



HANNANS REWARD
Exploring for Gold and Base Metals

ASX Announcement / Media Release

TAKE NO ACTION **IN RELATION TO** **UNSOLICITED AND OPPORTUNISTIC** **TAKEOVER BID**

26 March 2009

Hannans Reward Ltd:

- controls a highly prospective exploration portfolio
- has a strong management team and balance sheet
- has appointed Paterson Securities Limited and Steinepreis Paganin as its corporate, legal and financial advisers
- considers the unsolicited takeover bid to be completely opportunistic

Perth-based West Australian mineral exploration company, Hannans Reward Ltd (**ASX: HNR**) ("Hannans") has urged its shareholders to take no action regarding the intended off-market takeover bid for Hannans by Fox Resources Ltd ("Fox"), as announced on 19 March 2009 ("the Announcement").

No formal offer has been received by the Board of Hannans. The bid was unsolicited and Hannans views the proposed terms being one Fox share for every two Hannans shares to be opportunistic.

"Hannans has reviewed the respective assets and balance sheets of the two companies and firmly believes its balance sheet and suite of quality exploration assets have no obvious synergies with the Bidder," Hannans Managing Director Mr Hicks said.

"Hannans holds quality exploration ground in the Forrestania, Pilbara and Eastern Goldfields regions of Western Australia, has \$1.5 million in the bank and importantly no debt. There are no project synergies other than the fact that both companies are exploration companies exploring for minerals in Western Australia."

Mr Hicks said that since listing on the ASX in 2003, Hannans has developed a suite of prospective exploration projects within Australia taking in iron ore, manganese, nickel and gold.

“These ground holdings are in the Forrestania area south of Southern Cross where the targets are nickel and gold; Jigalong, in the East Pilbara targeting iron ore, manganese and base metals; Queen Victoria Rocks south of Coolgardie where Brazilian mining giant Companhia Vale do Rio Doce (Vale), is farming in to a nickel project; and Sunday east of Leonora where Australian Mineral Fields Ltd is farming in to a gold project,” Mr Hicks said.

Since receipt of the Announcement, Hannans has been advised that Mr Frank Cannavo and Mr Terry Grammer, both of whom were Hannans directors at the time of the Announcement, have given pre-bid acceptance to the Fox offer in relation to their holdings in Hannans. Despite request, neither Mr Cannavo nor Mr Grammer has disclosed their involvement with respect to the bid. Hannans reserves its rights in relation to their conduct.

As advised to the market on 24 March 2009, six days after the Announcement, Mr Cannavo resigned from the Hannans Board. Hannans’ Chairman Mr Richard Scallan has requested the immediate resignation of Mr Grammer.

Hannans has yet to receive a formal offer from Fox, and until such time it does, the Hannans Board strongly recommends that shareholders TAKE NO ACTION.

Summary

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

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

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Damian Hicks

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Bill Hicks, Terry Grammer

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