



HANNANS REWARD
Exploring for Gold and Base Metals

ASX Announcement / Media Release

Forrestania Nickel & Gold Project Update

29 October 2009

- Systematic approach to exploration strategy being undertaken over increasingly large Forrestania package
- New 100% Hannans tenement applications increase tenement package to 385km² – refer tenement map attached
- Large regional helicopter-borne geophysical survey (VTEM and ZTEM) currently in progress
- Anomalous Nickel geochemistry identified from recent reverse circulation (RC) drilling
- Ground based geophysical surveys scheduled for current Quarter
- Reverse Circulation drill testing of geophysical targets scheduled for this Quarter, subject to government approvals
- Regional reconnaissance geochemical sampling (RAB drilling) proposed for next Quarter
- Settlement of Hannans - St Barbara - Kagara transaction anticipated November 2009

Western Australian minerals explorer Hannans Reward Ltd (ASX: HNR) (**Hannans** or the **Company**) is pleased to provide an update on the Company's activities at the Forrestania Nickel and Gold Project, located east of Hyden, Western Australia. The Forrestania Project comprises 100% wholly owned tenure, joint venture tenure with Cullen Resources Ltd (Hannans 80%) and joint venture tenure with St Barbara Ltd and Kagara Ltd (Hannans 85%) - refer attached tenement map.

By way of background Hannans has over the past three years aggregated a highly competitive land holding in the world-class Forrestania Greenstone Belt. The Company's ground position has steadily increased from 14.3 km² in 2006 when it first entered the belt to 385km² at present. Importantly Hannans has made significant progress towards consolidating the previously fractured tenement ownership that restricted exploration for nickel sulphides within this part of the Forrestania Greenstone Belt.

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The focus of Hannans' exploration and aggregation activities has been the interpreted northern extension of the western ultramafic belt (**WUB**) which hosts the high grade nickel sulphide mines owned by Western Areas NL and Kagara Ltd to the south.

It is Hannans' view that aggregation of this underexplored portion of the Forrestania Greenstone Belt coupled with a systematic exploration strategy provides the Company within the best possible chance of identifying whether high grade nickel sulphides occur with the project area.

Historically exploration within the interpreted northern extension of the WUB has been ad-hoc in nature due to the fractured tenement ownership situation. As a result there hasn't previously been the opportunity to implement a systematic macro level approach to either nickel or gold exploration in this part of the belt. By implementing such a strategy, for both gold and nickel, Hannans can in effect double the chances of a mineral discovery.

With an increasingly large tenement holding, Hannans in partnership with it's consultants, is developing a systematic exploration targeting process aimed at effectively and adequately testing the entire ground position in a timely manner. Hannans aims to do this through the use of both geological and geophysical exploration techniques including:

- Airborne electromagnetic surveys (VTEM and ZTEM)¹ ;
- Airborne magnetic surveys;
- Ground moving loop electromagnetic (MLEM) and fixed loop electromagnetic (FLEM) surveys;
- Down-hole electromagnetic surveys (DHEM); and
- Geological and Geochemical sampling (Auger, RAB, RC and diamond drilling)

Please refer to Appendix 1 for a current summary of the exploration activities over the Forrestania Nickel & Gold Project.

Continued...

¹ VTEM= Versatile Time Domain Electro-Magnetics, ZTEM= Z-Axis Tipper Electro-Magnetics

Airborne EM Surveys

A regional helicopter-borne **VTEM survey commenced at Forrestania** during October 2009 focusing on two key areas; the northern extension of the WUB and a 13km long magnetic feature west of the Spotted Quoll nickel-sulphide mine owned by Western Areas Ltd. Regional test lines are also being completed over areas of known 'cover' to define the effectiveness of the geophysical tool. Subject to the results of the test-lines these areas will be in-filled to provide detailed VTEM coverage.

As well as flying the VTEM survey for Hannans, Geotech Airborne (www.geotechairborne.com) are also flying a test survey of it's ZTEM helicopter-borne tool² over a 'geophysical test range' located on Hannans' tenement E77/1512. The ZTEM system may potentially have a greater depth penetration than the existing VTEM system. This data will be made available to Hannans to assess ZTEM's effectiveness in the area.

Modelling of the data generated from the current Forrestania VTEM and ZTEM surveys will continue into the next Quarter. Targets generated from this survey are likely to be validated with ground geophysics (FLTEM) prior to drill testing.

The use of VTEM and ZTEM represents a significant step forward in the use of geophysics over Hannans' Forrestania Project because neither of these airborne systems has previously been used to test the northern extension of the WUB.

It should be noted at this point that Hannans utilised the VTEM system successfully at it's Queen Victoria Rocks (QVR) nickel sulphide project in 2008. The data generated from the survey was an important component in a process that ultimately resulted in Vale (www.vale.com) becoming Hannans' joint venture partner at QVR. Vale is currently in the process of drill testing geophysical targets at QVR.



Figure 1 VTEM system preparing to fly Hannans' Forrestania Project

² Refer to www.geotech.ca for further technical information.

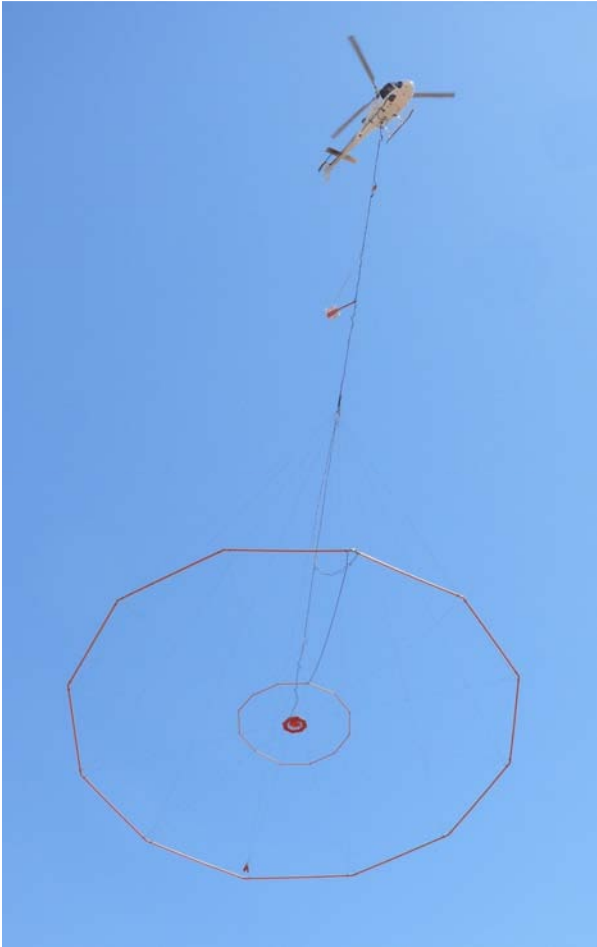


Figure 2 VTEM over Hannans' Forrestania Project



Figure 3 Russell Mortimer from Southern Geoscience and the ZTEM base station



Figure 4 ZTEM receiver towed by the helicopter

Airborne Magnetic data

In August 2009 Hannans purchased **detailed (50m) airborne magnetic imagery** covering the northern extents of the WUB. This led to the identification of a possible bifurcation of the WUB and outlined the complex nature of the ultramafic stratigraphy in this area including folding and/or thrusting. This data is continually being reviewed and modelled.

RC Drilling September 2009

Hannans commissioned Southern Geoscience Consultants (www.sgc.com.au) to undertake a full review of all historical geophysical surveys completed on the existing tenements. As a result of this review multiple unexplained electromagnetic (EM) anomalies were identified and re-modelled/optimized using detailed FLTEM surveys. Four of the EM conductors identified in the review were **RC drilled** in September 2009 for a total of 786m. Each hole intersected significant widths of massive sulphide.

Although no nickel sulphide mineralisation was intersected within the four holes, **anomalous nickel geochemistry** was intersected in 4 metre composite sampling within the regolith of hole FSRC021 over an interval of 8 metres. Elevated chrome (1705ppm), copper (269ppm), nickel (1782ppm), platinum (120ppb) and palladium (154ppm) from 4 metre depth down hole is considered to be highly encouraging as the samples may represent a nickel gossan. The one metre re-splits are currently being assayed and if the anomalous geochemistry is confirmed a follow-up RC drill hole will be planned to intercept possible fresh nickel sulphide anomalism at depth.

A strong correlation between the presence of sulphide and felsic intrusive bodies was also recognised in the Hannans RC drilling suggesting possible remobilisation of sulphide along these contacts. This is confirmed with the presence of anomalous gold (80ppb), arsenic (6990ppm), nickel (0.43%), platinum (21ppb) and palladium (30ppb) at an intrusive contact in FSRC021 at 168 metre depth. An exploration strategy at Forrestania must cover potential remobilised targets i.e. targets not necessarily in close association with the ultramafic rocks. A summary of the four drill holes is given in Table 1 below.

Table 1: Drillhole Summary

Hole No	Northing GDA	Easting GDA	Dip/Azimuth	Hole Depth m	Comment
FSRC018	6,418,925	752,680	-70/270	228	4m of pyrite + pyrrhotite from 188m down hole
FSRC019	6,429,350	750,850	-90/000	180	3m of pyrite + pyrrhotite from 141m downhole
FRSC020	6,422,650	751,610	-70/270	180	8m anomalous Ni geochemistry from 4m. 48m of sulphidic black shale from 88m downhole.
FSRC021	6,418,790	751,910	-70/270	198	16m of pyrite + pyrrhotite from 164m intruded by 2m of granite.

- Co-ordinates are reported in GDA 94, Zone 50

To date, two of the holes have been surveyed with DHEM confirming the intersected sulphide as the source of the modelled conductor.

DHEM, FLEM and RC Drilling Scheduled for this Quarter

Approvals will be sought to RC drill test **four additional conductors** in the current Quarter that were identified by Southern Geoscience in their review. FLEM surveys will be completed to further model the conductive targets prior to drilling. Whilst the ground based geophysical crew is on site, the DHEM surveys are scheduled to be completed on the remaining two drill holes completed during September 2009 referred to above. If approvals are not forthcoming in the short term this program may occur early in the next Quarter.

Geochemical Sampling

St Barbara Ltd has recently provided Hannans with a substantial amount of historical geochemical data covering ground the subject of the Hannans-St Barbara-Kagara transaction announced to ASX on 30 July 2009. This data is currently being reviewed and will be integrated with Hannans existing data.

Furthermore, a regionally extensive **reconnaissance geochemical (RAB) sampling program** is being planned to commence next Quarter with the aim of gaining an improved understanding of the ultramafic lithologies within the project area. The reconnaissance RAB program will also assist with gold exploration within the Forrestania Project.

Shareholders who have any questions in relation to this announcement should contact Hannans' Managing Director Damian Hicks on +61 8 9324 3388

Hannans Reward Limited Summary

Hannans Reward Ltd has developed a suite of prospective exploration projects within Australia covering nickel, gold and manganese. Hannans has joint ventures with Vale (www.vale.com), Kagara Ltd (www.kagara.com.au), St Barbara Ltd (www.stbarbara.com.au) and Triton Gold Ltd (www.tritongold.com.au). Hannans is the second largest shareholder in Warwick Resources Ltd (www.warwickresources.com.au) and holds equity in Atlas Iron Ltd (www.atlasiron.com.au). 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
- Lake Johnston – nickel & gold project located 25km south east of Norilsk's Maggie Hays nickel mine
- Jigalong – manganese & base metals project located 150km east of Newman, WA
- Queen Victoria Rocks - joint venture with Companhia Vale do Rio Doce (Vale), 30km south-west of Coolgardie, WA
- Sunday – gold joint venture with Triton Gold Ltd, 10kms east of Leonora, WA

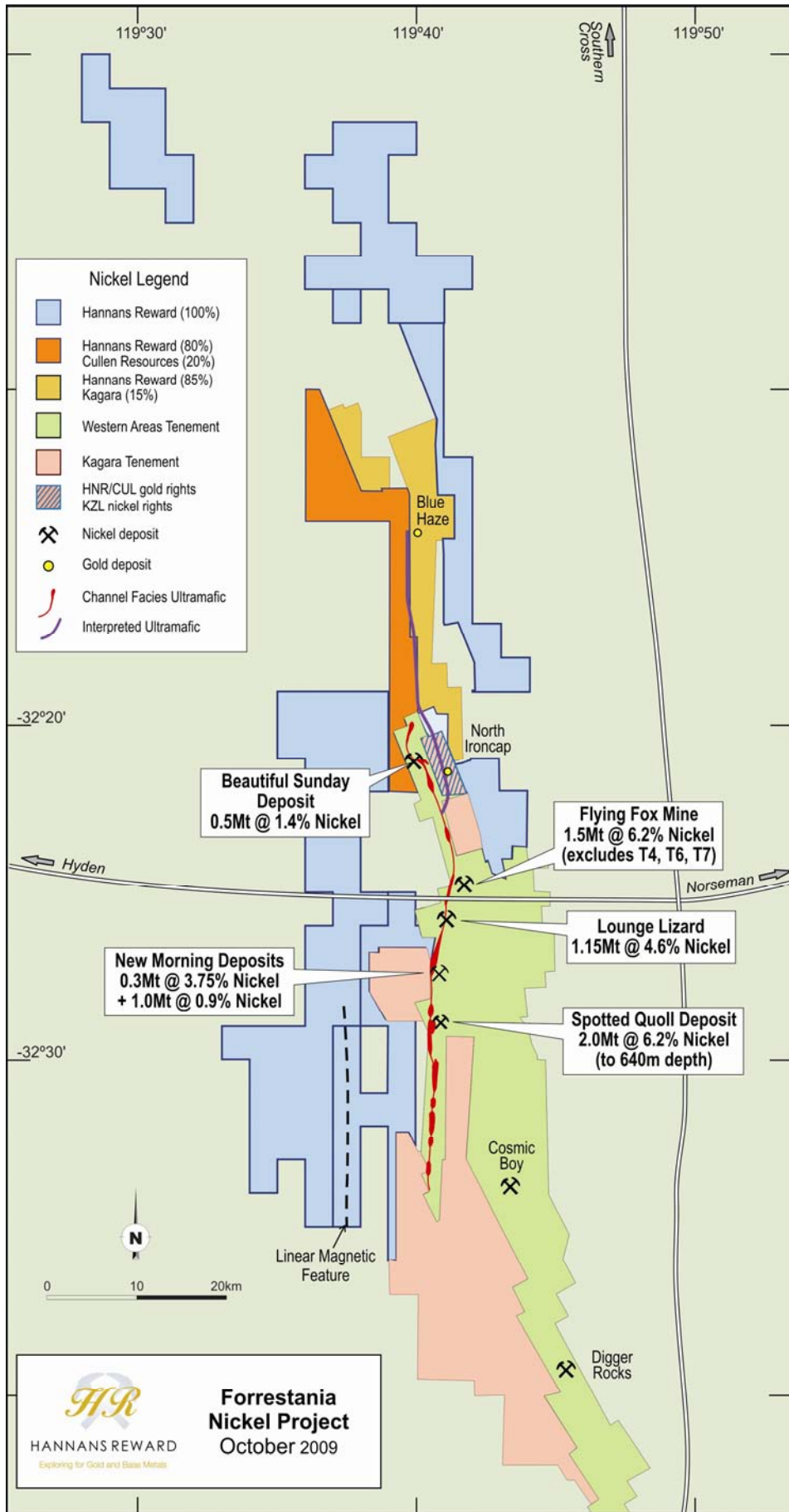
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Competent Persons Statement

The information in this document that relates to exploration results is based on information compiled by Mrs. Amanda Arrowsmith, Exploration Manager, Hannans Reward Ltd who is a Member of the Australian Institute of Mining and Metallurgy. Mrs. Arrowsmith is a full-time employee of Hannans Reward Ltd. Mrs. Arrowsmith 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". Mrs. Arrowsmith consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.



Appendix 1: Summary of Exploration Activities-Forrestania Project

Area	Technique	100% Hannans	Cullen JV	St Barbara & Kagara JV
Interpreted Western Ultramafic Belt	Geophysics			
	Aeromagnetics	√	√	√
	Detailed Aeromagnetics	√	√	√
	VTEM	In progress	In progress	In progress
	MLEM		√	
	FLEM	Subject to VTEM	√	Subject to VTEM
	IP			
	Geochemistry			
	Soil Sampling		√	Assessing
	Auger Sampling RAB drilling	Required	Required	Assessing Assessing
	Drilling			
	RC		√	Planned
Southern Interpreted Ultramafic	Geophysics			
	Aeromagnetics	√		
	Detailed Aeromagnetics		N/A	N/A
	VTEM	In progress		
	MLEM			
	FLEM	Subject to VTEM		
	IP			
	Geochemistry			
	Soil Sampling		N/A	N/A
	Auger Sampling RAB drilling	Required		
	Drilling			
	RC		N/A	N/A
Northern Conceptual Targets	Geophysics			
	Aeromagnetics	√		√
	Detailed Aeromagnetics	√		√
	VTEM	In progress	N/A	In progress
	MLEM			
	FLEM	Subject to VTEM		Subject to VTEM
	IP			
	Geochemistry			
	Soil Sampling		N/A	Assessing
	Auger Sampling RAB drilling	√ Required		Assessing Assessing
	Drilling			
	RC		N/A	