HANNANS

1 October 2019

ASX & MEDIA ANNOUNCEMENT

Mt Holland Lithium Project Update

- Weathered pegmatites intersected in all 79 recently completed aircore drill holes at Mt Holland West
- Analysis of first 56 samples completed, analysis of further 50 samples pending
- Anomalous[1] Lithium, Rubidium, Tantalum, Caesium, Tin and Beryllium intersected in weathered pegmatites
- Diamond drilling being planned to test fresh pegmatites that may host economic lithium mineralisation
- Visible gold observed in 2 holes (MHAC337 and 367)

Hannans Ltd (ASX:HNR) provides an update on exploration within its 100% owned Mt Holland Lithium Project located approximately 125kms south of Southern Cross, Western Australia (refer Figure 1 on page 2). 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 Wesfarmers Ltd. Hannans' exploration goal is to discover a lithium deposit comparable to Earl Grey.

Hannans recently completed its 6th phase of exploration drilling at Mt Holland West. The program comprised 79 aircore holes drilled vertically for a total of 4,043m (average depth of 51m per hole) (refer Figure 2 on page 2 for Location Map). Drill hole details and assay results for 56 samples have been received (refer Table 1 and 2 on pages 4 and 5). Results from a further 50 samples are pending.

Anomalous values of lithium and pathfinder elements were received in the first batch of samples analysed. Of note drill holes MHAC312 and MHAC378 intersected a moderately weathered and oxidized pegmatite, with visible (fine grained) spodumene. The distance between these anomalies is approximately 2kms. Overall the geochemical anomalies received in the first batch of samples assayed justify further exploration for lithium bearing pegmatites at Mt Holland West.

The lithium and pathfinder element assay values from within the weathered profile generally increased with depth, highlighting a strong possibility of lithium mineralisation being present in fresh (i.e. unweathered) pegmatites. Subject to receipt of government approvals, Hannans plans to drill 2 diamond holes at Mt Holland West to better understand the zonation, orientation and mineralisation potential of the fresh pegmatites.

From a gold perspective, a series of north-east trending banded iron formations (BIF) were intersected in several drill holes. The BIF horizons were silica altered and strongly veined. Visible gold hosted in a vein was observed at 12m and 70m respectively in drill holes MHAC337 and MHAC367. Hannans owns 80% of the gold rights within E77/2219 and is free carried to a decision to mine. The observations have been passed on to Hannans' gold joint venture partner[2] for further consideration.

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[1] Higher than background
[2] Classic Minerals Ltd (ASX:CLZ)

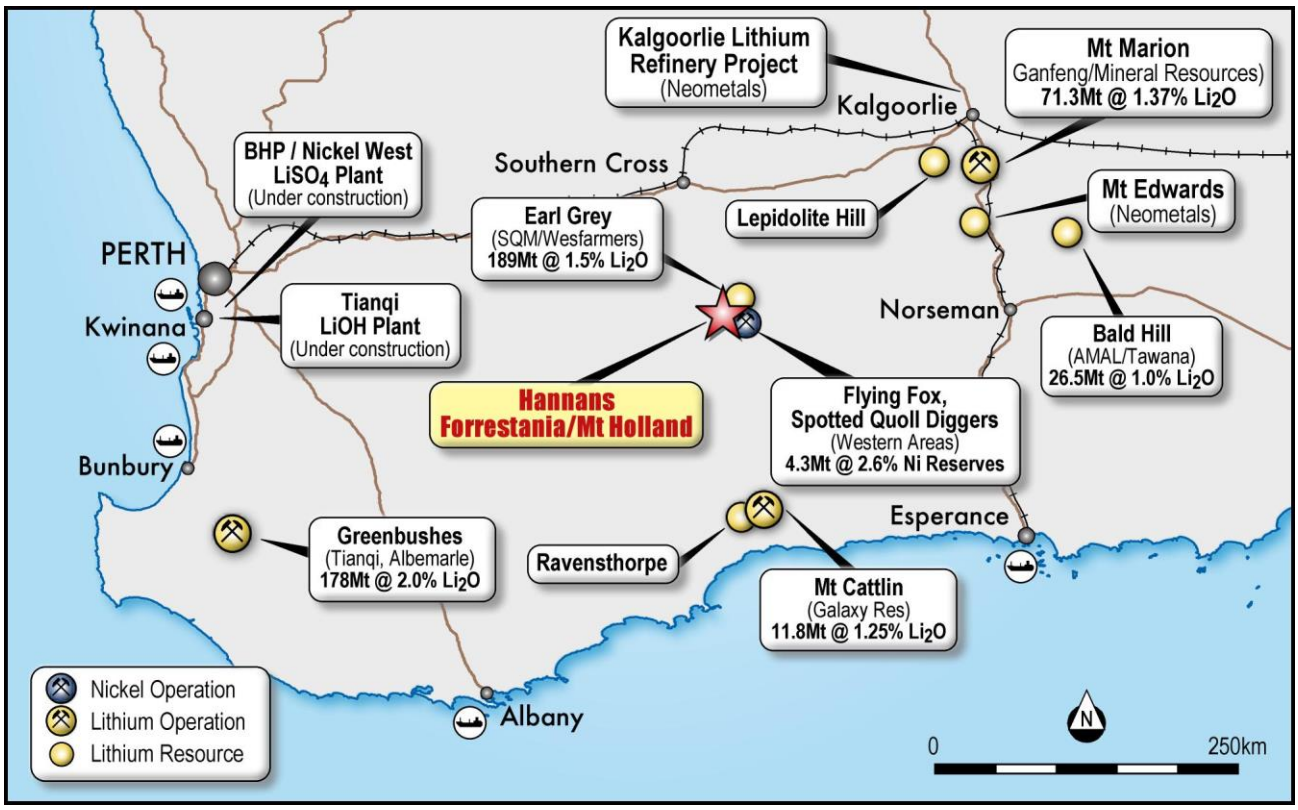

Figure 1: Location Map showing Hannans' Forrestania/Mt Holland Projects and location of major lithium mines and projects in the south-west of Western Australia

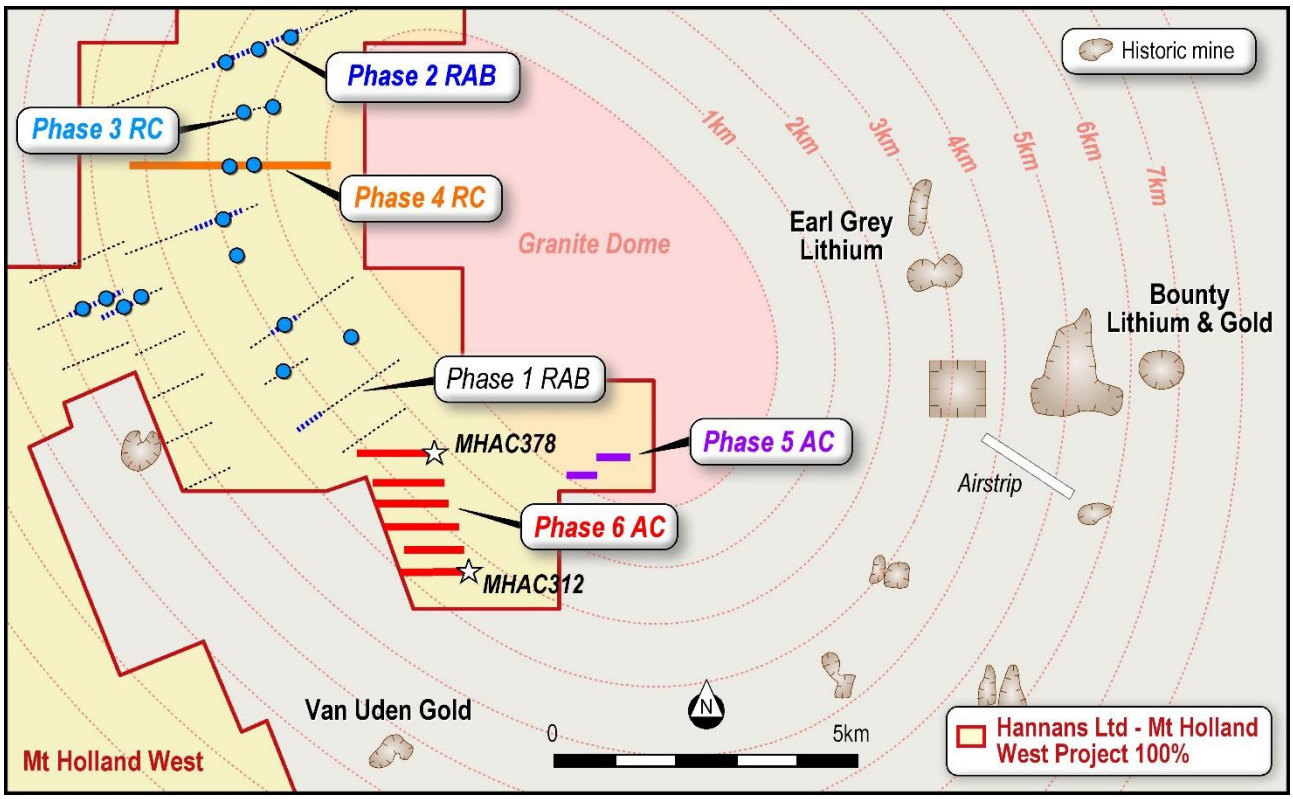

Figure 2: Location Map showing Hannans' Mt Holland West Lithium Project Aircore hole locations. Small dots show location of Phase 1 RAB drilling. Medium dots show location of Phase 2 RAB drilling. Large blue dots show location of Phase 3 RC drilling. Orange line shows location of Phase 4 RC drill traverse. Purple line shows location of Phase 5 air core drilling traverse. Red lines show location of Phase 6 air core drilling traverse.

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 Exploration, Rio Tinto Exploration, 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.hannans.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 AusIMM and AIG. 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).

Hole ID	Easting	Northing	Dip	Depth(m)
MHAC300	750420.1	6442186	-90	77
MHAC301	750523.1	6442212	-90	78
MHAC302	750619.8	6442232	-90	62
MHAC303	750719.2	6442244	-90	80
MHAC304	750819.7	6442271	-90	51
MHAC305	750922.6	6442285	-90	49
MHAC306	751022.4	6442276	-90	49
MHAC307	751119.9	6442246	-90	57
MHAC308	751219.5	6442223	-90	69
MHAC309	751321.6	6442201	-90	52
MHAC310	751414.6	6442194	-90	42
MHAC311	751520.6	6442194	-90	45
MHAC312	751640	6442200	-90	29
MHAC3131	750326	6442520	-90	77
MHAC314	750431.3	6442543	-90	75
MHAC315	750534.3	6442570	-90	27
MHAC316	750631.7	6442598	-90	64
MHAC317	750732.1	6442628	-90	43
MHAC318	750832.9	6442635	-90	71
MHAC3191	750930.2	6442641	-90	56
MHAC320	751025.6	6442629	-90	58
MHAC321	751133.5	6442625	-90	45
MHAC322	751233.6	6442616	-90	57
MHAC323	751333.8	6442605	-90	38
MHAC324	751432	6442590	-90	11
MHAC325	751526.7	6442587	-90	51
MHAC326	750200	6443000	-90	49
MHAC327	750300.8	6442944	-90	47
MHAC328	750413.1	6442938	-90	51
MHAC329	750515	6442950	-90	60
MHAC330	750613.4	6442951	-90	54
MHAC331	750713.7	6442950	-90	51
MHAC332	750815.2	6442965	-90	38
MHAC333	750915.9	6442971	-90	51
MHAC334	751013.6	6442973	-90	42
MHAC335	751119.1	6442946	-90	42
MHAC336	751207.3	6442919	-90	18
MHAC337	751306.4	6442920	-90	40
MHAC338	751416.1	6442980	-90	57

Hole ID	Easting	Northing	Dip	Depth(m)
MHAC340	750160.4	6443328	-90	37
MHAC340W	750037.9	6443331	-90	29
MHAC341	750263.3	6443348	-90	24
MHAC342	750362.3	6443367	-90	44
MHAC343	750461.1	6443392	-90	45
MHAC344	750560.7	6443411	-90	49
MHAC345	750661.1	6443417	-90	57
MHAC346	750760.7	6443445	-90	66
MHAC347	750861.4	6443464	-90	60
MHAC348	750961.4	6443474	-90	48
MHAC349	751058.4	6443442	-90	22
MHAC350	751161.9	6443418	-90	35
MHAC3511	751262.5	6443393	-90	27
MHAC3521	749995.5	6443728	-90	40
MHAC353	750095	6443726	-90	48
MHAC354	750195.1	6443727	-90	45
MHAC355	750297.7	6443725	-90	54
MHAC356	750396.8	6443727	-90	75
MHAC357	750497.3	6443724	-90	60
MHAC358	750594.3	6443725	-90	51
MHAC359	750694.3	6443733	-90	39
MHAC360	750798.3	6443725	-90	15
MHAC361	750895.8	6443726	-90	60
MHAC362	750983.5	6443728	-90	51
MHAC363	751095.7	6443726	-90	50
MHAC3641	751196.9	6443728	-90	69
MHAC3651	749738.5	6444209	-90	72
MHAC366	749821.7	6444213	-90	74
MHAC367	749919.8	6444214	-90	78
MHAC368	750019.3	6444219	-90	42
MHAC369	750120.2	6444224	-90	39
MHAC370	750218.5	6444232	-90	77
MHAC371	750320.3	6444233	-90	69
MHAC372	750419.2	6444237	-90	46
MHAC373	750520	6444245	-90	54
MHAC374	750619.1	6444242	-90	72
MHAC375	750719.8	6444254	-90	69
MHAC376	750819.5	6444261	-90	70
MHAC3771	750920.3	6444274	-90	39
MHAC378	751022.8	6444259	-90	29

Table 1: Mt Holland West Aircore Collar Information.

Hole Id	From (m)	To (m)	Be (ppm)	Cs (ppm)	Li (ppm)	Rb (ppm)	Sn (ppm)	Ta (ppm)
MHAC373	42	43	2	3.01	3.8	100.8	6.9	2.93
MHAC373	43	44	1.63	3.55	4.8	95.83	7.7	5.66
MHAC378	28	29	3.43	62.43	101.2	873.23	65.8	3.92
MHAC314	60	61	3.14	13.43	106.5	55.94	4.7	0.77
MHAC314	61	62	3.17	10.7	84.3	45.9	2.8	0.67
MHAC314	62	63	3.78	24.02	116.9	84.53	3.3	0.72
MHAC314	63	64	2.57	51.63	136.3	221.11	8.9	0.71
MHAC314	64	65	3.89	23.4	95.3	80.9	4.3	0.71
MHAC314	65	66	4.65	11.31	65.8	58.02	9.2	2.08
MHAC314	66	67	3.51	13.33	33.6	237.56	9.3	5.85
MHAC314	67	68	3.85	10.02	54.3	68.25	7	0.94
MHAC314	68	69	2.68	5.73	42.4	37.73	5.4	0.94
MHAC314	69	70	4.16	6.98	61.1	13.06	8.1	0.74
MHAC314	70	71	4.77	15.16	91.7	29.03	7.4	0.69
MHAC314	71	72	3.05	10.91	74	39.57	5.6	0.56
MHAC314	72	73	2.86	21.49	97.9	57.61	3.6	0.6
MHAC314	73	74	2.79	17.55	100.7	48.06	2.9	0.63
MHAC314	74	75	2.56	14.59	108.3	43.14	5.2	0.56
MHAC303	72	73	1.19	0.92	11	8.2	4.8	1.81
MHAC303	73	74	1.58	0.77	10	5.72	2	0.68
MHAC303	74	75	1.27	0.89	8.9	6.92	1.5	0.67
MHAC303	75	76	1.24	0.57	8.7	4.15	1.6	0.71
MHAC303	76	77	1.23	0.68	10	3.85	1.2	0.68
MHAC303	77	78	1.35	0.65	13.1	3.54	1.4	0.71
MHAC303	78	79	1.33	0.76	15.6	8.98	2	0.71
MHAC312	24	25	2.32	22.62	27.9	367.02	5.2	2.77
MHAC312	25	26	2.32	25.06	30	381.49	5.4	2.97
MHAC312	26	27	1.67	22.82	36.2	385.78	5.4	2.71
MHAC312	27	28	1.86	20.64	26.5	354.06	4.4	2.75
MHAC312	28	29	2.18	19.14	31.8	345.84	4	1.8

Table 2: Priority assay results, depths shown are vertical metres, not true widths.

Mt Holland West Drilling

JORC Table 1

Section 1 Sampling techniques and data

Criteria	Explanation
Drilling Techniques	Air core drilling by Australian Aircore. The sampling lines were along cleared tracks
Drill sample recovery	Each 1m drill sample was collected with a cyclone then in a bucket and laid out in rows of 10 alongside the rig. Composite subsamples of about 1.5kgs were taken over a 4m interval for analysis using a spear. Another 1m sample was taken from the end of each hole. Any interesting geology was sampled as a 1m interval. Small chips were collected for geological logging and stored in plastic chip trays. Recoveries were greater than 90%
Logging	Geologic logging was conducted across the entirety of the holes for several qualitative and quantitative features. Holes were wet sieved when chips were present. Sieved material was stored in chip trays for future reference
Sub-sampling techniques and sample preparation	Samples underwent analysis for Lithium and Base metals and were prepared to the laboratories standards.
Quality of assay data and laboratory tests	Intertek laboratories has carried out QA/QC testing on all analytical batches and they met the NATA standards required for accreditation.
Verification of sampling and assaying	A series of duplicate samples verified the original results
Location of data points	The drill hole collars were located using a handheld GPS instruments to an accuracy of +/- 3 metres. The GDA 94 grid system was used. The quality and adequacy of the topographic control was sufficient for this stage of exploration
Orientation of data in relation to geological structures	The drill holes were orientated vertically. Sampling bias was assumed to be minimal
Sample security	The samples were secured by field personal and by the Intertek laboratory staff
Audits or reviews	Nil

Section 2 Reporting and exploration results

Criteria	**Explanation**
Mineral tenement and land tenure status	The drill holes are located on E77/2219 at Mt Holland which is registered in the name of Reed Exploration Pty Ltd (REX) a 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 ground disturbance is subject to the approval of a Permit of Works by the DMP under the provisions of the WA Mining Act. There are no other impediments to obtaining additional approvals for exploration on the tenement.
Exploration done by other parties	Exploration RAB/AC/RC has been carried out by previous parties on existing grid lines
Geology	The geology has been derived largely from an interpretation of air magnetic data is there is a cover of transported material and strongly oxidized rocks down to depths of 20 to 80 metres. Archean 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

Criteria	Explanation
	pegmatites that have been extruded from fertile granitic plutons into the surrounding country rocks and the target was spodumene in pegmatite.
Drill hole Information	All the relevant drill hole information is set out in Tables 1 and 2, as is the assay data.
Data aggregation methods	Not relevant for the report.
Relationship between mineralisation widths and intercept lengths	Not relevant for this report, all holes were drilled vertically.
Diagrams	Diagrams are shown with the relevant information.
Balanced reporting	Results are shown for all the elements of note in this batch of samples.
Other substantive exploration data	Not applicable for this release.
Further work	The company plans on drilling 2 diamond holes near MHAC378 and 312 to test the pegmatite at depth, as aircore drilling couldn't sufficiently test the area at depth.