

HANNANS

Relisting on ASX and Lithium Battery Recycling in Europe

11 October 2022

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About Hannans

Our vision is to sustainably produce metals for society in Europe.

We aim to achieve this vision by recycling lithium batteries – shredding, sorting and refining active battery components into battery grade chemicals for sale to lithium battery precursor manufacturers.

We aim to become an important part of the European lithium battery supply chain and the circular economy.

Key Message

Hannans proposed shift to lithium battery recycling represents a significant change to the nature and scale of activities for the purposes of ASX Listing Rule 11.1. As a result, the Company's shares have been suspended from trading until it re-complies with Chapters 1 and 2 of the ASX Listing Rules. For the Company to resume trading, it is required to:

1. raise a minimum of \$1,000,000 pursuant to a prospectus to be lodged 14 October 2022, in order to satisfy ASX's "net tangible assets" test;
2. receive at least 300 valid applications for at least \$2,000 worth of shares (at an issue price of \$0.02 each) from non-affiliated applicants under the capital raising; and
3. obtain shareholder approval of the change in nature and scale of the business at a General Meeting to be held on 15 November 2022.

Capital Raising

When the capital raising prospectus is released to ASX please read it in full, contact your advisor if you have questions, and if you chose to subscribe, return your application form as soon as possible.

You don't need to be a Hannans shareholder to apply for shares, however Hannans shareholders have a priority right*.

If you are an existing Hannans shareholder and have subscribed for electronic notifications, you will receive a prospectus and a personalised application form once the prospectus has been lodged with ASIC, otherwise the prospectus will be posted to you. You can also download the prospectus from www.hannans.com once it has been lodged with ASIC.

Hannans anticipates lodging the prospectus on 14 October 2022.

* Refer to the Company's ASX announcement dated 27 July 2022 for further details regarding the priority right, and the prospectus for further detail.

**Compelling Reasons
to Recycle
Lithium Batteries
from Electric Vehicles in the
European Union (EU)**

EU aiming for net-zero greenhouse gas emissions by 2050

Electric vehicles (**EV**) do not emit greenhouse gas emissions.



The screenshot shows the top navigation bar of the European Commission website. It includes the EU flag, the text 'An official EU website', the European Commission logo, and language options for 'English' and 'Search'. Below this is a blue header for 'Climate Action' with a 'Menu' icon. The breadcrumb trail reads: 'European Commission > ... > EU Action > Climate strategies & targets > 2050 long-term strategy'. The main heading is '2050 long-term strategy'. The text below states: 'The EU aims to be climate-neutral by 2050 – an economy with net-zero greenhouse gas emissions. This objective is at the heart of the [European Green Deal](#) and in line with the EU's commitment to global climate action under the [Paris Agreement](#).' A second paragraph begins: 'The transition to a climate-neutral society is both an urgent challenge and an opportunity to build a better future for all.'

Source: https://climate.ec.europa.eu/eu-action/climate-strategies-targets/2050-long-term-strategy_en

EU to end sale of combustion engines by 2035

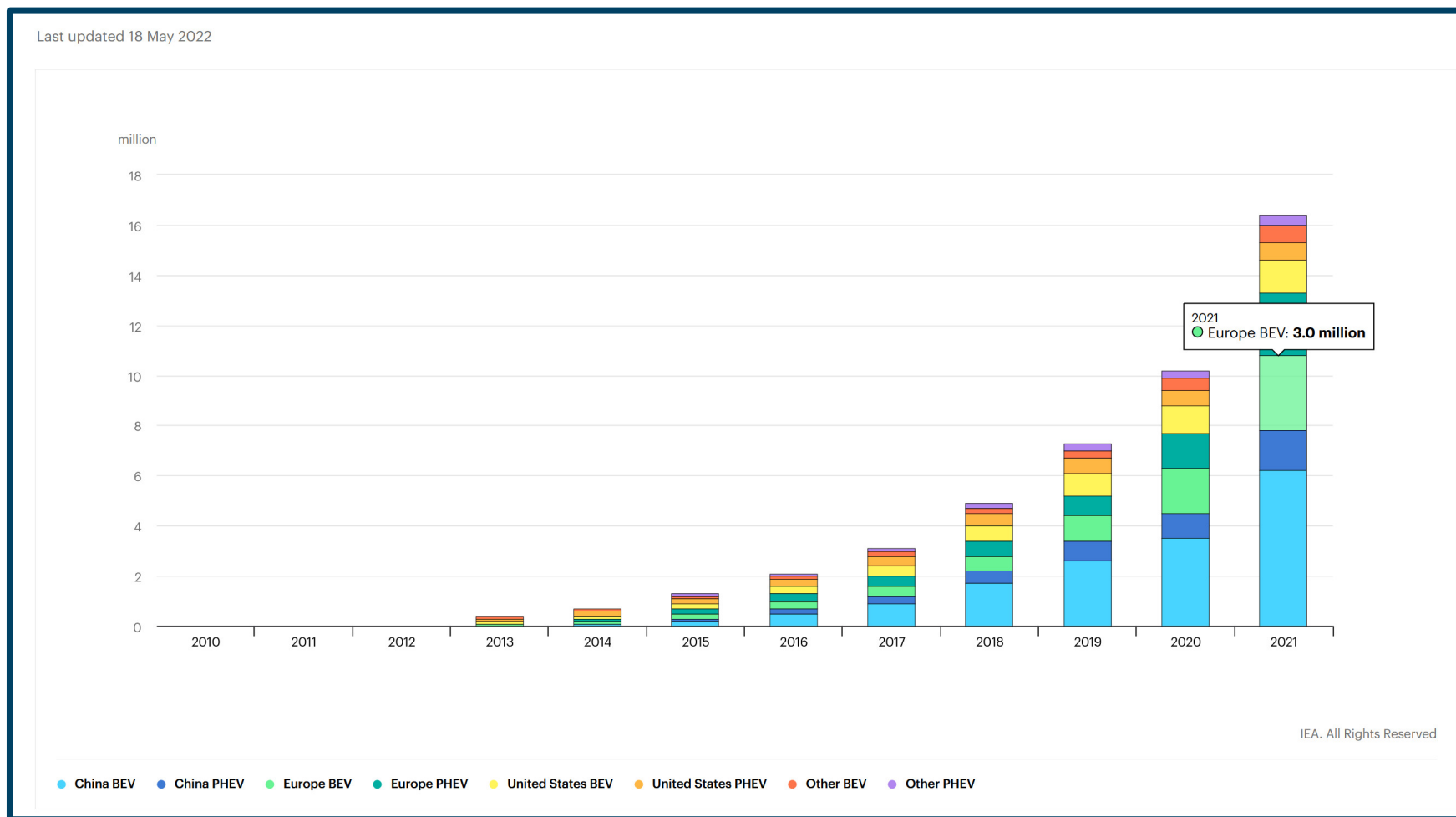
The rapid growth in the number of EVs is expected to continue.



The screenshot shows a news article on the EURACTIV website. The article is titled "EU nations approve end to combustion engine sales by 2035" and is dated 29 June 2022 (updated 1 July 2022). The article is attributed to EURACTIV.com with AFP and Reuters. The main image shows Agnès Pannier-Runacher, French energy minister, holding a yellow folder and standing in front of European Union flags. The article text below the image states: "Agnès Pannier-Runacher, French energy minister, announced the deal after negotiations that ended 02.30 in the morning. [Copyright: European Union]". The EURACTIV logo is visible in the top left corner of the screenshot, and a "Sections" dropdown menu is in the top right. The breadcrumb trail reads "Home / News / Transport / EU nations approve end to combustion engine sales by 2035".

Source: <https://www.euractiv.com/section/transport/news/eu-countries-approve-end-to-combustion-engine-sales-by-2035/>

EU is second largest EV market in the world



Source: <https://www.iea.org/data-and-statistics/charts/global-electric-car-stock-2010-2021>

European Commission – batteries must be recycled



"All industrial, automotive or electric vehicle batteries have to be collected in full. All collected batteries have to be recycled and high levels of recovery have to be achieved, in particular of valuable materials such as cobalt, lithium, nickel..." *European Commission, "Green Deal: Sustainable batteries for a circular and climate neutral economy"*

Source: https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2312

Lithium Battery Recycling Technology



Hannans has rights (via licensing arrangements) to commercialise a lithium battery recycling technology developed by Neometals Ltd (ASX:NMT)¹. Neometals filed a patent application for its technology in 2018 and since that time they have entered a joint venture arrangement with German engineering group **SMS group** which has led to further agreements with German automotive company **Mercedes-Benz**, North American steel company **Stelco** and Japanese trading company **Itochu**.²

Neometals Investments Pty Ltd is Hannans largest shareholder (32.4%).

Note: The shredding and sorting facility shown (left) is owned by Primobius, a joint venture between Neometals and SMS group. It is not owned by Hannans.

¹ Comprising (1) exclusive rights in Denmark, Finland, Norway and Sweden via a sub-licence from LiB Recycling Pty Ltd, (2) exclusive rights in South-Eastern Europe (Albania, Bulgaria, Bosnia and Herzegovina, Croatia, Greece, Romania, Serbia, Slovakia and Slovenia) via a licence from Neometals Ltd subsidiary company ACN 630 589 507 Pty Ltd (ACN) and (3) non-exclusive rights in the United Kingdom and Republic of Ireland via a licence with ACN. Refer to Hannans Ltd announcements on 1 February 2022 and 27 July 2022 for further details.

² Refer Neometals Ltd ASX releases dated 31 July 2020, 5 March 2021, 31 December 2021 and 13 May 2022.

Details of Transactions Enabling Hannans to Enter Lithium Battery Recycling in Europe



Transaction dated September 2021

Critical Metals

www.criticalmetals.eu hold an exclusive license to commercialise the lithium battery recycling technology developed by **Neometals** in the Nordic region including Sweden, Norway, Finland and Denmark.

Hannans has entered an agreement with **Critical Metals** for a right to fund and own 50% of any battery recycling plant using this technology in the Nordics. Hannans has been granted an exclusive sub-licence to commercialise the technology in the Nordic region.

Transaction dated July 2022 (Subject to Approval)

Greenhouse Investments held a non-exclusive license in the UK and Ireland and an exclusive license in Italy and South-Eastern Europe for the same **Neometals** battery recycling technology licensed to **Critical Metals***.

Hannans signed an agreement with **Greenhouse Investments** to acquire 100% of technology rights in Greenhouse license territories along with Greenhouse's market intelligence and relationships.

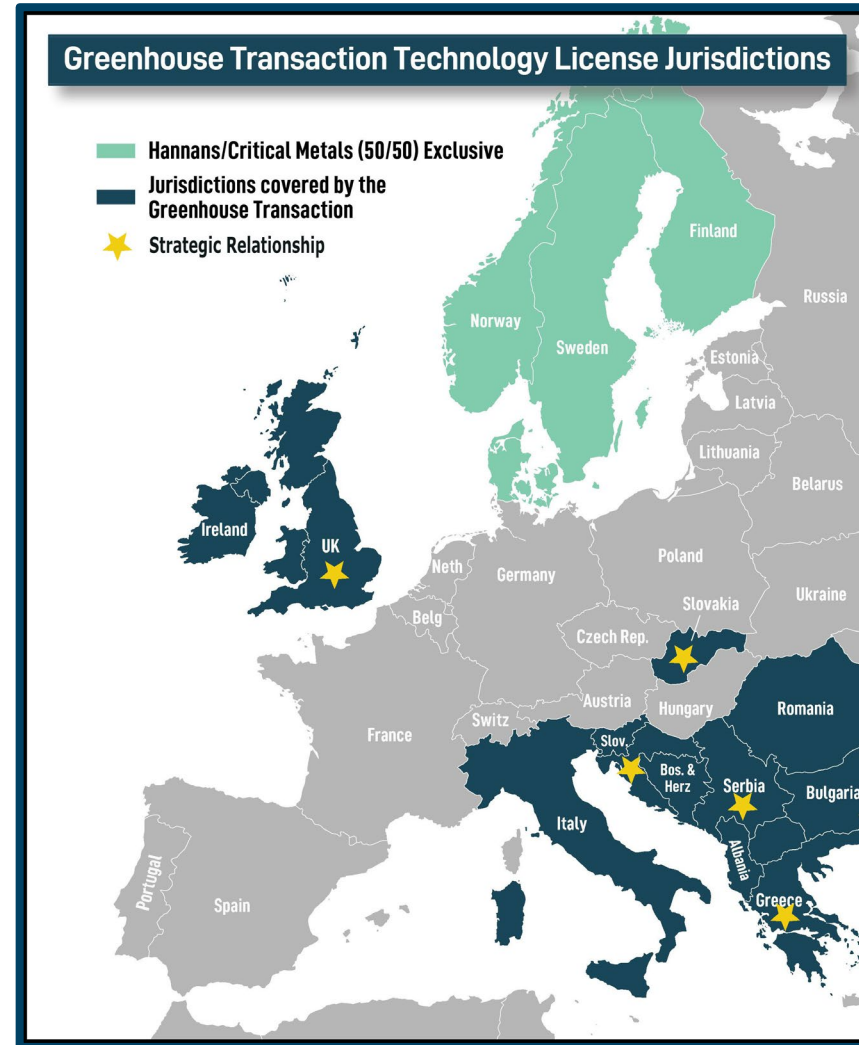
*The Greenhouse Investments Ltd licences have since been novated to Hannans but will revert to Greenhouse in the event that shareholder approval is not received for the re-compliance or Hannans is unable to re-list by 31 December 2022, unless otherwise extended.

About Greenhouse Investments



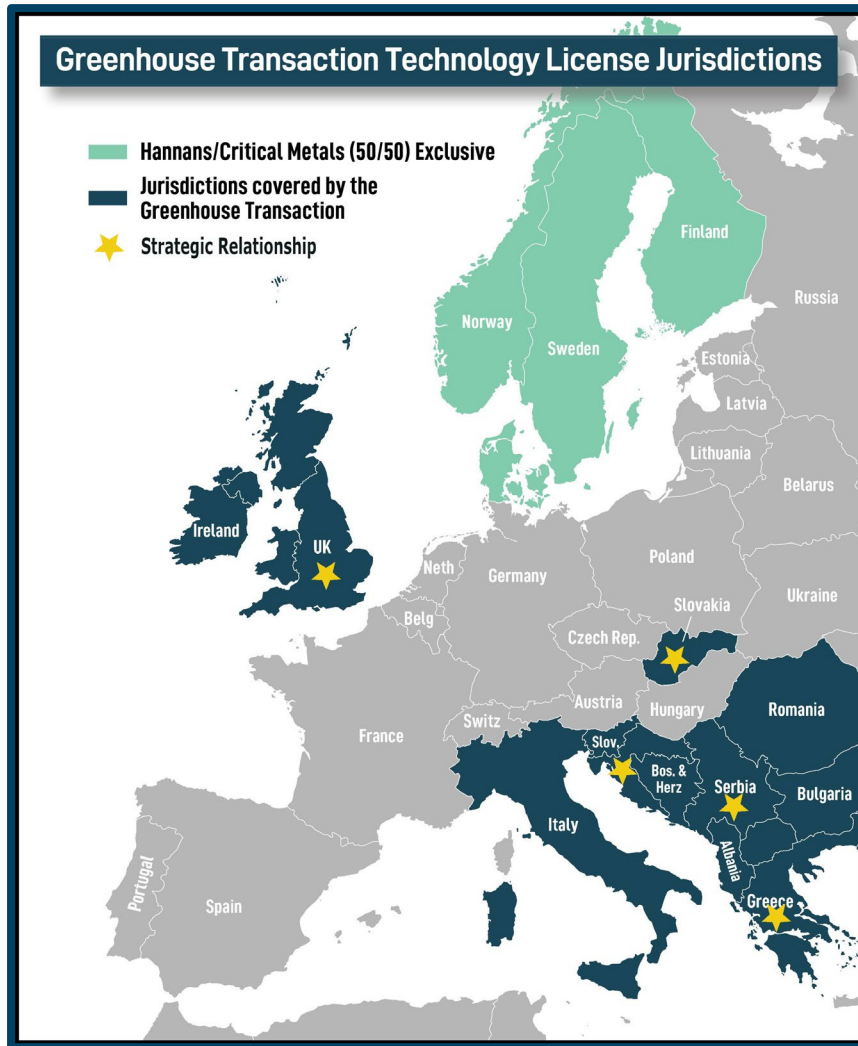
- > Held licences to commercialise Neometals lithium battery recycling technology in UK, Ireland, Italy and South-Eastern Europe which have now been novated to Hannans.
- > Based in Europe and operating across Europe's emerging and developing economies for more than 13 years.
- > Deep commercial, political and strategic networks across these markets.
- > Have developed several strategic relationships with established recycling groups and battery OEMs in various countries in the licensed territories.

Greenhouse Strategic Relationships



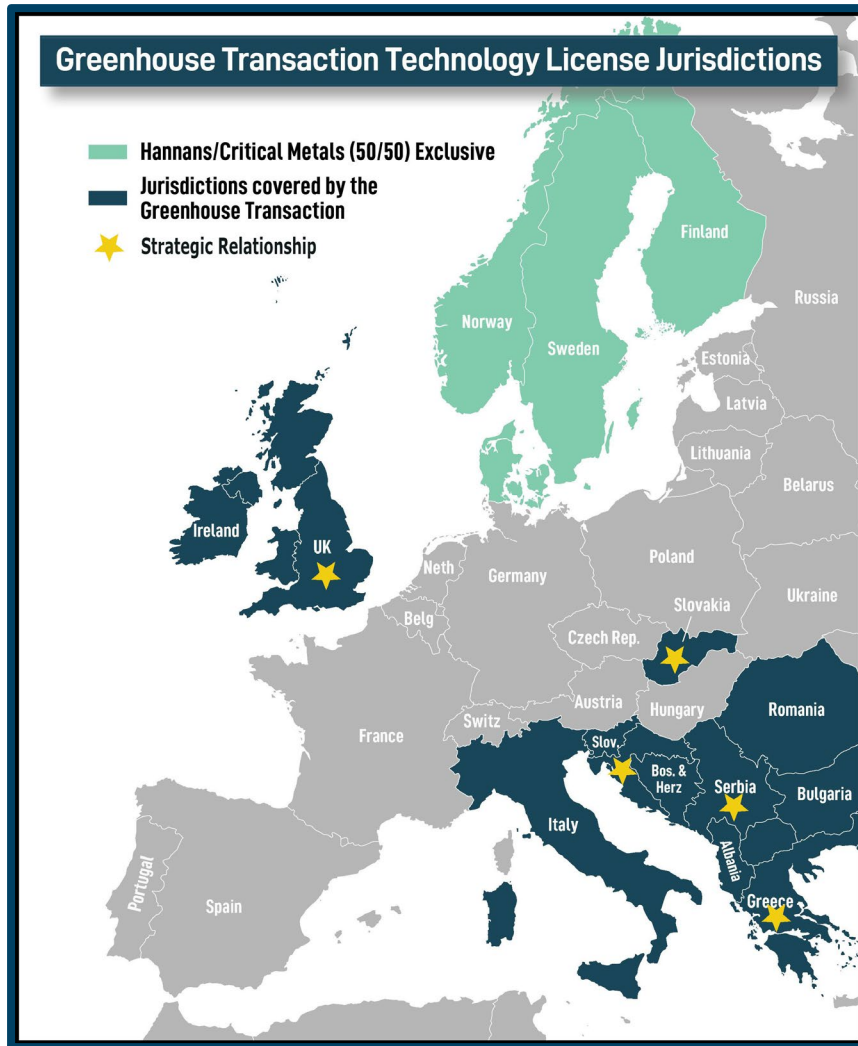
- Greenhouse Investment has developed several strategic relationships in the relevant Territories.
- Each strategic relationship is unique and typically they have taken several years to develop.
- The aim is to advance the strategic relationships towards agreements for the supply of lithium battery feedstock and the development of joint ventures for the recycling of lithium batteries, in each Territory.

Greenhouse Transaction Summary (Subject to Approval)



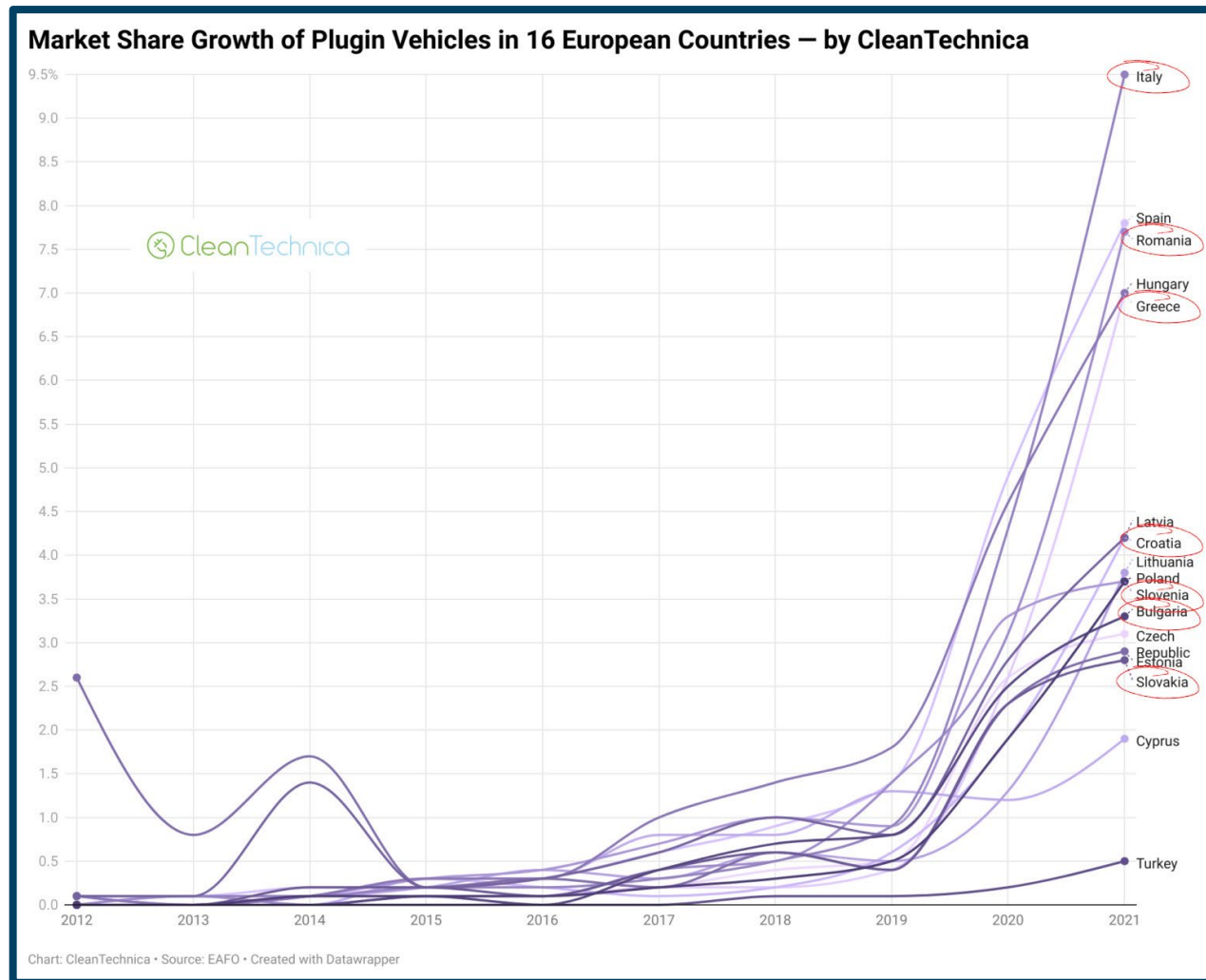
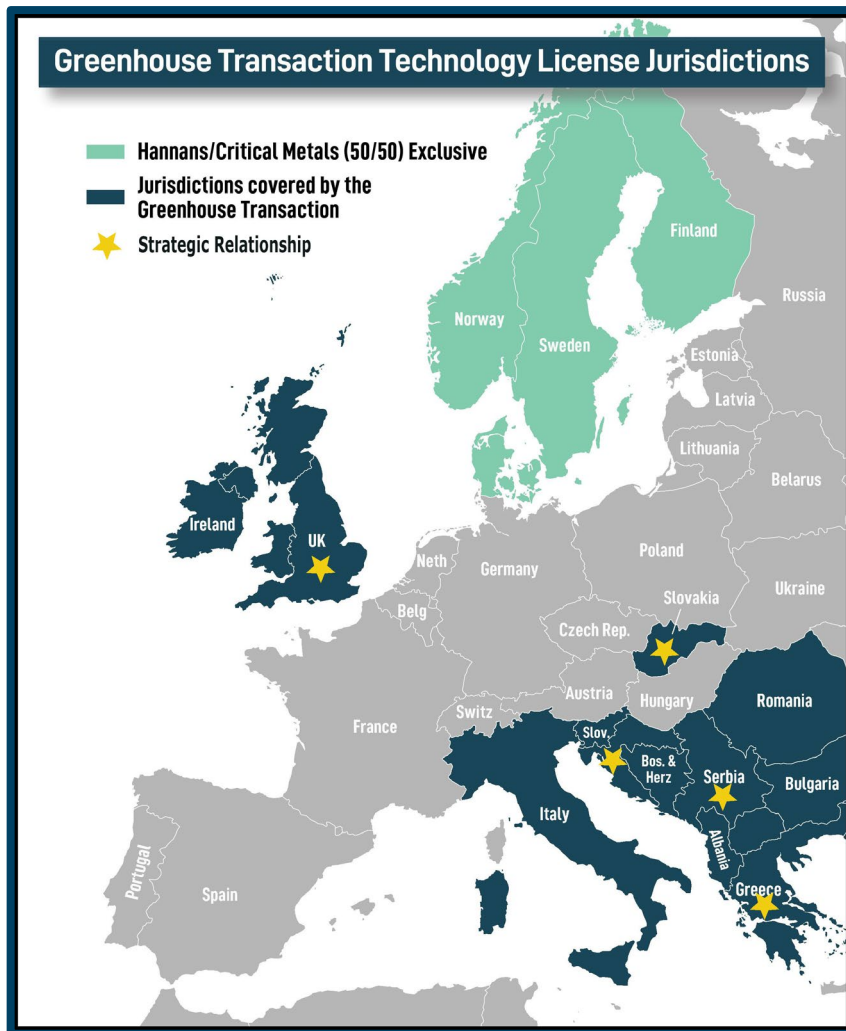
- > Hannans signed agreement with Greenhouse Investments in July 2022.
- > All Greenhouse licenses (for the Exclusive Territories and Non-Exclusive Territories) have been novated to Hannans and Hannans is now the licensee. The licenses will revert to Greenhouse if applicable shareholder and ASX approvals are not received by 31 December 2022.
- > Subject to shareholders approving the transaction at a meeting to be held on 15 November 2022, Hannans will:
 - acquire the Greenhouse Investments Ltd market intelligence and relationships; and
 - issue 647,500,653 fully paid ordinary shares to Greenhouse.

Greenhouse Transaction Benefits (Subject to Approval)



- Significantly expands Hannans exposure to technology licence territories in Europe.
- Brings a range of strategic relationships with established interests in several European countries where strict recycling obligations are placed on battery OEMs and importers.
- Provides an established and active presence on the ground in Europe as Mr Michael O’Leary-Collins, Director, Greenhouse Investments Ltd resides in Europe and has been engaged by Hannans to convert strategic relationships in UK, Ireland, the Nordic region, Italy and South-Eastern Europe into binding agreements securing supply of lithium-ion battery feedstock.

Greenhouse Transaction Benefits (Subject to Approval)



Source: <https://cleantechnica.com/2022/06/25/ev-market-share-growth-in-16-lagging-european-countries/>

Proposed New Directors with European Expertise



Mr Andrew Umbers - Proposed Non-Executive Director (nominated by Neometals Ltd). Resides in London, UK. Formerly a Director at Barclays De Zoete Wedd, Managing Director at Credit Suisse, CEO at Evolution plc and Director of European Equities of Credit Suisse. Has been responsible for advising on the listing and financing of approximately 100 companies on European stock markets. Former Chairman of Leeds United Football Club.



Mr Mark Sumich – Proposed Non-Executive Director (nominated by Greenhouse Investments Ltd). Resides in Perth, Australia. Has held Chair and Managing Director roles in ASX-listed companies in the IT, technology and resources sectors, raised over A\$100m in C-level roles, co-founded two ASX-listed entities and has significant international business experience in Europe, Africa and China. Previously employed by Clayton Utz and Price Waterhouse Coopers.

The appointment of Mr Umbers and Mr Sumich is conditional on completion of the Greenhouse transaction and receipt of conditional re-listing approval from ASX.

Capital Raising



Capital Structure

CAPITAL STRUCTURE

| Activity | Shares | | Options |
|--|----------------------|----------------------|--------------------|
| | Min sub (\$1M) | Max sub (\$2M) | |
| Securities currently on issue | 2,606,271,476 | 2,606,271,476 | 241,500,000 |
| Shares to be issued pursuant to the Greenhouse Transaction | 647,500,653 | 647,500,653 | 0 |
| Capital raising pursuant to the Prospectus | 50,000,000 | 100,000,000 | 0 |
| TOTAL | 3,303,772,129 | 3,353,772,129 | 241,500,000 |

Option currently on issue are summarised below (post consolidation)

| Options | No of options |
|--|---------------|
| Unlisted Options exercisable at 1.8 cents on or before 27 October 2022 | 28,000,000 |
| Unlisted Options exercisable at 1.8 cents on or before 27 October 2022 | 3,500,000 |
| Unlisted Options exercisable at 2.6 cents on or before 30 October 2022 | 20,000,000 |
| Unlisted Options exercisable at 3.2 cents on or before 30 October 2022 | 25,000,000 |
| Unlisted Options exercisable at 7.3 cents on or before 25 November 2025 | 55,000,000 |
| Unlisted Options exercisable on or before 25 November 2025 exercise price calculated from the VWAP for the five (5) trading days before and five (5) trading days after 25 November 2022 PLUS a premium of 50% | 55,000,000 |
| Unlisted Options exercisable on or before 25 November 2025 exercise price calculated from the VWAP for the five (5) trading days before and five (5) trading days after 25 November 2023 PLUS a premium of 50% | 55,000,000 |

Capital Raising

Cash at bank: AU\$3.5 Million

Minimum raise: AU\$1.0 Million, and
Maximum raise: AU\$2.0 Million

Raising Share price: \$0.02 per share.

Debt: Nil

Priority right to
Hannans shareholders.

Full details of capital raise will be set out in a Prospectus, expected to be lodged with ASIC on 14 October 2022*.

Minimum application amount: \$2,000

*A person should consider the prospectus before deciding whether to acquire shares. Anyone who wants to acquire shares will need to complete an application form that will accompany the prospectus.



Timetable

| Activity | Date |
|---|--|
| Lodge Prospectus for Capital Raising | 14 October 2022 |
| Hannans Shareholder Meeting | 15 November 2022 |
| Hannans Reinstatement to Official ASX Quotation | Late November / early December 2022 |

* Indicative only and subject to change and satisfaction of all ASX conditions.

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