

Fast Facts

ASX Code: HNR

Capital Structure

Shares on issue: 1.68 billion

Market cap: \$23.5M (at 1.4c)

Non-Executive Chairman

Jonathan Murray

Executive Director

Damian Hicks

Non-Executive Directors

Markus Bachmann

Clay Gordon

Amanda Scott

Key Projects

Sole Funded

Forrestania (Nickel & Lithium)

Queen Victoria Rocks (Nickel)

Free-Carried

Forrestania (Gold)

Lake Johnston (Nickel, Gold & Lithium)

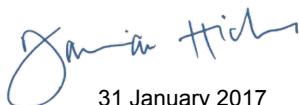
During the 2nd Quarter (October – December 2016) Hannans:

Exploration

- ∅ Nickel – completed review of geology, geochemistry and geophysics at the 100% owned Queen Victoria Rocks (QVR) nickel sulphide project located south-west of Coolgardie, Western Australia¹, planned deep diamond drilling and down hole geophysical survey (DHEM) programs², completed two diamond holes for total combined depth of 800m, intersected rock units prospective for hosting nickel sulphides, sent core samples to laboratory for analysis (results anticipated during the current Quarter), completed DHEM surveys subsequent to the end of the Quarter (final interpretation pending); re-logged historic reverse circulation (RC) drill holes from within the Stormbreaker Prospect at the Forrestania nickel sulphide project located east of Hyden, Western Australia to enable direct comparison with rock units intersected in diamond drilling completed by Hannans at Stormbreaker in July 2016; completed first pass reconnaissance soil geochemistry program within the North Stormbreaker Prospect, samples sent to the laboratory for analysis subsequent to the end of the Quarter (results anticipated during the current Quarter).
- ∅ Lithium – submitted diamond core samples of pegmatites intersected at QVR for lithium analysis (results anticipated during the current Quarter); acquired airborne geophysical surveys at Forrestania to assist with mapping regional and prospect scale structures adjacent to the granite dome believed to be the source of the lithium minerals at the high grade Earl Grey lithium deposit.

Corporate

- ∅ New Board Appointments – Jonathan Murray appointed Independent Non-Executive Chairman, Damian Hicks appointed Executive Director and Amanda Scott appointed Non-Executive Director.³
- ∅ Sold Database – sold the Lake Johnston exploration database to Montezuma Mining Company Ltd (ASX:MZM) in consideration for 15% free-carried interest in MZM's Lake Johnston nickel-gold-lithium project.⁴
- ∅ Exercise of Options – Neometals Ltd (ASX:NMT) exercised 31.25 million options to acquire fully paid ordinary shares in Hannans.
- ∅ Investor Conferences – presented at the Mining Scout Investor Conference in Frankfurt and attended the International Precious Metals & Commodities Show in Munich to update German investors trading Hannans shares on the Berlin Stock Exchange (HR9.BE).
- ∅ Settled Outstanding Debts – Shareholders voted to settle all outstanding debts to directors via the issue of shares.
- ∅ Court Action – Creditor company Mine Builder Pty Ltd made an application to set aside Hannans' Statutory Demand, this matter will be heard in the Supreme Court of Western Australia on 9 February 2017.
- ∅ Listing of Critical Metals Ltd on Stock Exchange – continued discussions with parties that have expressed an interest in funding the Company's growth.



31 January 2017

¹ Refer ASX announcement dated 25 November 2016

² Refer ASX announcement dated 2 December 2016

³ Refer ASX announcement dated 29 November 2016

⁴ Refer ASX announcement dated 21 December 2016

PLANS FOR 3rd QUARTER

During the 3rd Quarter (January – March 2017) Hannans aims to:

Exploration

- ∅ Lithium – subject to receipt of government approvals, commence an aircore drilling program (approximately 6,000 metres) targeting rocks prospective for lithium mineralisation at the Forrestania Project. Drilling will be located approximately 4km west of two granite intrusions mapped within Hannans' tenure. The high grade Earl Grey lithium deposit (owned by Kidman Resources Ltd, ASX:KDR) is located approximately 4km east of the same granite intrusions. This distance (i.e. 4km) appears to be the distance necessary to allow for cooling of the intruding pegmatites sourced from the granite intrusions and for differential crystallization of exotic minerals including spodumene (an important lithium mineral). The exploration approach proposed is to use broad reconnaissance traverses of air core drilling to help define the geology and to provide improved geochemical information. Further information will be provided when drilling approvals have been received.
- ∅ Nickel – receive assay results from the diamond drilling at QVR, receive final interpretation of DHEM survey results, compile the latest information and plan follow up drilling to test nickel targets; prepare and release to ASX a summary presentation of exploration results from Forrestania and outline the proposal for the next round of focussed nickel sulphide exploration activity along strike from the high grade Flying Fox and Spotted Quoll mines owned by Western Areas Ltd (ASX: WSA).
- ∅ Exploration Manager – commence the search for an Exploration Manager to join the existing high quality consulting exploration team incorporating Gordon Kelly, Ben Jones, Bryan Smith, Richard Stuart, John Chellew, Jon Hronsky, Adrian Black and Bill Amann.

Corporate

- ∅ New opportunities – Hannans is constantly seeking new opportunities located in Western Australia with the potential to add value to shareholders and welcomes unsolicited approaches from third parties.
- ∅ Critical Metals Ltd – this company is now an independently funded and managed company owned by Hannans shareholders⁵. Management is seeking to ensure that the listing of Critical Metals on a stock exchange, and the drill testing of the Varuträsk lithium project, occurs as soon as practical. For further information please refer to the Critical Metals' web site (criticalmetals.eu) and sign up for email alerts.
- ∅ Court Action – a Statutory Demand was issued by Hannans against Mine Builder on 21 October 2016 for a debt in the sum of approximately \$1.16 million. Mine Builder's application to set aside Hannans' Statutory Demand will be heard in the Supreme Court on 9 February 2016.
- ∅ ATO Class Ruling – Hannans anticipates receiving the Australian Taxation Office's decision shortly with respect to Hannans' application for concessional tax treatment under the demerger relief provisions of the Income Tax Assessment Act. Hannans lodged its application with the ATO in August 2016 as it related to the demerger of Critical Metals Ltd (criticalmetals.eu) approved by Hannans Shareholders in September 2016. Once the ATO decision has been received, Hannans will notify Shareholders and provide information that will assist Shareholders with calculating the tax cost base to be allocated to their Hannans shares and the Critical Metals shares. For further information please refer to the Hannans Notice of Meeting, Section 2.20, lodged with the ASX on 26 July 2016.

⁵ Refer ASX announcement dated 27 September 2016

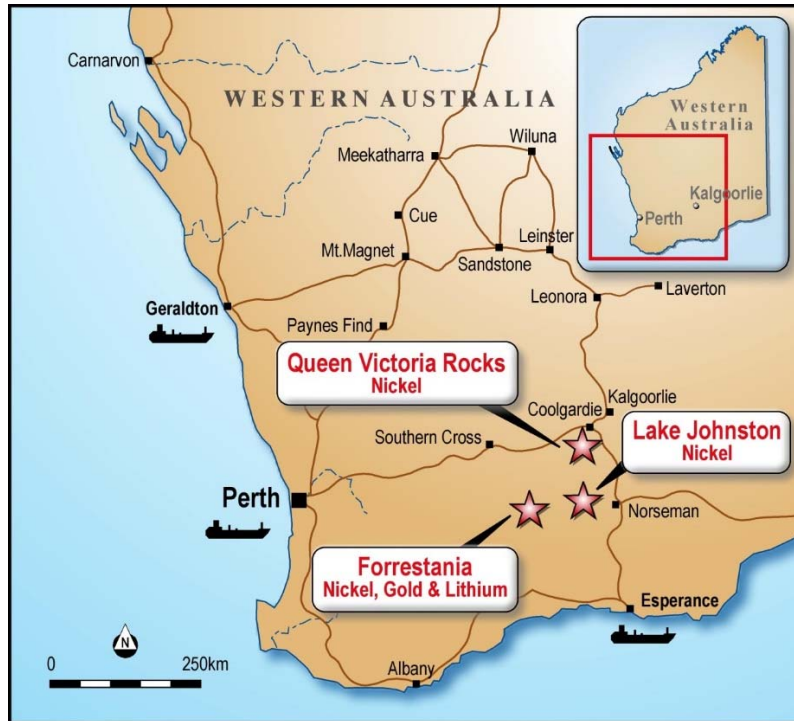


Figure 1 Project location map

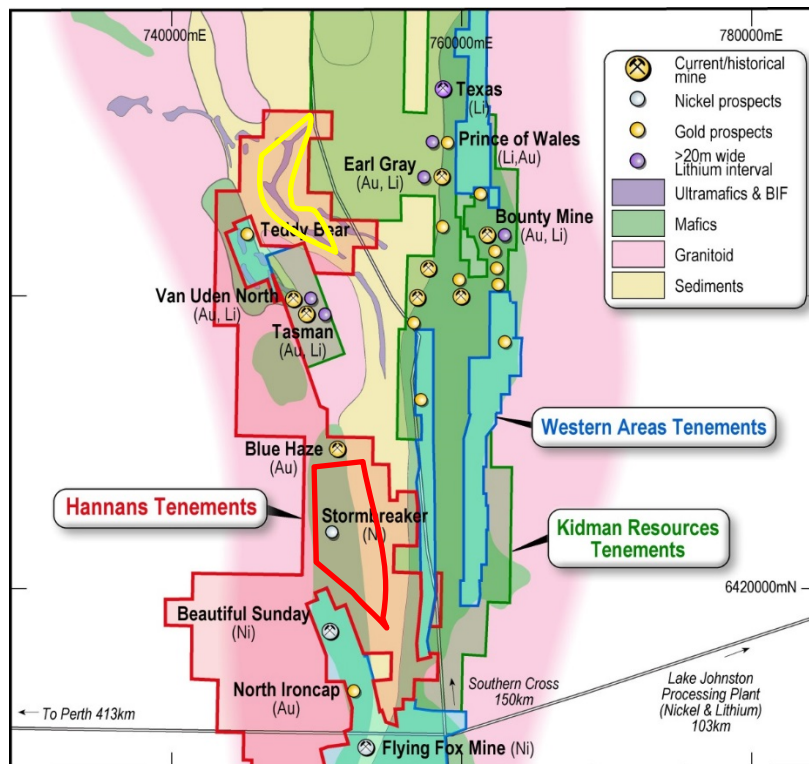


Figure 2 Yellow ellipse shows area of interest for lithium exploration, red ellipse shows area of interest for nickel exploration, Hannans holds a 20% free-carried interest in gold rights in its tenure

ASX ANNOUNCEMENTS FOR 2ND QUARTER 2016/2017

Date	Announcement
21 Dec 2016	Interest in Nickel-Gold-Lithium Project
13 Dec 2016	Exercise of option
8 Dec 2016	Updated capital structure
2 Dec 2016	Change in substantial holding – MCA Nominees Pty Ltd
2 Dec 2016	Drilling at Spargos Prospect for Nickel
29 Nov 2016	Board changes
21 Nov 2016	Ceasing to be a substantial holder – Equity & Royalty Investments Ltd
16 Nov 2016	New share issue
3 Nov 2016	Ceasing to be a substantial holder – Anglo American Group
3 Nov 2016	International Precious Metals & Commodities Show
1 Nov 2016	1 st Quarter Activities Report
1 Nov 2016	1 st Quarter Cashflow Report
22 Oct 2016	Notice of Annual General Meeting
10 Oct 2016	Ceasing to be a substantial holder – Craton Capital Funds
5 Oct 2016	Corporate update

Table 1: ASX Announcements for 2nd Quarter 2016/2017

CONTACTS

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APPENDIX A – TENEMENT STATUS FOR 2ND QUARTER 2016/2017

CURRENT TENEMENTS

Tenement number	Interest 2 nd Quarter 2016/2017		Note	Tenement number	Interest 2 nd Quarter 2016/2017		Note
	Start	End			Start	End	
HANNANS LTD							
Location: Lake Johnston, Australia							
E63/1365	20%	20%	1				
REED EXPLORATION PTY LTD ²							
Location: Lake Johnston, Australia				Location: Queen Victoria Rocks, Australia			
E63/1365	80%	80%	1	E15/1416	100%	100%	
Location: Forrestania, Australia							
E77/2207-I	100%	100%		E77/2303	100%	100%	
E77/2219-I	100%	100%		P77/4290	100%	100%	
E77/2220-I	100%	100%		P77/4291	100%	100%	
E77/2239-I	100%	100%					

Note:

- 1 Hannans Ltd holds 20% interest and Reed Exploration Pty Ltd holds 80% interest.
- 2 Reed Exploration is a wholly owned subsidiary of Hannans Ltd

TENEMENTS UNDER APPLICATION

None.

RELINQUISHED, REDUCED OR LAPSED TENEMENTS

None

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.