



# Hannans Reward Ltd

Exploring for Gold & Base Metals  
ASX:HNR

1<sup>st</sup> Quarter Activities Report  
11 October 2006

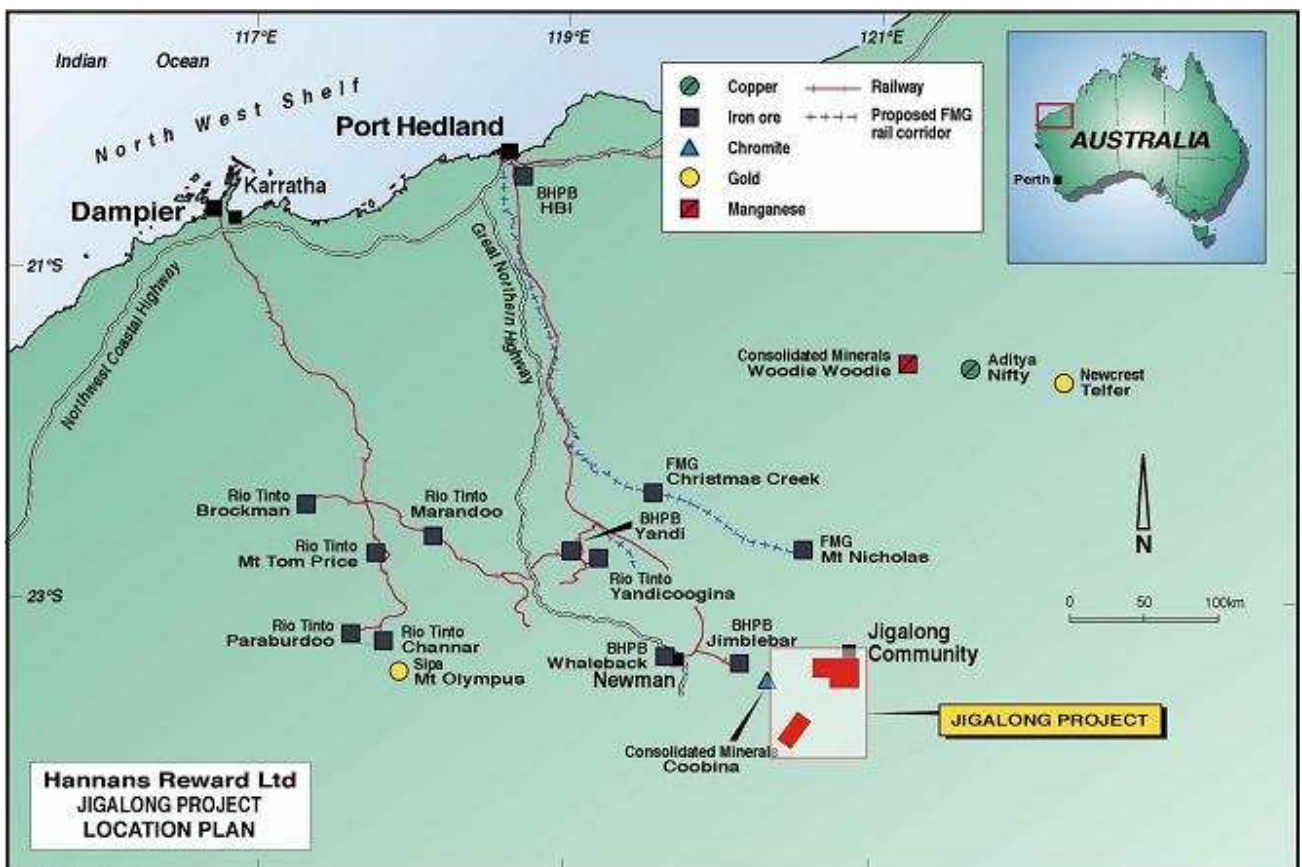
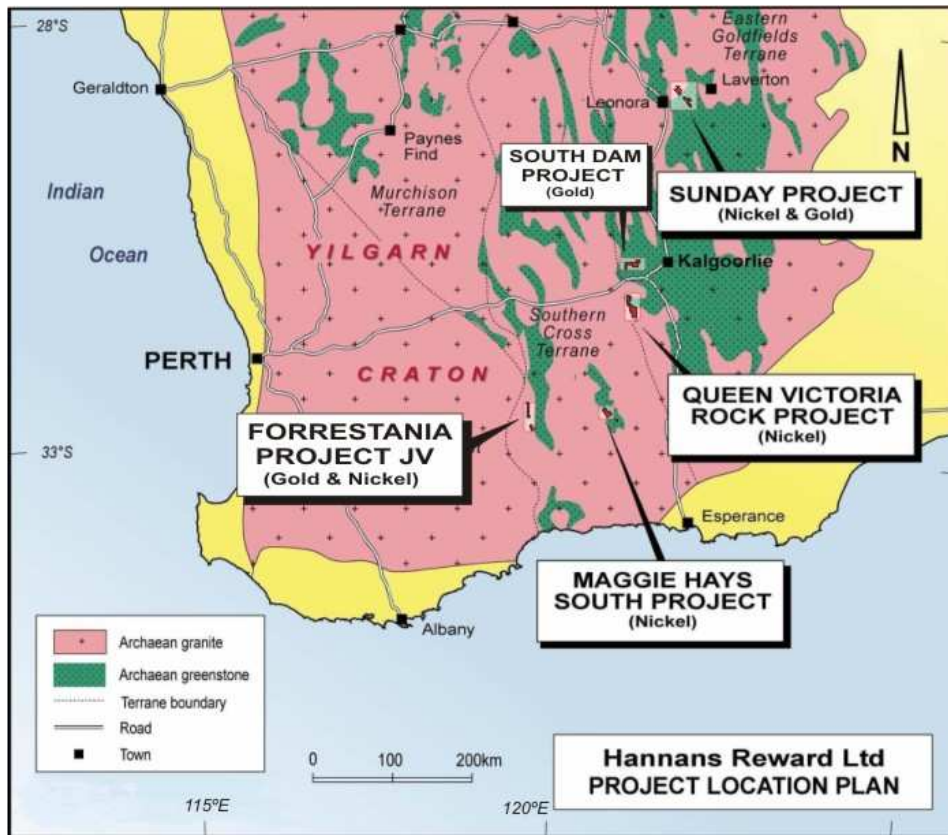
## Exploration Update

Tour our projects via [Google Earth!](#)

- **Forrestania Joint Venture Project (near Hyden, WA) – Gold & Nickel**
  - Initial RC drill testing of EM targets completed, results pending
  - First drill programme at North Ironcap (gold) planned for 3<sup>rd</sup> Quarter
- **Jigalong Project (near Newman, WA) – Iron, Gold & Base Metals**
  - Field sampling in progress, results anticipated 2<sup>nd</sup> Quarter
  - Aeromagnetism & radiometrics to be flown 2<sup>nd</sup> Quarter
  - First drill programme scheduled for next field season
- **Queen Victoria Rocks (near Coolgardie, WA) – Nickel & Gold**
  - Aircore drilling (4,000m approx.) to test significant gold anomaly planned for November, subject to approvals, with results anticipated 2<sup>nd</sup> Quarter
  - Ground geophysical survey planned for 2<sup>nd</sup> Quarter
- **Sunday (near Leonora, WA) - Gold**
  - Litho geochemistry study in progress, results anticipated 2<sup>nd</sup> Quarter
- **Maggie Hays South (near Norseman, WA) – Nickel & Gold**
  - Soil sampling planned for October, results anticipated 2<sup>nd</sup> Quarter

## Corporate Update

- **Appointment of Non-Executive Director**
  - Mr Frank Cannavo
- **Annual General Meeting**
  - Scheduled for Monday, 27 November 2006



---

## Summary of 1<sup>st</sup> Quarter Activities

### Forrestania Joint Venture

#### Stormbreaker

The Stormbreaker Prospect hosts similar rock types to those at the Flying Fox nickel deposit (Western Areas NL) located 15 kilometers to the south.

Significant advances were made at Stormbreaker during the 1<sup>st</sup> Quarter. A third electromagnetic (EM) conductor was identified and all three EM targets were tested with reverse circulation (RC) drilling. Follow up drilling will depend upon assay results, expected later this month.

Gold exploration will also be undertaken within the Stormbreaker prospect area, and may also be guided by the results from the RC drilling.

EM surveys have now covered approximately 20% of the Forrestania Joint Venture area and line clearing approvals are currently being sought to enable further surveys. In that regard, a second flora and fauna survey is scheduled this month. Once approvals have been obtained, EM surveys will be completed with drill testing of any conductors

#### North Ironcap

The North Ironcap gold mineralization was identified by Normandy Mining Ltd in 1996 – 1999. On the basis of their drilling information, the Forrestania Joint Venture considers that an exploration target, with the potential for 125,000 to 140,000 ounces of gold, exists within the 1.6km long trend. Normandy planned to mine this deposit and treat the ore at the Bounty Mine Plant, 27 kilometers to the north. However this did not eventuate due to the closure of the Bounty mine.

The initial aim of the Forrestania Joint Venture is to design a programme to establish a JORC compliant resource estimation for this mineralization and to explore along strike (~1.5km) and down dip.

Snowden Mining Consultants are reviewing the drillhole database to guide resource estimation planning. Depending on the outcome of this work, the forward programme to commence in February 2007 would probably include resources definition drilling, exploration beneath the existing deposit and exploration along strike.

A second comprehensive flora and fauna survey in October is required prior to drilling. A preliminary survey did not identify any significant impediments to exploration. Subject to the results of the second survey, approvals for clearing and drilling will be lodged. It should be noted that the North Ironcap tenement is located within the same Flora & Fauna region as Western Areas NL's Flying Fox nickel mine, which is expected to commence production in December 2006.

### Jigalong

The Jigalong project is an exciting greenfields exploration prospect because minimal exploration has been conducted within it (due to its remote location and location within Jigalong Aboriginal Reserve) and furthermore the region hosts commercial mineral deposits including iron ore and chromium. The Jigalong project is adjacent to the advanced stage Robertson Range iron ore resource owned by FerrAus Limited ([www.ferraus.com](http://www.ferraus.com)). Additional adjoining tenement owners at Jigalong include Consolidated Minerals, Fortescue Metals Group and Rio Tinto. Hannans Reward is aiming to generate first pass drill targets within this large project area for testing early next year after the period when weather conditions make field exploration difficult (November through March).

The first field programme at Jigalong is currently in progress and expected to be completed early in November. This low-impact programme involves collection of a significant number of stream sediment, soil and rock chip samples that will be analysed for iron, gold, nickel, copper, zinc, chromium and manganese. It is anticipated that results from the assays will be available in early December.

As no multi-client aeromagnetic surveys cover the Jigalong project area, Hannans Reward is currently obtaining quotations to fly its own aeromagnetic survey as soon as possible. This modern data, once available, will greatly assist the Company with understanding the geology of the project. Results from the sampling will be combined with data from the aeromagnetic survey and satellite imagery based structural mapping (already completed) to assist with identifying the first round of drill targets.

### Queen Victoria Rocks

Historically Queen Victoria Rocks ("QVR") has been considered solely a nickel sulphide exploration project. The recent encouraging early stage exploration results indicate that the project also has gold potential. A gold-in-soil anomaly was announced to the market during the Quarter and approvals are currently being sought to test this anomaly with ~ 4,000 metres of aircore drilling during October / November. The aircore drilling programme represents the next stage of exploration drilling that builds on the encouraging early stage results. The Company is in the process of obtaining native vegetation clearing approvals and drilling approvals and aims to be on the ground drilling later this month.

The Company is also continuing the search for nickel sulphide mineralisation. The next stage is to complete a further ground electromagnetic survey in an effort to identify conductive bodies at depth that may be sulphides.

### Sunday

A litho-geochemistry study on Hannans' historical drilling is currently underway. This technical study is being completed by respected consultant Mr Scott Halley who is a greenstone terrane technical specialist. Part one of the study is complete and assays for part two, a multi-element suite are pending. The aim of the study is twofold: to assist in determining the probability of Sunday hosting a significant gold deposit; and to target future drilling programmes. The Sunday is covered by a thick layer of transported cover and therefore detailed research needs to be conducted to ensure that future expensive drilling campaigns are optimally targeted.

A number of auger (shallow) drilling programmes have been planned to infill existing gold in soil anomalies at the Mt Stewart, Malcolm Creek and Braemore prospects within the Sunday project. A majority of the approvals required to complete the programs have been obtained. Drilling was expected to have commenced however the exciting results from QVR meant that the contractor has not been available for this Project. Following receipt of the lithogeochemistry study and auger results, further deeper drilling programs will be planned to follow-up all anomalous results.

Maggie Hays South

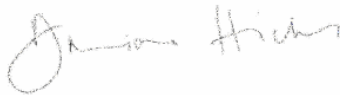
A soil sampling program for gold is expected to take place during October.

Poona

The Company withdrew its exploration licenses at Poona during the Quarter.

We encourage shareholders and interested persons to visit [www.hannansreward.com](http://www.hannansreward.com) for a comprehensive summary of the Company's projects and previous ASX releases. If you have any questions in relation to Hannans Rewards' activities please do not hesitate to contact us on +61 (0)8 9324 3388.

Yours sincerely,



Damian Hicks  
Executive Director



Terry Grammer  
Executive Director

*Information in this report which relates to mineralisation at Stormbreaker and North Ironcap is based on information reviewed by Dr Chris Ringrose, a full time employee of Cullen Resources Limited who is a Member of the Australian Institute of Geoscientists and has relevant experience as a Competent Person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves in relation to mineralisation being reported on.*