Hannans Reward Ltd

Exploring for Gold & Base Metals
ASX:HNR

3rd Quarter Activities Report
16 April 2007

Exploration Update

Tour our projects via Google Earth!

- ***Jigalong Project (near Newman, WA) – Iron, Uranium & Base Metals***
  - **anomalous iron and uranium values returned from soil sampling**
  - **aeromagnetics identify possible extensions of the Marra Mamba formation within project area**
  - **anomalous niobium values returned from soil sampling may indicate the presence of kimberlites**
  - **exploration for iron and uranium to continue this Quarter**
- ***Forrestania Project (near Hyden, WA) – Gold & Nickel***
  - **ground electromagnetic (EM) surveys identifies new anomalies**
  - **induced polarisation (IP) surveys in progress to refine EM anomalies, results pending**
  - **drill testing of geophysical targets for nickel sulphides planned for early next Quarter**
- ***Queen Victoria Rocks (near Coolgardie, WA) – Nickel & Gold***
  - **reverse circulation (RC) drilling for nickel in progress to test geophysical targets**
  - **follow-up aircore drilling required to increase understanding of gold-in-soil anomalies**
- ***Sunday (near Leonora, WA) - Gold***
  - **RC drilling for nickel completed to test geophysical targets, results pending**
  - **Soil sampling for gold completed, results pending**

Corporate Update

- ***Completion of $2.5 million placement at 30 cents***

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Summary of 3rd Quarter Activities

Jigalong (located near Newman, Western Australia)

Hannans Reward is pleased with the results of exploration conducted so far at the Jigalong Project.

A 200 metre spaced aeromagnetic and radiometric survey was flown over the Jigalong during the Quarter. Integrating the preliminary processing of this data with the regional MMI geochemical data set generated last Quarter has produced a number of interesting iron, uranium niobium and base metal (copper, lead and zinc) results that require substantial additional exploration.

By way of background MMI is a high resolution soil geochemistry technique that is particularly useful in areas of cover and subdued outcrop; portions of the Jigalong Project exhibit these characteristics. The MMI sampling completed by Hannans Reward last Quarter was a low density 2 kilometre by 100 metre soil programme. A closely spaced MMI programme, 50 metres by 50 metres, will be carried out this Quarter to further define the interesting areas identified.

Iron

The detailed aeromagnetic survey identified a magnetic feature that extends from the western boundary of the project area in a south-southeasterly direction. This is interpreted to be the buried strike extension of the Marra Mamba Iron Formation. The Marra Mamba Formation hosts iron ore in the Pilbara region. This Formation outcrops immediately to the west of the project where neighbour FerrAus Limited (www.ferraus.com.au) have reported ore grade iron surface samples at their Davidson Creek Project.

Furthermore the MMI sampling gave elevated iron values coincident with this magnetic feature.

The coincident MMI sampling results and magnetic feature provides encouragement that iron mineralisation may be present under the transported cover within the Hannans Reward project.

Follow up soil sampling will be undertaken this Quarter followed by deeper drill testing. This part of the project has identified itself as a prospective area for iron mineralisation.

Uranium

The MMI sampling in the southern portion of the project located a line of elevated uranium values. This line is over 2 km long and occurs in the drainage channel of the Savory Creek; the major regional drainage in the project area. Further anomalous uranium values were found where the next MMI sample line was taken, 2 km to the south, where it crossed the Savory Creek 2.5 km down stream. A single point anomaly was also identified in the northern portion of the project area.

The largest of the anomalies is a multi-point anomaly. The likely source of the anomalous uranium values is in the granites to the west and north of the sampled area. Comparison with the inferred geology map shows that the high uranium values occur within an inferred carbonate unit (the important factor is the carbonate hosting uranium). Follow up surface sampling will be undertaken this Quarter to further define this anomaly and to generate drill targets.

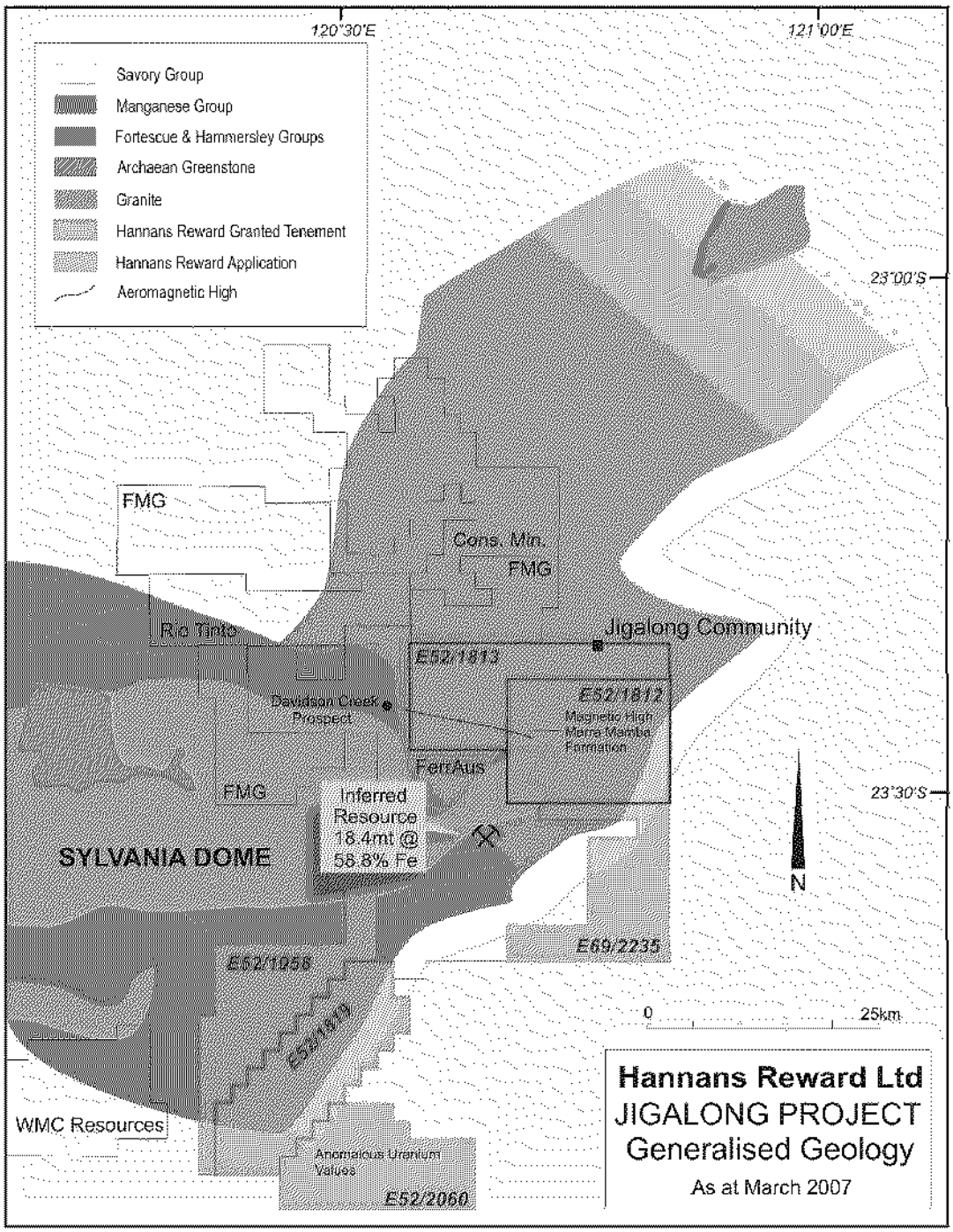
Following these interesting early stage soil results Hannans Reward has applied for a new tenement to cover twenty kilometers of the Savory Creek downstream of the anomalous area.

Niobium

Elevated Niobium values (over 1ppb) were found over a 400m zone on one of the sample lines in the southern portion of the project. Elevated Niobium in MMI sampling can be a marker for kimberlites and this will be investigated during the next Quarter.

Base metals

Sporadic elevated copper, lead and zinc values were located during the MMI sampling. Further sampling and field checking will be undertaken to ascertain the significance of these results.



Forrestania (located near Hyden, Western Australia)

Stormbreaker

A second moving loop electromagnetic (EM) survey has been completed over the southern half of the Stormbreaker Project. Numerous EM anomalies were identified. An induced polarisation (IP) survey is currently underway to further refine these geophysical targets prior to drill testing. Subject to receipt of the necessary clearing approvals drill testing of these targets is planned for late this Quarter. The delays associated with drill testing these targets, is a result of the substantial clearing approval process required for projects in this area.

Beautiful Sunday

This project area is south of Stormbreaker and closer to the Flying Fox nickel mine owned by Western Areas Ltd. It is potentially the most prospective of the tenements for nickel due to its proximity to the Flying Fox deposit. It is anticipated that this application will be granted during the Quarter. To facilitate early commencement of work once the tenement is granted the Company completed a baseline flora survey during the Quarter.

North Iron Cap

The final approval of a clearing permit is still awaited. This approval process has now taken in excess of twelve months. We are hopeful that approvals will be received this Quarter following that will allow access for drilling to test gold target identified by previous explorers and to upgrade the previously reported non JORC gold mineralisation.

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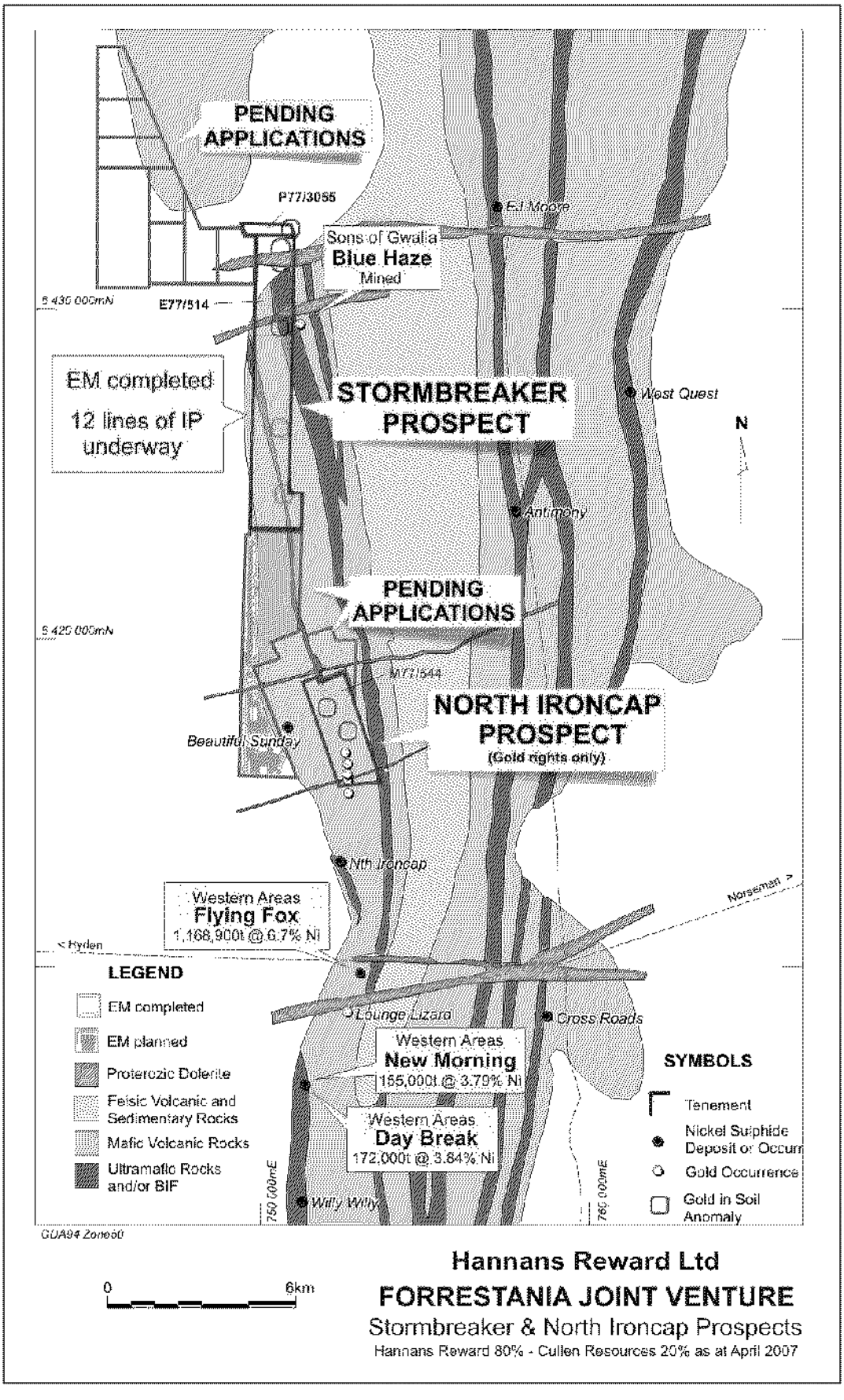

PENDING APPLICATIONS
P77/3055
E.J Moore
Sons of Gwalia
Blue Haze
Mined
5 430 000mN
E77/514
EM completed
12 lines of IP underway
STORMBREAKER PROSPECT
West Quest
N
Antimony
PENDING APPLICATIONS
5 420 000mN
M77/544
NORTH IRONCAP PROSPECT
(Gold rights only)
Beautiful Sunday
Nth Ironcap
Western Areas
Flying Fox
1,168,900t @ 6.7% Ni
Norseman >
< Hyden
LEGEND
EM completed
EM planned
Proterozic Dolerite
Felsic Volcanic and Sedimentary Rocks
Mafic Volcanic Rocks
Ultramafic Rocks and/or BIF
Lounge Lizard
Cross Roads
Western Areas
New Morning
165,000t @ 3.79% Ni
Western Areas
Day Break
172,000t @ 3.84% Ni
SYMBOLS
Tenement
Nickel Sulphide Deposit or Occurr
Gold Occurrence
Gold in Soil Anomaly
750 000mE
760 000mE
Willy Willy
GDA94 Zone50
0
6km
Hannans Reward Ltd
FORRESTANIA JOINT VENTURE
Stormbreaker & North Ironcap Prospects
Hannans Reward 80% - Cullen Resources 20% as at April 2007

Queen Victoria Rocks (located near Coolgardie, Western Australia)

Nickel

As previously reported, five geophysical targets were identified at QVR. These targets are currently being drill tested with a programme of seven reverse circulation holes for 1,400 metres in total. Once the programme has been completed samples will be submitted to the laboratory for analysis.

Gold

Three major air-core programs totaling over 9,000m covering the previously reported gold in soil auger anomalies were completed this quarter over the King of Princes, Valiant and Spargos Gold prospects.

- The northern anomaly, King of Princes, gave a low gold in bedrock with the best being QRAC198 28m @ 32ppb Au from 26m to end of hole.
- At Valiant a coincident saprolite gold and arsenic anomaly was located on the margin of the soil gold anomaly. This is over 500m long and not closed off by drilling. The best result is QRAC111; 2m @ 0.18g/t Au from 47m to end of hole.
- Similarly at the Spargos Gold prospect, a coincident saprolite gold and arsenic anomaly greater than 500m in length is located on the south west margin of the soil gold anomaly and is open to the northwest and southeast. QRAC063 contained 9m @ 62ppb Au from 41m to end of hole and is one of the better results from the drilling in this area.

Sampling & Assay Parameters (All Aircore Drilling):

- Sampling was via composite scoop samples.
- Composite samples were assayed for gold using aqua regia digest and a low level AAS finish (1ppb Au detection limit) and for arsenic (10ppm As), copper (1ppm Cu), nickel (1ppm Ni), lead (1ppm Pb) and zinc (1ppm Zn) using aqua regia digest and a standard AAS finish (detection limits in brackets).
- Assay results shown are primary uncut results.
- Drill intercepts are weighted averages of assay results from consecutive sample intervals.

Sunday (near Leonora, Western Australia)

Nickel

Previous work by Hannans Reward in 2005 identified coincident EM and geochemical anomalies in the northern part of the Sunday project area, known as Braemore. During the Quarter three IP lines were completed over the coincident anomalies to further define the targets. Three reverse circulation drill holes for 550m have subsequently been completed. These tested the targets and results are pending.

Gold

During the Quarter an infill auger soil sampling programme was completed over the previously reported Braemore soil gold anomalies. Assay results are pending.

The initial phase of auger soil sampling completed last year at the Braemore Project identified numerous gold-in-auger soil anomalies, some of which were known from previous company surface sampling, but several other quality targets were also defined, which are new and previously unrecognized or were poorly defined.

The infill auger soil programme (742 samples) was completed during the quarter to provide 100x50m spaced coverage of the best targets.

Sampling Parameters:

- Samples were taken from approximately 0.5m depth so as to avoid any surface contamination and the presence of any aeolian or surface wash material. If pedogenic carbonate was present, this medium was preferentially sampled.
- Samples were assayed for gold using aqua regia digest and a low level AAS finish (1ppb Au detection limit) and for arsenic (10ppm As), copper (1ppm Cu), nickel (1ppm Ni), lead (1ppm Pb) and zinc (1ppm Zn) using aqua regia digest and a standard AAS finish (detection limits in brackets).

Maggie Hays South (west of Norseman, Western Australia)

Nickel

A review of the recent and historic geochemical data highlighted several areas of anomalous nickel values. Two of these areas coincided with EM anomalies identified in work completed by a previous joint venture partner. Two lines of IP were completed over these coincident EM and geochemical anomalies. Results were disappointing and therefore it is envisaged that these anomalies will not be tested with drilling.

Gold

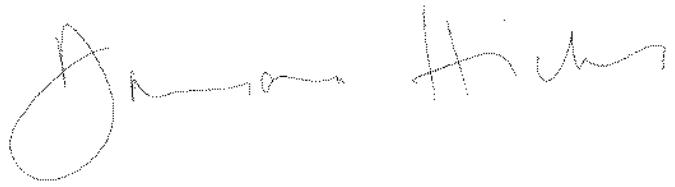
A review of the gold data including the soil survey completed last Quarter has located no new target areas. This has restricted the areas of interest to the historic gold workings.

Placement

During the Quarter a placement was completed with clients of Patersons Securities. The placement raised $2.5 million to fund exploration and working capital. The placement price was 30 cents.

If you have any questions in relation to Hannans Rewards' activities please do not hesitate to contact me on +61 (0)8 9324 3388.

Yours sincerely,



Damian Hicks
Managing Director

Information in this report which relates to mineralisation at Jigalong, Forrestania, Queen Victoria Rocks, Maggie Hays South and Sunday is based on information reviewed by Karyn Lyons, Exploration Manager, Hannans Reward Limited, a full time employee 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. Karyn Lyons consents to the inclusion of the information in this document of the matters based on the information in the form and context in which it appears.

The information in this document that relates to Exploration Results for gold at Queen Victoria Rocks is based on information compiled by Gregory Jorgensen, who is a Member of the Australian Institute of Geoscientists. Gregory Jorgensen is a Consulting Exploration Geologist based in Kalgoorlie, W.A. and is not a full-time employee of Hannans Reward Ltd. Gregory Jorgensen has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined by the JORC Code. Gregory Jorgensen consents to the inclusion of the information in this document of the matters based on the information in the form and context in which it appears.