
HANNANS LTD

ACN 099 862 129

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.30am

DATE: Thursday, 17 October 2019

PLACE: Conference Room (Ground Floor)
London House
216 St Georges Terrace
Perth WA 6000

The Hannans 2019 Annual Report can be viewed at www.hannans.com

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4pm on 15 October 2019.

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IMPORTANT INFORMATION

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of

the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9324 3388.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 5.1.

Annual General Meeting or Meeting means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- a company the member controls; or
- a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Hannans Ltd (ACN 099 862 129).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- is not included in the S&P/ASX 300 Index; and
- has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel (KMP) has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or Notice of Meeting means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2019.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A.2.

WST means Western Standard Time as observed in Perth, Western Australia.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the KMP, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
 - (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the KMP.
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3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – DAMIAN HICKS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Damian Hicks, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MARKUS BACHMANN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Markus Bachmann, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

5. RESOLUTION 4 – RENEWAL OF DIRECTORS' EQUITY PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, Shareholders approve the renewal of the Directors' Equity Plan, and for the issue of Shares under the Directors' Equity Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, or any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the KMP; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the KMP.
-

Voting Exclusion applicable to Resolution 5

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Dated: 29 August 2019

By order of the Board



Damian Hicks
Executive Director

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.hannans.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the

remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – DAMIAN HICKS

3.1 General

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Damian Hicks, who has served as a Managing Director since 2007 became the Executive Director on 29 November 2016 and was last re-elected on 27 October 2017, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Hicks was a founding Director of Hannans Limited in 2002. Mr Hicks graduated from the University of Western Australia with a Bachelor of Commerce (Accounting and Finance) in 1992 and was admitted as a Barrister and Solicitor of the Supreme Court of Western

Australia in 1999. Mr Hicks holds a Graduate Diploma in Applied Finance & Investment from FINSIA, a Graduate Diploma in Company Secretarial Practice from Chartered Secretaries Australia and is a Graduate of the Australian Institute of Company Directors.

During the past 3 years Mr Hicks did not served as a director of other listed companies.

3.3 Independence

If elected the board considers Mr Hicks will be a non-independent director.

3.4 Board recommendation

The Board supports the re-election of Damian Hicks and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MARKUS BACHMANN

4.1 General

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Markus Bachmann, who has served as a director since 2012 and was last re-elected on 27 October 2017, retires by rotation and seeks re-election.

4.2 Qualifications and other material directorships

Mr Bachmann was appointed a director of Hannans in 2012. He graduated with Honours ("cum laude") from the University of Berne, Switzerland and began his corporate finance career in 1993. In 2003, Mr Bachmann was founding partner of Craton Capital (cratoncapital.com) and is the Chief Executive Officer. Craton Capital was awarded Fund Manager of the Year at the Mining Journal's "Outstanding Achievement Awards" announced in London during December 2010 for the Craton Capital Precious Metal Fund. The award is the most prestigious fund award in the mining industry.

In 2001, Mr Bachmann was Senior Portfolio Manager with Coronation Fund Managers in Cape Town when it was awarded the Standard & Poor's Award for Manager of the Best Performing Large Cap Equity Unit Trust in South Africa.

During the past 3 years Mr Bachmann did not serve as a director of other listed companies.

4.3 Independence

If elected the board considers Mr Bachmann will be a non-independent director.

4.4 Board recommendation

The Board supports the re-election of Markus Bachmann and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – RENEWAL OF DIRECTORS' EQUITY PLAN

5.1 Background

Resolution 4 seeks Shareholders approval for the renewal of the Directors Equity Plan (**Directors' Equity Plan**) which was first adopted and approved by Shareholders on 15 September 2016.

The purpose of the Directors' Equity Plan is to give Directors of the Company an opportunity to subscribe for Shares in lieu of salary or Directors' fees, allowing the Company to retain cash reserves.

In accordance with the Directors' Equity Plan and ASX Listing Rule 7.2, Exception 9, shareholder approval is now being sought for renewal of the Directors' Equity Plan. A full copy of the Directors' Equity Plan may be obtained by contacting the Company.

5.2 Approval under ASX Listing Rule 7.1, Exception 9(b)

ASX Listing Rule 7.1 provides that a company must not, without prior approval of shareholders, issue securities if the securities will in themselves or when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period, unless such an issue of securities falls within one of the exceptions set out in Listing Rule 7.2.

Exception 9(b) of Listing Rule 7.2 provides that equity securities may be issued under an employee incentive scheme that has been approved by shareholders for that purpose within the last three years.

Any future issues of Shares under the Directors' Equity Plan to a person referred to under ASX Listing Rule 10.14 will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

5.3 Terms and conditions of Directors' Equity Plan

A summary of the key terms and conditions of the Directors' Equity Plan is set out below:

(a) Participants in the Directors' Equity Plan

The Board may offer Shares to a Director of the Company or any Subsidiary, including Non-executive Directors (**Eligible Participant**).

Subject to Shareholder approval, the Board may offer to Eligible Participants the opportunity to subscribe for Securities in lieu of Directors' fees owing by the Company to the Eligible Participant and upon such additional terms and conditions as the Board determines.

An Eligible Participant will not be required to make any payment in return for the Securities as they will be issued in satisfaction of Directors' fees owing by the Company at the time of issue of the Securities.

(b) Limitations of Offers

If the Company makes an offer of Securities where:

- (i) the total number of Securities the subject of that offer, exceeds the limit set out in ASIC Class Order 14/1000; or
- (ii) the offer does not otherwise comply with the terms and conditions set out in ASIC Class Order 14/1000,

the Company must comply with Chapter 6D of the Corporations Act at the time of that offer.

(c) Issue of Securities

Shares issued under the Directors' Equity Plan will rank equally in all respects with the then issued class of fully paid ordinary shares of the Company.

Options issued under the Directors' Equity Plan (if any) will be issued on terms to be determined by the Directors.

The issue of Securities under the Directors' Equity Plan will be deemed to satisfy the relevant fees or salary owing by the Company to the Eligible Participant.

Securities issued to an Eligible Participant under the Directors' Equity Plan will have no restrictions on their transfer.

(d) Deemed issue price of Securities

The Securities issued pursuant to the Directors' Equity Plan will be issued for nil cash consideration as they will be issued in satisfaction of fees and salary owing by the Company to the Eligible Participant. Shares issued will be deemed to have an issue price as determined by the Board at the time of issue of the Shares.

(e) Shareholder Approval

All Securities issued pursuant to the Directors' Equity Plan will be subject to prior Shareholder approval under the Listing Rules and the Corporations Act (if required).

(f) Amendments

Subject to the Listing Rules, the Board may at any time by resolution amend all or any of the provisions of the Directors' Equity Plan, or the terms or conditions of any Securities issued under the Directors' Equity Plan, provided that as soon as reasonably practicable after making any amendment, the Board gives notice in writing of that amendment to any Eligible Participant affected by the amendment.

(g) Non-residents of Australia

The Board may adopt additional rules of the Directors' Equity Plan applicable in any jurisdiction outside Australia under which rights offered under the Directors' Equity Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Eligible Participant or to the Company in relation to the rights. Any additional rule must conform to the basic principles of the Directors' Equity Plan.

5.4 Number of securities issued under Directors' Equity Plan since the date of the last approval

The table below shows the number of securities previously issued under the Directors' Equity Plan since its first adoption and approval.

Issue date	No of shares	No of options
15 Nov 2016	21,155,848	21,155,848
6 Nov 2017	Nil	84,000,000

5.5 Shareholder Approval under Resolution 4

If Resolution 4 is passed, the Company will have the ability to issue Securities to Eligible Participants under the Directors' Equity Plan over a period of 3 years without impacting on the Company's 15% placement capacity under ASX Listing Rule 7.1.

The main terms of the Directors' Equity Plan are summarised above and a full copy of the Plan is available for inspection at the Company's registered office until the date of the Meeting.

The Directors recommend that Shareholders vote in favour of Resolution 4, as the Directors' Equity Plan gives the Company the flexibility to retain its cash reserves during the current uncertain economic and financial environment. The Directors' Equity Plan will also give Eligible Participants the opportunity to share in any success of the Company, which will likely encourage them in carrying out their respective roles for the Company.

5.6 Voting exclusion statement

A voting exclusion statement for Resolution 4 is included in this Notice.

6. RESOLUTION 5 – APPROVAL OF 10% PLACEMENT CAPACITY

6.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$19,879,545 (based on the number of Shares on issue and the closing price of Shares on the ASX on 29 August 2019).

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company has one (1) class of quoted Equity Securities on issue, being the Shares (ASX Code: HNR).

If Shareholders approve Resolution 5, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 5 for it to be passed.

6.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 ASX trading days of the date in section 5.2(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- 12 months after the date of this Meeting; and
- the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 29 August 2019.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)

	Dilution			
	Issue Price (per Share)	\$0.0048 50% decrease in Issue Price	\$0.010 Issue Price	\$0.0144 50% increase in Issue Price
1,987,954,539 (Current Variable A)	Shares issued – 10% voting dilution	198,795,453 Shares	198,795,453 Shares	198,795,453 Shares
	Funds raised	\$954,218	\$1,987,955	\$2,862,655
2,981,931,808 (50% increase in Variable A)	Shares issued – 10% voting dilution	298,193,180 Shares	298,193,180 Shares	298,193,180 Shares
	Funds raised	\$1,431,327	\$2,981,932	\$4,293,982
3,975,909,078 (100% increase in Variable A)	Shares issued – 10% voting dilution	397,590,907 Shares	397,590,907 Shares	397,590,907 Shares
	Funds raised	\$1,908,436	\$3,975,909	\$5,725,309

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table uses the following assumptions:

- There are currently 1,987,954,539 Shares on issue as at the date of this Notice of Meeting.
- The issue price set out above is the closing price of the Shares on the ASX on 29 August 2019.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets and general working capital etc; or
- as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) Allocation policy under the 10% Placement Capacity

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) Previous approval under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 25 October 2018 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 17 October 2018, the Company otherwise issued a total of 7,150,001 Shares and no Options which represents approximately 0.34% of the total diluted number of Equity Securities on issue in the Company on 17 October 2018, which was 2,105,327,051 Shares.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

6.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 5.

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 17 OCTOBER 2018

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable)¹	Form of consideration
Issue – 16 Nov 2018 Appendix 3B – 16 Nov 2018	4,166,667	Shares ² issued on exercise of unlisted options	Holders of unlisted options	\$0.005 (discount of 61.54%)	Amount raised = \$20,833 Amount spent = \$Nil Amount remaining = \$20,833 Proposed use of remaining funds ³
Issue – 21 Nov 2018 Appendix 3B – 20 Nov 2018	2,983,334	Shares ² issued on exercise of unlisted options	Holders of unlisted options	\$0.005 (discount of 58.33%)	Amount raised = \$14,917 Amount spent = \$Nil Amount remaining = \$14,917 Proposed use of remaining funds ³

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: HNR (terms are set out in the Constitution).
3. Proposed use of remaining funds for Mt Holland drilling program, general exploration expenses and working capital.

PROXY FORM

**HANNANS LTD
ACN 099 862 129**

ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR:

the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10:30am, on Thursday, 17 October 2019 at The London House Conference Room (Ground Floor), 216 St Georges Terrace, Perth, WA, 6000, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Damian Hicks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Markus Bachmann	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Renewal of Directors' Equity Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

Consent for contact by e-mail in relation to this Proxy Form:

YES NO

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Hannans Ltd, PO Box 1227, West Perth, WA 6872; or
 - (b) email to the Company at info@hannans.com,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.
