

HANNANS

2 December 2016

ASX & MEDIA ANNOUNCEMENT

Core Drilling and Downhole Geophysical Surveys at Spargos Prospect – Nickel

- ∅ Drill testing of nickel targets within the strongly anomalous Spargos ultramafic unit has commenced
- ∅ Two holes (core), each drilled to 400m will test geochemical and geological targets
- ∅ Assays will provide data establishing a vector towards potential high grade nickel sulphide mineralisation
- ∅ Downhole geophysical surveys (DHEM) will be completed in each hole searching for off-hole conductors that may represent accumulations of massive nickel sulphides
- ∅ Additional drill holes and DHEM surveys scheduled to commence early 2017

Hannans Ltd (ASX:HNR) has commenced core drilling at the Queen Victoria Rocks Project, located 55kms southwest of Coolgardie, Western Australia to determine if high grade nickel is located at the base of the interpreted lava channel in the strongly anomalous ultramafic units within the Spargos Prospect (refer Figures 1 and 2 on page 2). Drilling will be followed by downhole geophysical surveys (DHEM) searching for off-hole conductors that may represent accumulations of massive nickel sulphide mineralisation. The drill program and DHEM surveys will continue for 4-6 weeks with interpretation of results expected to be completed late January 2017.

The Spargos prospect has all the geological characteristics of a system that one could expect to be well mineralised. While disseminated low grade nickel sulphide mineralisation was first identified within the Spargos prospect by Spargos Exploration NL in 1971, the identification of significant massive high grade nickel has so far eluded explorers. Recent assays¹ have however reinvigorated the potential for Spargos to host massive high grade nickel sulphide mineralisation at the base of the interpreted lava channel.

The Spargos prospect is located on the southern extension of the Ida Fault that hosts the Mt Alexander North nickel sulphide project owned by St George Mining Ltd (ASX:SGQ). Tenure adjacent to the Spargos prospect and the nearby historic Nepean nickel mine is also the subject of renewed nickel exploration activity by Alliance Resources Ltd (ASX:AGS). The Ida Fault has been identified as the major bounding fault that has allowed major nickel camps to have been developed, including the Kambalda-Coolgardie cluster. It passes very close by on the east side of the Spargos Prospect.

For further information, please contact:

Damian Hicks
Executive Director
+61 419 930 087 (M)
damianh@hannansreward.com (E)

About Hannans Ltd

Hannans Ltd (ASX:HNR) 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. Hannans has a strategic relationship with West Australian based mining services company Australian Contract Mining. Since listing on the ASX in 2003 Hannans has signed agreements with Vale Inco, Rio Tinto, Anglo American, Boliden, Warwick Resources, Cullen Resources, Azure Minerals, Neometals, Tasman Metals, Grängesberg Iron AB and Lovisagruvan AB. Shareholders at various times since listing have included Rio Tinto, Anglo American, OM Holdings, Craton Capital and BlackRock. For more information, please visit www.hannansreward.com.

¹ Refer ASX release dated 25 November 2016

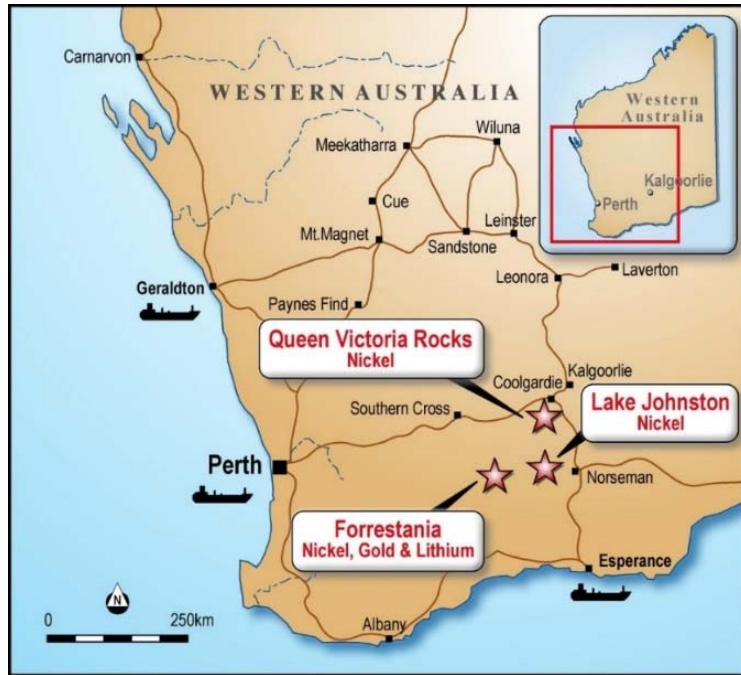


Figure 1 Hannans Project Location Map

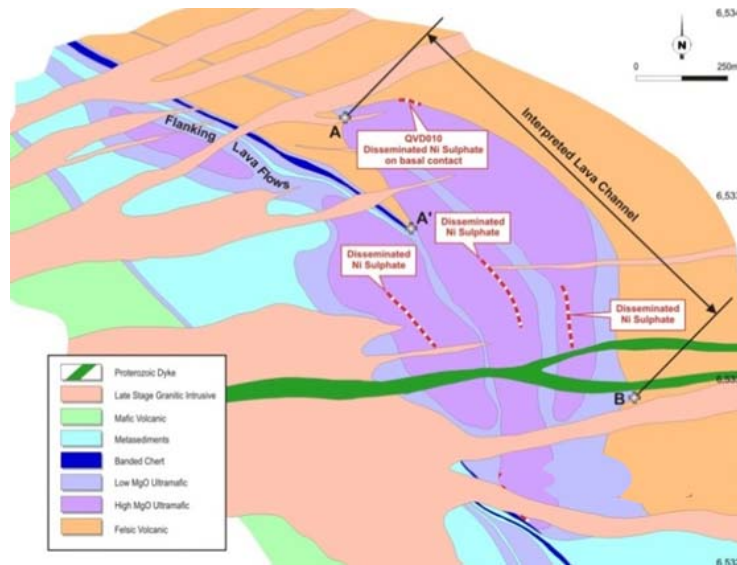


Figure 2 Spargos Prospect, interpreted lava channel and location of disseminated nickel sulphide mineralisation on basal contact in hole QVD01

COMPLIANCE STATEMENTS

The information in this document that relates to exploration results is based on information compiled by Mr Gordon Kelly, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Kelly is a consultant to Hannans Ltd and its subsidiary companies. Mr Kelly 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). Mr Kelly consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.