



ASX Announcement

**Fully Underwritten Rights Issue
to Raise \$3 Million**

Hannans Reward is pleased to announce that a prospectus has been lodged to raise approximately \$3 million by way of a rights issue. The issue has been fully underwritten by Hartleys Limited.

The purpose of this capital raising is to fund continued exploration for gold and nickel at Sunday (near Leonora, WA), Queen Victoria Rocks (near Coolgardie, WA), Maggie Hays South (near Norseman, WA), Poona (near Cue, WA) and Jigalong (near Newman, WA).

Hannans Reward is also pleased to welcome Hartleys as its corporate advisor and underwriter. Hartleys' participation as underwriter is a strong sign of support for Hannans Reward and its exploration projects.

Full offer details are set out in the attached prospectus. Those shareholders on the register at 5pm on 22 November 2005 will be entitled to apply for 4 new shares for every 5 shares they own at that time. The price of each new share is 10 cents. A letter will be posted to all shareholders explaining the rights issue process and a prospectus will be distributed to shareholders on or about 28 November 2005. The proposed closing date for the issue is 7 December 2005.

The Directors encourage you to consider the opportunities presented by the rights issue. As disclosed in the Section 8.5 of the prospectus recently appointed Director, Mr. Terry Grammer has entered into an agreement with Hartleys to sub-underwrite 3,712,500 shares offered pursuant to the Prospectus representing subscription monies of \$371,250.

For further information please contact Damian Hicks, Director on (08) 9324 3388 or visit the Company's website www.hannansreward.com.



Hannans Reward Ltd

ABN 52 099 862 129

Exploring for Gold & Base Metals

RIGHTS ISSUE PROSPECTUS

For a non-renounceable rights issue of approximately 29,933,202 Shares to be issued at a price of 10 cents per Share on the basis of four (4) Shares for every five (5) Shares held as at 5.00pm (WST) on the Record Date to raise up to approximately \$2,993,320.

**This issue is fully underwritten
Underwriter of the Offer:**



IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

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IMPORTANT NOTES

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisers before deciding whether to accept their Entitlement.

This Prospectus is dated 11 November 2005 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The expiry date of this Prospectus is 5.00pm WST on the date which is 13 months after the date this Prospectus is lodged with the ASIC (**Expiry Date**). No Shares will be allotted or issued on the basis of this Prospectus after the Expiry Date. Application will be made within seven (7) days after the date of this Prospectus for admission of the Shares offered by this Prospectus to be listed for quotation.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus.

Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company and the Shares offered under this Prospectus must be regarded as a speculative investment. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

This Prospectus is available in electronic form at the Company's website, www.hannansreward.com. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia.

SECTION 1

1. SUMMARY OF IMPORTANT DATES

Prospectus lodged with the ASIC and Appendix 3B lodged with ASX	11 November 2005
Notice of rights issue sent to security holders	14 November 2005
“Ex date”	16 November 2005
Record Date (5pm WST)	22 November 2005
Opening Date and despatch of Prospectus	28 November 2005
Closing Date*	7 December 2005
Shares quoted on a deferred settlement basis*	8 December 2005
Notice of under subscriptions given to ASX	12 December 2005
Allotment and despatch of holding statements for Shares	15 December 2005

*These dates are determined based upon the current expectations of the Directors and may, subject to the Listing Rules, be changed without notice. The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may vary.

SECTION 2

2. CORPORATE DIRECTORY

Directors

Mr Richard Scallan (Independent Director, Non-Executive Chairman)
Mr Damian Hicks (Executive Director)
Mr William Hicks (Executive Director)
Dr Ernest Dechow (Non Executive Director)
Mr Terrence Grammer (Non Executive Director)

Company Secretary

Mr Damian Hicks

Registered Office

Level 2
47 Colin Street
WEST PERTH WA 6005

Principal Place of Business

Level 2
11 Ventnor Avenue
WEST PERTH WA 6005

Telephone: +61 8 9324 3388
Facsimile: +61 8 9324 3366
Web site: www.hannansreward.com

Postal Address

PO Box 1227
WEST PERTH WA 6872

Stock Exchange Listing

Australian Stock Exchange
(Home Exchange: Perth, Western Australia)
Code: HNR

ABN 52 099 862 129

Share Registry*

Computershare Investor Services Pty Limited
Level 2, Reserve Bank Building
45 St Georges Terrace
PERTH WA 6000

Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

Solicitors to the Company

Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
PERTH WA 6000

Corporate Adviser and Underwriter

Hartleys Limited
Level 6
141 St Georges Tce
PERTH WA 6000

Telephone: +61 8 9268 2888
Facsimile: +61 8 9268 2830

* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Their name is included for information purposes only.

SECTION 3

3. CHAIRMAN'S LETTER

11 November 2005

Dear Shareholder,

The purpose of this \$3 million capital raising is to fund continued exploration for gold and nickel at Sunday (near Leonora, WA), Queen Victoria Rocks (near Coolgardie, WA), Maggie Hays South (near Norseman, WA), Poona (near Cue, WA) and Jigalong (near Newman, WA).

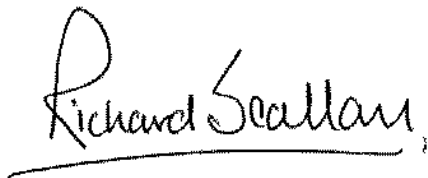
We are very pleased to welcome Hartleys as our corporate advisors as we continue our search for a major gold or nickel discovery. Hartleys have agreed to fully underwrite the Offer which is a strong signal of their belief in the Company's people and projects. We thank them for their support.

Exploration for gold and nickel is expensive; however success can be one drill hole away. To ensure the Company remained well funded prior to completion of this rights issue, the Company issued Shares pursuant to a placement to clients of Hartleys on 8 November 2005 that raised \$440,000. This rights issue to Shareholders is being done at the same price as the placement. This ensures the issues are equitable to all Shareholders.

We stand by our existing projects as they continue to provide encouraging exploration results. We will however continue to search for projects that add value to our existing strategy and portfolio. Should you wish to obtain a detailed update for each of the projects we encourage you to visit our website, www.hannansreward.com.

We encourage all Shareholders to consider the opportunities presented by this capital raising and thank you for your continued support.

Kind regards,

A handwritten signature in black ink that reads "Richard Scallan". The signature is written in a cursive style with a long horizontal line underneath the name.

Richard Scallan
Chairman

SECTION 4

4. DETAILS OF THE OFFER

4.1 Offer of Shares

The Offer is being made as a pro rata non-renounceable rights issue to Shareholders on the basis of four (4) Shares for every five (5) Shares held at 5.00pm (WST) on the Record Date.

Based on the capital structure of the Company at the date of this Prospectus, the number of Shares to be issued is approximately 29,933,202 at an issue price of 10 cents per Share. The Offer will raise approximately \$2,993,320 (before costs).

The purpose of the Offer and the use of funds raised are set out in Section 5 of this Prospectus. The rights and liabilities attaching to Shares are set out in Section 6 of this Prospectus.

The Company currently has 18,048,494 Options on issue. The terms and conditions of these Options do not allow for the participation by those Option holders in new issues of securities. Those Option holders will, subject to the terms of the Options, be entitled to exercise their Options during the time period set out in the ASX Listing Rules in order to participate in the Offer.

In the calculation of any Entitlement, fractions will be rounded up to the nearest whole number.

4.2 How to Accept

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your Entitlement in full:
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) attach your cheque for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept part of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) attach your cheque for the appropriate application monies (at 10 cents per Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything. Any Shortfall will be distributed pursuant to the terms and conditions of the Underwriting Agreement with the Underwriter.

If you wish to participate in the Offer you must forward the completed Entitlement and Acceptance Form, together with your cheque drawn on an Australian bank or bank draft made payable in Australian currency to "**Hannans Reward Ltd – Rights Issue**" and crossed "Not Negotiable" in the enclosed envelope to Computershare Investor Services Pty Limited at GPO Box D182, Perth, WA 6840.

Your completed Entitlement and Acceptance Form and cheque must reach the share registry no later than 5pm WST on the Closing Date.

The Offer is non-renounceable so that a holder of Shares may not sell or transfer all or part of their Entitlement.

4.3 Shortfall

The Directors, in conjunction with the Underwriter, reserve the right to issue the Shortfall at their discretion in accordance with the Listing Rules and the Underwriting Agreement.

4.4 Australian Stock Exchange Listing

Application for official quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If approval is not obtained from ASX before the expiration of 3 months after the date of this Prospectus (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

4.5 Allotment of Shares

Shares issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Pending the allotment and issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

4.6 Underwriter

The Offer is fully underwritten by Hartleys Limited. Please refer to Section 8.5 for further details.

4.7 Non-resident Applicants

It is the responsibility of non-resident applicants to obtain all necessary approvals for the allotment and issue to them of Shares pursuant to this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer.

4.8 Taxation Implications

The Directors do not consider that it is appropriate to give potential applicants advice regarding the taxation consequences of applying for Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to potential applicants. Applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offer.

4.9 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASTC Settlement Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

4.10 Enquiries

Any questions concerning the Offer should be directed to the Company on (08) 9324 3388.

SECTION 5

5. PURPOSE AND EFFECT OF THE ISSUE

5.1 Purpose of the Offer and use of funds raised

The total proceeds of up to approximately \$2,993,320 will be used to fund further exploration on the Company's gold and nickel projects in Western Australia, as well as to provide working capital and to meet anticipated costs of the Offer.

The proceeds of the Offer will be used over the next 18 months as follows:

	Use of Funds	(\$)
1.	Costs of the Offer	220,000
2.	Exploration	1,993,320
3.	Additional working capital	780,000
	Total Proceeds	2,993,320

The funds will be used principally to fund further drilling, geophysics and interpretation in the search for gold and nickel at Sunday (\$996,660), Queen Victoria Rocks (\$498,330), Maggie Hays South (\$99,666), Poona (\$99,666) and Jigalong (\$298,998).

5.2 Effect of the Offer

The principal effect of the Offer will be to:

- (a) increase cash reserves by approximately \$2,773,320 after deducting estimated expenses of the Offer; and
- (b) increase the number of Shares on issue from 37,416,503 as at the date of this Prospectus to up to approximately 67,349,705 Shares.

5.3 Pro Forma Balance Sheet

Set out below, for the purposes of illustration only, is a pro forma statement of financial position of the Company after taking account of the Offer. It is based on the unaudited statement of financial position of the Company as at 30 September 2005. The pro forma statement of financial position illustrates the effect of the Offer as if the issue of Shares under this Prospectus had occurred on 30 September 2005 (based on the assumptions set out below).

STATEMENT OF FINANCIAL POSITION

As at 30 September 2005

	Unaudited	Unaudited Proforma
	\$	\$
CURRENT ASSETS		
Cash assets	779,975	3,993,295
Receivables	<u>26,983</u>	<u>26,983</u>
TOTAL CURRENT ASSETS	<u>806,958</u>	<u>4,020,278</u>
NON CURRENT ASSETS		
Receivables	9,547	9,547
Investments	5,000	5,000
Property, plant and equipment	35,748	35,748
TOTAL NON CURRENT ASSETS	<u>50,295</u>	<u>50,295</u>
TOTAL ASSETS	857,253	4,070,573
CURRENT LIABILITIES		
Payables	81,819	81,819
Provisions	<u>5,304</u>	<u>5,304</u>
TOTAL CURRENT LIABILITIES	<u>87,123</u>	<u>87,123</u>
TOTAL LIABILITIES	<u>87,123</u>	<u>87,123</u>
NET ASSETS	<u>770,131</u>	<u>3,983,451</u>
EQUITY		
Contributed equity	4,592,027	7,805,347
Option premium reserve	25,000	25,000
Accumulated losses	<u>-3,846,896</u>	<u>-3,846,896</u>
TOTAL EQUITY	<u>770,131</u>	<u>3,983,451</u>

The assumptions used in the preparation of the pro-forma statement of financial position set out above are as follows:

- (a) the Company issues 29,933,202 Shares at 10 cents per Share pursuant to this Prospectus, raising proceeds of approximately \$2,993,320;
- (b) estimated costs of the Offer of \$220,000 have been recognised directly against Share capital, as a reduction of the proceeds of the issue;

-
- (c) the issue of 4,400,000 Shares pursuant to a placement at an issue price of 10 cents each to raise \$440,000 before costs that occurred on 8 November 2005 had occurred as at 30 September 2005; and
 - (d) the net cash adjustment to the pro-forma statement of financial position is therefore an increase of \$3,213,320.

The pro forma statement of financial position has been prepared under Australian generally accepted accounting standards. The first period for disclosure under Australian equivalents of International Financial Reporting Standards (**AIFRS**) is for the half year ending 31 December 2005. The Directors are of the opinion that there would be no impact on the pro forma statement of financial position above on the adoption of AIFRS.

5.4 Pro Forma Capital Structure of the Company

Shares	Number
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Upon completion of the issue of Shares, the capital structure of the Company will be as follows (assuming 29,933,202 Shares are issued):

Shares on issue as at the date of this Prospectus	37,416,503
Shares offered pursuant to this Prospectus	29,933,202
Shares on issue on completion of the Offer	67,349,705

Options

The details of Options on issue in the Company as at the date of this Prospectus are as follows:

- (a) 17,048,494 exercisable at 20 cents each on or before 31 March 2006; and
- (b) 1,000,000 exercisable at 20 cents each on or before 31 March 2008.

SECTION 6

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES

Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(a) General Meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (iii) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those shares (excluding amounts credited).

(c) Dividend Rights

The Directors may from time to time declare a dividend to be paid to shareholders entitled to the dividend. The dividend shall (subject to Clause 22 of the Company's Constitution and to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividends) be payable on all shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such shares in accordance with the Corporations Act. The Directors may from time to time pay to the shareholders such interim dividends as they may determine. No dividends shall be payable except out of profits. A determination by

the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company.

(d) Winding-Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set a value as the liquidator considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to shareholders, shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other shares.

(e) Transfer of Shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) Variation of Rights

If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied, whether or not the Company is being wound up, with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class. Any variation of rights shall be subject to Part 2F.2 of Chapter 2F of the Corporations Act.

SECTION 7

7. RISK FACTORS

7.1 General

Whilst the Directors recommend that Shareholders take up their Entitlement, the Shares offered under this Prospectus should be considered speculative.

The business activities of the Company are subject to various risks that may impact on the future performance of the Company. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which Shares will trade.

A number of material risk factors are set out below. This list is not exhaustive and potential applicants should examine the contents of this Prospectus and consult their professional advisers before deciding whether to apply for Shares.

7.2 Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

7.3 Market Conditions

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

7.4 Exploration Success

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of the tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an encouraging mineralisation is identified, there is no guarantee that it can be economically exploited.

Exploration costs are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability

7.5 Operating Risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits; failure to achieve predicted grades in exploration and mining; operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

7.6 Resource Estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

7.7 Commodity Price Volatility and Exchange Rate Risks

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

7.8 Environmental Risks

The operations and proposed activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

In this regard, the Department of Industry & Resources in Western Australia from time to time reviews the environmental bonds that are placed on tenements. The Directors are not in a position to state whether a review is imminent or whether the outcome of such a review would be detrimental to the funding needs of the Company.

7.9 Title Risks and Native Title

Interests in tenements in Australia are governed by the respective State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

7.10 Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be.

7.11 Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

SECTION 8

8. ADDITIONAL INFORMATION

8.1 Continuous Disclosure Obligations

This document is issued pursuant to section 713 of the Corporations Act as a transaction specific prospectus.

Section 713 of the Corporations Act enables companies to issue transaction specific prospectuses where those companies are and have been for a period of 12 months disclosing entities.

The Company is a disclosing entity under the Corporations Act and, as such, is subject to regular reporting and disclosure requirements. As a listed company, the Company is subject to the Listing Rules that require it to immediately notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of Shares. The Shares offered pursuant to this Prospectus are of a class that has been continuously quoted on ASX for at least 12 months prior to the date of this Prospectus.

Copies of documents lodged in relation to the Company with the ASIC may be obtained from or inspected at any office of the ASIC.

Information that is already in the public domain has not been reported in this Prospectus, other than that which is considered necessary to make this Prospectus complete.

The Company will provide a copy of each of the following documents free of charge, to any person on request during the application period in relation to this Prospectus:

- (a) the financial statements of the Company for the financial year ended 30 June 2005, being the last financial statements for a financial year of the Company lodged with the ASIC before the issue of this Prospectus; and
- (b) any document lodged with ASX pursuant to Section 674 of the Corporations Act since the lodgement of the financial statements referred to in paragraph (a) above and before the lodgement of this Prospectus with the ASIC.

For details of documents lodged with the ASX since the date of lodgement of the 2005 financial statements refer to the table set out below:

Date	Description of Announcement
7 November 2005	Completion of Placement
24 October 2005	Ground EM Survey commences at Sunday Project
21 October 2005	Placement to Fund Exploration
21 October 2005	2005 Annual Report
21 October 2005	Notice of AGM
20 October 2005	First Quarter Activities & Cashflow Reports
10 October 2005	Initial Director's Interest Notice
10 October 2005	Appointment of Director

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal hours.

8.2 Consents

The following consents have been given in accordance with the Corporations Act and have not been withdrawn as at the date of lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as solicitors to the Company and to the incorporation by reference of Part II of the Solicitor's Report (refer to Section 8.3 below) and has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Hartleys Limited has given its written consent to being named as the Company's corporate advisor and the underwriter of the Offer and has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

None of the entities referred to in this Section 8.2 have authorised or caused the issue of this Prospectus and do not accept any liability to any persons in respect of any false or misleading statement in, or omission from, any part of this Prospectus.

8.3 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (b) the promotion or formation of the Company;
- (c) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Shares pursuant to this Prospectus; or
- (d) the offer of Shares pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company.

This Prospectus incorporates by reference Part II of the Solicitor's Report on Mining Tenements in Section 9 of the prospectus issued by the Company on 10 October 2003 (**Part II of the Solicitor's Report**). Part II of the Solicitor's Report contains a summary of the material terms of agreements pursuant to which the Company acquired an interest in various mining tenements and applications for the grant of various mining tenements. Damian Hicks, William Hicks and Ernest Dechow each had an interest in one or more of these agreements. A copy of Part II of the Solicitor's Report will be given, free of charge, to any person who asks for a copy on or before the Closing Date.

The Directors' interests in Shares and Options at the date of this Prospectus are:

Director	Ordinary Shares	Options
Mr Richard Scallan	Nil	200,000
Mr Damian Hicks	1,906,001	1,953,000

Mr William Hicks	6,196,249	3,062,770
Dr Ernest Dechow	2,600,001	1,300,000
Mr Terrence Grammer	Nil*	Nil

* Refer to Section 8.5 of this Prospectus.

For the financial year ended 30 June 2005, Damian Hicks received a salary of \$125,000 (excluding superannuation) and 1,000,000 Options exercisable at 20 cents each on or before 31 March 2008 for his services as Executive Director and Company Secretary. William Hicks received a salary of \$69,000 (excluding superannuation) for his services as an Executive Director. The salaries of the Executive Directors remain unchanged for the current financial year.

The Constitution of the Company provides that the Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting (currently set at \$150,000), to be divided among the Directors and in default of agreement then in equal shares. For the financial year ended 30 June 2005, the Non-Executive Directors were each paid a director's fee of \$24,000 (excluding superannuation).

Directors, companies associated with the Directors or their associates are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses.

8.4 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no expert or adviser nor any firm in which such an expert or adviser is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the promotion or formation of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of Shares pursuant to this Prospectus; or
- (c) the offer of Shares pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any expert or adviser or to any firm in which any such expert or adviser is a partner, either to induce him to become, or to qualify him as, an expert or adviser or otherwise for services rendered by him or by the firm in connection with the promotion or formation of the Company.

Steinepreis Paganin will be paid approximately \$10,000 for services in relation to this Prospectus. Steinepreis Paganin has provided and does provide legal advice to the Company for which it receives fees.

Hartleys will be paid an underwriting fee of \$179,599 in respect of this Offer. Hartleys has provided and does provide corporate advice to the Company for which it receives fees.

8.5 Underwriting Agreement

On 11 November 2005, the Company entered into an underwriting agreement with Hartleys Limited (**Underwriter**), whereby the Company engaged the Underwriter to fully underwrite the Offer (**Underwriting Agreement**).

The Underwriter will receive an underwriting commission of 6% of the total aggregate offer price of the Shares offered under this Prospectus. The Underwriter will also be reimbursed all reasonable costs, charges and expenses incurred by the Underwriter in connection with the Offer.

The Underwriter may elect to terminate its obligations under the Underwriting Agreement by notice to the Company if on or before the allotment of all the Shares one of the events set out below occurs and, if in the reasonable opinion of the Underwriter the event has or is likely to have a material adverse effect on the Offer or is likely to create a potential liability for the Underwriter:

- (a) **Fall of ASX All Ordinaries Index:** There is a fall in the ASX All Ordinaries Index of greater than 7.5% at any time after the date of the Underwriting Agreement in comparison to the ASX All Ordinaries Index at the close of trading on the date of the Underwriting Agreement.
- (b) **Change in law or policy:** A new law or policy is announced, introduced or adopted after the date of the Underwriting Agreement which does or is likely to prohibit or restrict or have a materially adverse effect upon the Offer. A "law" or "policy" includes:
 - (i) any legislation of the Australian parliament or the parliament of any state or territory;
 - (ii) any regulation, proclamation, order or other delegated legislation under the authority of the Australian parliament or the parliament of any state or territory, including local government ordinances and by-laws; and
 - (iii) any policy, guidelines or rule of the ASIC, the ASX, the Reserve Bank of Australia or other relevant fiscal or regulatory authority.
- (c) **Failure to lodge Prospectus or withdrawal: The Company:**
 - (i) fails to lodge this Prospectus with the ASIC on or before 1 January 2006; or
 - (ii) withdraws this Prospectus or the Offer.
- (d) **Prospectus deficiencies:** Any one or more of the following apply:
 - (i) a statement, report, representation, matter or thing contained in this Prospectus or any accompanying application form is or becomes misleading or deceptive;
 - (ii) there is an omission from this Prospectus of material required by the Corporations Act;
 - (iii) there is a new circumstance which has arisen since this Prospectus was lodged that would have been required by the Corporations Act to be included in this Prospectus if it had arisen before lodgement;
 - (iv) the ASIC or ASX determines, or the Underwriter forms the view on reasonable grounds, that the Offer requires a supplementary or replacement prospectus to be lodged with the ASIC;
 - (v) any person gives a notice under section 730 of the Corporations Act in relation to this Prospectus.

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- (e) **Repayment or withdrawal:** Any circumstance arises after lodgement of this Prospectus resulting in:
- (i) the Company being required to:
 - (A) repay the money received from applicants; or
 - (B) give applicants an opportunity to withdraw their applications and be repaid; or
 - (ii) persons having a right to return securities issued in connection with the Offer and have their application money repaid.
- (f) **Failure to obtain listing:**
- (i) The ASX makes an official statement to any person, or indicates to the Company or the Underwriter in writing, that unconditional approval, or approval subject to conditions the satisfaction of which is within the control of the Company or the Underwriter for the official quotation of all the Shares will not be granted, or will not be granted within 3 months after the date of this Prospectus.
 - (ii) Approval for the official quotation of all the Shares, although granted, is subsequently withdrawn, qualified or withheld before the issue of the Shares.
- (g) **Hostilities:** There is an outbreak of hostilities not presently existing or an escalation of hostilities (whether or not war has been declared) or political or civil unrest or a terrorist act is committed involving any one or more of the following:
- (i) Australia;
 - (ii) New Zealand;
 - (iii) the United Kingdom;
 - (iv) Canada;
 - (v) the United States of America;
 - (vi) Japan;
 - (vii) the People's Republic of China (including Hong Kong);
 - (viii) Indonesia; or
 - (ix) the Middle East;
- or a diplomatic, military or political establishment of any of those countries anywhere in the world.
- (h) **Specific intervention by ASIC:** The ASIC:
- (i) gives notice of its intention to hold a hearing under section 739 of the Corporations Act;

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- (ii) makes an interim order under section 739(3) of the Corporations Act;
 - (iii) makes an order under section 739 of the Corporations Act to stop the issue of securities to which this Prospectus relates;
 - (iv) applies for an order under Part 9.5 of the Corporations Act in relation to this Prospectus or the Offer; or
 - (v) commences any investigation, examination or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 in connection with this Prospectus or the Offer.
- (i) **Withdrawal of consent to Prospectus:** Any person (other than the Underwriter) who consented to being named in, or to the issue of, this Prospectus or any supplementary or replacement prospectus gives a notice under section 733(3) of the Corporations Act or withdraws a consent previously given under section 720 of the Corporations Act or otherwise.
- (j) **Breach of material contract:** A material contract referred to in this Prospectus is, without the prior consent of the Underwriter:
- (i) materially breached by the Company or a related body corporate of the Company;
 - (ii) terminated (whether for breach or otherwise);
 - (iii) significantly altered or amended; or
 - (iv) found to be void or voidable.
- (k) **Non-compliance:** The Company or any related body corporate of the Company fails to comply with:
- (i) a provision of its constitution;
 - (ii) any law of the country where it is incorporated, or in which it carries on business, or where its securities are listed or are intended to be listed;
 - (iii) a requirement of the Listing Rules;
 - (iv) a requirement, order or request made by or on behalf of the ASIC or any governmental agency; or
 - (v) any agreement entered into by it.
- (l) **Default under Agreement:** The Company is in default under this Agreement.
- (m) **Warranty untrue or incorrect:** Any representation or warranty in this Agreement is or becomes untrue or incorrect.
- (n) **Insolvency:** An insolvency event occurs or is threatened.
- (o) **Change of law:** Any of the following occurs and which has or is likely to have the effect of prohibiting, restricting or regulating the Offer:

-
- (i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any state or territory;
 - (ii) the public announcement or proposal of prospective legislation or policy by the government of the Commonwealth of Australia or of any state or territory;
 - (iii) the adoption of, or announcement of a proposal to adopt, any policy or regulation by the ASIC, the Reserve Bank of Australia or any other governmental authority.
- (p) **Market conditions:** Any change or disruption in the national or international political, financial or economic conditions which has or is likely to have an adverse effect on the Offer including without limitation any outbreak of avian influenza, SARS or other significant epidemic or pandemic.
- (q) **Capital structure:** The Company or a related body corporate of the Company alters its capital structure without the prior written consent of the Underwriter (except for an alteration referred to in this Prospectus) or issues or agrees to issue any shares, options or equity securities (as that term is defined in the Listing Rules) since the date of the Underwriting Agreement other than as set out in this Prospectus or on the exercise of any options existing at the date of the Underwriting Agreement.
- (r) **Constitution altered:** The Company or a related body corporate of the Company alters its constitution without the prior written consent of the Underwriter (except for an alteration referred to in this Prospectus or requested by ASX).
- (s) **Directors:**
- (i) There are any changes to the Board of Directors of the Company after the date of the Underwriting Agreement without the prior written consent of the Underwriter.
 - (ii) A director of the Company or any related body corporate of the company:
 - (A) is charged with an indictable offence relating to any financial or corporate matter; or
 - (B) is disqualified from managing a corporation under Part 2D.6 of the Corporations Act.
- (t) **Charge:** The Company or any related body corporate of the Company charges or agrees to charge the whole or a substantial part of its business or property without the prior written consent of the Underwriter (except for a charge referred to in this Prospectus).
- (u) **Due diligence:**
- (i) There is a material omission from the results of the due diligence investigations conducted in connection with the preparation of this Prospectus or any supplementary or replacement prospectus (**Due Diligence Investigations**).
 - (ii) The results of the Due Diligence Investigations or the verification material are false or misleading.

-
- (iii) The Due Diligence Investigations reveal information that is not satisfactory to the Underwriter acting reasonably.
 - (v) **Ceasing business:** The Company or a related body corporate of the Company ceases or threatens to cease to carry on its business.
 - (w) **Disposal:** The Company disposes of or agrees to dispose of the whole or any significant part of any of its business or property other than as disclosed in this Prospectus.
 - (x) **Acquisition:** The Company acquires any major asset or enters into any major expenditure other than in accordance with the proposals in this Prospectus.
 - (y) **Material adverse change:** Any material adverse change occurs in the financial or trading position or performance or in the assets, liabilities, earnings, profits, losses, business, operations or prospects of the Company or a related body corporate of the Company.
 - (z) **Other material adverse events:** Any other event occurs which has, or is likely to have, a material adverse effect on the Company.
 - (aa) **Allegation of non-compliance:** Any person gives a formal notice under the Corporations Act alleging this Prospectus does not comply with the law in any way and in the opinion of the Underwriter acting reasonably the allegation is not trivial or frivolous.
 - (bb) **Prejudicial publication:** The Company or any related body corporate of the Company without the prior written approval of the Underwriter makes any statement or publishes or issues by any means any notice circular or advertisement relating to the Company or any related body corporate of the Company or its activities or the Offer which is prejudicial in any manner whatever to the prospects of the Offer being fully subscribed by persons other than the Underwriter.
 - (cc) **Default by Firm Investor:** A Shareholder who has signed a binding agreement to subscribe for all or part of the Shareholder's entitlement pursuant to the Offer defaults under that agreement.
 - (dd) **Default by a Nominated Sub-underwriter:** A sub-underwriter introduced to the Underwriter by the Company who has signed a binding agreement to subscribe for Shares defaults under that agreement.

The Company has provided standard warranties to the Underwriter and has indemnified the Underwriter and its related bodies corporate and their respective officers, employees, agents, representatives or advisers (each an **Indemnified Party**) against all losses suffered by the Indemnified Party, all liabilities incurred by the Indemnified Party and all legal costs and other expenses in connection with a demand, action, arbitration or proceeding arising directly or indirectly as a result of or in connection with, amongst other things, the Offer, this Prospectus or a breach or non-performance of any of the obligations of the Company under the Underwriting Agreement (except to the extent the losses, liabilities or costs are judicially determined to arise out of the gross negligence, recklessness or wilful default or fraud of the Indemnified Party).

If the Underwriter takes up the Shortfall, the Underwriter's voting power in the Company will increase from 0% up to a maximum of 44.4% (in the unlikely event that no valid applications have been received and accepted by the Company by the Closing Date).

The Underwriter has entered into sub-underwriting agreements with various parties to place the Shortfall. Terrence Grammer, a Director, has entered into a sub-underwriting agreement with the Underwriter to sub-underwrite 3,712,500 Shares offered pursuant to this Prospectus (representing subscription monies of \$371,250). Terrence Grammer will not receive any fees from the Company or the Underwriter for the sub-underwriting.

8.6 Estimated Expenses of Offer

The estimated expenses of the Offer are as follows:

Fundraising Fee	\$179,599
ASIC Fees	\$2,010
Administration, distribution and other expenses	\$18,391
ASX fees	\$10,000
Legal Fees	\$10,000
TOTAL	\$220,000

8.7 Market Price of Fully Paid Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest: 16 cents on 19 September 2005

Lowest: 10 cents on 3 November 2005 and 4 November 2005

The latest available closing sale price of the Company's Shares on ASX prior to the lodgement of this Prospectus with the ASIC was 10.5 cents per Share on 10 November 2005.

8.8 Electronic Prospectus

Pursuant to Class Order 00/044, the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant application form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

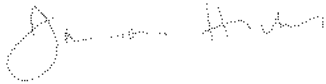
The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic version of the form, it was not provided together with

the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.9 Directors' Authorisation and Consent

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Damian Hicks
Executive Director
For and on behalf of Hannans Reward Ltd

9. GLOSSARY

ASIC means the Australian Securities and Investments Commission.

ASX means the Australian Stock Exchange Limited (ACN 008 624 691).

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the closing date of the Offer, being 5pm (WST) on 7 December 2005 (unless extended).

Company or **Hannans Reward** means Hannans Reward Ltd (ABN 52 099 862 129).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Dollar or "\$" means Australian dollars.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Listing Rules or **ASX Listing Rules** means the Listing Rules of ASX.

Offer means the non-renounceable rights offer of Shares to Shareholders as further detailed in Section 4 of this Prospectus.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Record Date means 5pm (WST) on 22 November 2005.

Share means a fully paid ordinary share in the capital of the Company.

Shareholders means shareholders of the Company.

Shortfall means the number of Shares comprising the difference between the Shares the subject of the Offer, and the number of Shares for which valid applications have been received and accepted by the Company by the Closing Date.

Underwriter means Hartleys Limited (ABN 33 104 195 057).

Underwriting Agreement means the underwriting agreement between the Company and the Underwriter, a summary of which is set out in Section 8.5 of this Prospectus.

WST means Western Standard Time.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Hannans Reward Ltd

ABN

52 099 862 129

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 29,933,202 shares |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The shares are fully paid ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>						
<p>5 Issue price or consideration</p>	<p>\$0.10 each</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To fund further exploration on the Company's gold and nickel projects in Western Australia, as well as to provide working capital and to meet anticipated costs of the offer</p>						
<p>7 Dates of entering *securities into uncertificated holdings or despatch of certificates</p>	<p>15 December 2005</p>						
<p>8 Number and *class of all *securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="706 1323 982 1375">Number</th> <th data-bbox="982 1323 1258 1375">*Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="706 1375 982 1438">58,183,705</td> <td data-bbox="982 1375 1258 1438">Fully paid ordinary shares</td> </tr> <tr> <td data-bbox="706 1438 982 1583">12,265,494</td> <td data-bbox="982 1438 1258 1583">Options exercisable at \$0.20 on or before 31 March 2006</td> </tr> </tbody> </table>	Number	*Class	58,183,705	Fully paid ordinary shares	12,265,494	Options exercisable at \$0.20 on or before 31 March 2006
Number	*Class						
58,183,705	Fully paid ordinary shares						
12,265,494	Options exercisable at \$0.20 on or before 31 March 2006						

+ See chapter 19 for defined terms.

		Number	*Class
9	Number and *class of all *securities not quoted on ASX (including the securities in clause 2 if applicable)	9,166,000	Fully paid ordinary shares
		4,783,000	Options exercisable at \$0.20 each on or before 31 March 2006
		1,000,000	Options exercisable at \$0.20 each on or before 31 March 2008
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the *securities will be offered	Four (4) shares for every five (5) shares held
14	*Class of *securities to which the offer relates	Fully paid ordinary shares
15	*Record date to determine entitlements	5pm (WST) on 22 November 2005
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractions will be rounded up to the nearest whole number
18	Names of countries in which the entity has *security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	5pm (WST) on 7 December 2005 (unless extended)

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	Fully underwritten by Hartleys Limited
21	Amount of any underwriting fee or commission	\$179,599
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	28 November 2005
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	14 November 2005
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

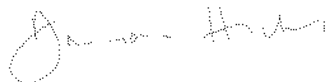
Entities that have ticked box 34(b)

38	Number of securities for which *quotation is sought	N/A	
39	Class of *securities for which quotation is sought	N/A	
40	<p>Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A	
41	<p>Reason for request for quotation now</p> <p><small>Example: In the case of restricted securities, end of restriction period</small></p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A	
42	Number and *class of all *securities quoted on ASX (including the securities in clause 38)	Number	*Class
		N/A	

+ See chapter 19 for defined terms.

Quotation agreement

- 1 *Quotation of our additional *securities is in ASX's absolute discretion. ASX may quote the *securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the *securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those *securities should not be granted *quotation.
 - An offer of the *securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any *securities to be quoted and that no-one has any right to return any *securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the *securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the *securities to be quoted, it has been provided at the time that we request that the *securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the *securities to be quoted under section 1019B of the Corporations Act at the time that we request that the *securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before *quotation of the *securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Damian Hicks
Director
11 November 2005

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* See chapter 19 for defined terms.



Hannans Reward Ltd
Exploring for Gold and Base Metals

11 November 2005

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sirs

Notice under Section 708A

Hannans Reward Ltd (**Company**) issued 4,400,000 shares at an issue price of 10 cents each to sophisticated investor clients of Hartleys on 7 November 2005.

The Company gives this notice pursuant to Section 708A(5)(e) of the Corporations Act.

The shares were issued without disclosure to investors under Part 6D.2, in reliance on Section 708A(5) of the Corporations Act.

The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Corporations Act; and
- (b) Section 674 of the Corporations Act.

There is no excluded information for the purposes of Sections 708A(7) and (8) of the Corporations Act.

Please don't hesitate to contact me if you have any queries.

Yours faithfully

Damian Hicks
Executive Director