



Jigalong Iron Ore Tenements Granted

Highlights

- Exploration Licences at Jigalong have been granted (refer attached Location Plan)
- Exploration Licences highly prospective for iron ore, chromite and manganese. Potential also exists for gold and base metal mineralisation
- Exploration Licences adjacent to advanced stage near surface iron ore resource of 16.3 million tonnes
- Exploration Licences adjacent to tenements owned by Rio Tinto Exploration Pty Ltd and FMG Pilbara Pty Ltd
- Hannans' activities supported by the Jigalong Community
- Two further applications made in the area

Summary

Exploration licences 52/1812, 52/1813 and 52/1819 (the "**Jigalong Project**"), covering an area of 617 km², have been granted.

They are adjacent to the advanced stage near surface iron ore resource of 16.3 million tonnes owned by FerrAus Limited (ASX:FRS) and also adjacent to tenements owned by Rio Tinto Exploration Pty Ltd and FMG Pilbara Pty Ltd.

Hannans Reward has also recently applied for two additional exploration licences (ELA 52/1958 and ELA 62/2235) at Jigalong covering ground previously the subject of tenement applications by Rio Tinto Exploration Pty Ltd and WMC Resources Limited.

Hannans' activities will focus on exploring for iron within the Jigalong Project. The existing iron ore deposit located immediately adjacent to the recently granted tenements together with historical exploration results indicate that the Jigalong Project also has potential to host iron mineralisation.

The Jigalong Project is located close to the Jigalong Community. The Community is located in the East Pilbara Shire approximately 520 km south east of Port Hedland or 165 km east of Newman on an Aboriginal reserve at the western edge of the Western Desert. Jigalong is part of the Martu country and the Jigalong area has been home to the Martu people for over 20,000 years.



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The Jigalong Project remains largely unexplored due to its remoteness and its location within Aboriginal Reserve 41265 which historically has made access difficult. Permits to enter the Reserve to conduct exploration activities have recently been granted to a subsidiary company of Hannans by the Minister for Indigenous Affairs.

Hannans Reward looks forward to working with the Jigalong Community and to commencing greenfields exploration at the Jigalong Project. Initial exploration will involve field mapping, acquisition of airborne magnetic and radiometric data, electromagnetic surveys and thereafter drilling. Terry Grammer, Executive Director of Hannans Reward will be conducting a site visit next week.

The Jigalong Project is registered in the name of Errawarra Pty Ltd, which has only one shareholder; HR Subsidiary Pty Ltd. HR Subsidiary is a wholly owned subsidiary of Hannans Reward Ltd. The Directors of Errawarra Pty Ltd are Richard Scallan (Chairman, Hannans Reward Ltd), Terry Grammer (Executive Director, Hannans Reward Ltd) and Damian Hicks (Executive Director, Hannans Reward Ltd).

On 5 December 2003 Hannans Reward announced to the Australian Stock Exchange that it had signed a memorandum of understanding with Jigalong Community Inc to form a joint venture exploration company for the purpose of discovering economic mineral deposits in the Pilbara. A substantive agreement as contemplated by the memorandum of understanding has yet to be concluded.

Entry permits authorising Errawarra Pty Ltd, its employees and contractors to enter Reserve 41265 for the purpose of carrying out exploration activities on the Jigalong Project were granted by the Minister for Indigenous Affairs after consultation with the Jigalong Community Inc and the Nyiyparli Native Title Claimant Group. The tenements were granted by the Minister for Resources after consultation with the Minister for Indigenous Affairs. The granting of the tenements was supported by both the Jigalong Community and the Nyiyparli Native Title Claimant Group.

If you have any questions in relation to this announcement please contact Mr Damian Hicks, Executive Director or Mr Terry Grammer, Executive Director on (08) 9324 3388 or visit www.hannansreward.com.



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