



HANNANS REWARD
Exploring for Gold and Base Metals

ASX Announcement / Media Release

22 December 2011

LAKE JOHNSTON PROJECT RC Drilling Update

- 20 RC percussion holes (for 3,248 metres) have been completed to date at the Mt Gordon Prospect
- The remaining planned 51 RC percussion holes (approximately 5,000 metres) will be completed during January and February 2012
- Samples have been submitted to the laboratory for drilling completed to date; assays have been received for only 4 holes (16 holes pending)

Western Australian minerals exploration company Hannans Reward Ltd (ASX:HNR) is pleased to provide a brief update on the status of its drilling program at the Lake Johnston Project, located approximately 150kms to the West of Norseman in WA (Figure 1).

RC drilling commenced during November 2011 (refer ASX release dated 14 November 2011) and 20 holes have been completed to date for 3,248 metres (Table 1). The final RC drill program will be increased by an estimated 2,000 metres (total program now ~8,500 metres) following the decision to extend a number of the holes to test interpreted mineralised structures.

Drilling activities were hampered during the period by significant rainfall which made access to the drill sites very difficult. The drilling is targeting four gold anomalies and a nickel anomaly identified within the Mt Gordon Prospect area (Figure 2).

Drilling has intersected mafic and granodiorite lithologies, assays have been returned for only 4 holes to date (16 holes pending), with best intervals 1m @ 0.39 g/t Au from 110m in MGRC012 and 2m @ 0.25 g/t Au from 70m in MGRC011

The drilling program for 2011 has now been completed and will recommence in early January 2012. The highest priority anomalies including Edward, William, Richard and Charles as well as a high priority nickel anomaly will be tested in January 2012. The drilling program is expected to be completed during February 2012. Any significant assays received in the interim will be released as soon as they are received and interpreted.

Fast Facts

ASX Code: HNR

Capital Structure

Shares on issue: 131.6m

Options on issue: 5m (ex 20c to \$1)

Market cap: \$13.1m (at 10c)

Financial Position (at end of Quarter)

Cash on hand: \$0.3m (Sep 2011)

Value of Equity Positions &
Convertible Notes: ~\$16m

Board of Directors

Richard Scallan Chairman

Damian Hicks Managing Director

William Hicks Non-Executive Director

Jonathan Murray Non-Executive Director

Projects (Western Australia)

Forrestania Nickel & Gold

QVR Nickel

LakeJohnston Nickel & Gold

Jigalong Manganese
and base metals

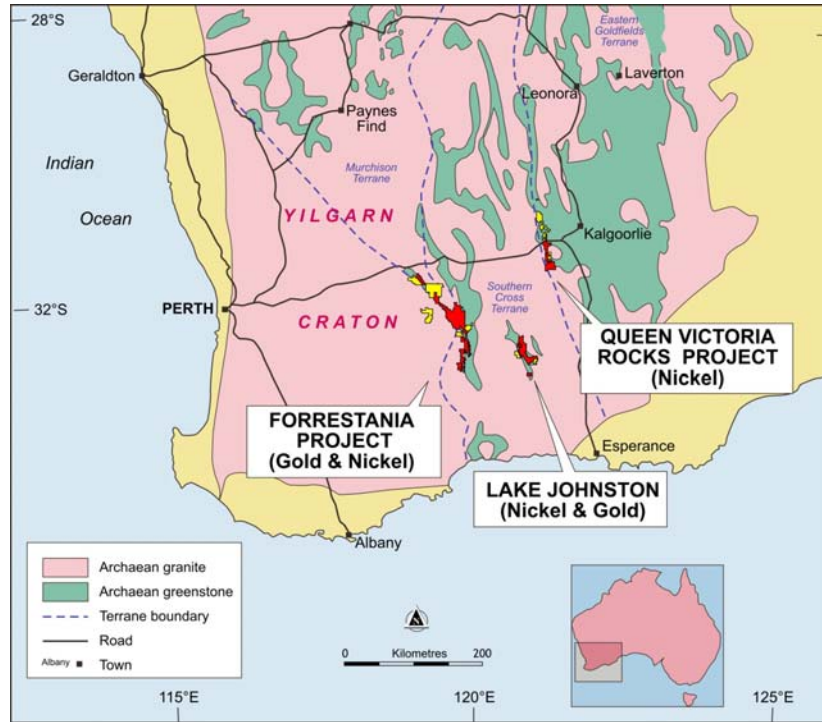


Figure 1. Hannans tenement location in the Yilgarn Region.

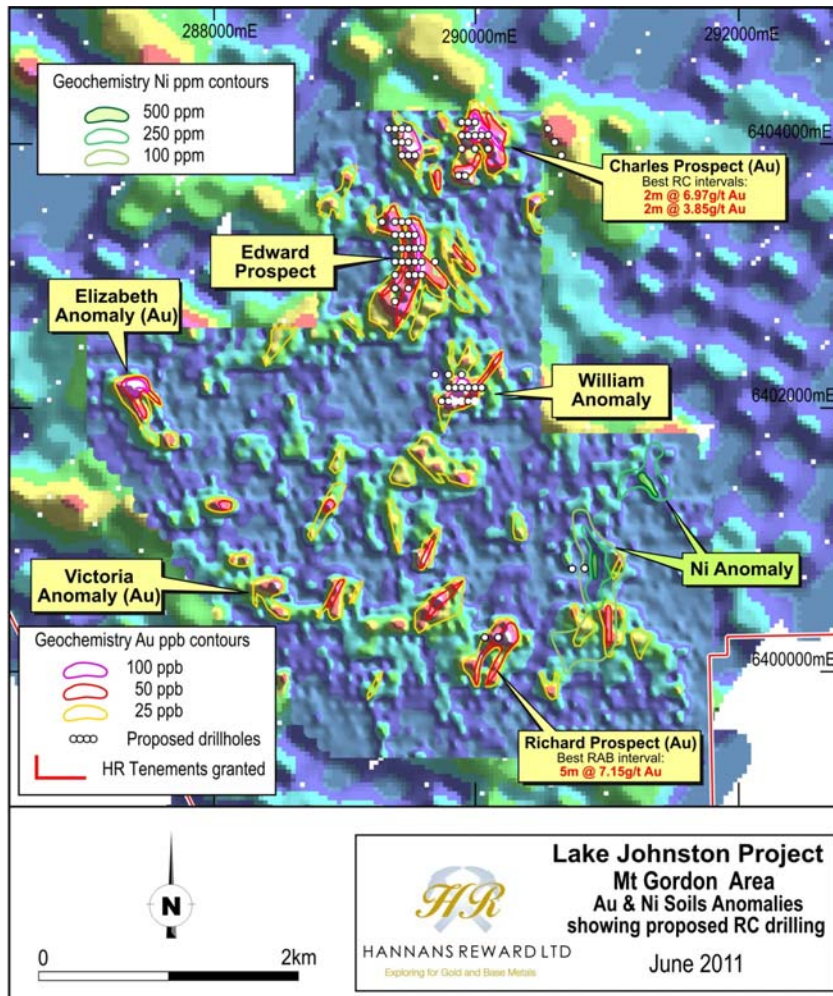


Figure 2. Lake Johnston – Mt Gordon Prospect showing Au ppb in soils geochemistry image and proposed RC percussion drilling.

Table 1. Summary of drilling completed and significant intervals received to date.

Hole_ID	Depth	MGA_East	MGA_North	Dip	Azi	From	To	Int	Au g/t
MGRC009	150	289936	6403750	-60	090				NSA
MGRC010	150	289882	6403750	-60	090				NSA
MGRC011	150	290053	6402147	-60	090	110	112	2	0.25
MGRC012	156	290010	6402147	-60	090	70	71	1	0.39
MGRC013	156	289953	6402152	-60	090	Assays pending			
MGRC014	156	289907	6402147	-60	090	Assays pending			
MGRC015	162	289859	6402154	-60	090	Assays pending			
MGRC016	167	289811	6402151	-60	090	Assays pending			
MGRC017	150	289714	6403106	-60	090	Assays pending			
MGRC018	168	289602	6403103	-60	090	Assays pending			
MGRC019	150	289553	6403102	-60	090	Assays pending			
MGRC020	156	289499	6403102	-60	090	Assays pending			
MGRC021	114	289450	6403103	-60	090	Assays pending			
MGRC021B	174	289454	6403106	-60	090	Assays pending			
MGRC022	195	289404	6403105	-60	090	Assays pending			
MGRC023	156	289599	6403198	-60	090	Assays pending			
MGRC024	150	289564	6403199	-60	090	Assays pending			
MGRC025	174	289502	6403201	-60	090	Assays pending			
MGRC026	180	289448	6403202	-60	090	Assays pending			
MGRC027	156	289403	6403202	-60	090	Assays pending			
MGRC028	78	289546	6403300	-60	090	Assays pending			

NSA – no significant assays

Hannans Reward Ltd Summary

Hannans Reward Ltd has developed a suite of prospective exploration projects within Australia covering nickel, gold and manganese; whilst the flagship exploration is the Forrestania nickel project. Hannans is a shareholder of Atlas Iron Ltd. Hannans' shareholders are exposed to share price appreciation through exploration success at the following projects:

- Forrestania – nickel & gold project 7km north of Western Area's Flying Fox nickel mine, a portion of the Stormbreaker Prospect includes a Joint Venture with Cullen Resources Ltd (Hannans – 80%, Cullen – 20% free carry).
- Lake Johnston – nickel & gold project located 25km south east of Norilsk's Maggie Hays nickel mine and 100kms west of Norseman.
- Queen Victoria Rocks – nickel and gold project located 30km south-west of Coolgardie, WA.
- Jigalong – manganese & base metals project located 150km east of Newman, WA (proposed to be separated from the Hannans Group subject to shareholder approval).

Competent Persons Summary

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

For further information please contact:

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