

1ST QUARTER ACTIVITIES REPORT 2020/2021

FAST FACTS

ASX Code: HNR

CAPITAL STRUCTURE

Shares on issue: 1.98 billion

Market cap: \$13.9M (at 0.7c)

Cash: \$0.43M (30 Sep 2020)

Debt: Nil

BOARD OF DIRECTORS

Non-Executive Chairman

Jonathan Murray

Executive Director

Damian Hicks

Non-Executive Directors

Markus Bachmann

Clay Gordon

Amanda Scott

KEY PROJECTS

Sole Funded

Forrestania (Ni)

Moogie (Au & Ni-Cu-PGE)

Fraser Range (Ni-Cu-PGE)

Queen Victoria Rocks (Ni)

Mt Holland (Li)

Free-Carried to Decision to Mine

Forrestania (Au) 20%

ABOUT HANNANS LTD (EST. 2002)

Hannans Ltd is an exploration company with a focus on nickel, gold, and lithium in Western Australia. Hannans' major shareholder is leading Australian specialty minerals company Neometals Ltd.

During the 1st Quarter (July – September 2020):

- Forrestania (Nickel) – completed 2nd phase of reverse circulation (RC) drilling testing of six target areas, assays pending; completed surface sampling within tenement E77/2460;
- Forrestania (Gold) – joint venture partner completed 13 RC holes for 834 metres, and intersected encouraging gold mineralisation; Hannans' interest in the Forrestania Gold Project is 20%, free-carried to decision to mine;
- Moogie (Gold & Nickel-Copper) – completed additional mapping at Dalgety Downs 4 and Homestead copper prospects; collected additional regional surface samples, assays pending; applied for two new tenements targeting gold mineralisation (post Quarter end); and
- Mt Holland (Lithium) – drilled one RC hole testing fresh pegmatite, assays pending;
- New Projects – continued discussions with third parties in relation to securing strategic nickel and lithium projects in Western Australia.

Goals for the 2nd Quarter (October – December 2020):

- Forrestania (Nickel) – complete down-hole electromagnetic (DHEM) surveys and interpretation; receive assay results from RC drilling and complete interpretation; plan next round of nickel exploration;
- Forrestania (Gold) – joint venture partner to complete follow-up RC drilling at Tangerine Trees;
- Moogie (Gold & Nickel-Copper) – receive assay results from surface sampling; continue regional surface sampling; sign heritage agreements; plan 1st round of reconnaissance drilling, if warranted;
- Fraser Range (Nickel) – sign heritage agreement; plan first round of ground based geophysical (electromagnetic) surveys;
- Mt Holland (Lithium) – receive assay results from RC drill hole and complete interpretation; plan next round of lithium exploration;
- New Project – close at least one new project acquisition / joint venture; and
- Capital Raising – complete placement and share purchase plan to raise up to \$1.5 Million.

NOTE

All material results and commentary included in this Quarterly Report have previously been released to ASX. Please click [here](#) for more information.



www.hannans.com



[@HannansLtd](https://twitter.com/HannansLtd)



[Hannans_Ltd](https://www.linkedin.com/company/hannans_ltd)



info@hannans.com

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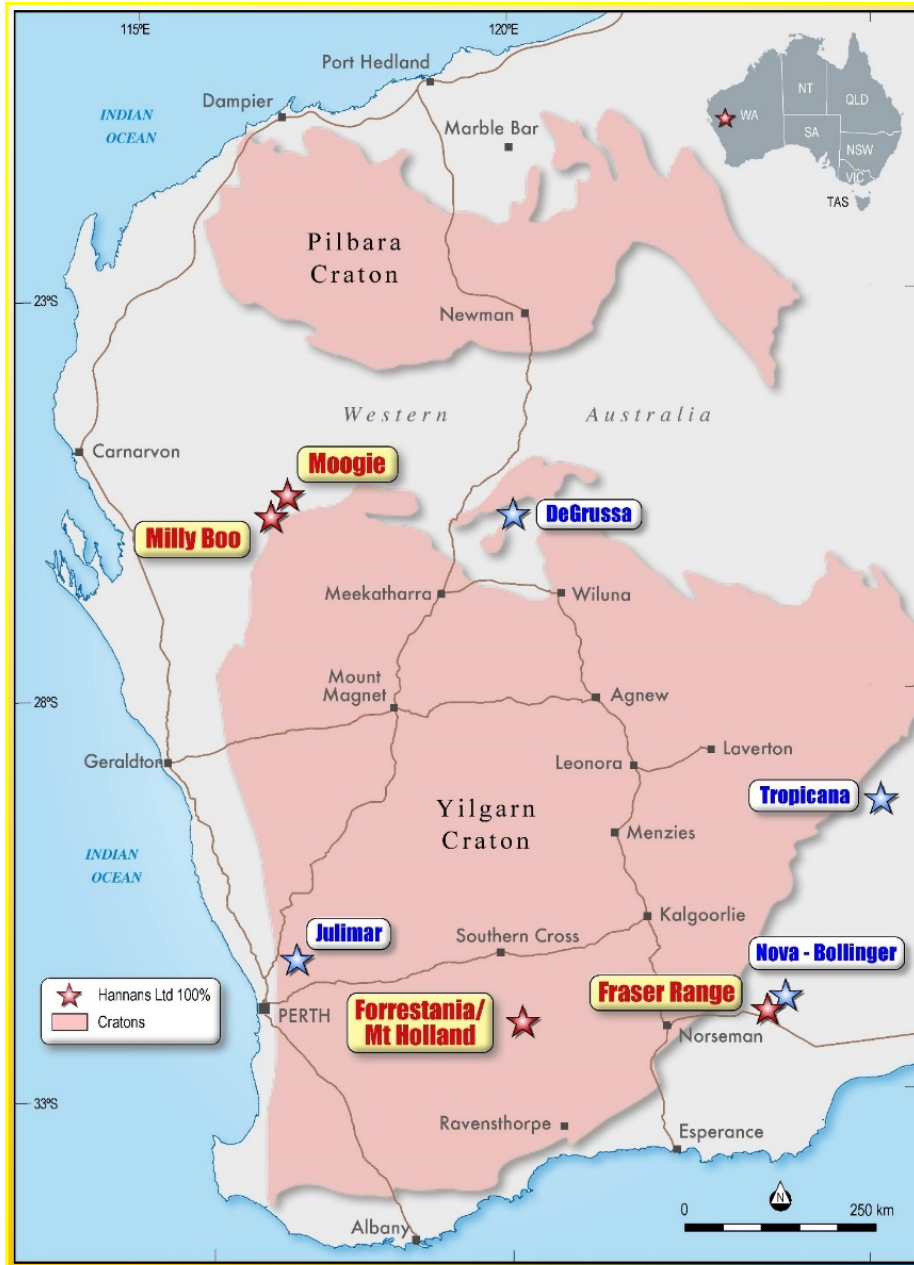


Figure 1: State map showing location of Hannans’ Forrestania, Mt Holland, Fraser Range, Moogie and Milly Boo projects (red font with yellow background) relative to the location of major projects not owned by Hannans (in blue font with white background). Source: Company web sites

Forrestania Nickel (100% owned)

Introduction

The Forrestania Nickel Project (FNP) is located approximately 120 kilometres south of Southern Cross and 80 kilometres east of Hyden in the Goldfields region of Western Australia. The FNP is located adjacent to, and north of, the high-grade Flying Fox and Spotted Quoll nickel sulphide mines. Importantly the Team¹ assisting Hannans played major roles in the discovery of nickel deposits at Forrestania including Flying Fox (T0-T7) and Spotted Quoll² (refer Figure 2 and 3).

¹ The Team are the consultants at Newexco www.newexco.com.

² Flying Fox and Spotted Quoll are owned by Western Areas NL (not Hannans Ltd).

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Exploration

During the Quarter, Hannans drill tested six target areas with the aim of intersecting economic grades and widths of nickel sulphide mineralisation. Please refer to Figure 2 and Table 1 for a summary of the Target IDs. Samples have been submitted to the laboratory for analysis. Assay results and an interpretation of the results is expected this Quarter.

After the end of the Quarter Hannans commenced down-hole electromagnetic surveys in the recently completed RC drill holes. The DHEM surveys and an interpretation of the results is expected this Quarter.

After consideration of all results Hannans will commence the next round of nickel sulphide exploration

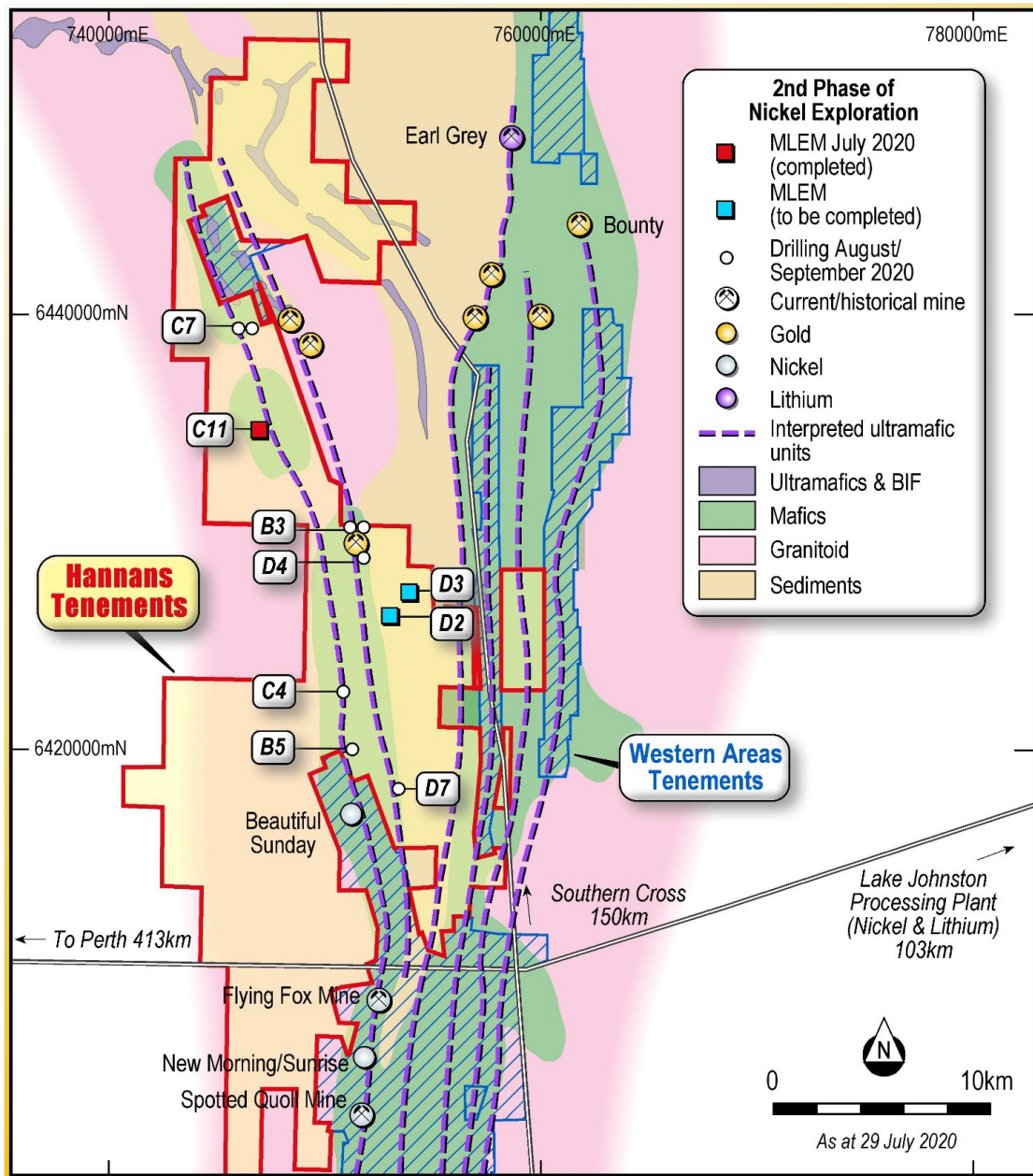


Figure 2: Tenement map showing the Forrestania Nickel Project. Refer to Table on the next page for a summary of each of the Target IDs. From west to east the broken lines represent the Western, Mid-Western, Takashi, Central, Mid-Eastern and Eastern Ultramafic Belts. The world class Flying Fox nickel sulphide mine owned by Western Areas Ltd is in the foreground. Distance from Flying Fox to Earl Grey is ~38kms.

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Table 1 Target ID Summary

Target ID	Target Type	Technique	Planned	Completed	Schedule
B3	Geophysical	Reverse circulation (RC) drilling	<ul style="list-style-type: none"> MLEM completed. Anomalies identified - three discrete bedrock conductors modelled below and north of Blue Haze Open Pit, possibly associated with rocks prospective for nickel sulphide mineralisation. Two drill holes planned. 	<ul style="list-style-type: none"> This hole was targeting 2 MLEM plates north of Blue Haze pit. The hole passed through the target horizons at 160m and 190m without intersecting any significant massive/semi-massive sulphides. No cumulate ultramafics were intersected. Disseminated pyrite was seen at intervals but was not remarkable. The hole was cased with 50mm PVC to EOH to facilitate DHEM. This hole was targeting a conductive plate at approximately 180m. Ultramafics were encountered from 100m-200m, serpentine and other ultramafics from 200m to EOH. Traces of sulphides from 180m-240m. No sulphides that would explain the targeted plates were encountered. Hole was PVC lined for DHEM surveys. 	<ul style="list-style-type: none"> DHEM October 2020 Assays mid November 2020 Follow up, pending results
D4	Geophysical	RC drilling	<ul style="list-style-type: none"> MLEM completed. Several bedrock conductors identified and modelled. One drill hole planned. 	<ul style="list-style-type: none"> This hole was targeting MLEM plates south of Blue Haze pit. The hole passed through the target horizons 170m and 240m without intersecting any significant massive/semi-massive sulphides. The hole was drilled to 258m and left open for DHEM surveying and a possible diamond tail after DHEM surveys. No significant ultramafics were intersected. Disseminated pyrite was seen at intervals but was not remarkable. The hole was not cased with PVC. 	<ul style="list-style-type: none"> DHEM October 2020 Assays November 2020 Follow up, pending results
C4	Geophysical	Diamond core (DD) drilling	<ul style="list-style-type: none"> Drill hole FSRC062 did not reach its planned depth. A diamond tail will be required to test the EM conductor and reach the planned end of hole depth. This hole was drilled in August 2020. 		<ul style="list-style-type: none"> Diamond tail 2021
B5	Geophysical	RC drilling	<ul style="list-style-type: none"> A mid-time anomaly possibly represents a conductor modelled on the ultramafic contact. One drill hole planned. 	<ul style="list-style-type: none"> This hole was targeting poorly constrained EM plates ranging from 200m to 250m depth downhole. The hole was planned to go to 250m but reached 228 metres due to drilling difficulties and water in hole. The hole intersected pyroxenite from 70m-130m, blebby pyrite from 144m to 145m and magnetic chert (probable conductor) from 187m to 228m EOH. The anomaly has probably been explained by the magnetic chert unit. The hole was cased with PVC to facilitate DHEM surveys. 	<ul style="list-style-type: none"> DHEM October 2020 Assays November 2020 Follow up, pending results
D7	Geological	RC drilling	<ul style="list-style-type: none"> Shallow drill hole planned to test the western contact beneath the sub crop and the ultramafic stratigraphy where anomalous nickel assays intersected in historical auger sampling, and the recent identification of gossanous sub crop in surface reconnaissance. One drill hole planned. 	<ul style="list-style-type: none"> FSRC071 was testing an area with anomalous nickel/copper geochemistry and also to test pegmatite subcrop that was noted in the area. The hole intersected ultramafics up to 100m and then pegmatites from 100m-120m, ultramafics from 120m-125m and then pegmatites from 125m-135m. The hole finished in ultramafics at 190m. The entire hole was sampled to test for nickel and lithium pegmatites. No significant sulphides (massive or semi-massive) were seen in the logging. 	<ul style="list-style-type: none"> DHEM October 2020 Assays November 2020 Follow up, pending results
C7	Geophysical	RC drilling	<ul style="list-style-type: none"> There is coincident anomalous copper geochemistry in soil samples. Interpretation of the 2019 MLEM identified two steeply dipping conductors. The location of these anomalies with respect to the Western Ultramafic Belt warrants follow up. Two drill holes planned. 	<ul style="list-style-type: none"> This hole in the C7 area targeted a weak conductive plate at 160m downhole. Probable ultramafics were intersected from 40-70m. A pegmatitic shear zone with fuchsite (gold indicator) was intersected from 100m-126m, 154m-157m and 167m-174m. No significant sulphides or ultramafics were intersected and a magnetic amphibolite unit was logged from 157m-167m. Excessive water stopped the hole at 180m. The hole was cased with 50mm PVC to EOH to facilitate DHEM. This hole in the C7 area targeted a weak conductive plate expected from 150m-190m downhole. The hole intersected ultramafics from 26m-167m and a pegmatitic shear zone with fuchsite (gold indicator) was intersected from 167m-192m. the hole finished in an amphibolite unit at 210m. No significant sulphides were intersected although disseminated pyrite and pyrrhotite were noted in the hole. Excessive water stopped the hole at 210m. The hole was cased with 50mm PVC to EOH to facilitate DHEM. 	<ul style="list-style-type: none"> DHEM October 2020 Assays November 2020 Follow up, pending results

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Forrestania Gold (Hannans 20% Free-Carried)

Introduction

Joint venture partner, Classic Minerals Ltd (ASX:CLZ), is funding exploration on the Forrestania Gold Project located approximately 120km south of Southern Cross in the Goldfields region of Western Australia.

Hannans owns a 20% free-carried interest in the FGP3 meaning Hannans is not required to fund the costs of exploration until a decision to mine gold has been made by the joint venture. For the avoidance of doubt Hannans owns a 100% interest in all non-gold rights on the tenements including but not limited to nickel, lithium, and other metals.

Tangerine Trees forms part of the FGP. It lies on the western margin of the Forrestania greenstone belt adjacent to the granite – greenstone contact. Classic Minerals drilled 13 RC holes FTTRC001-013 for 834m in August 2020 following up historical RC drill holes containing anomalous gold assays close to surface. The historical holes were completed back in the late 1980's. Classic Minerals' recent drill results indicate a shallow east dipping shear system similar in style to other gold occurrences in the Forrestania area (see Figure 3). Transported clays and sands around 4-5m thick cover the primary gold mineralisation making it difficult at this early stage to ascertain where we might be in the overall gold mineralisation system.

Classic Minerals plans to follow up the initial results with additional RC drilling this Quarter. For more information on the FGP please [click here](#).

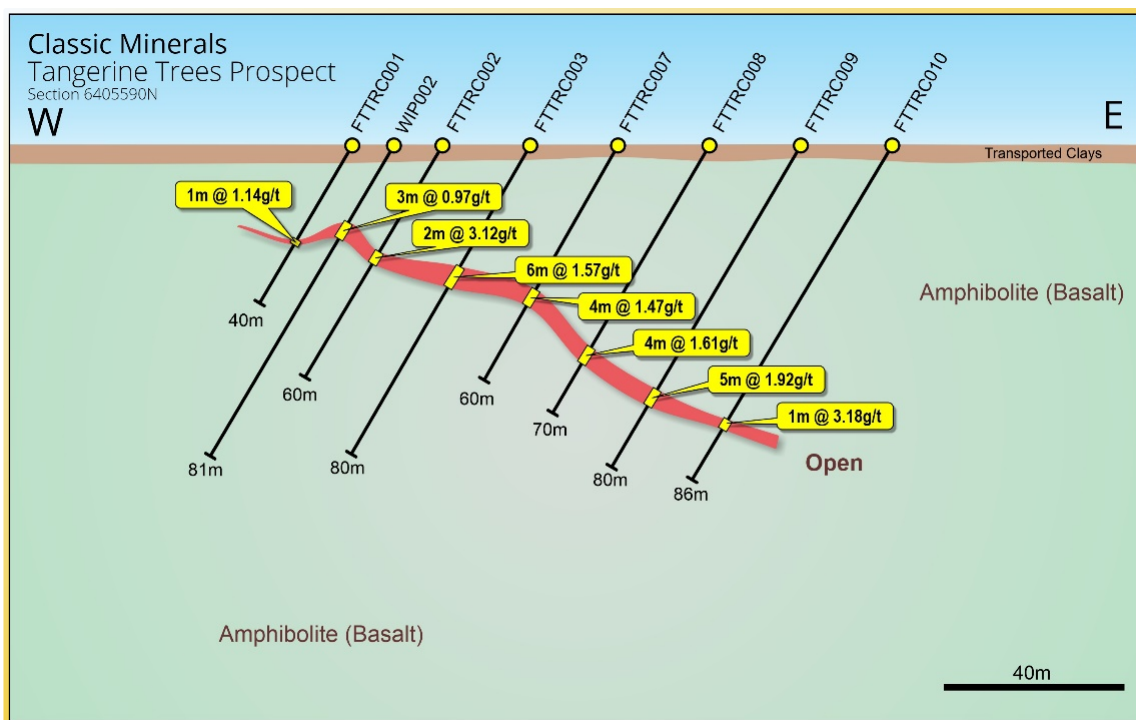


Figure 3: Cross section at Tangerine Trees

Continued...

3 Please refer to the ASX releases made by Classic Minerals Ltd dated 2 May 2017, 18 December 2019 and 21 January 2020 for full details of the mineral resource estimates reported in compliance with the JORC Code, 2012 Edition. Hannans has no interest in either the Lady Lila or Kat Gap prospects owned by Classic Minerals Ltd.

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Moogie Gold and Nickel-Copper-PGE Project (100% owned)

Introduction

Moogie represents a conceptual greenfields exploration opportunity based on large-scale tectonic controls on mineralisation. The concept is that deep, long-lived crustal scale structures like major shear zones represent excellent tectonic settings for large scale mineralising events. Government seismic lines indicate the surface expression of a major structure occurs at the Moogie Project. Hannans is currently focussed on surface sampling and mapping to determine if rocks with potential to host economic mineralisation exist within the tenure.

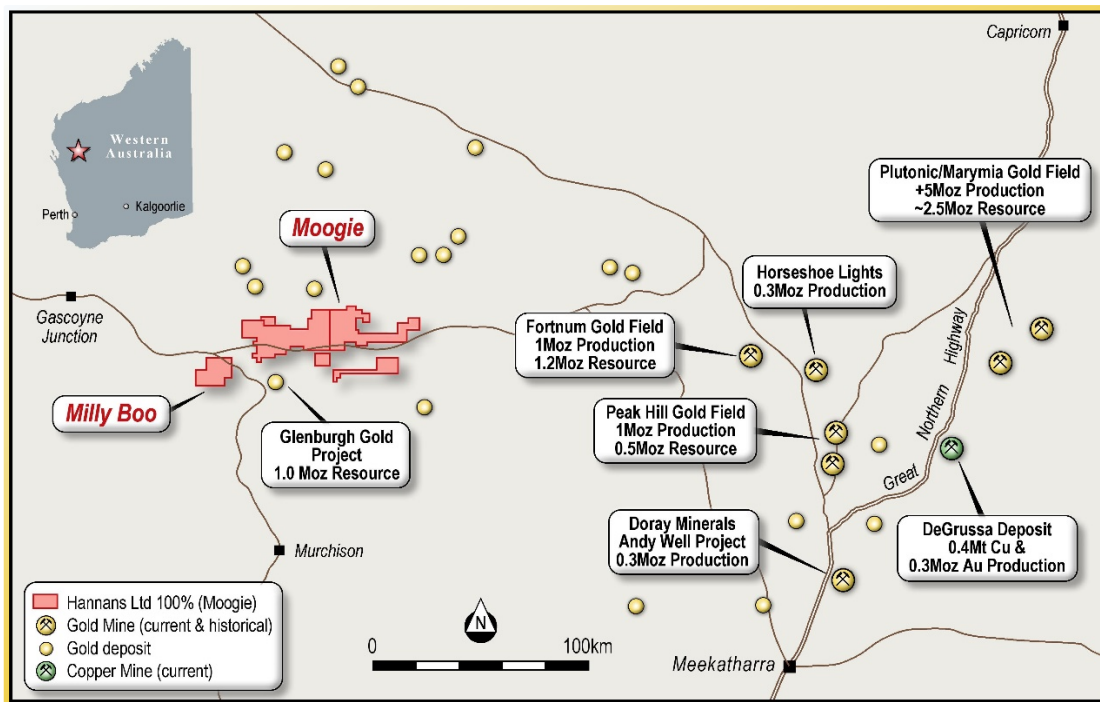


Figure 4: Regional location map showing Moogie ~ 260kms north-west of Meekatharra and the proximity of several current and historical mines.

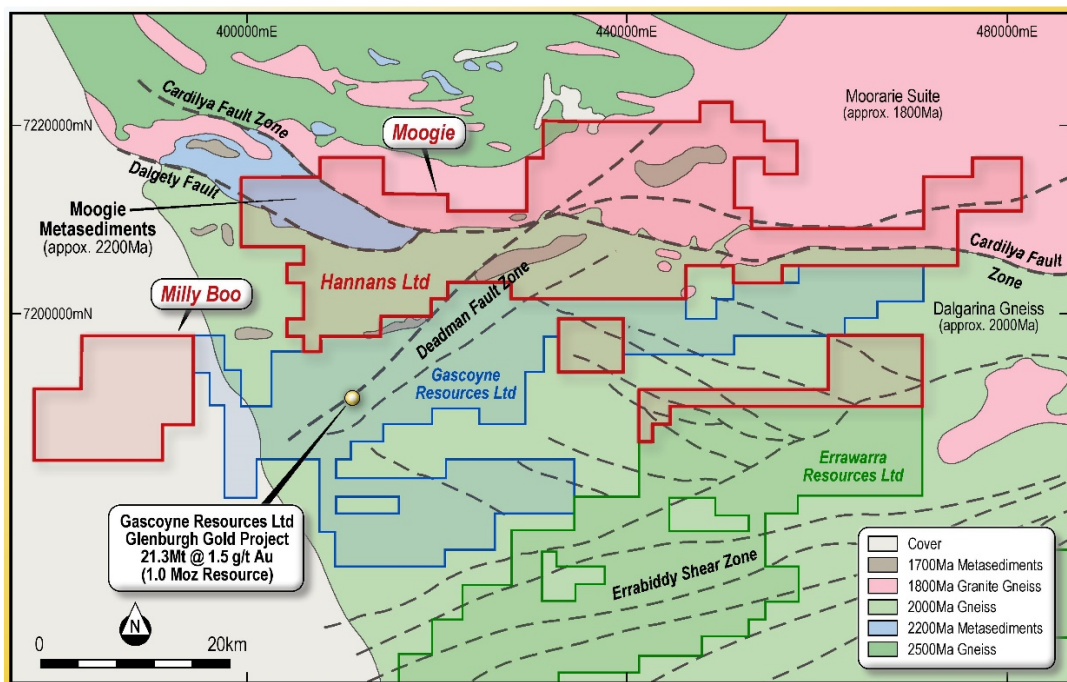


Figure 5: Project location map showing Hannans tenement applications E09/2373 and E09/2374 (outlined in red) and the intersection of the crustal scale Cardilya Fault with the Deadman Fault considered prospective for orogenic gold and or copper mineralisation and intrusion-related Ni-Cu-PGE mineralisation.



Figure 6: Ben McCormack from Outlier Geoscience mapping at Moogie. Photo taken at the Dalgety Downs 4 copper prospect.

Exploration

Hannans completed additional regional surface sampling and mapping during the Quarter. Assay results and interpretations are expected to be received this Quarter. Once the regional surface sampling is completed an assessment will be made of all datasets collected by Hannans during the last twelve months before prioritising future work programs, heritage surveys and planning drilling, if warranted.

Two new tenement applications were also made covering areas of interest for gold mineralisation. A reconnaissance field trip will be completed across the new applications during the next field season.

Mt Holland Lithium Project (100% wholly owned)

Introduction

The Mt Holland Lithium Project is located adjacent to Earl Grey, one of the most significant hard rock lithium deposits in the world jointly owned by New York Stock Exchange listed SQM and ASX listed Wesfarmers Ltd. Earl Grey will underpin a world-class, long-life integrated lithium project.⁴ Hannans' exploration goal at Mt Holland is to discover a lithium deposit comparable to Earl Grey.

Background

Hannans notes that the potential of the greater Mt Holland area to host globally significant hard rock lithium deposits is confirmed simply by the presence of the Earl Grey and Bounty lithium deposits⁵ and there are large areas of prospective tenure within the Hannans' project that remain unexplored. Despite intersecting pegmatites in aircore and reverse circulation drilling at Mt Holland West, to date there has been no indication in the analyses of fertile pegmatites.⁶

Exploration

Hannans completed one RC drill hole at Mt Holland during the Quarter. Assay results and interpretation is expected to be completed this Quarter. If warranted further holes will be drilled with the goal of intersecting economic grades and widths of lithium mineralisation.

⁴ Refer kidmanresources.com.au

⁵ Owned by Kidman Resources and SQM, not Hannans.

⁶ The host to the lithium mineralisation.

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ASX Announcements

Date	Announcement
02/07/2020	Forrestania Nickel Project (Interim Update)
29/07/2020	Drill Testing of Nickel Targets
31/07/2020	4th Quarter Cashflow Report
31/07/2020	4th Quarter Activities Report
14/09/2020	Moogie Geochemical Sampling Update
15/09/2020	Forrestania Nickel Drilling
16/09/2020	Expiry of Options
16/09/2020	Change of Director's Interest Notice
18/09/2020	2020 Annual Report
18/09/2020	Appendix 4G

Table 2. ASX Announcements between the period 1 July 2020 to 30 September 2020

This ASX announcement has been authorised for release by Mr Damian Hicks, Executive Director.

– END –

COMPLIANCE STATEMENT

The information in this document that relates to exploration results at Forrestania is based on information compiled by Adrian Black, a Competent Person who is a Member of the AIG (1364). Adrian Black is a consultant to Hannans Ltd and its subsidiary companies. Adrian Black has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

The information in this document that relates to exploration results at Moogie is based on information compiled by Amanda Scott, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (Membership No.990895). Amanda Scott is a full-time employee of Scott Geological AB. Amanda Scott is a Non-Executive director of Hannans Ltd and holds shares and options in the company. Amanda Scott has sufficient experience, which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Amanda Scott consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

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CURRENT TENEMENTS

Tenement number	Interest 4 th Quarter 2019/2020		Note	Tenement number	Interest 4 th Quarter 2019/2020		Note
	Start	End			Start	End	
HR FORRESTANIA PTY LTD ¹							
Location: Forrestania, Australia							
E77/2460	100%	100%					
REED EXPLORATION PTY LTD ²							
Location: Queen Victoria Rocks, Australia							
E15/1416	100%	100%					
Location: Forrestania, Australia							
E77/2207-I	100%	100%	2	P77/4291	100%	100%	2
E77/2219-I	100%	100%	2	E77/2489	100%	100%	3
E77/2220-I	100%	100%	2	E77/2546	100%	100%	
E77/2239-I	100%	100%	2	E77/2610	100%	100%	
E77/2303	100%	100%	2	P77/4534	100%	100%	
P77/4290	100%	100%	2				

Note:

- 1 HR Forrestania Pty Ltd (**HRF**) is a wholly owned subsidiary of Hannans Ltd. HRF is the registered holder of the tenements.
- 2 Reed Exploration Pty Ltd (**REX**) is a wholly owned subsidiary of Hannans Ltd. REX is the registered holder of the tenements. REX holds a 100% interest in all minerals excluding gold. REX holds a 20% free-carried interest in the gold rights.
- 3 REX voluntary partial surrender 14 sub-blocks during the period.

TENEMENTS UNDER APPLICATION

Tenement number	Tenement number
REED EXPLORATION PTY LTD	
Location: Forrestania, Australia	Location: Fraser Range, Australia
E77/2711	E63/2020
Location: Moogie, Australia	E63/2021
E09/2373	E63/2022
E09/2374	E63/2023
E09/2417	E63/2024
E09/2460 (applied for 15 October 2020)	E63/2025
E09/2461 (applied for 15 October 2020)	E63/2026
Location: Milly Boo, Australia	Location: Maggie Hayes, Australia
E09/2418	E63/2016

RELINQUISHED OR LAPSED TENEMENTS

Nil