



**Hannans Reward NL**  
*Exploring for Gold and Base Metals*

15 March 2004

Company Announcements Office  
Australian Stock Exchange Limited  
10<sup>th</sup> Floor, 20 Bond Street  
SYDNEY NSW 2000

Dear Sirs

**Half-year Disclosure**

Please find attached Half-Yearly Financial Report for the period ended 31 December 2003 prepared by the Company's accountants Ord Partners.

If you have any questions please don't hesitate to contact me.

Yours faithfully,

Damian Hicks  
Director

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AUSTRALIAN STOCK EXCHANGE



HNR000004

**HANNANS REWARD NL**  
**ABN 52 099 862 129**

**Half-Yearly Financial Report**  
**31 December 2003**

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**HANNANS REWARD NL**  
**ABN 52 099 862 129**

**HALF-YEAR FINANCIAL REPORT**  
**For the Half Year Ended 31 December 2003**

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**COMPANY DIRECTORY**

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**DIRECTORS**

Richard Scallan  
(Non-Executive Chairman)

Damian Hicks  
(Executive Director)

William Hicks  
Ernest Dechow  
(Non-Executive Directors)

**COMPANY SECRETARY**

Damian Hicks

**PRINCIPAL OFFICE**

85 Maritana Street  
KALGOORLIE  
Western Australia  
Telephone: (08) 9480 3757  
Facsimile: (08) 9481 3177

**REGISTERED OFFICE**

Level 2, 47 Colin St  
West Perth WA 6005

**AUDITORS**

Ord Partners  
Level 2, 47 Colin Street  
WEST PERTH WA 6005

**SHARE REGISTRY**

Computershare Investor Services Pty Ltd  
Level 2, 45 St Georges Terrace  
PERTH WA 6000  
Telephone: (08) 9221 7288  
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**STOCK EXCHANGE LISTING**

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

**HANNANS REWARD NL**  
**ABN 52 099 862 129**  
**HALF YEARLY FINANCIAL REPORT**  
**DIRECTORS' REPORT**

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Your directors submit the financial report of the company for the half-year ended 31 December 2003.

## **DIRECTORS**

The names of Directors who held office during or since the end of the half year:

Richard Scallan  
William Hicks  
Ernest Dechow  
Damian Hicks  
Roland Hill (resigned 6 October 2003)

Hannans Reward NL was admitted to the official list of the ASX on 5 December 2003. The following activities took place during the half year ended 31 December 2003

## **REVIEW OF OPERATIONS**

- Four prospecting licences at Queen Victoria Rocks located 50 kms south of Coolgardie were granted on 4 December 2003. The area, known as the Spargos Prospect, has returned intercepts for previous explorers including 1.52m @ 4.55% Ni, 9.15m @ 2.13% Ni and 4.57 m @ 1.30% Ni.
- An aircore drilling program commenced at the Sunday gold prospect on 3 December 2003 to test several of the previously identified saprolite hosted targets along strike of the historic production from the Sunday pit. The best intersection returned from the program was 5 metres at 2.80 g/t Au.
- A Memorandum of Understanding was announced with Jigalong Community Incorporated on 5 December 2003 to form a joint venture to explore within the Jigalong Lands, approximately 160 km east of Newman.

## **CORPORATE**

On 5 December 2003, the Company issued 17,500,000 fully paid ordinary shares at \$0.20 each raising a total of \$3.5 million, pursuant to Initial Public Offering detailed in a prospectus lodged with the ASX on 5 November 2003.

**HANNANS REWARD NL**  
**ABN 52 099 862 129**  
**HALF-YEARLY FINANCIAL REPORT**

**DIRECTORS' REPORT**

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On 5 December 2003, the Company issued a further 3,400,000 fully paid ordinary shares at \$0.20 each, as detailed within the prospectus, to various vendors for the acquisition of additional tenements and interests in the following projects:

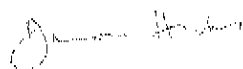
- Maggie Hays South;
- Sunday;
- Poona; and
- Queen Victoria Rocks.

On 5 December 2003, the Company issued 660,000 fully paid ordinary shares to the executive directors at a deemed value of \$0.15 each for their services performed since October 2002. The issue was made pursuant to a Board decision on 9 June 2003 and was conditional on the Company being admitted to the Official List of the ASX.

Pursuant to the IPO prospectus dated 10 October 2003 and confirmed by ASX release on 27 January 2003 the Company made a free pro rata non-renounceable offer of options to acquire fully paid shares in Hannans Reward NL. The offer was made to shareholders on the basis of one (1) option for every two (2) shares held at 5pm WST on 3 March 2004 (record date). The options are exercisable at 20 cents each on or before 31 March 2006.

The total number of fully paid ordinary shares on issue as at 31 December 2003 was 32,910,003.

This report is signed in accordance with a resolution of the Board of Directors.



Damian Hicks  
Executive Director

Perth  
15 March 2004

**HANNANS REWARD NL**  
**ABN 52 099 862 129**

**STATEMENT OF FINANCIAL PERFORMANCE**  
For the Half-Year Ended 31 December 2003

		Economic Entity
	Note	31 December 2003 \$
Revenue from ordinary activities	2	23,609
Employee and contractors expense	(i)	(132,894)
Insurance expense		(5,680)
Consultants expense		(40,830)
Administration expenses		(9,255)
Occupancy expense		(9,981)
Other expenses from ordinary activities		<u>(16,757)</u>
Loss from ordinary activities before income tax (expense)/benefit		(191,788)
Income tax (expense)/benefit relating to ordinary activities		<u>-</u>
Operating loss from ordinary activities after income tax (expense)/benefit attributable to members of the parent entity		<u>(191,788)</u>
Basic loss per share (cents per share)		(1.33)
Diluted loss per share does not represent an inferior view of the entity's performance and is not disclosed for this reason.		

(i) Included in employee and contractors expense are \$81,000 of expenses that relate to the year ended 30 June 2003. These expenses, although relating to the prior period have been brought to account in the half year results ended 31 December 2003 as they were contingent upon the Company being listed on the ASX.

The accompanying notes form part of this financial report.

**HANNANS REWARD NL**  
**ABN 52 099 862 129**  
**STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2003

	Note	Economic Entity	
		31 December 2003 \$	30 June 2003 \$
<b>CURRENT ASSETS</b>			
Cash assets		2,973,905	135,637
Receivables and prepayments		<u>47,090</u>	<u>11,616</u>
<b>TOTAL CURRENT ASSETS</b>		<u>3,020,995</u>	<u>147,253</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		7,615	672
Capitalised exploration expenditure		<u>1,186,844</u>	<u>144,099</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,194,459</u>	<u>144,771</u>
<b>TOTAL ASSETS</b>		<u>4,215,454</u>	<u>292,024</u>
<b>CURRENT LIABILITIES</b>			
Payables		39,907	14,569
Interest bearing liabilities		<u>-</u>	<u>-</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>39,907</u>	<u>14,569</u>
<b>TOTAL LIABILITIES</b>		<u>39,907</u>	<u>14,569</u>
<b>NET ASSETS</b>		<u>4,175,547</u>	<u>277,455</u>
<b>EQUITY</b>			
Contributed equity	3	4,589,437	500,003
Accumulated losses		<u>(413,890)</u>	<u>(222,548)</u>
<b>TOTAL EQUITY</b>		<u>4,175,547</u>	<u>277,455</u>

The accompanying notes form part of this financial report.



**HANNANS REWARD NL**  
**ABN 52 099 862 129**

**STATEMENT OF CASH FLOWS**  
**For the Half-Year Ended 31 December 2003**

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	<b>31 December 2003 \$</b>
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>	
Payments for exploration and evaluation	(65,179)
Payments to suppliers and contractors	(148,361)
Interest received	<u>23,609</u>
Net cash used in operating activities	<u>(189,931)</u>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property, plant and equipment	(6,944)
Purchase of exploration assets	<u>(287,500)</u>
Net cash used in investing activities	<u>(294,444)</u>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issue of shares	3,500,000
Payments for costs of issue of shares	<u>(177,357)</u>
Net cash provided by financing activities	<u>3,322,643</u>
Net decrease in cash held	2,838,268
Cash at 1 July 2003	<u>135,637</u>
Cash at 31 December 2003	<u>2,973,905</u>

**HANNANS REWARD NL**  
**ABN 52 099 862 129**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2003

**1. STATEMENT OF SIGNIFICANT ACCOUNT POLICIES**

**(a) BASIS OF PREPARATION**

The half-year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029: "Interim Financial Reporting", Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2003 and any public announcements made by Hannans Reward NL during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001. The financial report has been prepared on the basis of historical costs, and does not take into account changing money values.

The accounting policies, have been consistently applied by each entity in the consolidated entity and are consistent with those applied in the 30 June 2003 annual report. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half-year report does not include full disclosures of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

**(b) FIRST TIME ADOPTED**

Hannans Reward NL undertook an Initial Public Offering in November 2003 and subsequently was quoted on the ASX in December 2003. Prior to the float the Hannans Reward NL was an unlisted public company and this is the first reporting period in which it has adopted the reporting policies of a publicly listed company. Accordingly there is no comparative information to be reported for the Statement of Financial Performance or Statement of Cash flows.

**2. LOSS FROM ORDINARY ACTIVITIES**

**31 December 2003**  
\$

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

**(i) Revenues from ordinary activities**

Interest revenue

23,609

**HANNANS REWARD NL**  
**ABN 52 099 862 129**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2003

**3. CONTRIBUTED EQUITY**

Movements During the period	31 December 2003 \$	30 June 2003 \$
<b>Fully Paid Ordinary Shares</b>		
Brought forward – 11,350,003 shares fully paid	500,003	-
3 on 11 March 2002	-	3
500,000 on 2 May 2002	-	25,000
2,400,000 between 13 June – 5 July 2002	-	240,000
7,750,000 on 17 August 2002	-	155,000
100,000 on 13 June 2003	-	20,000
600,000 on 26 August 2002	-	60,000
17,500,000 on 5 December 2003	3,500,000	-
3,400,000 on 5 December 2003	680,000	-
660,000 on 5 December 2003	99,000	-
Transaction costs relating to share issue	<u>(189,566)</u>	<u>-</u>
Carried forward 32,910,003 shares fully paid	<u>4,589,437</u>	<u>500,003</u>

On 5 December 2003, the Company issued 17,500,000 fully paid ordinary shares at \$0.20 each pursuant to Initial Public Offering detailed in a prospectus lodged with the ASX on 5 November 2003.

On 5 December 2003, the Company issued a further 3,400,000 fully paid ordinary shares at \$0.20 each, as detailed within the prospectus, to various vendors for the acquisition of additional tenements and interests in the following projects:

- Maggie Hays South;
- Sunday;
- Poona; and
- Queen Victoria Rocks.

On 5 December 2003, the Company issued 660,000 fully paid ordinary shares to the executive directors at a deemed value of \$0.15 each for their services performed since October 2002. The issue was made pursuant to a Board decision on 9 June 2003 and was conditional on the Company being admitted to the Official List of the ASX.

**4. ACQUISITION OF CONTROLLED ENTITIES**

The following controlled entities were acquired during the period:

2003		Consolidated Entity's Interest	Consideration	Contribution to Consolidated Net Profit
Name	Date Acquired			
		%	\$	\$
HR Subsidiary Pty Ltd	30 September 2003	100	3	-

2002

The consolidated entity did not gain control over any entities during the prior corresponding period.

**HANNANS REWARD NL**  
**ABN 52 099 862 129**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Half-Year Ended 31 December 2003

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**5. SEGMENT INFORMATION**

The Company operates predominantly in one geographical segment being Western Australia, and in one business segment, mineral mining and exploration and substantially all of the entity's resources are employed for this purpose.

**6. EVENTS SUBSEQUENT TO REPORTING DATE**

On 27 January 2004, the Company announced its intention to make a free pro rata non-renounceable offer of options to acquire fully paid shares in Hannans Reward NL. The offer was made to shareholders on the basis of 1 option for every 2 shares held on 3 March 2004. The options are exercisable at \$0.20 each on or before 31 March 2006.

Since 31 December 2003, no event has arisen that would be likely to materially affect the operations of the company, or the state of affairs of the company not otherwise disclosed in the company's financial report.

**7. CONTINGENT LIABILITIES**

In the opinion of the directors, there are no contingent liabilities as at 31 December 2003 and none incurred in the interval between the period end and the date of this financial report.

**HANNANS REWARD NL**  
**ABN 52 099 862 129**

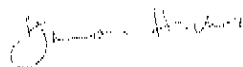
**DIRECTORS' DECLARATION**  
For the Half Year Ended 31 December 2003

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The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 9:
  - (a) comply with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2003 and its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Damian Hicks  
Executive Director

PERTH  
15 March 2004.

## INDEPENDENT REVIEW REPORT

To the members of Hannans Reward NL

### Scope

#### *The financial report and directors' responsibility*

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the directors' declaration set out on pages 4 to 10 for Hannans Reward NL for the half-year ended 31 December 2003. The Consolidated Entity comprises Hannans Reward NL ("the Company") and the entity it controlled during that half year.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### *Review Approach*

We conducted an independent review in order for the Company to lodge the financial report with the Australian Securities and Investments Commission. Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements.

We performed procedures in order to state whether on the basis of the procedures described anything has come to our attention that would indicate the financial report does not present fairly, in accordance with Corporations Act 2001, Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Consolidated entity's financial position, and of its performance as represented by the results of its operations and its cash flows.

We formed our statement on the basis of the review procedures performed, which were limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit, and accordingly, we do not express an audit opinion.

A review cannot guarantee that all misstatements have been detected.

#### *Independence*

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

**ORD**  
PARTNERS  
CHARTERED ACCOUNTANTS

*Ian K Macpherson CA*

*Robert W Parker CA*

*Craig A Vivian CA*

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West Perth WA 6005

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West Perth WA 6872

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Chartered Accountants

**Statement**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe the half-year financial report of Hannans Reward NL is not in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Consolidated entity's financial position at 31 December 2003 and of its performance for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

**ORD PARTNERS**

Chartered Accountants



Ian K Macpherson  
Partner

Dated this 15<sup>th</sup> day of March, 2004.  
Perth, Western Australia