



# Hannans Reward Ltd

Exploring for Gold & Base Metals  
ASX:HNR

16 May 2007

## Exploration Update

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

### Introduction

The purpose of this release is to provide an update of the Company's activities during the Quarter to date. Results that have previously been released to the ASX have not been reproduced in this Exploration Update.

### Jigalong (east of Newman, Western Australia)

*Following receipt of previously reported encouraging soil sampling results, several programmes of low impact exploration have recommenced over the Jigalong project area. These programs will focus on the uranium, iron ore, base metals (nickel, copper and zinc) and gold of the project.*

#### *Uranium, Base Metals & Gold*

A soil sampling programme recommenced at the Jigalong project today and is expected to be completed in approximately six weeks.

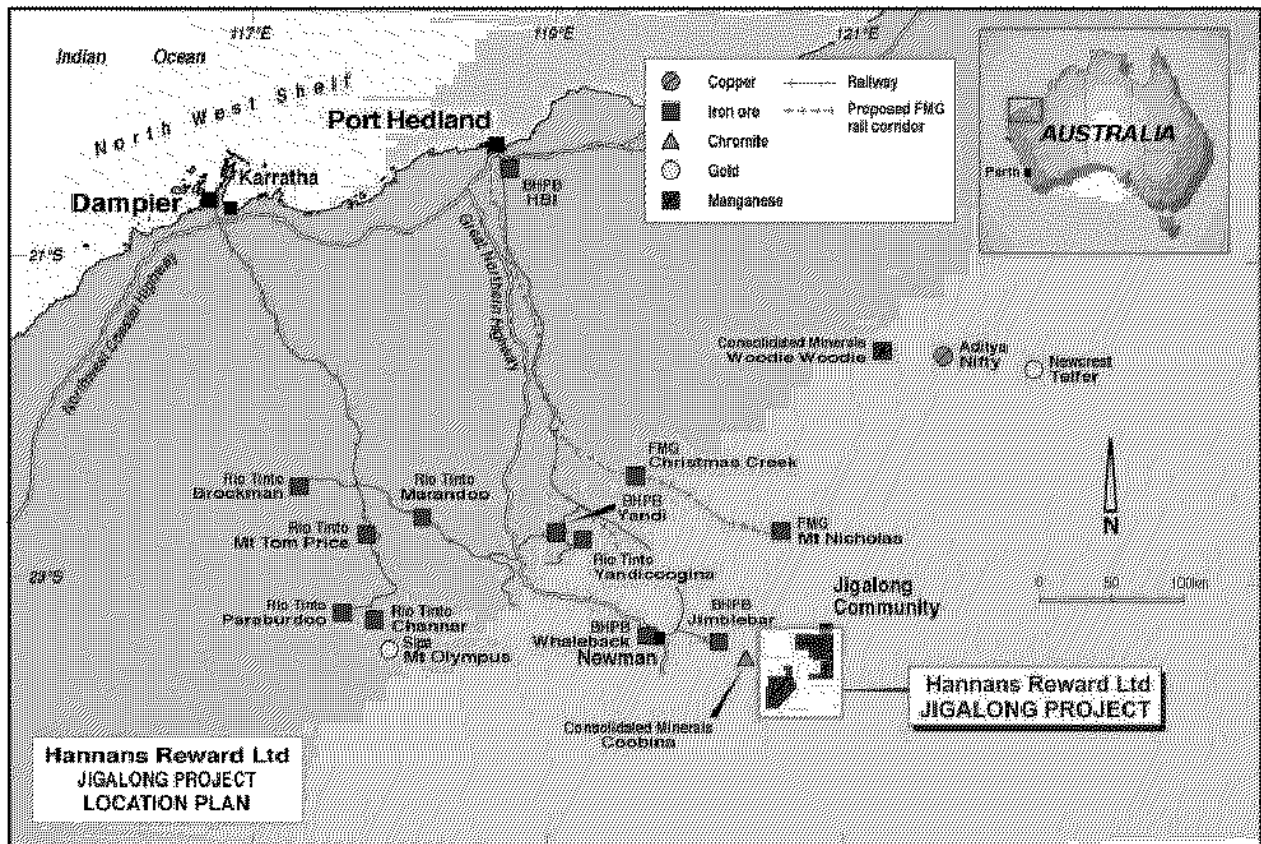
Part of the programme comprises in-fill regional and detailed soil sampling around previously identified anomalous uranium samples. This programme, involving the collection of about 550 samples, has been designed to allow for the definition of drill targets. Heritage clearances are currently being sort to enable the initial phase of drilling to commence after receipt of the soil sample results.

Due to the effectiveness of the initial soil survey, work has also recommenced on obtaining geochemical coverage over the north eastern part of the project area; which is presently only covered by a stream sediment survey. This will involves the collection of about 1,000 samples on a 2km by 100m sample grid.

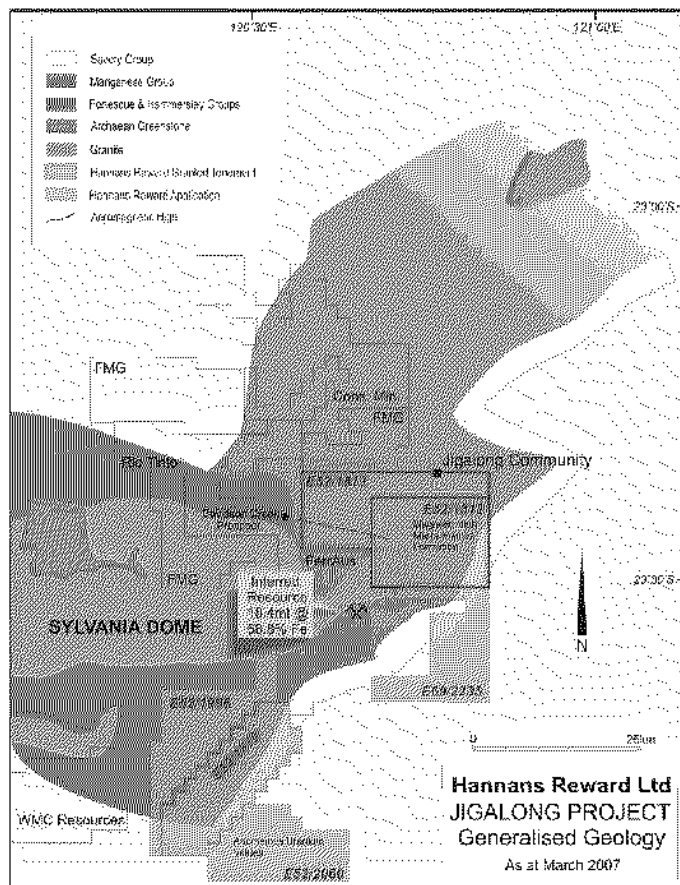
#### *Iron Ore*

Heritage clearances are also currently being sort to allow drill testing of the projected strike extent of the Marra Mamba Formation (MMF) which is interpreted to extend into the north-western margin of the project area. The MMF hosts an iron ore deposit of 24.3 million tonnes at 58.7% iron immediately to the west of the Company's project.

The Company's aim is to obtain complete geochemical coverage of the project, via soil sampling, prior to the end of this field season. After receipt of all approvals, the Company is aiming to complete initial drill testing of anomalous uranium samples and the MMF as soon as possible.



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### **Forrestania (east of Hyden, Western Australia)**

*Encouraging geophysical results have been returned and planning approvals for drilling are being sought. A focused gold exploration review has commenced.*

#### *Nickel*

Approvals to drill test four of the recently announced geophysical targets have been lodged with the government. Subject to receipt of approvals, drilling is expected to commence late this Quarter. The aim of the programme will be to intersect sulphides that host nickel. This initial programme will involve four reverse circulation (RC) drill holes to a depth of approximately 200m.

A flora and fauna survey is currently underway to obtain the clearing permits required to enable additional drill rig access. Once access has been cleared, the second drill programme will test the balance of the geophysical targets. It is expected that this phase of the drilling will commence during the next Quarter.

#### *Gold*

The Company has recommenced gold exploration at Forrestania. Initially this comprises data review and field verification. It is anticipated that the first regional drill programme testing for gold mineralisation will commence early next Quarter.

The Forrestania project has significant nickel and gold potential because of its geological setting and proximity to an operating nickel mine and historical gold mines.

### **Queen Victoria Rocks (south of Coolgardie, Western Australia)**

*RC drill results for nickel have been returned and further geophysical surveys have been planned. Additional aircore programmes for gold have been proposed.*

#### *Nickel*

The Company recently received assay results from the seven deep RC drill holes (total depth of 1,186m) that were designed to test geophysical targets at the Spargos Prospect.

The holes successfully intersected visible sulphide mineralisation, vindicating the geophysical methods used. However, no significant nickel or base metals values were intersected. Three of the seven holes were completed to the target depth of 200m whilst the remaining holes were terminated early owing to the high volumes of water intersected in the drilling. These holes may be extended at a later date. Please refer to Table 1 for drill statistics.

The next stage of nickel exploration at the Spargos Prospect will include an induced polarisation survey (IP) over historical nickel sulphide intercepts by previous explorers to assist the Company with defining additional RC drill targets.

*Gold*

Interpretation of the previously announced aircore drilling assay results has now been completed.

At the Valiant Prospect it has been proposed that future exploration focus on following the high tenor arsenic and weaker gold anomalism to the south and southeast of previous Hannans drilling. An additional aircore programme of 30 holes (for approximately 2,000m) will be required to test the area. The aim of the programme would be to generate a suitable target for testing with RC drilling.

At the Spargos Prospect assay results clearly indicate a gold-arsenic association, which is open to the northwest and southeast of previous Hannans drilling. It has been proposed that an additional flora and fauna survey be completed to enable an aircore drill programme to be extended to follow this trend and to close of the system identified to date.

The relationship between the auger drilling results and the aircore drilling results at both the Valiant and the Spargos Prospect is similar in that the gold-in-saprolite anomalism is not located directly under the best auger soil values, but rather at the western margin. It may be that at least part of the auger anomaly is transported but not far. This may be why the gold anomalism is so well defined, robust and of high tenor. More aircore drilling is required to determine if this is the case.

Regional gold exploration will also commence next Quarter on the QVR North tenement acquired last year.

**Sunday (east of Leonora, Western Australia)**

*RC drill results for nickel have been returned. Gold results generated from auger soil sampling have provided encouragement and aircore drilling to test these results has been proposed.*

*Gold*

Interpretation of an infill auger soil sampling programme completed at the Braemore Prospect during March 2007 resulting in the Emu Egg & Southern gold prospects having been confirmed by the sampling, while extensions to these anomalies and several new anomalies were also identified. The sampling has provided much better definition of the previously identified Hannans auger anomalies and has identified extensions to these anomalies along with several new or previously poorly identified anomalies. It is proposed that these auger anomalies be tested with aircore drilling.

*Nickel*

Assay results from three deep RC holes (for total depth of 550m) drilled at the Braemore Prospect now have been received. The programme was designed to test a coincident geophysical and geochemical target prospective for nickel sulphides. All holes intersected visible sulphides, but failed to return significant nickel, base metal or gold results. Please refer to Table 1 for drill statistics.

Additional nickel and gold exploration is planned to commence next Quarter.

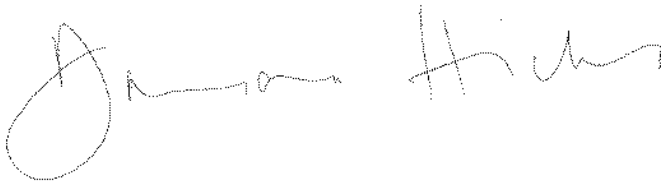
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Table 1 - RC drill hole statistics from QVR and Sunday Projects

Project Area	Hole Id	Northing (GDA)	Easting (GDA)	Depth	Collar Dip	Collar Azimuth
QVR	QRC001	6 534 075	299 261	200	-60	225
QVR	QRC002	6 533 659	299 613	200	-60	225
QVR	QRC003	6 533 485	300 195	154	-60	225
QVR	QRC004	6 533 308	300 006	136	-60	045
QVR	QRC005	6 533 419	299 365	200	-60	045
QVR	QRC006	6 533 353	300 980	166	-60	225
QVR	QRC007	6 533 265	301 066	130	-60	225
Braemore	BRC001	6 810 400	350 124	200	-60	221
Braemore	BRC002	6 810 258	350 291	200	-60	221
Braemore	BRC003	6 810 000	350 260	150	-60	221

If you have any questions in relation to these results please do not hesitate to contact Terry Grammer, Director or Karyn Lyons, Exploration Manager 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 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.*