Limited	Fox Resources Limited has a relevant interest in ordinary shares in Hannans Reward Limited pursuant to Pre-Bid Acceptance Agreements dated 20 March 2009 between Fox Resources Limited and the parties listed in section 4 below, copies of which are contained in Annexure A (Pre-Bid Acceptance Agreements).	17,065,447 ORD

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Fox Resources Limited	Aus Global Resources Pty Ltd	Aus Global Resources Pty Ltd	3,636,363 ORD
Fox Resources Limited	Mr Ivan Baccini & Mrs Lucia Baccini	Mr Ivan Baccini & Mrs Lucia Baccini	340,616 ORD
Fox Resources Limited	Miss Daniella Cannavo	Miss Daniella Cannavo	45,000 ORD
Fox Resources Limited	Mr Frank Cannavo	Mr Frank Cannavo	70,000 ORD
Fox Resources Limited	Mr Frank Cannavo	Mr Frank Cannavo	50,000 ORD
Fox Resources Limited	Mr Anthony Cannavo & Mr Frank Cannavo	Mr Anthony Cannavo & Mr Frank Cannavo	2,197,441 ORD
Fox Resources Limited	Mr Robin Chislett & Mrs Rosemary Chislett	Mr Robin Chislett & Mrs Rosemary Chislett	309,259 ORD
Fox Resources Limited	Mr Robin Chislett & Mrs Rosemary Chislett	Mr Robin Chislett & Mrs Rosemary Chislett	271,296 ORD
Fox Resources Limited	Mr Robin Chislett & Mrs Rosemary Chislett	Rebecca Ann Chislett	50,059 ORD
Fox Resources Limited	Mrs Yvonne Collinson & Mr Noel Collinson	Mrs Yvonne Collinson & Mr Noel Collinson	315,840 ORD
Fox Resources Limited	Mrs Yvonne Collinson & Mr Noel Collinson	Mrs Yvonne Collinson & Mr Noel Collinson	210,000 ORD
Fox Resources Limited	Mr Matthew Collinson	Mr Matthew Collinson	141,908 ORD
Fox Resources Limited	Mr Christopher Collinson	Mr Christopher Collinson	300,000 ORD
Fox Resources Limited	Core Business Holdings Pty Ltd	Core Business Holdings Pty Ltd	245,000 ORD
Fox Resources Limited	Dixon International Pty Ltd	Dixon International Pty Ltd	2,005,720 ORD

Fox Resources Limited	Extra Nominees Pty Ltd	Extra Nominees Pty Ltd	700,000 ORD
Fox Resources Limited	Extra Holdings Pty Ltd	Extra Holdings Pty Ltd	25,000 ORD
Fox Resources Limited	Mrs Dianne Claire Grammer	Mrs Dianne Claire Grammer	220,000 ORD
Fox Resources Limited	Mr Terrence Ronald Grammer	Mr Terrence Ronald Grammer	3,675,000 ORD
Fox Resources Limited	Lymeridge Pty Ltd	Lymeridge Pty Ltd	103,082 ORD
Fox Resources Limited	Lymeridge Pty Ltd	Lymeridge Pty Ltd	861,559 ORD
Fox Resources Limited	Mrs Lindy Raffaut	Mrs Lindy Raffaut	3,000 ORD
Fox Resources Limited	Elvira Ricci	Elvira Ricci	100,000 ORD
Fox Resources Limited	ANR Truda Pty Ltd	ANR Truda Pty Ltd	200,000 ORD
Fox Resources Limited	Mr Vince Truda	Mr Vince Truda	600,000 ORD
Fox Resources Limited	Mr Vince Truda	Mr Vince Truda	100,000 ORD
Fox Resources Limited	Mr Carlo Vetrone	Mr Carlo Vetrone	89,324 ORD
Fox Resources Limited	Mr Frank Vetrone	Mr Frank Vetrone	100,000 ORD
Fox Resources Limited	VFT Investments Pty Ltd	VFT Investments Pty Ltd	100,000 ORD

### 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Fox Resources Limited	20 March 2009	\$10 in respect of each Pre-Bid Acceptance Agreement	0.5 ordinary shares in Fox Resources Limited for each one ordinary share in Hannans Reward Limited if and when the relevant registered holders accept Fox Resources Limited's takeover offer (in accordance with the Pre-Bid Acceptance Agreements) and the resulting contract becomes unconditional (see also agreements in Annexure A).	17,065,447 ORD

### 6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Fox Resources Limited	Fox Resources Limited directly or indirectly owns all of the shares in each of the Substantial Holders other than itself.

### 7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Fox Resources Limited and each other Substantial Holder	1 Tully Road, East Perth WA 6004

### Signature

print name Tim Lee

capacity Company Secretary

sign here



date 24/03/09

**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 606 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

## Annexure A – Pre-Bid Acceptance Agreement

This is Annexure A of 291 pages (including this page) referred to in Form 603, Notice of Initial Substantial Holder in relation to Hannans Reward Limited.

The copies of the Pre-Bid Acceptance Agreements that form part of this Annexure A are true copies of the Pre-Bid Acceptance Agreements.



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Tim Lee  
Company Secretary  
Fox Resources Limited  
Date: 24 March 2009



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

Aus Global Resources Pty Ltd  
309 Fitzgerald Road  
DERRIMUT VIC 3030

Handwritten initials: YJ, YJ, YJ

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to Aus Global Resources Pty Ltd ACN 124 917 997 (**Shareholder**) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

Handwritten initials: YJ, YJ, YJ

Handwritten initials: YJ, YJ, YJ

**1. Agreement to accept Bidder Takeover Offer**

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 3,636,363 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,

in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;

- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

## 10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
- (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

### **Bidder**

Address: 1 Tully Road, East Perth, WA 6004

Facsimile: 08 9318 5666

Attention: Bruno Seneque

### **The Shareholder**

Address: 309 Fitzgerald Road, Derrimut VIC 3030

Facsimile: 03 9931 6869 / 03 9890 3947

Attention: Mr Kenny Lay

9/6  
~~8/12~~  
 1/11

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
- (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

## 11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

## 12. Acceptance

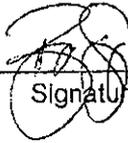
Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

Yours faithfully



Bruno Seneque  
 Managing Director

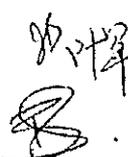
**EXECUTED by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):**

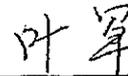
  
\_\_\_\_\_  
Signature of Director

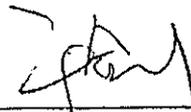
  
\_\_\_\_\_  
Signature of Director / Company Secretary

BRUNO SENEQUE  
\_\_\_\_\_  
Name (please print)

JESSICA BROWN  
\_\_\_\_\_  
Name (please print)

 EXECUTED by AUS GLOBAL RESOURCES PTY LTD  
ACN 124 917 797 in accordance  
with section 127 of the Corporations Act  
2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

  
\_\_\_\_\_  
Signature of Director / Company Secretary

James J. Ye  
\_\_\_\_\_  
Name (please print)

Jian Yu  
\_\_\_\_\_  
Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
 Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

JB  
 EB  
 Mr Ivan Baccini & Mrs Lucia Baccini  
 <Ivan Baccini Maroondah A/C>  
 42 Handon Street  
 EAGLEMONT VIC 3084

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

EB  
 In consideration of the payment of A\$10.00 by Bidder to Ivan Baccini Maroondah A/C ACN (Shareholder) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

1. Agreement to accept Bidder Takeover Offer

EB  
 Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 340,616 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
- (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,

in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;

- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly Inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (Notice) must be:
  - (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

**Bidder**

Address: 1 Tully Road, East Perth, WA 6004  
 Facsimile: 08 9318 5666  
 Attention: Bruno Seneque

**The Shareholder**

Address: 42 Hawdon St, EAGLEMONT VIC 3084  
 Facsimile: 03 9836 6697  
 Attention: Mr Ivan Baccini

*EB JB*  
*EB*

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
  - (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

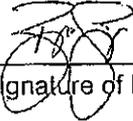
12. Acceptance

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

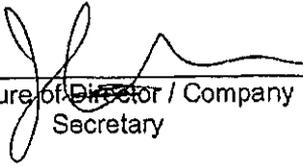
Yours faithfully

  
 Bruno Seneque  
 Managing Director

EXECUTED by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

BRUNO SENEQUE  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
Name (please print)



EXECUTED by <Ivan Baccini Maroon dah A/C> ACN in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

IVAN BACCINI  
Name (please print)

\_\_\_\_\_  
Signature of Director / Company Secretary

\_\_\_\_\_  
Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

(h) **No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

(i) **No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

(j) **Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
 Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

Miss Daniella Cannavo  
 17 Oakley Drive  
 AVONDALE HEIGHTS VIC 3034

JB  
 RR  
 4

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to Daniella Cannavo ACN  
 — (Shareholder) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

JB  
 RR  
 JB

**1. Agreement to accept Bidder Takeover Offer**

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 45,000 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

RR  
 JB

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,
    - in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;
- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing In Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or intiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

## 10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
- (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

### *Bidder*

Address: 1 Tully Road, East Perth, WA 6004

Facsimile: 08 9318 5666

Attention: Bruno Senegue

### *The Shareholder*

Address: 17 Oakley Drive, Avondale Heights VIC 3034

Facsimile: 03 9337 1781

Attention: Daniella Cannavo



- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
- (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

## 11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

## 12. Acceptance

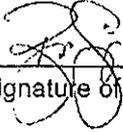
Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

Yours faithfully

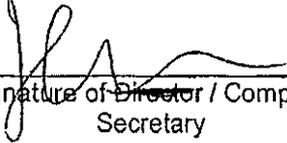


Bruno Senegue  
Managing Director

**EXECUTED** by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the *Corporations Act 2001 (Cth)*:

  
\_\_\_\_\_  
Signature of Director

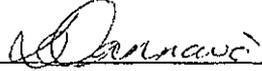
BRUNO SENEWE  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
Name (please print)



**EXECUTED** by Miss Daniella Cannavo ACN — in accordance with section 127 of the *Corporations Act 2001 (Cth)*:

  
\_\_\_\_\_  
Signature of Director

Daniella Cannavo  
Name (please print)

\_\_\_\_\_  
Signature of Director / Company Secretary

\_\_\_\_\_  
Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

(h) **No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

(i) **No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

(j) **Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

*JB  
ye*

Mr Frank Cannavo  
17 oakley Drive  
AVONDALE HEIGHTS VIC 3034

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

*JB  
ye*

In consideration of the payment of A\$10.00 by Bidder to Mr Frank Cannavo ACN \_\_\_\_\_ (Shareholder) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

**1. Agreement to accept Bidder Takeover Offer**

*ye*

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 70,000 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,
 

in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;
- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) Is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any **Competing Proposal** with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a **Competing Proposal**.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a **Competing Proposal** and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the **Competing Proposal** made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

## 10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
- (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

### *Bidder*

Address: 1 Tully Road, East Perth, WA 6004

Facsimile: 08 9318 5666

Attention: Bruno Seneque

### *The Shareholder*

Address: 17 Oakley Drive, AVONDALE HEIGHTS VIC 3034

Facsimile: 03 9337 1781

Attention: Mr Frank Cannan

JB  
JK

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
- (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

## 11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

## 12. Acceptance

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

Yours faithfully

Bruno Seneque  
Managing Director

EXECUTED by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):

\_\_\_\_\_  
Signature of Director

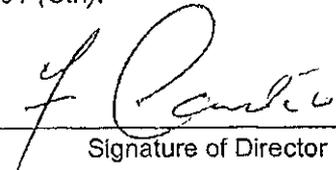
\_\_\_\_\_  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
\_\_\_\_\_  
Name (please print)

*JB*  
*4/17*  
*£*

EXECUTED by Mr Frank Cannavo ACN \_\_\_\_\_ In accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

FRANK CANNAVO  
\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Signature of Director / Company Secretary

\_\_\_\_\_  
Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

(h) **No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

(i) **No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

(j) **Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
 Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

*JB  
2/10*

Mr Frank Cannavo  
 <Francesco Cannavo Super A/C>  
 17 Oakley Drive  
 AVONDALE HEIGHTS VIC 3034

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

*JB  
2/10*

In consideration of the payment of A\$10.00 by Bidder to <Francesco Cannavo Super A/C> ACN (Shareholder) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

**1. Agreement to accept Bidder Takeover Offer**

*JB  
2/10*

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 50,000 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,

in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;

- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target Interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

## 10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
- (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

### *Bidder*

Address: 1 Tully Road, East Perth, WA 6004

Facsimile: 08 9318 5666

Attention: Bruno Seneque

### *The Shareholder*

 Address: 17 oakley Drive, ARVINDALE HEIGHTS  
Facsimile: 03 9337 1781  
Attention: Mr Frank Cannaro

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
- (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

## 11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

## 12. Acceptance

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

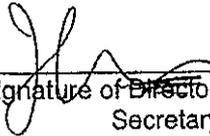
Yours faithfully

Bruno Seneque  
Managing Director

**EXECUTED by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):**

\_\_\_\_\_  
Signature of Director

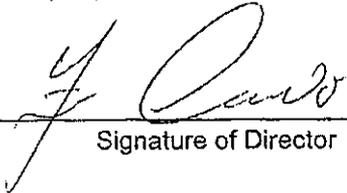
\_\_\_\_\_  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
\_\_\_\_\_  
Name (please print)



**EXECUTED by < Francesco Cannavo Super A/C > ACN \_\_\_\_\_ in accordance with section 127 of the Corporations Act 2001 (Cth):**

  
\_\_\_\_\_  
Signature of Director

F- CANNAVO  
\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Signature of Director / Company Secretary

\_\_\_\_\_  
Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
 Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

*JB*  
~~Frank Cannavo Investments Pty Ltd~~  
 Mr Anthony Cannavo & Mr Frank Cannavo  
 17 Oakley Drive  
 AVONDALE HEIGHTS VIC 3034  
*JK*

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to ~~Mr Anthony Cannavo & Mr Frank Cannavo~~ *ACN* *JB* *JK*  
 (Shareholder) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

**1. Agreement to accept Bidder Takeover Offer**

*JK*  
 Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of ~~1,151,554~~ fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**): *2,197,441*

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,
 in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;
- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or inflates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
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- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
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- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
- (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

### **Bidder**

Address: 1 Tully Road, East Perth, WA 6004

Facsimile: 08 9318 5666

Attention: Bruno Seneque

### **The Shareholder**

Address: 17 OAKLEY DRIVE, MONDACE HEIGHTS, VIC

Facsimile:

Attention: Mr Frank Cannavo

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
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This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

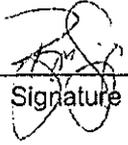
## 12. Acceptance

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

Yours faithfully

  
Bruno Seneque  
Managing Director

EXECUTED by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

BRUNO SENEQUE  
\_\_\_\_\_  
Name (please print)

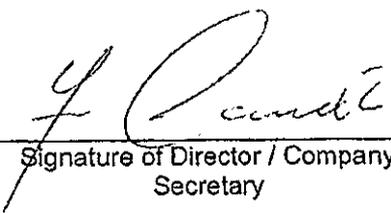
\_\_\_\_\_  
Signature of Director / Company Secretary

\_\_\_\_\_  
Name (please print)

 EXECUTED by ACN \_\_\_\_\_ in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

ANTHONY CANNAVO  
\_\_\_\_\_  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

F. CANNAVO  
\_\_\_\_\_  
Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

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Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

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  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
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**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

(h) **No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

(i) **No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

(j) **Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

Mr Robin Chislett & Mrs Rosemary Chislett

<R&R Chislett S/P A/C>

Factory 13

177-181 Northbourne Road

CAMPBELLFIELD VIC 3061

Dear Sir/Madam,

JB  
R.L  
R.C.

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (Bidder) proposes to make offers (Offers) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (Corporations Act) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (Target), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to <R&R Chislett S/P A/C> ACN <sup>978</sup> (Shareholder) (receipt of which is acknowledged by the <sup>R.C.</sup> Shareholder) and the promises in this agreement, the parties agree:

**1. Agreement to accept Bidder Takeover Offer**

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 309,259 fully paid ordinary shares in Target held by the Shareholder (Acceptance Shares):

JB  
R.L  
R.C.

(a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:

- (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (Offer Price); and
- (ii) subject to conditions,

in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;

(b) only in respect of the Acceptance Shares; and

(c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

## 10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (Notice) must be:
- (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

### *Bidder*

Address: 1 Tully Road, East Perth, WA 6004  
 Facsimile: 08 9318 5666  
 Attention: Bruno Seneque

### *The Shareholder*

Address: Factory 13, 177-181 Northbourne Road, Campbellfield Vic 3061  
 Facsimile: 03 9305 2422  
 Attention: Robin Chislett

JB  
 R.L.  
 R.C.

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
- (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,
- but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

## 11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

## 12. Acceptance

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

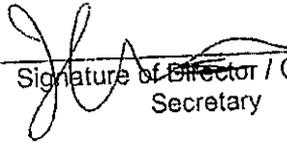
Yours faithfully

  
 Bruno Seneque  
 Managing Director

EXECUTED by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):

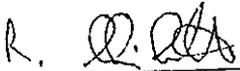
  
\_\_\_\_\_  
Signature of Director

BRUNO SENECQUE  
Name (please print)

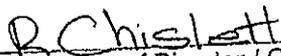
  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
Name (please print)

JB  
d.2  
RC  
 EXECUTED by (R. Chislett s/f A/C) ACN in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

Robin Chislett  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

R. Chislett  
Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

(f) **Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

(g) **Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

(h) **No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

(i) **No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

(j) **Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

Mr Robin Chislett & Mrs Rosemary Chislett  
Factory 13  
117-181 Northburne Road  
CAMPBELLFIELD VIC 3061

JA  
A.L.  
P.C.  
S

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (Bidder) proposes to make offers (Offers) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (Corporations Act) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (Target), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to Robin & Rosemary Chislett (Shareholder) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

A.L.  
P.C.  
ACN

**1. Agreement to accept Bidder Takeover Offer**

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 271,296 fully paid ordinary shares in Target held by the Shareholder (Acceptance Shares):

A.L.  
S

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (Offer Price); and
  - (ii) subject to conditions,
    - in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;
- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by It in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any **Competing Proposal** with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a **Competing Proposal**.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a **Competing Proposal** and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the **Competing Proposal** made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

## 10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (Notice) must be:
- (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

### *Bidder*

Address: 1 Tully Road, East Perth, WA 6004

Facsimile: 08 9318 5666

Attention: Bruno Seneque

### *The Shareholder*

Address: Factory 13, 117-181 Northburne Rd, Campbellfield VIC 3061

Facsimile: 03 9305 2422

Attention: Robin Christoff

YB  
S.R.C.

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
- (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,
- but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

## 11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

## 12. Acceptance

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

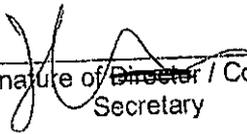
Yours faithfully

  
Bruno Seneque  
Managing Director

EXECUTED by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

BRUNO SENEQUE  
Name (please print)

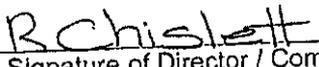
  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
Name (please print)

 EXECUTED by Mr Robin & Mrs Rosemary Chislett  
ACN \_\_\_\_\_ in accordance  
with section 127 of the Corporations Act  
2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

Rosie Chislett  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

R Chislett  
Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

(f) **Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

(g) **Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
 Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

Mv Robin Chislett & Mrs Rosemary Chislett  
 <Rebecca Ann Chislett A/C>  
 Factory 13  
 117/181 Northburne Road  
 CAMPBELLFIELD VIC 3061

JB  
A.C.  
P.C.  
B

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to *(Rebecca Ann Chislett A/C)* <sup>A.C.</sup> ~~ACN~~ <sup>RCB</sup>  
 (**Shareholder**) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

JB  
A.C.  
RCB

**1. Agreement to accept Bidder Takeover Offer**

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 50,059 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

JB  
A.C.  
RCB

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,
    - in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;
- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

## 10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
- (i) in writing, in English and signed by a person duly authorised by the sender; and
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### **Bidder**

Address: 1 Tully Road, East Perth, WA 6004

Facsimile: 08 9318 5666

Attention: Bruno Seneque

### **The Shareholder**

Address: Factory 13, 117/181 Northburne Rd, Campbellfield VIC 3061

Facsimile: 03 9305 2422

Attention: Robin Chislett

JBS  
h.b.  
R.C.

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
- (i) if hand delivered, on delivery;
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but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

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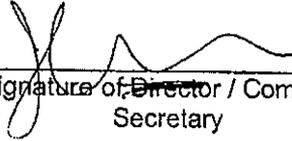
Yours faithfully

  
Bruno Seneque  
Managing Director

**EXECUTED** by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

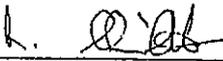
BRUNO SENECHAL  
\_\_\_\_\_  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
\_\_\_\_\_  
Name (please print)

JB  
R.L.  
BRC

**EXECUTED** by Robin Chislett & Rosemary Chislett < Rebecca Ann Chislett A/C > ACN \_\_\_\_\_ in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

ROBIN CHISLETT  
\_\_\_\_\_  
Name (please print)

R Chislett  
\_\_\_\_\_  
Signature of Director / Company Secretary

R Chislett  
\_\_\_\_\_  
Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

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  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
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**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

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- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

(h) **No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

(i) **No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

(j) **Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
 Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

Mr Noel Collinson & Mrs Yvonne Collinson  
 < COLLINSON FAMILY S/F A/C >  
 77 Sunnyside Crescent  
 WATTLE GLEN VIC 3096

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to *Collinson Family S/F A/C* ACN (Shareholder) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

**1. Agreement to accept Bidder Takeover Offer**

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 315,840 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

(a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:

- (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
- (ii) subject to conditions,

in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;

(b) only in respect of the Acceptance Shares; and

(c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

## 10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
- (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

### **Bidder**

Address: 1 Tully Road, East Perth, WA 6004

Facsimile: 08 9318 5666

Attention: Bruno Seneque

### **The Shareholder**

Address: 77 Sunnyside Crescent, Wattle Glen VIC 3096

Facsimile: 03 9438 6099

Attention: Noel & Yvonne Collinson

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
- (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

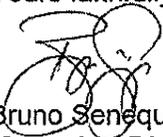
## 11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

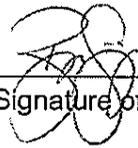
## 12. Acceptance

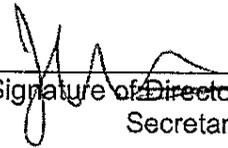
Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

Yours faithfully

  
Bruno Seneque  
Managing Director

**EXECUTED by Fox Resources Limited ABN 44 079 902 499** in accordance with section 127 of the *Corporations Act 2001 (Cth)*:

  
\_\_\_\_\_  
Signature of Director

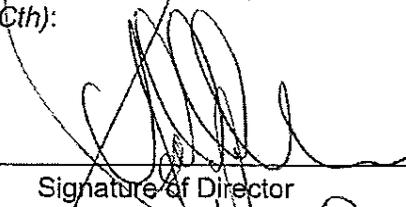
  
\_\_\_\_\_  
Signature of Director / Company Secretary

BRUNO SENEQUE  
\_\_\_\_\_  
Name (please print)

JESSICA BROWN  
\_\_\_\_\_  
Name (please print)



**EXECUTED by COLLINSON FAMILY S/F A/C ACN** in accordance with section 127 of the *Corporations Act 2001 (Cth)*:

  
\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Signature of Director / Company Secretary

Collinson  
\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
 Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

*JB*  
*Yvonne & Noel*  
 Mrs Yvonne Collinson & Mr Noel Collinson  
 77 Sunnyside Crescent  
 Wattle Glen VIC 3096

Dear Sir/Madam,

### Pre-Bid Agreement

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to *Yvonne & Noel Collinson* ACN *Yvonne & Noel Collinson* (**Shareholder**) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

#### 1. Agreement to accept Bidder Takeover Offer

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 210,000 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,
 

in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;
- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

## 10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
- (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

### **Bidder**

Address: 1 Tully Road, East Perth, WA 6004

Facsimile: 08 9318 5666

Attention: Bruno Seneque

### **The Shareholder**

Address: 77 Sunnyside crescent, Wattle Glen VIC 3096

Facsimile: 03 9438 6099

Attention: Yvonne + Noel Collinson

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
- (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

## 11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

## 12. Acceptance

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

Yours faithfully



Bruno Seneque  
Managing Director

**EXECUTED** by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):

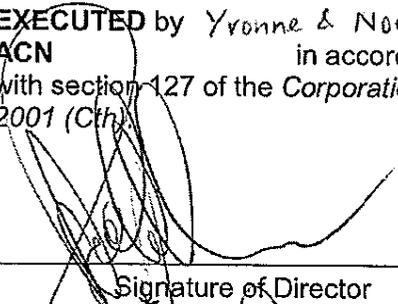
  
\_\_\_\_\_  
Signature of Director

BRUNO SENEQUE  
\_\_\_\_\_  
Name (please print)

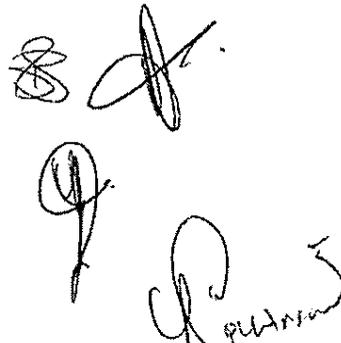
  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
\_\_\_\_\_  
Name (please print)

**EXECUTED** by Yvonne & Noel Collinson ACN in accordance with section 127 of the Corporations Act 2001 (Cth)

  
\_\_\_\_\_  
Signature of Director

Noel Collinson  
\_\_\_\_\_  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

Yvonne Collinson  
\_\_\_\_\_  
Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
 Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

JB  
 MC

Mr Matthew Collinson  
 77 Sunnyside Crescent  
 WATTLE GLEN VIC 3096

Dear Sir/Madam,

### Pre-Bid Agreement

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to *Matthew Collinson* *JB MC* ACN  
 (**Shareholder**) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

#### 1. Agreement to accept Bidder Takeover Offer

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of *141,908* fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**): *JB MC*

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,
 

in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;
- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

## 10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
- (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

### **Bidder**

Address: 1 Tully Road, East Perth, WA 6004

Facsimile: 08 9318 5666

Attention: Bruno Seneque

### **The Shareholder**

Address: 77 Sunnyside Crescent, Wattle Glen Vic 3096

Facsimile: 03 9438 6099

Attention: Matthew Collinson

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
- (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

## 11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

## 12. Acceptance

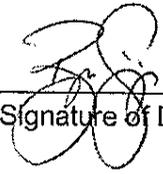
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Yours faithfully

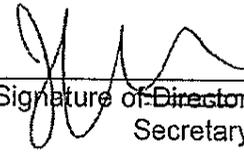


Bruno Seneque  
Managing Director

**EXECUTED by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):**

  
\_\_\_\_\_  
Signature of Director

BRUNO SENEQUE  
\_\_\_\_\_  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
\_\_\_\_\_  
Name (please print)



**EXECUTED by Matthew Collinson ACN in accordance with section 127 of the Corporations Act 2001 (Cth):**

  
\_\_\_\_\_  
Signature of Director

MATTHEW COLLINSON  
\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Signature of Director / Company Secretary

\_\_\_\_\_  
Name (please print)

# Fox Resources Limited

## ANNEXURE A

### 1. CONDITIONS

#### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

#### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

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- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
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**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
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No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

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- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

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During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

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**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

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**Target Group** means Target and its subsidiaries.

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1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
 Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

*JB*  
*cc*

Mr Christopher Collinson  
 77 Sunnyside Crescent  
 WATTLE GLEN VIC 3096

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

*cc JB*

In consideration of the payment of A\$10.00 by Bidder to Mr Christopher Collinson ACN (Shareholder) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

**1. Agreement to accept Bidder Takeover Offer**

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 300,000 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

*cc JB*

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,
 

in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;
- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

## 10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
- (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

### ***Bidder***

Address: 1 Tully Road, East Perth, WA 6004

Facsimile: 08 9318 5666

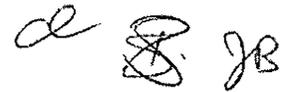
Attention: Bruno Seneque

### ***The Shareholder***

Address: 77 Sunnyside Crescent, Wattle Glen VIC 3096

Facsimile: 03 9438 6099

Attention: Mr Christopher Collinson



- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
- (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

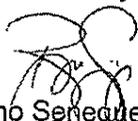
## 11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

## 12. Acceptance

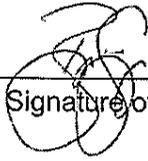
Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

Yours faithfully



Bruno Seneque  
Managing Director

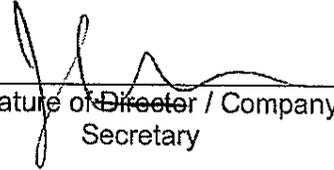
**EXECUTED** by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of Director

BRUNO SENEKUE

Name (please print)

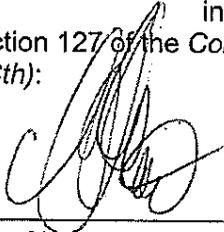


Signature of Director / Company Secretary

JESSICA BROWN

Name (please print)

**EXECUTED** by Mr Christopher Collinson ACN in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of Director

CHRISTOPHER COLLINSON

Name (please print)



Signature of Director / Company Secretary

Name (please print)

# Fox Resources Limited

## ANNEXURE A

### 1. CONDITIONS

#### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

#### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
 Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

JB  
 Core Business Holdings Pty Ltd  
 PO Box 281  
 Blackburn South, VIC 3130

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to Core Business Holdings Pty Ltd ACN (Shareholder) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree: JB

**1. Agreement to accept Bidder Takeover Offer**

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 245,000 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**): JB

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
- (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,

in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;

- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
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## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
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  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

### **Bidder**

Address: 1 Tully Road, East Perth, WA 6004

Facsimile: 08 9318 5666

Attention: Bruno Seneque

### **The Shareholder**

Address: PO Box 281, Blackburn South VIC 3130

Facsimile: n/a

Attention: Mr Frank Vetrone

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

- (i) if hand delivered, on delivery;
- (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
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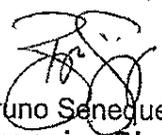
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## 12. Acceptance

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

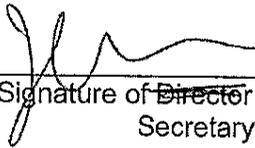
Yours faithfully

  
Bruno Seneque  
Managing Director

**EXECUTED by Fox Resources Limited ABN 44 079 902 499** in accordance with section 127 of the *Corporations Act 2001 (Cth)*:

  
\_\_\_\_\_  
Signature of Director

BRUNO SENEQUE  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
Name (please print)



**EXECUTED by Core Business Holdings Pty Ltd. ACN** in accordance with section 127 of the *Corporations Act 2001 (Cth)*:

  
\_\_\_\_\_  
Signature of Director

FRANK VETROVITZ  
Name (please print)

\_\_\_\_\_  
Signature of Director / Company Secretary

\_\_\_\_\_  
Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

Mr Kenny Lay  
Dixon International Pty Ltd  
309 Fitzgerald Road  
DERRIMUT VIC 3030

Dear Sir/Madam,

### **Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to Dixon International Pty Ltd ACN 006 558 845 (**Shareholder**) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

#### **1. Agreement to accept Bidder Takeover Offer**

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 2,005,720 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,  
  
in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;
- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

## 10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
- (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

### ***Bidder***

Address: 1 Tully Road, East Perth, WA 6004

Facsimile: 08 9318 5666

Attention: Bruno Seneque

### ***The Shareholder***

Address: 309 Fitzgerald Road, Derrimut, Victoria 3030

Facsimile: 03 9931 6869

Attention: Mr Kenny Lay

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
- (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

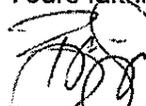
## 11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

## 12. Acceptance

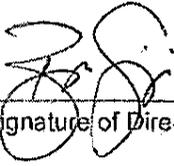
Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

Yours faithfully

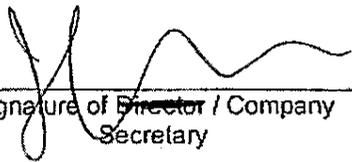


Bruno Seneque  
Managing Director

**EXECUTED** by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):

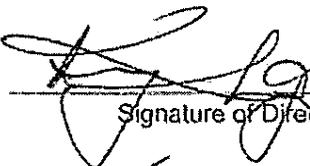
  
\_\_\_\_\_  
Signature of Director

BRUNO SENECOVIC  
Name (please print)

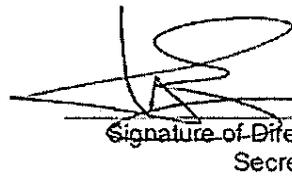
  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
Name (please print)

**EXECUTED** by Dixon International Pty Ltd ACN 006 558 845 in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

KENNY LAY  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

WILMA LAY  
Name (please print)

# Fox Resources Limited

## ANNEXURE A

### 1. CONDITIONS

#### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

#### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- declares, or distributes any dividend, bonus or other share of its profits or assets;
- issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- makes any changes in its constitution or passes any special resolution;
- gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- borrowes or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- conducts its business otherwise than in the ordinary course;
- has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
 Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

EB  
 JB  
 Extra Nominees Pty Ltd  
 < Baccini family A/c >  
 42 Hawdon Street  
 EAGLEMONT VIC 3084

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

EB  
 JB  
 In consideration of the payment of A\$10.00 by Bidder to *Extra Nominees Pty Ltd* ACN (Shareholder) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

1. **Agreement to accept Bidder Takeover Offer**

EB  
 JB  
 Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 700,000 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
- (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,

in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;

- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

**10. Notices**

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
  - (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

***Bidder***

Address: 1 Tully Road, East Perth, WA 6004  
 Facsimile: 08 9318 5666  
 Attention: Bruno Seneque

***The Shareholder***

Address: 42 Hawdon Street, EAGLEMONT VIC 3084  
 Facsimile: 03 9836 6697  
 Attention: Mr Iran Baccini

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
  - (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

**11. Miscellaneous**

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

**12. Acceptance**

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

Yours faithfully

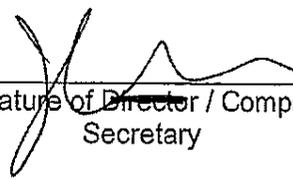


Bruno Seneque  
 Managing Director

**EXECUTED** by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

BRUNO SENEKOVIC  
\_\_\_\_\_  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
\_\_\_\_\_  
Name (please print)



**EXECUTED** by Extra Nominees P/L (Baccini family AC) ACN in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

IVAN BACCINI  
\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Signature of Director / Company Secretary

\_\_\_\_\_  
Name (please print)

# Fox Resources Limited

## ANNEXURE A

### 1. CONDITIONS

#### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

#### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- declares, or distributes any dividend, bonus or other share of its profits or assets;
- issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- makes any changes in its constitution or passes any special resolution;
- gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- borrowes or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009;
- conducts its business otherwise than in the ordinary course;
- has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
 Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

JB  
 EB  
 Holdings  
 Extra ~~Hannans~~ Pty Ltd  
~~42 Hawthorn St~~ →  
 42 Hawthorn St 42 Hawthorn Street  
 EAGLEMONT VIC 3084

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

EB  
 JB

In consideration of the payment of A\$10.00 by Bidder to Extra ~~Hannans~~ Holdings Pty Ltd ACN (Shareholder) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

**1. Agreement to accept Bidder Takeover Offer**

JB  
 EB

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 25,000 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,
    - in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;
- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

## 10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
- (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

### **Bidder**

Address: 1 Tully Road, East Perth, WA 6004

Facsimile: 08 9318 5666

Attention: Bruno Seneque

### **The Shareholder**

Address: 42 Hawdon St, EAGLEMONT VIC 3084

Facsimile: 03 9836 6697

Attention: Mr Ivan Buccini



- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
- (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
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but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

## 11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

## 12. Acceptance

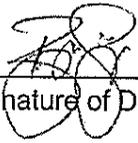
Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

Yours faithfully

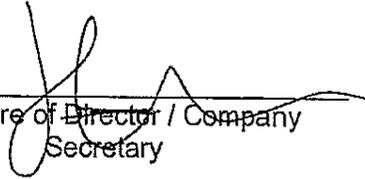


Bruno Seneque  
Managing Director

**EXECUTED** by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

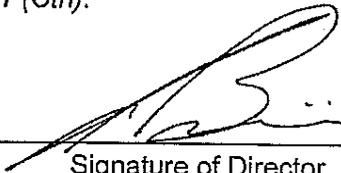
BRUNO SENEQUE  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
Name (please print)



**EXECUTED** by Extra Holdings Pty Ltd ACN \_\_\_\_\_ in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

JUAN BACCINI  
Name (please print)

\_\_\_\_\_  
Signature of Director / Company Secretary

\_\_\_\_\_  
Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
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- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
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- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
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**(d) No material failings in filings**

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**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

Mrs Dianne Claire Grammer  
15 Dain Court  
LEEMING WA 6149

Dear Sir/Madam,

#### **Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to Mrs Dianne Claire Grammer (**Shareholder**) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

#### **1. Agreement to accept Bidder Takeover Offer**

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 220,000 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,  
  
in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;
- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

## 10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
- (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

### ***Bidder***

Address: 1 Tully Road, East Perth, WA 6004

Facsimile: 08 9318 5666

Attention: Bruno Seneque

### ***The Shareholder***

Address: 15 Dain Court, LEEMING WA 6149

Facsimile: N/A

Attention: Mrs Dianne Claire Grammer

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
- (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

## 11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

## 12. Acceptance

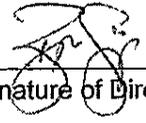
Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

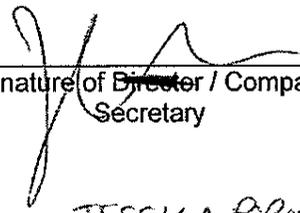
Yours faithfully



Bruno Seneque  
Managing Director

**EXECUTED by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):**

  
\_\_\_\_\_  
Signature of Director  
  
BRUNO SENEQUE  
\_\_\_\_\_  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary  
  
JESSICA BROWN  
\_\_\_\_\_  
Name (please print)

**EXECUTED by Mrs Dianne Claire Grammer in accordance with section 127 of the Corporations Act 2001 (Cth):**

  
\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Signature of Director / Company Secretary

Dianne Claire Grammer  
\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

 <sup>erte</sup>  
Mr Terrance Ronald Grammer  
15 Dain Court  
LEEMING WA 6149

Dear Sir/Madam,

### Pre-Bid Agreement

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

 In consideration of the payment of A\$10.00 by Bidder to Mr Terrance Ronald Grammer (**Shareholder**) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

#### 1. Agreement to accept Bidder Takeover Offer

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 3,675,000 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,  
  
in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;
- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## **2. Acceptance Arrangements**

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## **3. Warranty by the Shareholder**

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## **4. Further assurances by the Shareholder**

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## **5. No Dealing in Acceptance Shares**

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## **6. Confidentiality and Inside Information**

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## **7. Uncommitted Shares**

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

## 10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
- (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

### **Bidder**

Address: 1 Tully Road, East Perth, WA 6004

Facsimile: 08 9318 5666

Attention: Bruno Seneque

### **The Shareholder**

Address: 15 Dain Court, LEEMING WA 6149

Facsimile: N/A

Attention: Mr Terrance Ronald Grammer



- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
- (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,
- but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

## 11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

## 12. Acceptance

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

Yours faithfully,



Bruno Seneque  
Managing Director

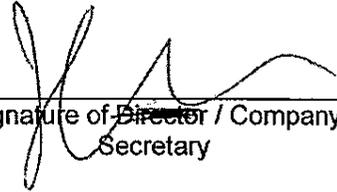
**EXECUTED by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):**



Signature of Director

BRUNO SENEQUE

Name (please print)



Signature of Director / Company Secretary

JESSICA BROWN

Name (please print)

*e s/c JB*  
**EXECUTED by Mr Terrance Ronald Grammer in accordance with section 127 of the Corporations Act 2001 (Cth):**



Signature of Director

TERRENCE RONALD GRAMMER

Name (please print)

Signature of Director / Company Secretary

Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
 Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

Lymeridge Pty Ltd  
 Factory 13  
 177/181 Northbourne Road  
 CAMPBELLFIELD VIC 3061

*JB  
A.L.  
RC*

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

*JB A.L. RC*

In consideration of the payment of A\$10.00 by Bidder to Lymeridge Pty Ltd ACN (Shareholder) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

**1. Agreement to accept Bidder Takeover Offer**

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 103,062 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

*JB  
A.L.  
RC*

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,
    - in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;
- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

## 10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
- (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

### **Bidder**

Address: 1 Tully Road, East Perth, WA 6004

Facsimile: 08 9318 5666

Attention: Bruno Seneque

### **The Shareholder**

Address: Factory 13, 177/181 Northbourne Rd, Campbellfield Vic 3061

Facsimile: 03 9305 2422

Attention: Robin Chislett

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
- (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

## 11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

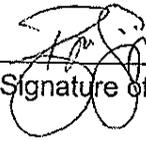
## 12. Acceptance

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

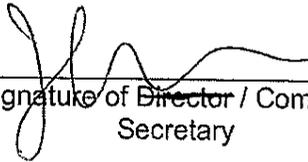
Yours faithfully

  
Bruno Seneque  
Managing Director

**EXECUTED** by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the *Corporations Act 2001 (Cth)*:

  
\_\_\_\_\_  
Signature of Director

BRUNO SENEQUE  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
Name (please print)

JB  
R.L  
RC  


**EXECUTED** by Lymeridge Pty Ltd ACN \_\_\_\_\_ in accordance with section 127 of the *Corporations Act 2001 (Cth)*:

  
\_\_\_\_\_  
Signature of Director

Robin Chislett  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

R Chislett  
Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
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- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
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- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
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Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
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No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

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- makes any changes in its constitution or passes any special resolution;
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- borrowes or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009;
- conducts its business otherwise than in the ordinary course;
- has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

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**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

Lymeridge Pty Ltd  
R&R Chislett Super Fund A/C  
Factory 13  
177/181 Northbourne Road  
CHAMPBELLFIELD VIC 3061

JB  
R.C.  
[Signature]

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to Lymeridge Pty Ltd  
(**Shareholder**) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

L.R. R.C.  
ACN [Signature]

JB  
R.C.  
[Signature]

**1. Agreement to accept Bidder Takeover Offer**

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 861,559 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

R.C.  
[Signature]

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,
    - in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;
- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
  - (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

**Bidder**

Address: 1 Tully Road, East Perth, WA 6004  
 Facsimile: 08 9318 5666  
 Attention: Bruno Seneque

**The Shareholder**

Address: Factory 13, 177/181 Northbourne Rd, Campbellfield VIC 3061  
 Facsimile: 03 9305 2422  
 Attention: Robin Chislett

JB  
 R.S.  
 RC

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
  - (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

12. Acceptance

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

Yours faithfully



Bruno Seneque  
 Managing Director

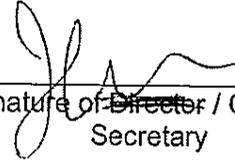
**EXECUTED** by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of Director

BRUNO SENEQUE

Name (please print)



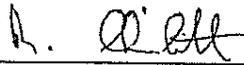
Signature of Director / Company Secretary

JESSICA BROWN

Name (please print)

JB  
RL  
RC  

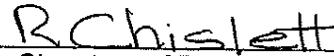

**EXECUTED** by Lymeridge Pty Ltd R&R Chislett Super Fund A/C ACN in accordance with section 127 of the Corporations Act 2001 (Cth):



Signature of Director

ROBID CHISLETT

Name (please print)



Signature of Director / Company Secretary

R. Chislett

Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
 Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

*JB*  
*JB*  
 Mrs Lindy Raffaut  
 PO Box 281  
 BLACKBURN SOUTH VIC 3130 *JB*

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to Lindy Raffaut *JB* ACN *JB*  
 (**Shareholder**) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

**1. Agreement to accept Bidder Takeover Offer**

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 3,000 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**): *JB*

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
- (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,

in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;

- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

**10. Notices**

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
  - (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

**Bidder**

Address: 1 Tully Road, East Perth, WA 6004  
 Facsimile: 08 9318 5666  
 Attention: Bruno Seneque

**The Shareholder**


 Address: PO Box 281, Blackburn South, VIC 3130  
 Facsimile: N/A  
 Attention: Lindy Raffaut
 

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
  - (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

**11. Miscellaneous**

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

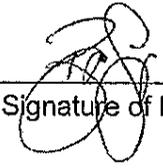
**12. Acceptance**

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

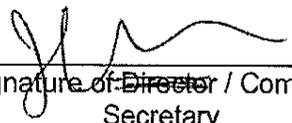
Yours faithfully

  
 Bruno Seneque  
 Managing Director

**EXECUTED by Fox Resources Limited ABN 44 079 902 499** in accordance with section 127 of the *Corporations Act 2001 (Cth)*:

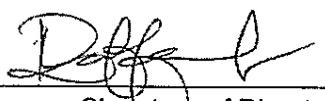
  
\_\_\_\_\_  
Signature of Director

BRUNO SENECAVE  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
Name (please print)

  
**EXECUTED by LINDY RAFFAUT ACN** in accordance with section 127 of the *Corporations Act 2001 (Cth)*:

  
\_\_\_\_\_  
Signature of Director

Lindy Raffaut  
Name (please print)

\_\_\_\_\_  
Signature of Director / Company Secretary

\_\_\_\_\_  
Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
 Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

ELVIRA RICCI  
 1 PURSELL AVE  
 BLACKBURN SOUTH 3130

ER

Dear Sir/Madam,

### Pre-Bid Agreement

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to ELVIRA RICCI ACN (Shareholder) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

#### 1. Agreement to accept Bidder Takeover Offer

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 100,000 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,

in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;

- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

**10. Notices**

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
  - (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

**Bidder**

Address: 1 Tully Road, East Perth, WA 6004  
 Facsimile: 08 9318 5666  
 Attention: Bruno Seneque

**The Shareholder**

*ER.*

Address: 1 PURSELL AVE, BLACKBURN SOUTH, VIC  
 Facsimile: N/A carlo.vetrone@au.verizonbusiness.com  
 Attention: ELVIRA RICCI

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
  - (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

**11. Miscellaneous**

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

**12. Acceptance**

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

Yours faithfully

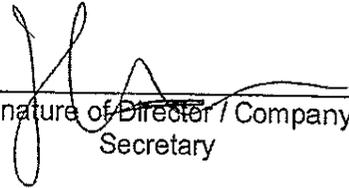
  
 Bruno Seneque  
 Managing Director

**EXECUTED** by **Fox Resources Limited** ABN 44 079 902 499 in accordance with section 127 of the *Corporations Act 2001 (Cth)*:



\_\_\_\_\_  
Signature of Director

BRUNO SENEQUE  
Name (please print)



\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
Name (please print)

yo   
EL

**EXECUTED** by **ELVIRA Ricci** ACN \_\_\_\_\_ in accordance with section 127 of the *Corporations Act 2001 (Cth)*:



\_\_\_\_\_  
Signature of Director

ELVIRA RICCI  
Name (please print)

\_\_\_\_\_  
Signature of Director / Company Secretary

\_\_\_\_\_  
Name (please print)

# Fox Resources Limited

## ANNEXURE A

### 1. CONDITIONS

#### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

#### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material fallings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

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ANR TRUDA PTY LTD  
<ANR TRUDA SIF AIC>  
61 WILSON BLD  
RESERVOIR VIC 3073

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

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In consideration of the payment of A\$10.00 by Bidder to <ANR TRUDA SIF AIC> ACN \_\_\_\_\_ (**Shareholder**) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

**1. Agreement to accept Bidder Takeover Offer**

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Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 200,000 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,

in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;

- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

**10. Notices**

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
  - (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

**Bidder**

Address: 1 Tully Road, East Perth, WA 6004  
 Facsimile: 08 9318 5666  
 Attention: Bruno Seneque

**The Shareholder**

Address: 61 WILSON BLD, RESERVOIR VIC 3073  
 Facsimile: 03 9402 2362  
 Attention: Mr Tony Truda

*Handwritten initials: ATTB*

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
  - (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

**11. Miscellaneous**

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

**12. Acceptance**

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

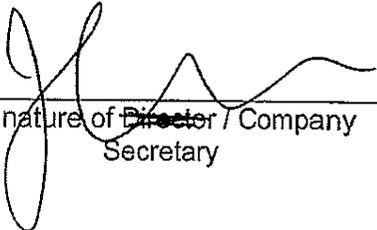
Yours faithfully

  
 Bruno Seneque  
 Managing Director

**EXECUTED** by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):

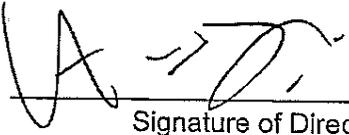
  
\_\_\_\_\_  
Signature of Director

BRUNO SENECHAL  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
Name (please print)

*JB LA* EXECUTED by *< ANR TRUDA S/F A/C >*  
ACN \_\_\_\_\_ in accordance  
with section 127 of the Corporations Act  
2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

Tony. TRUDA.  
Name (please print)

\_\_\_\_\_  
Signature of Director / Company Secretary

\_\_\_\_\_  
Name (please print)

# Fox Resources Limited

## ANNEXURE A

### 1. CONDITIONS

#### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

#### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
 Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

*BVT*  
*[Signature]*

V. TRUDA SUPERANNUATION FUND  
 60 ARNCLIFFE BLD  
 GREENVALE VIC 3059

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to V. TRUDA SIF  
 - (Shareholder) (receipt of which is acknowledged by the  
 Shareholder) and the promises in this agreement, the parties agree:

*V.T*  
*ACN*  
*[Signature]*

**1. Agreement to accept Bidder Takeover Offer**

*V.T*  
*[Signature]*

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 600,000 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,
 in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;
- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
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10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
  - (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

**Bidder**

Address: 1 Tully Road, East Perth, WA 6004  
 Facsimile: 08 9318 5666  
 Attention: Bruno Seneque

**The Shareholder**

VT  
 JB

Address: 60 ARNCLIFFE BLD, GREENVALE VIC 3059  
 Facsimile: 03 9333 4156  
 Attention: Mr Vince Truda

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
  - (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
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but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

12. Acceptance

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

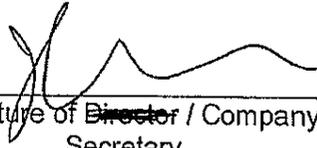
Yours faithfully

  
 Bruno Seneque  
 Managing Director

**EXECUTED by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):**

  
\_\_\_\_\_  
Signature of Director

BRUNO SENEQUE  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
Name (please print)

V.T.  


**EXECUTED by V. TRUDA SUPERANNUATION FUND ACN \_\_\_\_\_ in accordance with section 127 of the Corporations Act 2001 (Cth):**

  
\_\_\_\_\_  
Signature of Director

VINCE TRUDA  
Name (please print)

\_\_\_\_\_  
Signature of Director / Company Secretary

\_\_\_\_\_  
Name (please print)

# Fox Resources Limited

## ANNEXURE A

### 1. CONDITIONS

#### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

#### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

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- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
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- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
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- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
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**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

JB  
VT  
S

V TRUDA FAMILY A/C  
60 ARNCLIFFE BLD  
GREENVALE VIC 3059

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to V TRUDA FAMILY A/C (Shareholder) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

VT  
JB  
ACN

**1. Agreement to accept Bidder Takeover Offer**

JB  
VT  
S

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 100,000 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,
 

in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;
- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
  - (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

**Bidder**

Address: 1 Tully Road, East Perth, WA 6004  
 Facsimile: 08 9318 5666  
 Attention: Bruno Seneque

**The Shareholder**

*Handwritten initials:*  
 AS  
 VT  
 [Signature]

Address: 60 ARNCLIFFE BLD  
 Facsimile: 03 9333 4156  
 Attention: Mr Vince Truda

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
  - (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

12. Acceptance

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

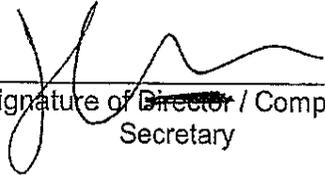
Yours faithfully

*Handwritten signature of Bruno Seneque*  
 Bruno Seneque  
 Managing Director

**EXECUTED** by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

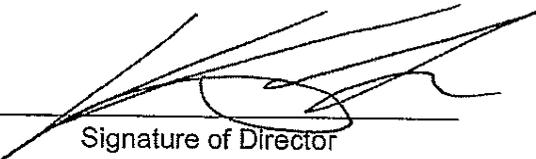
BRUNO SENEQUE  
Name (please print)

  
\_\_\_\_\_  
Signature of ~~Director~~ / Company Secretary

JESSICA BROWN  
Name (please print)

VT  


**EXECUTED** by V TRUDA FAMILY A/C ACN \_\_\_\_\_ in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

VINCE TRUDA  
Name (please print)

\_\_\_\_\_  
Signature of Director / Company Secretary

\_\_\_\_\_  
Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
 Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

JK  
 CV

CARLO VETRONE  
 1 PURSELL AVE.  
 BLACKBURN SOUTH, VIC

Dear Sir/Madam,

### Pre-Bid Agreement

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to *JK CV* CARLO VETRONE ACN (Shareholder) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

#### 1. Agreement to accept Bidder Takeover Offer

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 89,324 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**): *JK CV*

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
- (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,

in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;

- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

**10. Notices**

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
  - (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

**Bidder**

Address: 1 Tully Road, East Perth, WA 6004  
 Facsimile: 08 9318 5666  
 Attention: Bruno Seneque

**The Shareholder**

Address: 1 PURSELL AVE, BLACKBORN SOUTH, VIC  
 Facsimile: carlo.vetrone@au.verizonbusiness.com  
 Attention: CARLO VETRONE

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
  - (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

**11. Miscellaneous**

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

**12. Acceptance**

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

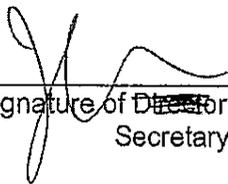
Yours faithfully

  
 Bruno Seneque  
 Managing Director

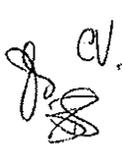
**EXECUTED** by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

BRUNO SENEKUE  
\_\_\_\_\_  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
\_\_\_\_\_  
Name (please print)



**EXECUTED** by CARLO VETRONE ACN \_\_\_\_\_ in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

Carlo Vetrone  
\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Signature of Director / Company Secretary

\_\_\_\_\_  
Name (please print)

## Fox Resources Limited

### ANNEXURE A

#### 1. CONDITIONS

##### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

##### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

(h) **No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

(i) **No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

(j) **Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

Mr Frank Vetrone  
PO Box 281  
Blackburn South VIC 3130

JB  
[Handwritten signature]

Dear Sir/Madam,

**Pre-Bid Agreement**

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in Annexure A.

In consideration of the payment of A\$10.00 by Bidder to Frank Vetrone (Shareholder) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

[Handwritten signature]  
ACN JB  
[Handwritten signature]

**1. Agreement to accept Bidder Takeover Offer**

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 100,000 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

JB [Handwritten signature]

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
  - (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,
    - in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;
- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
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***Bidder***

Address: 1 Tully Road, East Perth, WA 6004

Facsimile: 08 9318 5666

Attention: Bruno Seneque

***The Shareholder***



 Address: PO Box 281, Blackburn South VIC 3130  
 Facsimile: n/a  
 Attention: Mr Frank Vettrone

- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
  - (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
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This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

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Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

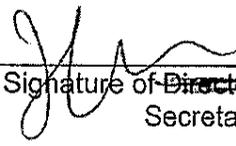
Yours faithfully

  
 Bruno Seneque  
 Managing Director

**EXECUTED by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):**

  
\_\_\_\_\_  
Signature of Director

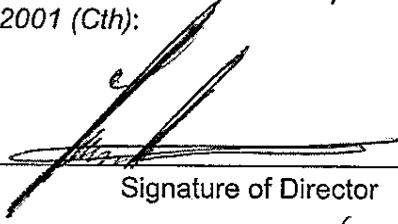
BRUNO SENEQUE  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
Name (please print)



**EXECUTED by Mr Frank Vetrone ACN in accordance with section 127 of the Corporations Act 2001 (Cth):**

  
\_\_\_\_\_  
Signature of Director

FRANK VETRONE  
Name (please print)

\_\_\_\_\_  
Signature of Director / Company Secretary

\_\_\_\_\_  
Name (please print)

# Fox Resources Limited

## ANNEXURE A

### 1. CONDITIONS

#### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

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None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

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  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
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**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

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- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

**(h) No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

**(i) No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

- (i) any creditor demanding repayment of a debt of \$50,000 or more;
- (ii) Target or a subsidiary of Target entering into an agreement (including an option agreement) in relation to acquiring or disposing of assets the price or aggregate unencumbered value of which is \$50,000 or more; or
- (iii) any person having, as a result of Bidder acquiring Target Shares, the right (which may be subject to conditions) to:
  - acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any asset of Target or a subsidiary of Target; or
  - terminate any agreement with Target or a subsidiary of Target.

**(j) Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**Bid** means an off-market takeover bid made by Bidder for all Target Shares.

**Bidder** means Fox Resources Limited ABN 44 079 902 499.

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

**Offers** means the offers to be made by Bidder to Target shareholders for their Target Shares under a Bid.

**Offer Period** means the period during which the Offers remain open for acceptance under the Bid.

**Target** means Hannans Reward Limited ABN 52 099 862 129.

**Target Group** means Target and its subsidiaries.

**Target Share** means a fully paid ordinary share in Target.

**Target Shareholder** means a holder of Target Shares.



1 Tully Road, East Perth WA 6004 Tel: 61 8 9318 5600 Fax: 61 8 9318 5666  
 Web: [www.foxresources.com.au](http://www.foxresources.com.au) Email: [fxr@foxresources.com.au](mailto:fxr@foxresources.com.au)

20 March 2009

JB V.T.  
 VFT INVESTMENTS PTY LTD  
 60 ARNCLIFFE BLD  
 GREENVALE VIC 3059

Dear Sir/Madam,

### Pre-Bid Agreement

Fox Resources Limited ABN 44 079 902 499 (**Bidder**) proposes to make offers (**Offers**) under an off-market takeover bid under Chapter 6 of the Corporations Act 2001 (**Corporations Act**) for all of the issued shares in Hannans Reward Limited ABN 52 099 862 129 (**Target**), the principal terms and conditions of which are outlined in V.T Annexure A.

In consideration of the payment of A\$10.00 by Bidder to VFT INVESTMENTS P/L ACN 094 040 847 (**Shareholder**) (receipt of which is acknowledged by the Shareholder) and the promises in this agreement, the parties agree:

#### 1. Agreement to accept Bidder Takeover Offer

Where Bidder makes the Offers, the Shareholder will, subject to this agreement, accept Offers in respect of 100,000 fully paid ordinary shares in Target held by the Shareholder (**Acceptance Shares**):

- (a) if within 10 business days of the date of this agreement, Bidder makes a public announcement to ASX stating that it intends to make a takeover bid for all of the issued shares in Target:
- (i) at the consideration per Acceptance Share as may be varied in accordance with the Corporations Act (**Offer Price**); and
  - (ii) subject to conditions,

in each case not less favourable than those intended to be offered by Bidder to other Target shareholders as set out in Annexure A;

- (b) only in respect of the Acceptance Shares; and
- (c) only if the Shareholder has not already accepted the Offers in respect of all of the fully paid ordinary shares held by it in Target (including in respect of the Acceptance Shares).

## 2. Acceptance Arrangements

- (a) Provided that the requirements of section 1 have been satisfied, the Shareholder must accept the Offers in respect of the Acceptance Shares by no later than midday on the 14<sup>th</sup> business day after despatch of the Offers to Target shareholders (**Acceptance Date**).
- (b) The Shareholder must procure that once given, no acceptance of the Offers in respect of any of the Acceptance Shares is subsequently withdrawn.

## 3. Warranty by the Shareholder

The Shareholder warrants to Bidder that it is the registered legal holder of the Acceptance Shares and has the power to enter into this agreement in respect of the Acceptance Shares and to accept the Offers for those shares.

## 4. Further assurances by the Shareholder

The Shareholder must do all things (including executing any document) that Bidder may reasonably require to give full effect to its obligations to accept the Offers in respect of the Acceptance Shares.

## 5. No Dealing in Acceptance Shares

- (a) The Shareholder undertakes that it will not sell, transfer or otherwise dispose of (including through creation of a security interest) any of the Acceptance Shares, other than pursuant to the Offers or this agreement, until the expiry or termination of this agreement in respect of those Acceptance Shares.
- (b) Nothing in this agreement affects the Shareholder's right to dispose of, or exercise voting rights in respect of, shares in Target which are held by the Shareholder in excess of the number of Acceptance Shares.

## 6. Confidentiality and Inside Information

- (a) Contemporaneously with signing this document, Bidder is to lodge a substantial shareholders notice with the ASX outlining the terms of this document.
- (b) Each of the parties acknowledge that as a result of their entry into this agreement they may be, or deemed to be, in possession of inside information until such time as this agreement is disclosed to the public.

## 7. Uncommitted Shares

- (a) The Shareholder makes no promise that it will accept or procure acceptance of any offer by Bidder to acquire any Target Shares other than the Acceptance Shares (**Uncommitted Shares**).
- (b) The Shareholder confirms that it is the Shareholder's current intention, subject to no higher offer being announced or made to the Shareholder in respect of its Target interests, to accept the Offers in so far as they apply to Uncommitted Shares, by 5.00pm on the 2<sup>nd</sup> business day after the date on which all of the conditions of the Offers have been fulfilled or the Offers have been declared by Bidder to be free of all such conditions, other than the Minimum Acceptance Condition.

- (c) Bidder and the Shareholder agree that nothing in this agreement (nor in any other agreement, arrangement or understanding between the parties) affects the Shareholder's rights to dispose of the Uncommitted Shares to any party, or exercise voting rights in respect of the Uncommitted Shares.

## 8. Exclusivity

- (a) The Shareholder represents and warrants that, other than the discussions with Bidder in connection with the proposed Offers and this agreement, the Shareholder:
- (i) is not currently in negotiations or discussions in respect of any proposal or transaction which, if completed, would result in any person other than Bidder acquiring Target Shares (**Competing Proposal**); or
  - (ii) will immediately terminate any and all existing negotiations or discussions in respect of any Competing Proposal with any party.
- (b) Until the end of the Offers period, the Shareholder must ensure that neither it nor any of its associates directly or indirectly solicits, invites or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, proposal or offer from any person in relation to a Competing Proposal.
- (c) Until the end of the Offers period, the Shareholder must promptly inform Bidder if it is approached by any person with or in respect of a Competing Proposal and provide in writing to Bidder:
- (i) the identity of that person; and
  - (ii) details of:
    - the Competing Proposal made by the person making the approach; and
    - any discussions between such person and the Shareholder (or its representatives).

## 9. Termination

- (a) In addition to the termination event set out in section 2, this agreement will terminate upon the Shareholder validly accepting the Offers in accordance with this agreement or earlier in the event that:
- (i) Bidder does not within 10 business days after the date of this agreement announce to ASX that it intends to make the Offers;
  - (ii) Bidder does not dispatch Offers to Target shareholders within the time period specified by section 631(1) of the Corporations Act or any extension of that time period granted by the ASIC; or
  - (iii) the Offers expire.
- (b) If this agreement terminates pursuant to this section 9, the parties will have no further obligations or liabilities to each other under this agreement except in relation to claims which arose before the termination.

10. Notices

- (a) A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:
  - (i) in writing, in English and signed by a person duly authorised by the sender; and
  - (ii) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified below, as varied by any Notice given by the recipient to the sender.

**Bidder**

Address: 1 Tully Road, East Perth, WA 6004  
 Facsimile: 08 9318 5666  
 Attention: Bruno Seneque

**The Shareholder**

Address: 60 ARNCLIFFE BLD, GREENVALE VIC 3059  
 Facsimile: 03 9333 4156  
 Attention: Mr Vince Truda

V.T JB  


- (b) A Notice given in accordance with this section 10 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:
  - (i) if hand delivered, on delivery;
  - (ii) if sent by prepaid post, on the second business day after the date of posting (or on the seventh business day after the date of posting if posted to or from a place outside Australia);
  - (iii) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a business day or is after 5.00pm on a business day, the Notice is taken to be received at 9.00am on the next business day.

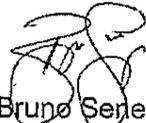
11. Miscellaneous

This agreement is governed by the laws of Western Australia and the Shareholder and Bidder agree to submit to the non-exclusive jurisdiction of the Courts exercising jurisdiction in Western Australia. Time is of the essence in this agreement and for the purposes of this agreement the time shall be Perth time. Any term defined in the Corporations Act has the same meaning in this agreement.

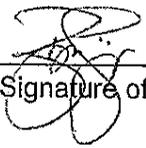
12. Acceptance

Please indicate the Shareholder's agreement to the terms and conditions of this letter by signing the letter where indicated below and returning a copy, by facsimile or otherwise, to the offices of Bidder.

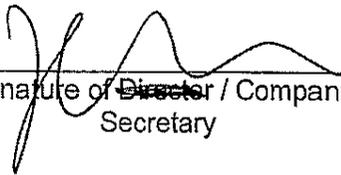
Yours faithfully

  
 Bruno Seneque  
 Managing Director

**EXECUTED** by Fox Resources Limited ABN 44 079 902 499 in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

BRUNO SENOUE  
Name (please print)

  
\_\_\_\_\_  
Signature of Director / Company Secretary

JESSICA BROWN  
Name (please print)

JB  
V.I.  
8

**EXECUTED** by VFT INVESTMENTS P/L ACN 094 040 847 in accordance with section 127 of the Corporations Act 2001 (Cth):

  
\_\_\_\_\_  
Signature of Director

VINCE TRUDA  
Name (please print)

\_\_\_\_\_  
Signature of Director / Company Secretary

\_\_\_\_\_  
Name (please print)

# Fox Resources Limited

## ANNEXURE A

### 1. CONDITIONS

#### (a) Minimum acceptance condition

During, or at the end of, the Offer Period the number of Target Shares in which Bidder and its associates together have relevant interests (disregarding any relevant interest that Bidder has merely because of the operation of section 608(3) of the Corporations Act) is at least 90% of all the Target Shares (even if that number later becomes less than 90% of all the Target Shares as a result of the issue of further Target Shares).

#### (b) No prescribed occurrences

None of the following events happens during the period beginning on the date the Bidder's Statement is given to Target and ending at the end of the Offer Period:

- (i) Target converts all or any of its shares into a larger or smaller number of shares;
- (ii) Target or a subsidiary of Target resolves to reduce its share capital in any way;
- (iii) Target or a subsidiary of Target:
  - enters into a buy-back agreement; or
  - resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (iv) Target or a subsidiary of Target issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;
- (v) Target or a subsidiary of Target issues, or agrees to issue, convertible notes;
- (vi) Target or a subsidiary of Target disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (vii) Target or a subsidiary of Target charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Target or a subsidiary of Target resolves to be wound up;
- (ix) the appointment of a liquidator or provisional liquidator of Target or of a subsidiary of Target;
- (x) a court makes an order for the winding up of Target or of a subsidiary of Target;
- (xi) an administrator of Target, or of a subsidiary of Target, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (xii) Target or a subsidiary of Target executes a deed of company arrangement; or
- (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Target or of a subsidiary of Target.

**(c) No material acquisitions, disposals, etc.**

Except for any proposed transaction publicly announced by Target before 19 March 2009, none of the following events occur during the period from that date to the end of the Offer Period without the written consent of Bidder:

- (i) Target, or any subsidiary of Target, acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such an acquisition;
- (ii) Target, or any subsidiary of Target, disposes, offers to dispose or agrees to dispose of one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than \$50,000 or makes an announcement about such a disposal;
- (iii) Target, or any subsidiary of Target, enters into, offers to enter into or announces that it proposes to enter into any joint venture or partnership involving a commitment of greater than \$50,000 or dual listed company structure, or makes an announcement about such a commitment; or
- (iv) Target, or any subsidiary of Target, incurs or commits to, or grants to another person a right the exercise of which would involve Target or any subsidiary of Target incurring or committing to any capital expenditure or liability for one or more related items of greater than \$50,000 or makes an announcement about such a commitment.

**(d) No material failings in filings**

Bidder does not become aware, during the Offer Period, that any document filed by or on behalf of Target with ASX or ASIC contains a statement which is incorrect or misleading in any material particular or from which there is a material omission.

**(e) No break fees**

- (i) Subject to section 12(e)(ii), during the Offer Period none of Target, and any body corporate which is or becomes a subsidiary of Target, pays or provides or agrees (whether conditionally or contingently) to pay or provide any benefit to any person, or foregoes or otherwise reduces any payment or benefit or agrees to forgo or reduce any payment or benefit to which it would otherwise be entitled, in connection with any person making or agreeing to participate in, or enter into negotiations concerning:
  - a takeover offer for Target or any body corporate which is or becomes a subsidiary of Target; or
  - any other proposal to acquire any interest (whether equitable, legal, beneficial or economic) in shares in, or assets of, Target or any body corporate which is or becomes a subsidiary of Target, or to operate Target as a single economic entity with another body corporate.
- (ii) Section 12(e)(i) does not apply to a payment, benefit or agreement:
  - for providing professional advisory services to Target;
  - which is approved in writing by Bidder;
  - which is approved by a resolution passed at a general meeting of Target; or

- which is made to, provided to, owed by or made with Bidder.

**(f) Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Bidder acquiring Target Shares to:

- (i) acquire, or require Target or a subsidiary of Target to dispose of, or offer to dispose of, any material asset of Target or a subsidiary of Target; or
- (ii) terminate or vary any material agreement with Target or a subsidiary of Target.

**(g) Conduct of Target's business**

During the Offer Period, none of Target, or any body corporate which is or becomes a subsidiary of Target, without the written consent of Bidder:

- (i) declares, or distributes any dividend, bonus or other share of its profits or assets;
- (ii) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;
- (iii) makes any changes in its constitution or passes any special resolution;
- (iv) gives or agrees to give any Encumbrance over any of its assets otherwise than in the ordinary course of business;
- (v) borrows or agrees to borrow any money (except for temporary borrowing from its bankers in the ordinary course of business);
- (vi) releases, discharges or modifies any substantial obligation to it of any person, firm or corporation or agrees to do so;
- (vii) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;
- (viii) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on 19 March 2009);
- (ix) conducts its business otherwise than in the ordinary course;
- (x) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or
- (xi) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

(h) **No force majeure event**

During the Offer Period no act of war (whether declared or not) or terrorism, mobilisation of armed forces, civil commotion or labour disturbance, fire or natural disaster, or other event beyond the control of Target or the relevant subsidiary occurs which affects or is likely to affect the assets, liabilities, financial position, performance, profitability or prospects of Target or any of its subsidiaries.

(i) **No material adverse change to Target**

During the Offer Period, no change occurs, is discovered or becomes public which has or could reasonably be expected to have a materially adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of Target and its subsidiaries taken as a whole or of any of them including,

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(j) **Restriction on others acquiring shares in Target**

During the Offer Period, no person other than Bidder or an associate of Bidder (as defined in section 12(2) of the Corporations Act) gains 10% or more of voting power in Target.

**2. DEFINITIONS FOR PURPOSE OF ANNEXURE B**

**ASIC** means the Australian Securities and Investments Commission.

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