Hannans Reward NL

Exploring for Gold and Base Metals

QVR Nickel Sulphide Prospect

26 November 2004

Summary

Diamond drilling and down-hole geophysics was carried out at the Queen Victoria Rock nickel sulphide prospect during September and October 2004.

The program was successful in identifying three significant off-hole conductors that may represent massive nickel sulphides.

Further diamond drilling and geophysics is required to test these off-hole conductors.

These results confirm that the QVR prospect has the potential to host a massive nickel sulphide deposit.

Highlights

- A down-hole electromagnetic survey in diamond drill hole QVD06 has established a significant off-hole conductor which may represent high grade, massive nickel sulphides on the komatiite basal conduct along strike to the north of QVD06.

- Down-hole electromagnetic surveys of QVD07 and old Spargos Exploration hole DDH6 recorded significant off-hole conductors related to the footwall sequence, which may represent either massive nickel sulphides in a precursor komatiite horizon or a sulphidic horizon in the footwall sequence.

- The results of the drilling program did not establish the cause of the conductor C2 identified by the ground electromagnetic program in April 2004, although a down-hole electromagnetic survey of hole QVD04 indicated the hole to be approaching a conductor, which may represent C2.

- Drill testing of the Western Sulphide Horizon confirmed the tenor of the nickel with two separate one metre intervals grading 1.3% nickel in hole QVD08.

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Recommendations

Newexco Services Pty Ltd manages the QVR exploration program for Hannans Reward.

Recommendations include follow up work at the Spargos Prospect, together with reconnaissance of the exploration license applications which cover the ground north and south along strike to the Spargos Prospect.

Specifically Newexco Services recommend that Hannans Reward do the following:

- Test the significant off-hole conductor, located on the komatiite basal contact north of hole QVD06, with diamond drilling.
- Deepen hole QVD07 to test the conductor in the footwall sequence.
- Investigate the footwall sequence in the area of DDH6 for evidence of a sulphidic horizon to explain the off-hole conductor. If no evidence of such a horizon is located, then test the off-hole conductor by diamond drilling.
- Conduct further surface electromagnetic surveys to model the exact location of conductor C2, followed by probable deepening of hole QVD04 to test the interpreted position of the conductor.

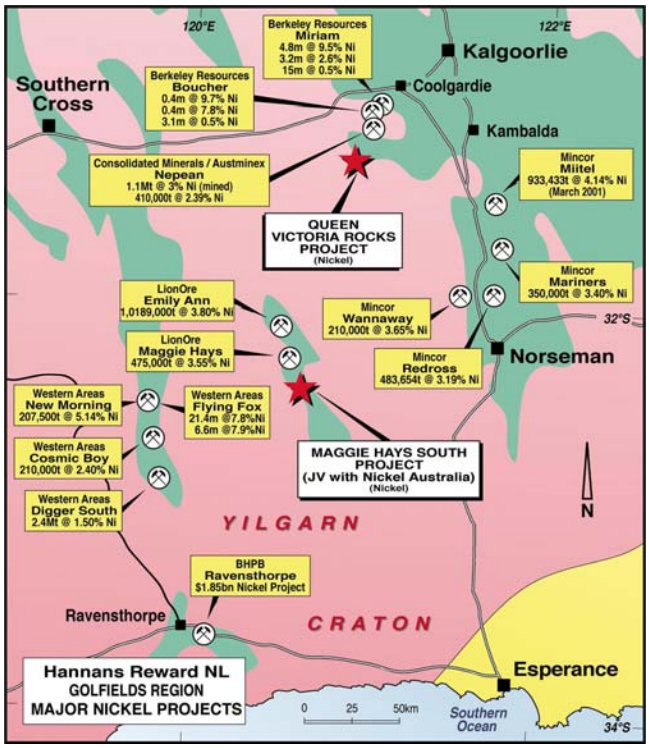
Within the greater QVR prospect it is recommended that Hannans Reward:

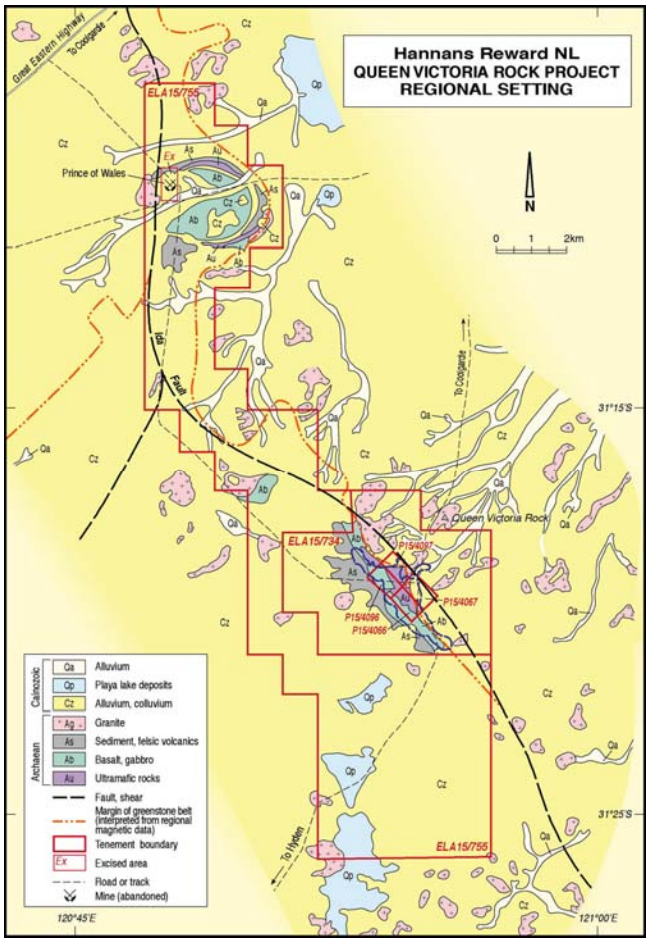
- Conduct a surface electromagnetic survey over 600 metre northern strike extension of the QVR komatiite sequence in ELA 15/734; and
- Drill test significant electromagnetic conductors, together with the significant geochemical nickel-copper anomaly occurring in the northern strike extension.

The Board will consider these recommendations in detail before planning the next phase of the exploration program.

If you have any questions in relation this ASX release then please don't hesitate to contact Damian Hicks, Director on (08) 9324 3388.

Technical aspects of this report that relate to Exploration Results is based on information compiled by Adrian Black and William Amann, Directors of Newexco Services Pty Ltd, whom are Members of the Australian Institute of Geoscientists. Adrian Black and William Amann have sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity, which has been undertaken to qualify as a Competent Persons as defined by the JORC Code. Adrian Black and William Amann consent to the inclusion of the information in this document of the matters based on the information in the form and context in which it appears.


120°E
122°E
Berkeley Resources
Miriam
4.8m @ 9.5% Ni
3.2m @ 2.6% Ni
15m @ 0.5% Ni
Kalgoorlie
Southern Cross
Berkeley Resources
Boucher
0.4m @ 9.7% Ni
0.4m @ 7.8% Ni
3.1m @ 0.5% Ni
Coolgardie
Kambalda
Consolidated Minerals / Austminex
Nepean
1.1Mt @ 3% Ni (mined)
410,000t @ 2.39% Ni
Mincor
Miitel
933,433t @ 4.14% Ni
(March 2001)
QUEEN VICTORIA ROCKS PROJECT
(Nickel)
Mincor
Mariners
350,000t @ 3.40% Ni
LionOre
Emily Ann
1,0189,000t @ 3.80% Ni
Mincor
Wannaway
210,000t @ 3.65% Ni
32°S
LionOre
Maggie Hays
475,000t @ 3.55% Ni
Norseman
Mincor
Redross
483,654t @ 3.19% Ni
Western Areas
New Morning
207,500t @ 5.14% Ni
Western Areas
Flying Fox
21.4m @7.8%Ni
6.6m @7.9%Ni
Western Areas
Cosmic Boy
210,000t @ 2.40% Ni
MAGGIE HAYS SOUTH PROJECT
(JV with Nickel Australia)
(Nickel)
N
Western Areas
Digger South
2.4Mt @ 1.50% Ni
YILGARN
BHPB
Ravensthorpe
$1.85bn Nickel Project
Ravensthorpe
CRATON
Hannans Reward NL
GOLFIELDS REGION
MAJOR NICKEL PROJECTS
Esperance
0 25 50km
Southern Ocean
34°S


Hannans Reward NL
QUEEN VICTORIA ROCK PROJECT
REGIONAL SETTING
Great Eastern Highway
To Coolgardie
ELA15/755
Prince of Wales
N
0 1 2km
Fault
To Coolgardie
31°15'S
Queen Victoria Rock
ELA15/734
P15/4097
P15/4067
P15/4096
P15/4066
31°25'S
To Hyden
ELA15/755
120°45'E
121°00'E
Cainozoic
Archaean
Qa Alluvium
Qp Playa lake deposits
Cz Alluvium, colluvium
Ag Granite
As Sediment, felsic volcanics
Ab Basalt, gabbro
Au Ultramafic rocks
Fault, shear
Margin of greenstone belt (interpreted from regional magnetic data)
Tenement boundary
Ex Excised area
Road or track
Mine (abandoned)