

## ASX & MEDIA ANNOUNCEMENT

### Drilling to commence at Mt Holland East

- o **Drill testing of structural targets at Mt Holland East to commence next week<sup>1</sup>**
  - o **Approximately 170 aircore drill holes (estimated depth of holes 60m) will test ten structural targets**
  - o **Program aims to intersect rock units and geochemical anomalies that confirm MHE has the potential to host economic lithium and or gold mineralisation**
- o **Pegmatites identified within Mt Holland West project**
  - o **Pegmatites intersected in second round of reconnaissance RC drilling however no significant lithium assays**
  - o **Next round of drilling to start after completion of drilling at Mt Holland East**

Hannans Ltd (ASX:HNR) is pleased to provide an update on exploration within its 100% owned Mt Holland Lithium Project located approximately 125kms south of Southern Cross, Western Australia (refer Figure 5 on page 4).

Please click [here](#) to view a short video titled, "Hannans – An Introduction to the Mt Holland Lithium Project".<sup>2</sup> Hannans' goal at Mt Holland is to discover a lithium deposit comparable to Earl Grey<sup>3</sup>.

#### Mt Holland East

Mt Holland East (MHE) appears to be a standout target for lithium and gold. The theory behind staking MHE late in 2017 is that it covers the eastern margin of the granite that may be the source to the pegmatites hosting lithium mineralisation at Earl Grey. This is the first time the MHE project has been the subject of a coordinated exploration program covering all three disciplines of geophysics, geochemistry and geology.

The first reconnaissance drill program is scheduled to commence next week and is expected to be completed late in October. The targets were identified following completion of a structural interpretation using detailed airborne geophysical data collected by Hannans earlier this year.

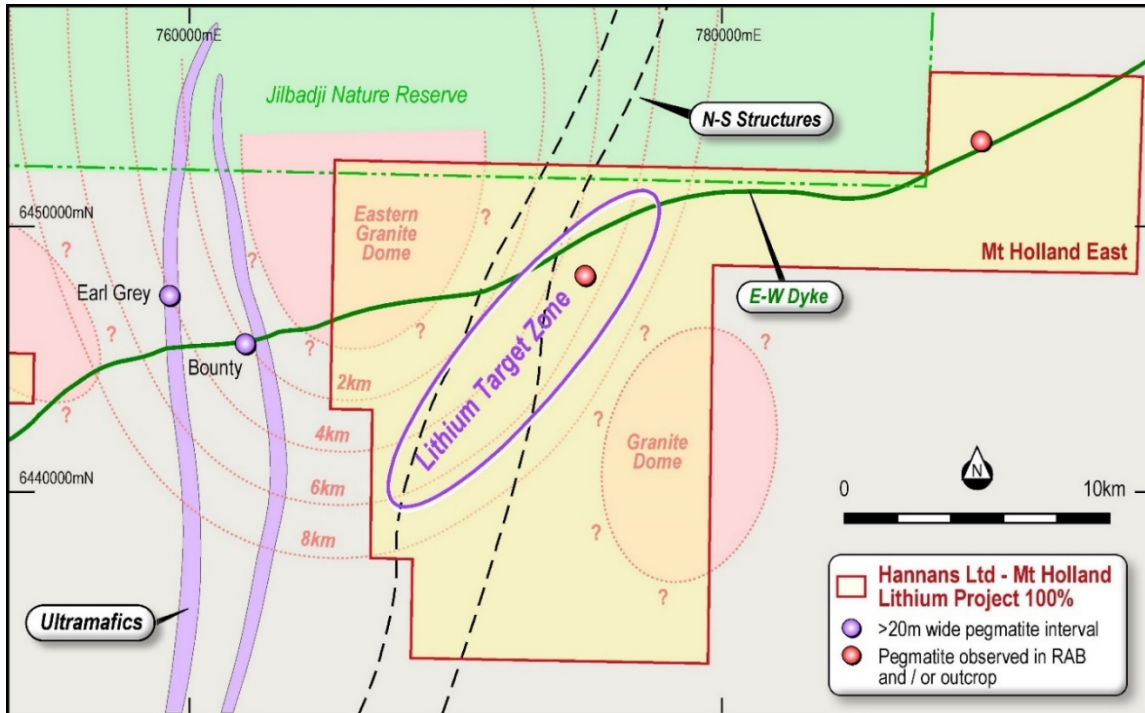
The aim of the drilling is to penetrate through the weathered horizon and intersect the top of the underlying fresh rock. Samples will be collected both from the 'top of bedrock' and the weathered horizon. A thorough assessment of the underlying rock units and geochemistry will assist Hannans with targeting its future drilling. Approximately 170 vertical holes will be drilled to 'blade refusal' and the depth of each hole is anticipated to be 60 metres.

A general update on this drill program will be provided late September 2018.

<sup>1</sup> Drilling is scheduled to commence 3 September weather permitting

<sup>2</sup> [www.hannansreward.com/presentations.php](http://www.hannansreward.com/presentations.php)

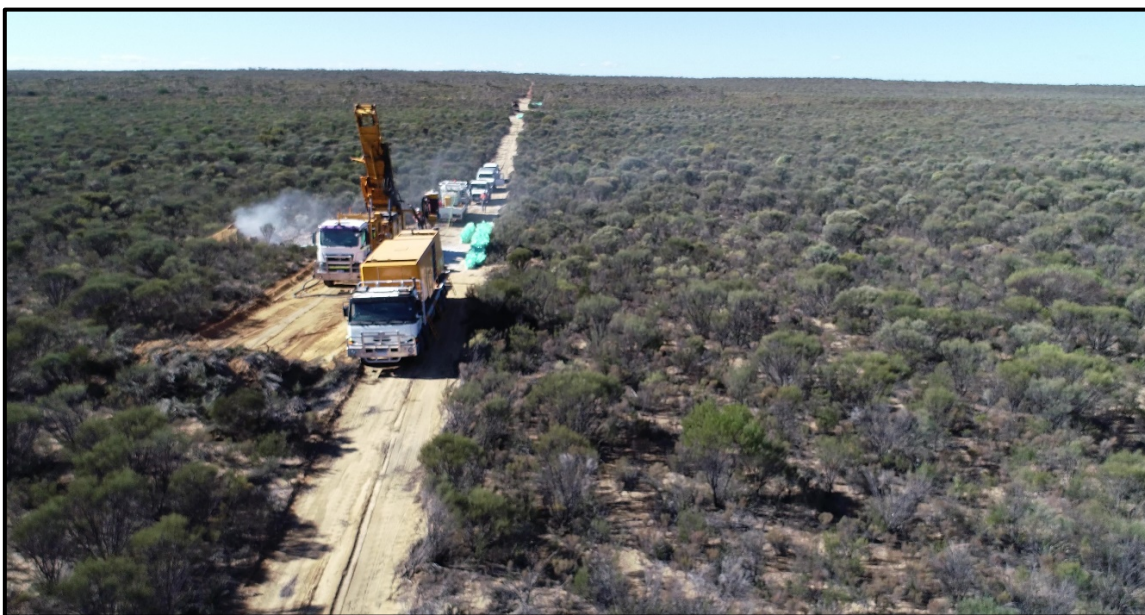
<sup>3</sup> The Mt Holland Lithium Project is located adjacent to Earl Grey, one of the most significant hard rock lithium deposits in the world jointly owned by New York Stock Exchange listed SQM and ASX listed Kidman Resources Ltd. Earl Grey will underpin a world-class long-life integrated lithium project.<sup>3</sup>



**Figure 1:** Location plan showing Mt Holland East. The main target zone is approximately 4kms from the margin of the Eastern Granite Dome. The black dashed lines represent N-S structures identified from the recent airborne geophysical survey only. The E-W Dyke contains a complex series of dykes within the MHE project. The dykes may be using structural weaknesses that have some bearing on pegmatite mineralisation.

Mt Holland West

Hannans has completed detailed interpretation of its second reconnaissance RC drill program at MHW. This was the fourth phase of exploration drilling at MHW following completion of two rounds of rotary air blast (RAB) / aircore (AC) and one earlier round of RC. A fifth phase of drilling (AC) will commence shortly after completion of the drilling at Mt Holland East referred to above.

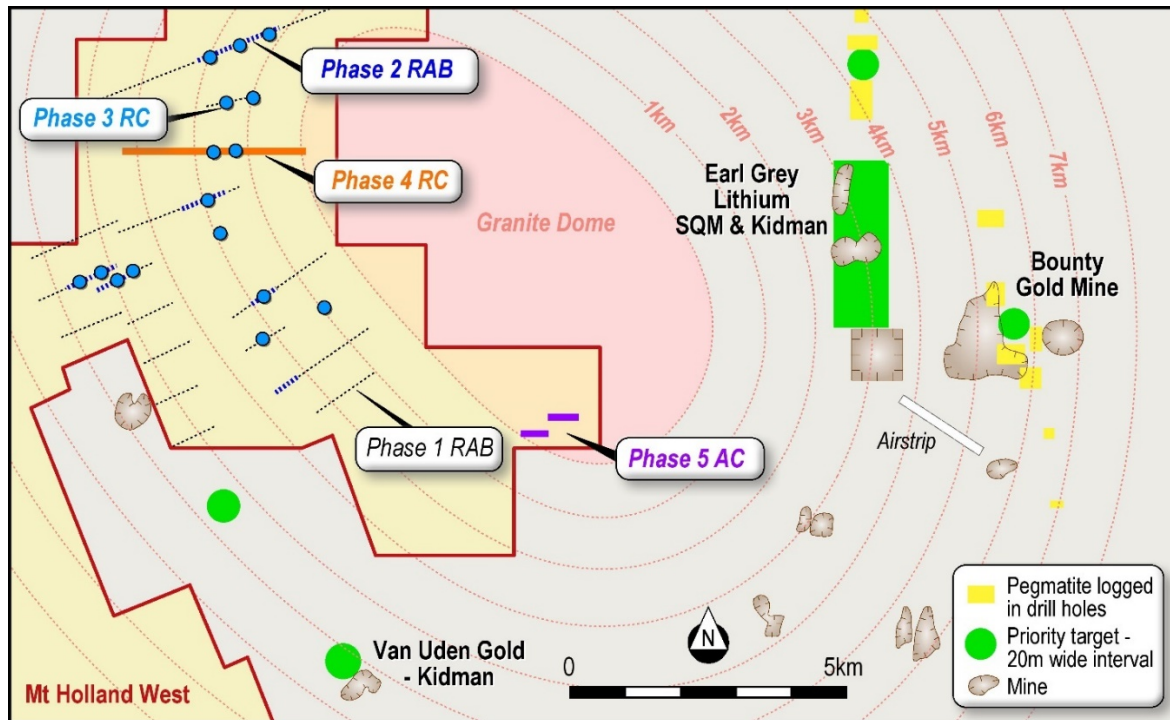


**Figure 2:** Drone photo of Phase 4 RC drilling at Mt Holland West. There is minimal to no outcrop hence drilling is required to identify rocks prospective for hosting lithium. Each hole was approximately 120m deep. 14 holes were drilled on this easting and each hole was approximately 200m apart. Drilling was completed on an existing track to minimise disturbance to the vegetation.

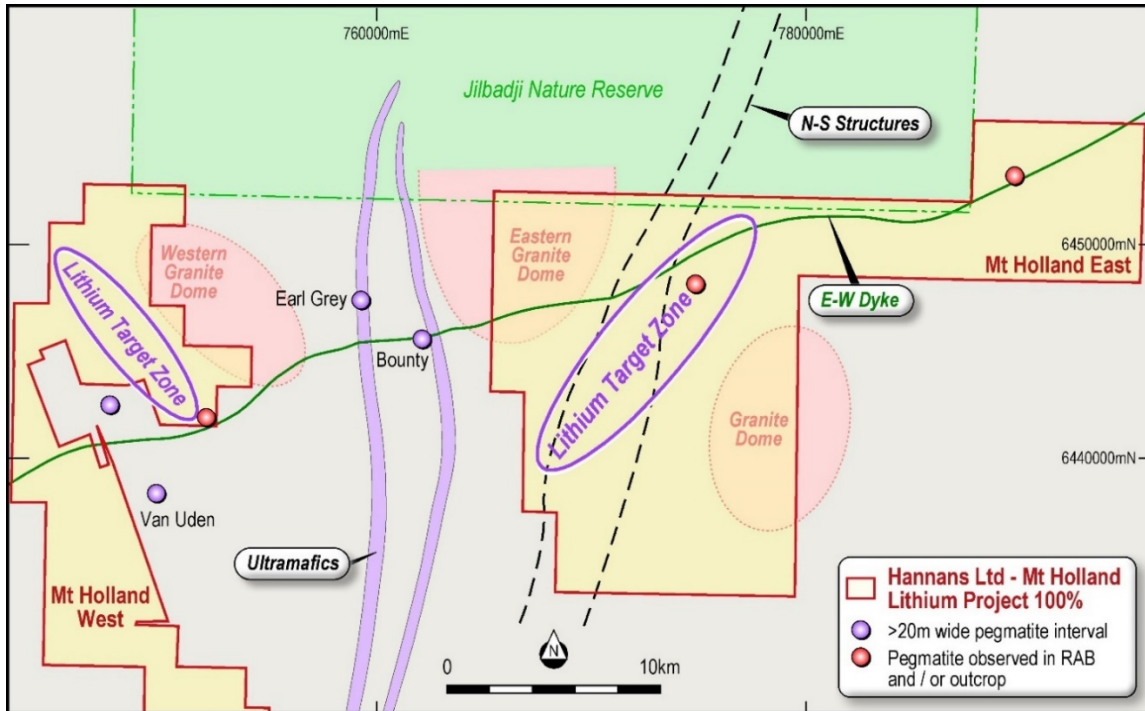
Damian Hicks, Executive Director said, "Mt Holland West contains more than 12 kms of strike potential and this most recent single traverse of 14 RC holes adds to our understanding the project. Windblown sands and thick scrub cover the project so there is minimal to no outcropping rocks. Drilling is required to map the geology and identify pegmatites. As such we've got a lot more drilling to do before we fully test Mt Holland West, it's early days."

The second RC program comprised 14 drill holes for 1,540 metres. The single traverse of RC holes was drilled on the same easting as a previous line of RAB and RC to obtain an accurate location of the margin of the western granite dome, improve the understanding of the rock units buried under cover and to further test lithium soil anomalies. The RC drill holes were spaced at approximately 200 metre intervals and the average hole depth was 120m. It appears pegmatites were intersected in most of the holes however no significant assay results were returned.

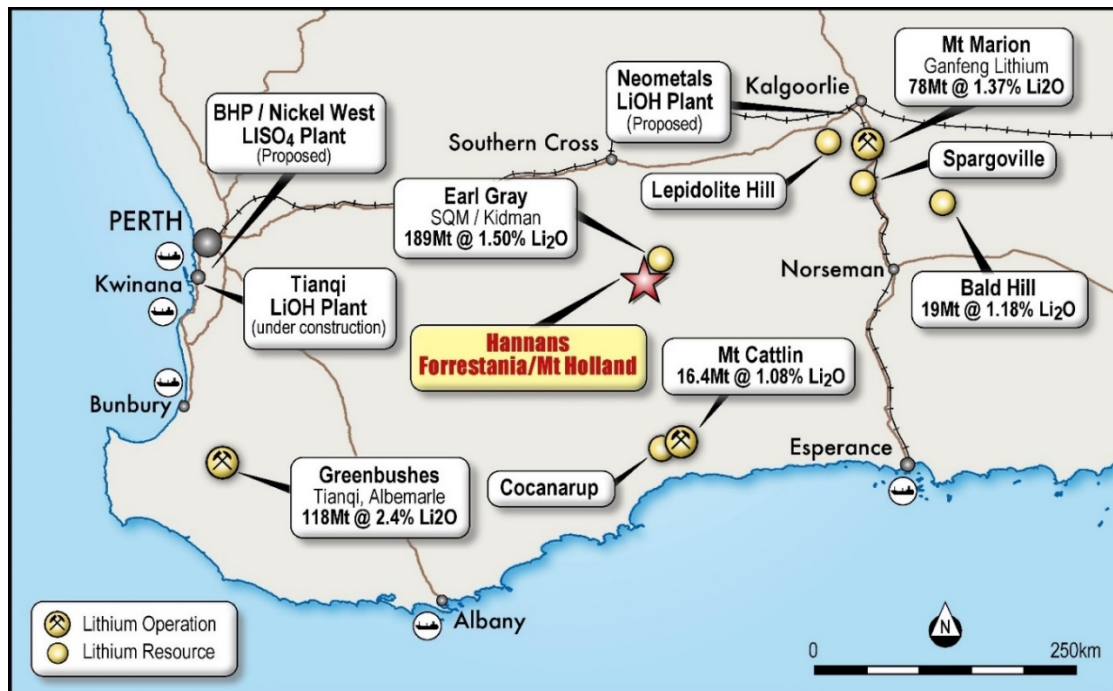
Damian Hicks, Executive Director said, "I'm often asked about grades and what we consider to be significant. Internally we consider grades greater than 1% lithium oxide (Li<sub>2</sub>O) as being 'significant'. Lower grades help with targeting future drilling however shareholders want to know if we've made a potential economic discovery. It's for that reason we're focussed on grades greater than 1% lithium oxide as a starting point. We'll complete our first round of drilling at Mt Holland East and then its straight back to Mt Holland West."



**Figure 3:** Plan showing location of recently completed Phase 4 RC and the Phase 5 AC planned for late October 2018.



**Figure 4:** The Earl Grey is one of the most significant hard rock lithium deposits in the world. The Bounty mine produced more than 1.3M oz of gold and hosts significant lithium mineralisation. The Mt Holland project is prospective for lithium and gold.



**Figure 5:** Location Map showing Australia's only four producing lithium mines (Greenbushes, Mt Marion, Mt Cattlin and Bald Hill) and lithium exploration projects. Greenbushes and Earl Grey are two of the world's most significant hard rock battery grade lithium deposits.

Corporate

Hannans has approximately \$4 million cash<sup>4</sup> at bank and no debt.

<sup>4</sup> As per Quarterly Cashflow Report lodged on 31 July 2018

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**About Hannans Ltd (Est. 2002)**

Hannans Ltd (ASX:HNR) is an Australia resources company with a focus on nickel, lithium, cobalt and gold in Western Australia. Hannans' major shareholder is leading Australian specialty minerals company Neometals Ltd. Since listing on the ASX in 2003 Hannans has signed agreements with Vale Inco, Rio Tinto, Anglo American, Boliden, Scandinavian Resources, Warwick Resources, Cullen Resources, Azure Minerals, Neometals, Tasman Metals, Grängesberg Iron, Lovisagruvan and Montezuma Mining Company. 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](http://www.hannansreward.com).

**Competent Person**

The information in this document that relates to exploration results at Forrestania is based on information compiled by Dr Bryan Smith, a Competent Person who is a Member of the Australian Institute of Geoscientists. Dr Smith is a consultant to Hannans Ltd and its subsidiary companies. Dr Smith 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).

**JORC Table 1**

**Section 1 Sampling techniques and data.**

Criteria	Explanation
Drilling techniques	<ul style="list-style-type: none"> <li>Reverse circulation percussion with RCD 250 RC drill rig and a booster.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>The drill samples were collected with a cyclone in 600 X 750 mm plastic bags.</li> <li>Composite subsamples of about 1.5 kg were taken over two metre intervals for analysis by using a spear.</li> <li>Another sub-sample was taken from each one metre interval of the bulk samples and wet sieved for geological logging to be then stored in plastic chip trays.</li> <li>Randomly selected bags were weighed and the recoveries were found to be in excess of 90%.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>All of the one metre samples were logged following wet sieving for a number of different qualitative and quantitative features. Sub samples of the sieved material were stored in chip trays for later reference.</li> </ul>
Sub-sampling techniques and sample preparation.	<ul style="list-style-type: none"> <li>All of the sub-sampled material was crushed and pulverized to minus 75 micron and 300 g was split out for sub-sampling of 25 g from each sample for analysis. Four duplicate samples were submitted for each batch of 30 samples.</li> </ul>
Quality of assay data and laboratory tests.	<ul style="list-style-type: none"> <li>The sub-samples were subjected to a four acid digest and the dissolved material was then analysed by ICP-OES and ICP-MS. The digestion procedure achieves "near total" dissolution of almost all the mineral species expected to be present. Standards, blanks and duplicates were inserted with every batch of samples.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>Verification of assaying data was not necessary as there were no anomalous samples. All of the data is stored on a data base in digital format.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>The drill hole collars were located using a hand held GPS instrument to an accuracy of +/- 3 metres. The GDA 94 grid system was used.</li> <li>The quality and adequacy of the topographic control was sufficient for the stage of exploration.</li> </ul>
Orientation of data in relation to geological structures.	<ul style="list-style-type: none"> <li>The drill holes were oriented at 60 degree dips based on the dips of the stratigraphy at each location. Where possible the holes were drilled normal to the assumed strike directions consistent with the access that was available from the cleared lines. Sampling bias was assumed to be minimal.</li> </ul>

**Section 2 Reporting and exploration results.**

Criteria	Explanation
Mineral tenement and land tenure status.	<ul style="list-style-type: none"> <li>The drill holes were located on E77/2217 at Mt. Holland which is registered in the name of Reed Exploration Pty Ltd (REX) as wholly owned subsidiary of Hannans Ltd. The tenement is located on vacant crown land and there are no Native Title claims that impinge on the tenement. Access to the tenement for exploration is subject to the approval of a Program of Work by DMP under the provisions of the WA Mining Act. There are no other impediments to obtaining additional approvals for exploration on the tenement.</li> </ul>
Exploration done by other parties.	<ul style="list-style-type: none"> <li>Exploration RAB drilling has been carried out by other parties on the existing grid lines and REX carried out a program of air core and reverse circulation drilling on the same tenement.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>The geology has been derived largely from an interpretation of air magnetic data as there is a cover of transported material and strongly oxidized rocks down to depths of 20 to 80 metres.</li> </ul>

	<p>Archaean granitic plutons have intruded into a sequence of mafic and ultramafic rocks as well as meta-sediments and gneisses. There is very little to see on the surface and there is a dense cover of vegetation which is almost impossible to walk through. The targets are pegmatites that have been extruded from fertile granitic plutons into the surrounding country rocks and the target was spodumene in pegmatite.</p>
Drill hole information.	<ul style="list-style-type: none"> <li>All the relevant drill hole information is set out in the accompanying table. No assay data has been included as the data was not considered to be anomalous and therefore not material and the exclusion does not affect the interpretation of the report.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>Not relevant to this report.</li> </ul>
Relationship between mineralization widths and intercept lengths.	<ul style="list-style-type: none"> <li>Not relevant to this report as there were no anomalous intercepts.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>No diagrams are attached as there were no significant results.</li> </ul>

Hole No.	Easting	Northing	Azimuth	Dip	Hole Depth	RL
MHR025	746501	6448950	090	-60	120	423
MHR026	746704	6448953	090	-60	120	418
MHR027	746900	6448957	090	-60	120	430
MHR028	747098	6448957	090	-60	140	426
MHR029	747506	6448956	090	-60	120	408
MHR030	747299	6448955	270	-60	120	421
MHR031	747695	6448953	090	-60	120	423
MHR032	747902	6448953	090	-60	120	430
MHR033	748201	6448944	090	-60	120	439
MHR034	748405	6448938	090	-60	120	432
MHR035	748601	6448930	090	-60	120	433
MHR036	748805	6448929	090	-60	100	446
MHR037	748996	6448936	090	-60	100	447
MHR038	749183	6448943	090	-60	10	445

**Total                    1540**