



HANNANS REWARD
Exploring for Gold and Base Metals

4th Quarter Activities Report 16 July 2008

- Jigalong Project (near Newman, WA) – Iron, Manganese & Base Metals
 - Drill testing of iron targets to start this week
 - New gravity surveys in progress to generate additional iron targets
 - Encouraging manganese assays reported during Quarter
 - Aircore drilling approvals (targeting base metals) anticipated
 - Field studies confirm additional manganese and base metals potential
- Forrestania Project (near Hyden, WA) – Nickel & Gold
 - Project area increased following application for additional tenement (100% Hannans); the western tenement boundary being 2,500m north-east (approx) of Flying Fox – refer attached Location Plan
 - Geophysical surveys and geophysical review identifies new conductors
 - Aircore drilling approvals (targeting gold and base metals) anticipated
 - Soil sampling results provide encouragement for prospective rock types
- Maggie Hays South (near Norseman, WA) – Copper/Molybdenum/Gold
 - Heritage approvals lodged with Department of Indigenous Affairs to conduct exploration activities on Lake Johnston
- Queen Victoria Rocks (near Coolgardie, WA) – Nickel
 - Joint venture negotiations in progress
- New Projects
 - Confidentiality agreements signed to assess a number of Western Australian projects
- Investor Presentations
 - Presentations made to investors in Sydney, Melbourne, Brisbane and Perth during the Quarter.
- Cash at bank
 - \$3m (approx.) as at 30 June 2008

Summary

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

- Forrestania - nickel & gold located 12km north of Western Area's Flying Fox nickel mine
- Jigalong - iron, manganese & base metals located 150km east of Newman, WA
- Queen Victoria Rocks - nickel project located 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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Board of Directors

Chairman

Richard Scallan

Managing Director

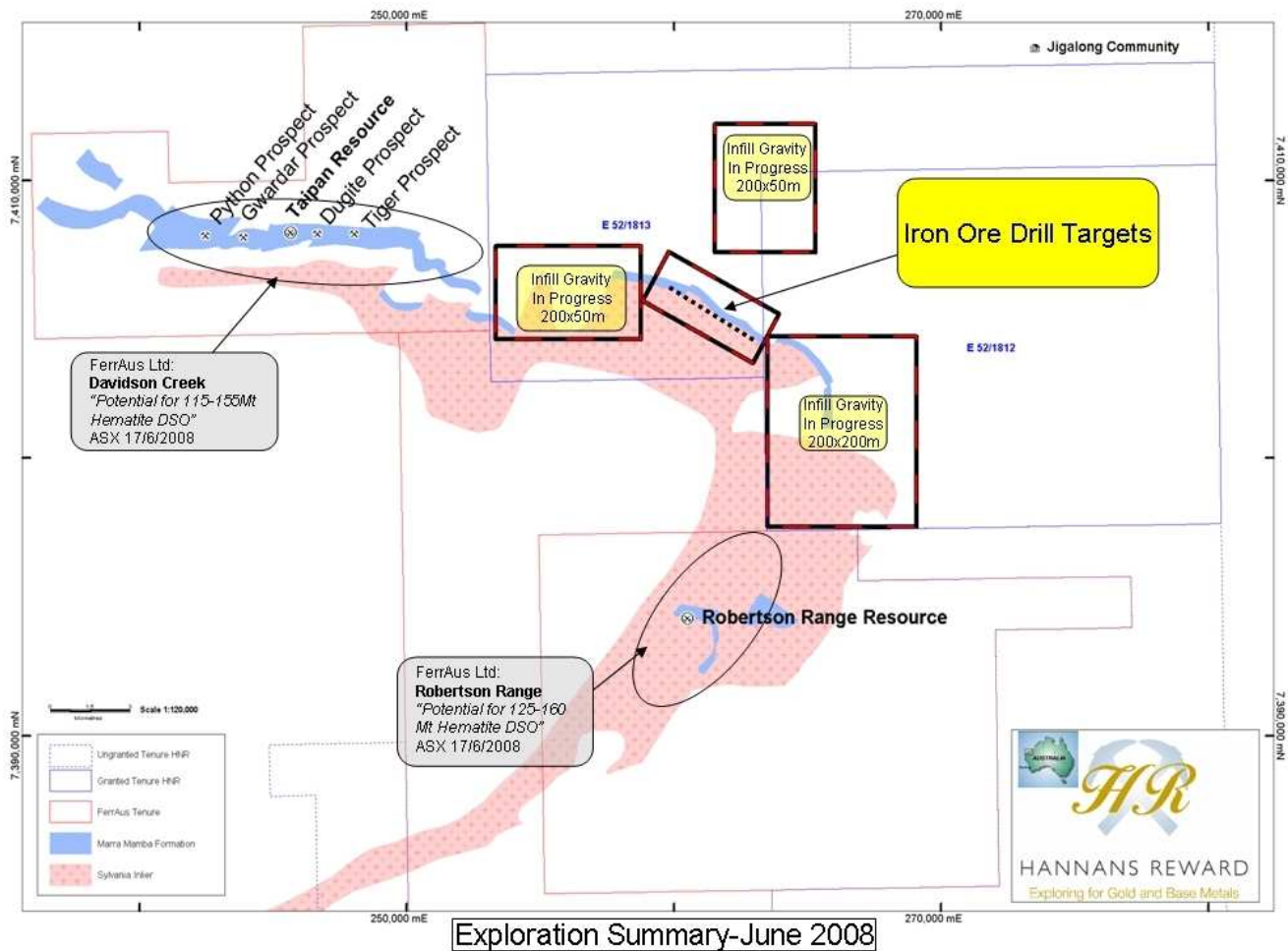
Damian Hicks

Non-Executive Directors

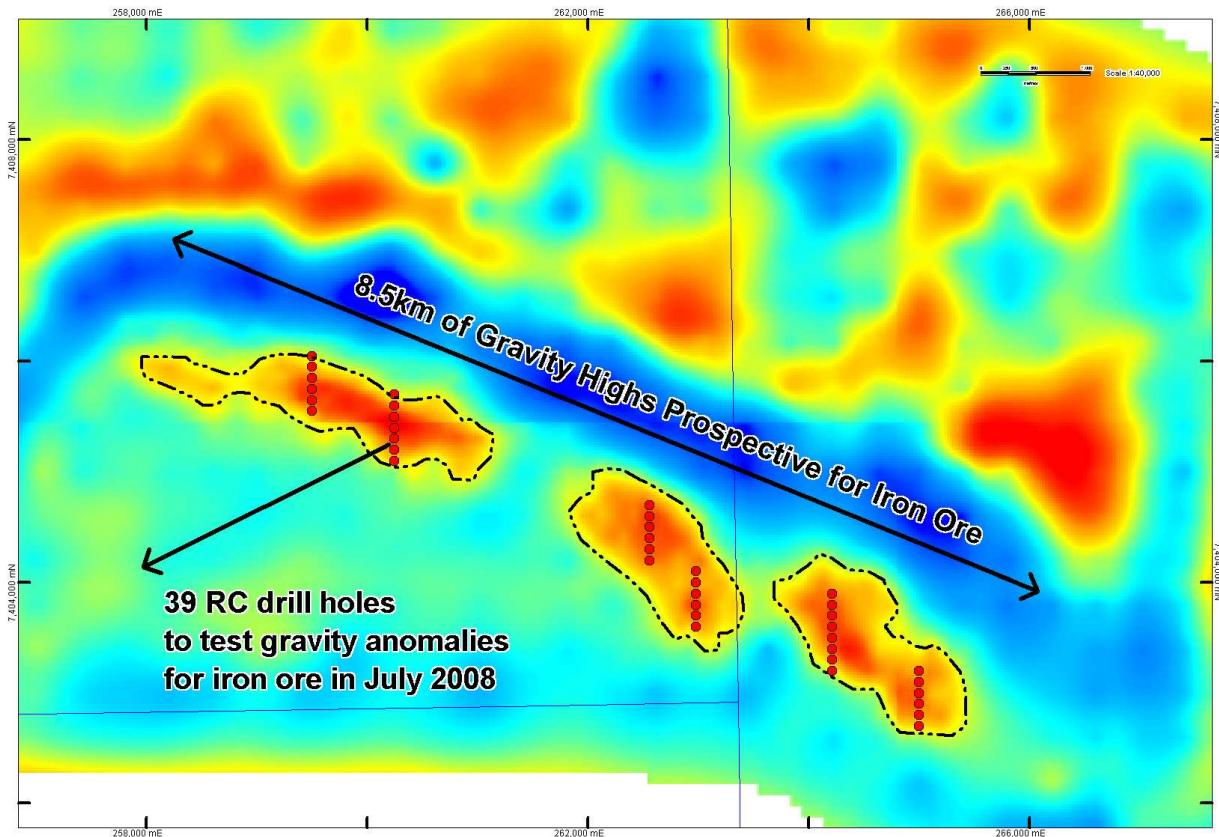
Ernie Dechow, Bill Hicks, Terry Grammer
& Frank Cannavo

Jigalong Project

The first reverse circulation (RC) drilling programme (approx 39 holes) to test existing iron targets is scheduled to commence later this week. The aim of the drilling is to intersect ore grade iron thereby confirming the project's iron potential. The iron targets are located between iron resources at Davidson Creek and Robertson Range owned by FerrAus Limited.



A recent in-fill gravity survey has been interpreted by Hannans' consulting geophysicist and the resultant image is contained below highlighting iron targets representing 8 ½ kilometers of strike extent. It is these targets that will be tested during the coming weeks. Extension and in-fill gravity surveys are now in progress to generate additional iron targets. If these surveys generate additional targets Hannans will seek to obtain traditional owner and government approvals to test targets with RC drilling.

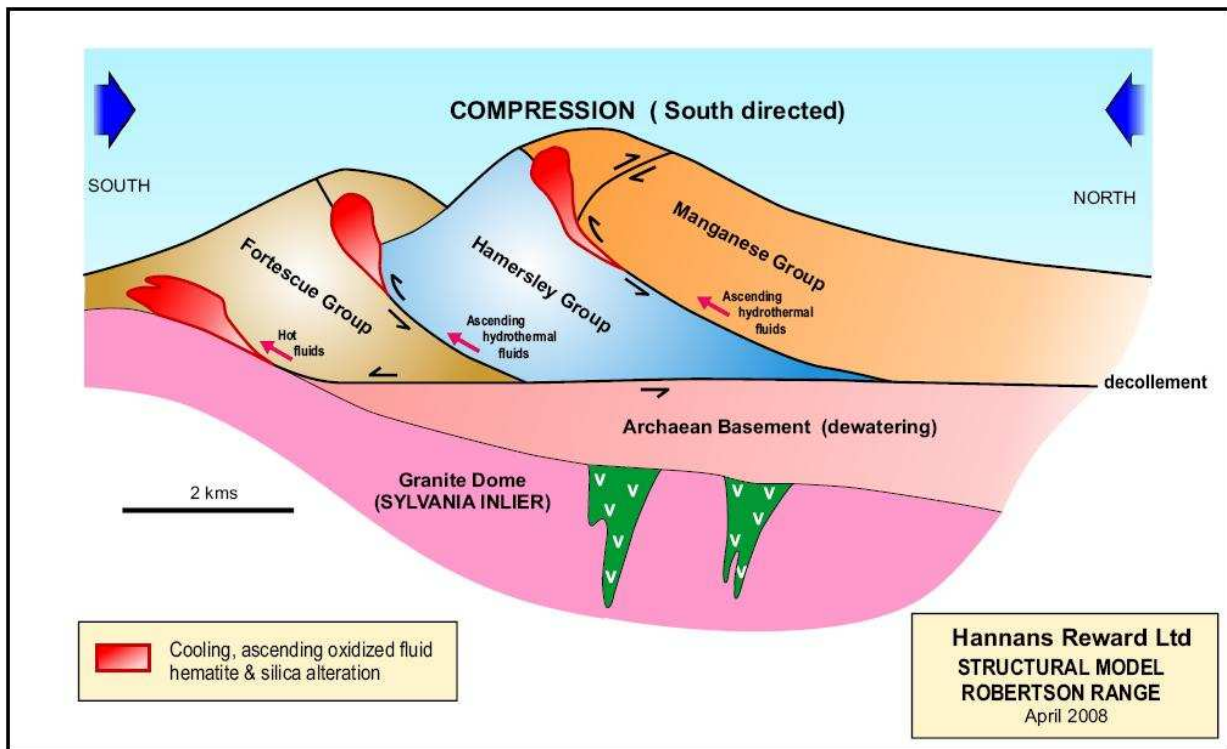


By way of geological background the Jigalong Project is mainly on Meso-Proterozoic Bangemall Basin rocks containing the widespread Manganese Group shale-mudstone-dolomite stratigraphy (dated at around 1270 to 1050Ma); overlying older Proterozoic to Archaean aged Hamersley Group rocks.

Manganese rich mineralisation, mainly in shale and as supergene enrichment in the laterite profile has been encountered over a total strike length of up to 100km, from Burranbar Pool in the southwest to near Billinooka in the northeast. Rock chip results of up to 38% manganese have been obtained from Hill 616 in the south.

Elsewhere within the tenement package, at Billinooka, good potential exists for stratiform SEDEX-style lead-zinc mineralisation associated with barite in dolomitic beds domed into anticlinal structures and cut by major faults. The interesting copper-lead-zinc MMI results obtained previously by Hannans southeast of Jigalong may also represent SEDEX-style base metal mineralisation.

Recent field reconnaissance work has identified additional iron and manganese targets in the north western corner of the project, where older stratigraphy belonging to the Hamersley Group has been thrust up along a major north-east/south-west trending fault structure. This fault zone is interpreted to have acted as a possible conduit for fluids carrying remobilized iron and manganese (refer diagram below). In-fill gravity has been planned to cover this fault structure and assay results from rock chip samples are awaited.



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Forrestania Project

Additional ground applications during the Quarter continue to entrench Hannans in the world-class Forrestania nickel belt. The most recent applications (100% Hannans) cover ground approximately 2,500 metres north-east of the Flying Fox nickel mine.

The Forrestania Project comprises ground held 100% by Hannans (through a subsidiary) and ground in joint venture with Cullen Resources Ltd (Hannans 80% and Cullen 20% free carried); please refer to the Regional Tenement Holding plan below. At this point in time, only joint venture ground has been granted and hence all exploration activities referred to below have taken place in the Hannans / Cullen joint venture ground.

During the Quarter a full review of all surface and down-hole TEM, HOISTEM and Induced Polarisation (IP) geophysical surveys conducted within the joint venture ground during the period 2004 to 2008 was completed by Southern Geoscience Consultants. Encouragingly a number of interesting surface EM anomalies were identified, some of which are co-incident with anomalies in the IP and magnetic data. These anomalies remain untested by drilling so far.

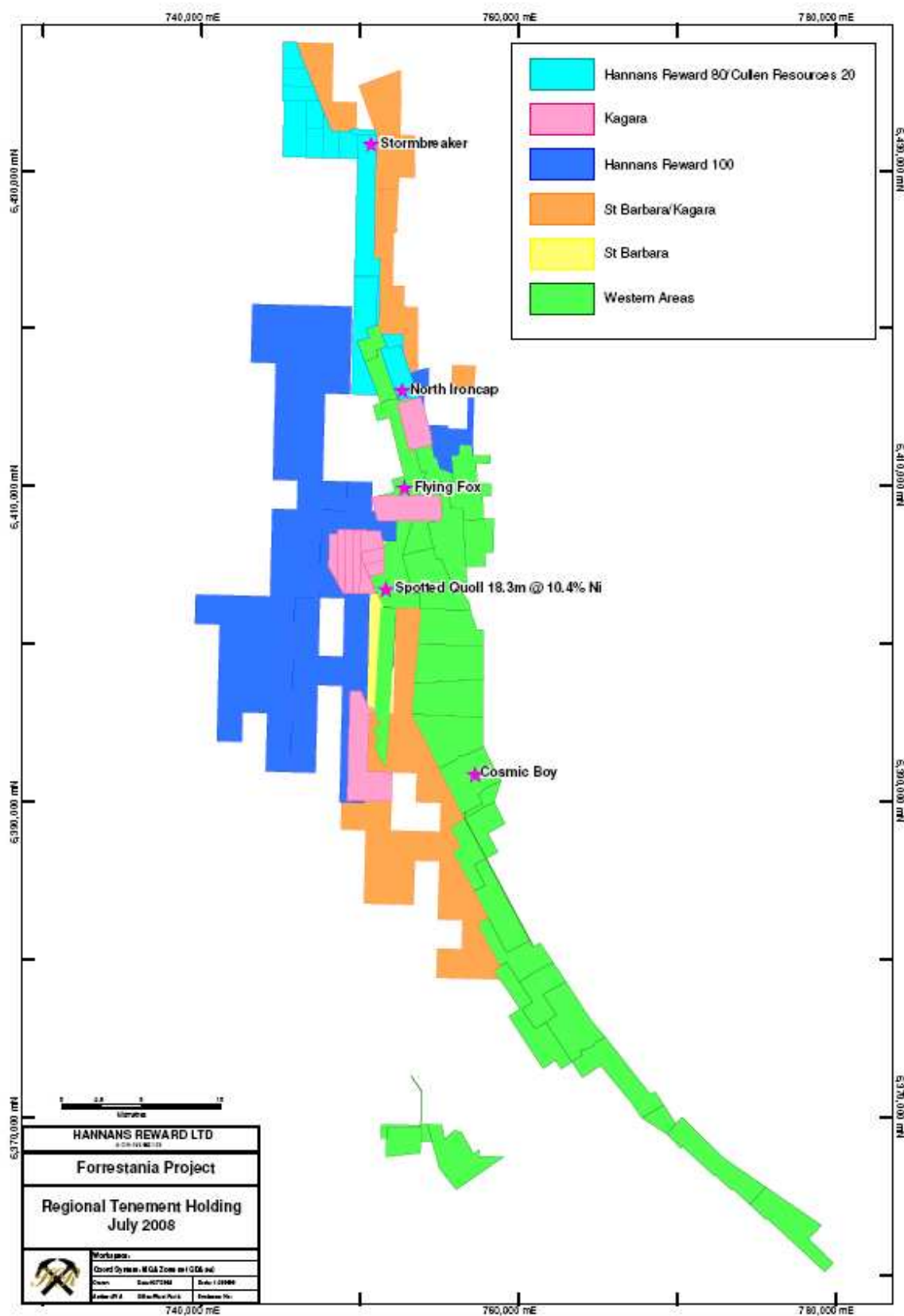
Importantly the most recent FLTEM geophysical survey conducted by Hannans (3rd Quarter 07/08) provided better data coverage than was previously obtained from the MLEM surveys and full waveforms were obtained for previously identified anomalies; resulting in more accurate modeling. A number of deep drill holes have been recommended to test these geophysical anomalies.

Prior to drill testing however Hannans will continue to collect geological data with a view to optimizing future drill targeting. With this in mind an auger soil sampling (<5 metres from surface) programme within tenement E77/1354 was completed during the Quarter. Preliminary data received included elevated levels of nickel, copper, chrome, platinum and palladium suggesting that the geology along the eastern edge of the tenement includes ultramafic rocks. At this time of writing approximately half of the auger results had been received.

The next stage will be to complete aircore drilling to depths of approximately 60 metres. The aim of the aircore programme is to increase knowledge of the geological setting within the tenements, including identifying/confirming ultramafic rocks within the sequence.

The search to identify ultramafic rocks is important because these rock types are well known to host the nickel mineralisation at Forrestania (and many other places). The Department of Industry & Resources (DoIR) have recently indicated that upon lodgement of environmental bonds (i.e. bank guarantees to cover any potential environmental liabilities) it will approve the proposed aircore drilling programme. It is hoped that this aircore drilling will now take place during the 1st Quarter 08/09.

Once all geochemical data is received (from soils and aircore drilling) it will be combined with the geophysical data to generate deep targets testing for nickel sulphides in 2nd Quarter 08/09.



Queen Victoria Rocks

A joint venture process is in progress at the time of writing. If an agreement is concluded with interested parties an update will be provided to shareholders. If a satisfactory outcome can not be concluded Hannans will test the helicopter borne VTEM geophysical anomalies with ground based geophysics and drilling.

Maggie Hays South

The Company is aiming to commence first pass exploration drilling on Lake Johnston to determine the extent of the projects potential to host a copper-molybdenum-gold system. This drilling must be approved by the Department of Indigenous Affairs and subject to receiving approvals sampling could take place during the 2nd Quarter 08/09.

Board of Directors

Mr Frank Cannavo is performing the role of Non-Executive Director having resigned as an Executive Director during May 2008.

Appointment of Finance & Compliance Executive

Mr Michael Craig CA has recently been appointed as a full time employee. Mr Craig is a chartered accountant, was previously employed by a mid-tier chartered accounting firm and will be responsible for finance and compliance systems/reporting.

If you have any questions in relation to this report please don't hesitate to contact me on +61 8 9324 3388.

Yours sincerely,



Damian Hicks
Managing Director

The information in this document that relates to Exploration Results is based on information reviewed by Mr John Stockley (Consultant) who is a Fellow of the Australian Institute of Mining & Metallurgy, a Chartered Professional (CP-Geology) and a Member of Australian Institute of Geoscientists. Mr Stockley is a consultant to Hannans Reward Ltd. Mr Stockley 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 "Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Stockley consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.