HANNANS

18 March 2020

Forrestania Nickel Update

- **1st phase of nickel exploration completed – several nickel targets remain unresolved and require follow-up downhole geophysical surveys (DHEM) and drilling (RC and diamond)**
- **Drill hole FSRC061 returned anomalous values of nickel, chrome and magnesium which are suggestive of cumulate[1] ultramafic rocks – follow up DHEM planned**
- **All sulphides intersected in drilling were iron rich – most samples returned assay values of nickel, cobalt or copper indicative of background levels for ultramafic rocks**
- **2nd phase of exploration to commence this Quarter – field visits initially, followed by ground based geophysical surveys (MLEM) and drilling (aircore and RC)**
- **Hannans believes it has the ground, technical team and shareholder support to make the first major nickel sulphide discovery at Forrestania in the last 13 years**

Hannans Ltd (ASX:HNR) advises shareholders that the 1st phase of nickel exploration at the 100% owned Forrestania Nickel Project ("FNP"), located approximately 120km south of Southern Cross and 80km east of Hyden, in the Goldfields region of Western Australia is now complete. The 2nd phase of exploration will commence this Quarter. Please refer to Figure 1 on Page 4 for a regional location map.

Exploration focussed on testing targets outlined by consultants Newexco Exploration Pty Ltd in their report dated February 2019.[2] The targets comprised geological, geochemical and geophysical anomalies located along the interpreted western and mid-western ultramafic belt within Hannans tenure. The western ultramafic belt is host to two world class operating nickel sulphide mines[3]. Please refer to Figure 2 on Page 5 for a project location map.

The 1st phase of exploration included numerous field visits, geophysical surveys, flora and fauna surveys and reverse circulation (RC) drilling. The RC program comprised seven holes to an average depth of 210m (total program 1,465m).

Drill hole FSRC061 returned anomalous values of nickel, chrome and magnesium which are suggestive of more cumulate ultramafic rocks. This hole will be surveyed with down-hole EM (DHEM) to search beyond the hole for possible sulphide accumulations containing nickel.

Drill hole FSRC066 did not intersect the source of the geophysical (EM) anomaly and therefore a DHEM survey will be undertaken to confirm the validity of the anomaly before more drilling is undertaken.

Drill hole FSRC062 did not reach its planned depth and was abandoned at 198m. A diamond tail will be required to test the EM conductor and reach the planned end of hole depth (240m).

All sulphides intersected in the RC holes were iron-rich and were of sufficient volume to be the source of the EM anomalies. Most of the samples returned assay values of nickel, cobalt or copper indicative of background levels for ultramafic lithologies.

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[1] 'Cumulates' are igneous rocks that have formed from a magma by crystal settling / flotation. Cumulate ultramafic rocks are the host to nickel deposits in the Forrestania region and elsewhere.
[2] Refer ASX release by Hannans Ltd dated 20 February 2019.
[3] Flying Fox and Spotted Quoll owned by Western Areas Ltd (ASX:WSA).

The 2nd phase of exploration will commence this Quarter and will comprise field visits, surface geophysical surveys (MLEM) and drilling if warranted.

Down-hole EM surveys from the 1st phase and surface EM surveys from the 2nd phase will be completed and interpreted prior to further drilling to reduce mobilisation and field costs.

A clearing permit application has recently been lodged to enable 2nd phase drilling to be undertaken within the buffer zone of the Lake Cronin nature park, to test a geological target. Subject to there being no objections to grant of the clearing permit, it is expected that approval for clearing will be received late next Quarter.

1st Phase Drill Hole Summary

Hole ID	Target area	Easting #	Northing #	Dip	Azi	Planned EOH Depth	Actual EOH Depth	Target / Depth	Depth of intersected mineralisation
FSRC 060	C5-01	751280	6427575	-70	270	150	150	90m	Disseminated sulphides 71m-120m, massive Fe sulphides 106m-108m.
FSRC 061	A1	752325	6423100	-70	270	250	257	180m	Disseminated sulphides 241m-252m.
FSRC 062	C4	751720	6423150	-70	270	240	198	100 and 200m	Massive sulphides 91m-104m.
FSRC 063	C1	751725	6422650	-70	270	240	240	Stratigraphic	Massive Fe-sulphides 95m-97m and 173m-210m.
FSRC 064	A2	751480	6421000	-70	270	200	200	Stratigraphic	Trace sulphides 66m-180m.
FSRC 065	C5-02	751480	6427500	-70	270	200	192	130m	Massive sulphides 156m-167m.
FSRC 066	C6	744540	6443930	-70	250	240	228	200m	Trace sulphides 207m-228m.

GDA94/MGA50

Table 1: Details of holes drilled

FSRC060 (Target C5-01) was targeting an anomaly identified in historic surface EM data with a plate model intersection expected at 80m. The drillhole successfully intersected mineralisation as weakly disseminated sulphides (1 to 3%) from 71 to 120m in strongly foliated mafic amphibolite, with massive pyrrhotite from 106 to 108m. Elevated magnetic susceptibility was measured from 84 to 108m. The intersected massive sulphide is interpreted to be the source of the anomaly.

FSRC061 (Target A1) targeted the western edge of a strongly magnetic anomaly, with associated Ni-Cu geochemical anomalism. The target plate intersection was modelled at 180m. The drillhole intersected ultramafic lithologies from 8m to approximately 136m and then basalt to the end of the hole. Weakly disseminated sulphides (1 to 3%) were encountered from 241 to 252m, hence the hole was extended to 257m from its 250m planned depth. Elevated Ni values (above 1000ppm) were measured from 1 to 125m and elevated magnetic susceptibility was measured from 62 to 112m consistent with ultramafic lithologies.

FSRC062 (Target C4) targeted two EM conductors at 110m and 200m depth. The drillhole intersected basalt from 18 to approximately to 133m and then ultramafic lithologies to 155m. Amphibolite was present to 198m, when the hole was abandoned due to nearby FSRC023 collar blowing out. Elevated Ni (above 400ppm) was measured from 133 to 155m and 190 to 197m. Elevated magnetic susceptibility was measured from 99 to 107m consistent with ultramafic lithologies. Massive (Fe-) sulphides were intersected from 91 to 104m and interpreted to be the source for the upper plate model.

FSRC063 (Target C1) was targeting potential nickel sulphide mineralisation at depth, behind a historic hole (FSRC020) showing anomalous geochemistry. Basalt was logged from 22 to approximately 103m, then ultramafics to 170m, and amphibolite to the end of the hole. The drillhole intersected disseminated sulphides from 90 to 103m with a massive (Fe-) sulphide interval from 95 to 97m. More massive sulphides were intersected from 173 to 210m. Elevated Ni (above 400ppm) was encountered from 132m to 170m.

FSRC064 (Target A2) was targeting potential nickel sulphide mineralisation at depth, behind a historic hole showing anomalous geochemistry (FSRC041). Amphibolite was logged from 56 to 97m, ultramafics to 180m and then strongly foliated amphibolite to the end of the hole. Trace sulphides were intersected from 66 to 180m. Elevated Ni (above 400ppm) was measured from 95 to 166m.

FSRC065 (Target C5-02) targeted an anomaly identified in historic surface EM data. The drillhole intersected strongly foliated mafic rocks from 15m to approximately 160m and then strongly foliated mafic amphibolite to the end of the hole with ultramafics from 167 to 184m. Massive (Fe-) sulphides were encountered from 156 to 167m, then disseminated sulphides to 192m. Elevated Ni (above 400ppm) was measured from 168 to 185m and elevated magnetic susceptibility was measured from 157 to 173m. The hole was cut short at 192m from its 200m planned end of hole depth due to lack of mineralisation and very slow drilling rate. The modelled target plate intersection depth was at approx.130m, the massive (Fe-) sulphide intersected from 157m are interpreted to be the source of the anomaly.

FSRC066 (Target C6) tested an anomaly identified in historic surface EM data coinciding with a strong magnetic feature. The drillhole intersected strongly foliated mafic amphibolite from 56 to approximately 206m and then strongly foliated metasediment with trace sulphides to the end of the hole. Elevated magnetic susceptibility was measured from 207 to 228m. Target plate intersection was at 200m. The hole was cut short at 228m from its 240m target depth due to lack of mineralisation and very slow drilling rate. The source of the anomaly was not explained.

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Figure 1: Regional location map showing major nickel mines and nickel deposits. Hannans Forrestania Nickel Project shaded in red.

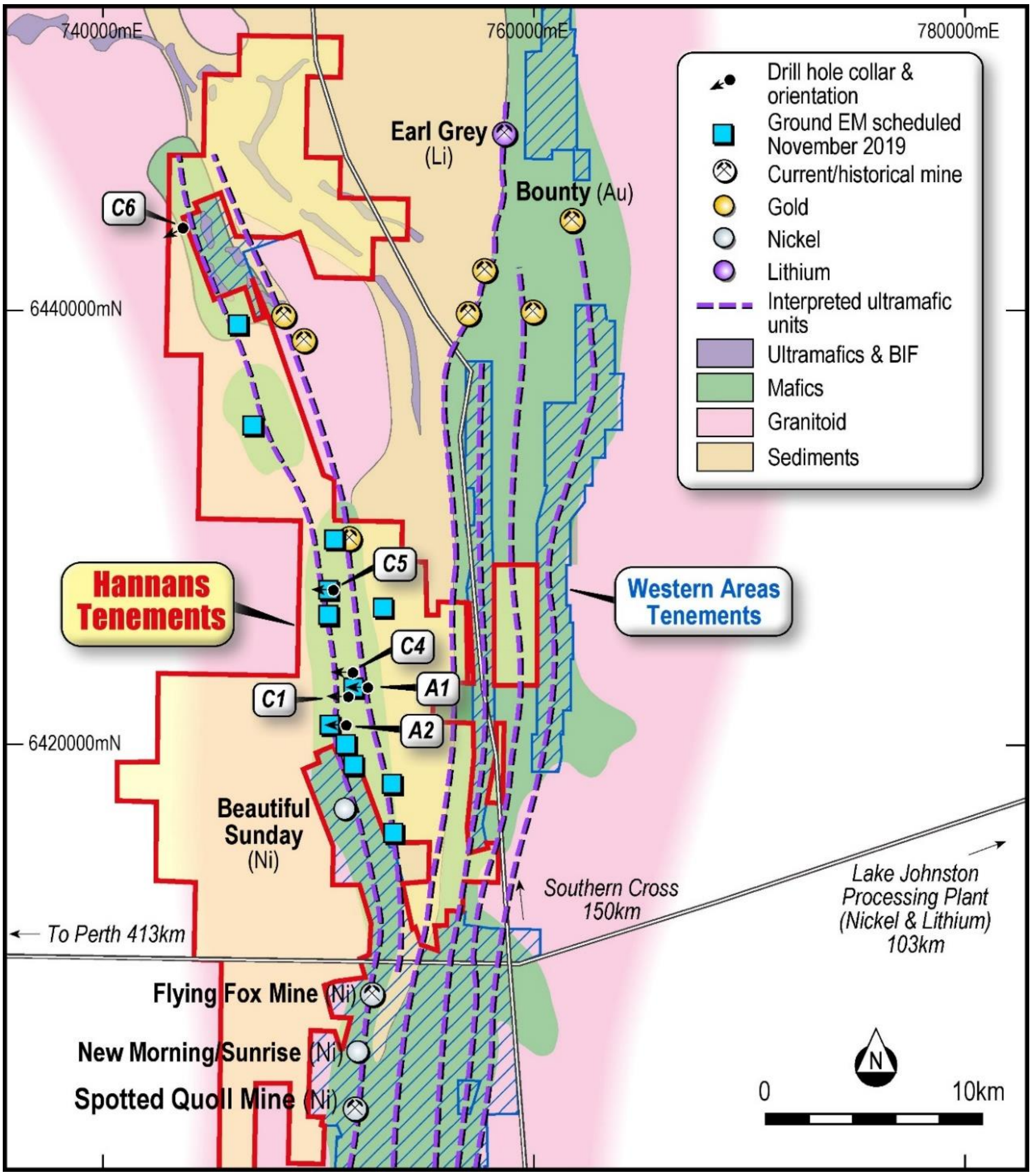

Figure 2: Tenement map showing the Forrestania Nickel Project. Hannans tenements outlined in red. Drill hole collar locations for the 1st phase RC holes are shown with black icons The target names are A1, A2, C1, C4-C6. The arrow represents the direction of the drilling. The blue boxes represent location of EM surveys. From west to east the broken lines represent the Western, Mid-Western, Takashi, Central, Mid-Eastern and Eastern Ultramafic Belts. The world class Flying Fox nickel sulphide mine owned by Western Areas Ltd is in the foreground. Distance from Flying Fox to Earl Grey is ~38kms.

Competent Person

The information in this document that relates to exploration results at Forrestania is based on information compiled by Adrian Black, a Competent Person who is a Member of the AIG (1364). Adrian Black is a consultant to Hannans Ltd and its subsidiary companies. Adrian Black 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 Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• Samples were collected at one metre intervals in pre-numbered calico bags from a cyclone and cone splitter attached to a Reverse Circulation (RC) drill rig. The remainder of the sample (reject) was collected in green mining bags. • Composite samples assessed as prospective for nickel mineralisation were taken in pre-numbered calico bags as a 2 or 3-metre consecutive interval using representative material speared from the green bags. A typical composite sample weighs between 2 and 3kg. • A Bruker S1 Titan portable XRF was used to determine prospective intervals. • Certified Reference Materials (CRM) were inserted approximately every 35 samples. • Samples were analysed by Intertek Genalysis in Perth using a 4-acid digest with ICP-OES finish for 48 elements.
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• 7 Reverse Circulation (RC) drill holes have been completed on tenements E77/2220-I and E77/2219-I using a face sampling percussion hammer with 124mm bits. Equipment used was a Schramm T450 drill rig and auxiliary unit fitted with an Atlas Copco auxiliary compressor and a B7/1000 Atlas Copco booster. • Holes were drilled at dip angles of -60° and -70° and azimuth angles of 250° and 270° in order to orthogonally intercept the interpreted favourable geological zones.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure	• The geologist visually assessed and recorded drill sample recoveries during the program, and these were overall very good.

Criteria	JORC Code explanation	Commentary
	representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• RC holes were collared with a well-fitting stuff box to ensure material loss to the outside return was minimised. Drilling was undertaken using an auxiliary compressor and booster to keep the hole dry and lift the sample to the sampling equipment. Drill cyclone and splitter were cleaned regularly between rod-changes if required and after each hole to minimise down hole or cross-hole contamination. • No relationship between sample recovery and grade has been recognised.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• All drill holes have been geologically logged for lithology, weathering, alteration, mineralisation and other features of the samples using sieved rock chips from the reject material. • Data was entered in a database appropriate for mineral resource estimation. • All drill holes were logged in full.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• The sample preparation technique carried out in the field is considered industry best standard practice and was completed by the geological consultant. • RC samples are collected in dry form. Samples are collected using a cone splitter. Geological logging of RC chips is completed at site with representative chips being stored in drill chip trays. • Composite samples were taken by spear using equal amount material from consecutive individual reject bags and placed into a pre-numbered calico bag. • The composite samples were then sent to Intertek Genalysis for sample preparation and analysis. All samples were sorted, dried and pulverised to achieve 85% passing 75µm to produce a homogenous representative for analysis. • Individual samples have been assayed for a suite of 48 elements including nickel related analytes as per the laboratory's procedure for a 4-acid digestion followed by

Criteria	JORC Code explanation	Commentary
		Optical Emission Spectral analysis. • Intertek Genalysis QAQC included insertion of certified standard, blanks and check replicates. • The sample sizes are considered to be appropriate to correctly represent base metal sulphide mineralisation and associated geology based on the style of mineralisation (massive and disseminated sulphides), the thickness and consistency of the intersections and the sampling methodology.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• Assaying was completed by a commercial registered laboratory with standards and duplicates reported in the sample batch. In addition, nickel Certified Reference Materials (CRM) were inserted into the batch by the geological consultant at a rate of 1:35 samples. • No geophysical tools were used to determine any reported element concentration. • The entire length of the holes were measured/estimated on a metre basis using a Bruker S1 Titan portable XRF with a reading time of 60 seconds per sample.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Assay, sample ID and logging data are matched and validated using filters in the drill database. • Assay results are provided by the laboratory to Hannans Ltd in a csv file format and then validated and entered into the database managed by an external contractor. • Primary geological and sampling data were recorded on hard copy and digitally and were subsequently transferred to a digital database where it was validated by experienced database personnel assisted by the geological consultant. • There has been no validation and cross checking of laboratory performance at this stage. • Twinned holes have not been used in this program.

JORC Code, 2012 Edition – Table 1 report

Criteria	JORC Code explanation	Commentary
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Drill hole collars were initially located and pegged using a handheld GPS with an expected accuracy of +/-5m for easting, northing and elevation. • All drill holes were surveyed using a gyro for rig alignment and downhole records taken every 30m at the completion of each hole by the drill contractor. • The grid system used is GDA94, MGA zone 50.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Drill holes were completed at select geological and geophysical targets on tenement E77/2220-I and one geophysical target on tenement E77/2219-I. • The spacing and distribution of holes is not relevant to this drilling program which is at the exploration stage rather than definition drilling. • The completed drilling at the Project is not sufficient to establish the degree of geological and grade continuity to support the definition of Mineral Resource and Reserves and the classifications applied under the 2012 JORC code. • All drill holes were sampled at 1 metre intervals down hole. • Select sample compositing has been applied at a nominal 2 or 3 metre intervals determined by an experienced logging geologist.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• The drill holes were planned to intersect the modelled geological and geophysical target zones at a near perpendicular orientation. However, the orientation of key structures may be locally variable and any relationship to mineralisation has yet to be identified. • No orientation based sampling bias has been identified in the data to date.
Sample security	• The measures taken to ensure sample security.	• All samples collected during the program were transported by Newexco the geological consultant to the Intertek Genalysis laboratory in Perth for submission and analysis. • Sample security was not considered a significant risk to the project, however only employees of Newexco and Hannans

JORC Code, 2012 Edition – Table 1 report

Criteria	JORC Code explanation	Commentary
		were involved in the sampling and sample custody in a remote area. No specific measures were taken by Hannans Ltd to ensure sample security beyond the normal chain of custody for sample submission.
ts or reviews	• The results of any audits or reviews of sampling techniques and data.	• No formal audits or reviews have been conducted on sampling technique and data to date. However, a scanning of sample quality (recovery, wetness and contamination), as recorded by the geologist at the drill rig, against assay results was undertaken with no obvious issues identified to date. The analytical results were reviewed in detail by a geologist experienced in nickel sulphide exploration.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• Reed Exploration Pty Ltd, a wholly owned subsidy of Hannans Ltd holds all mineral rights other than gold for exploration licenses E77/2220-I and E77/2219-I. • Lake Cronin nature reserve sits in the far south-east corner of E77/2220-I does not impact on drilling areas • All tenements are in good standing with no known impediments.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Reed Exploration Pty Ltd (REX) has held interest in E77/2220-I and E77/2219-I since June 2015. • The region has a long history of exploration and mining and has been explored for nickel and gold since the 1960s, initially by Amax. Numerous companies have taken varying interests in the project area since this time. • Historical exploration results and data quality have been considered during the planning of this drill program.
Geology	• Deposit type, geological setting and style of mineralisation.	• The Forrestania Project is located on the western margin of

Criteria	JORC Code explanation	Commentary
		the Forrestania Greenstone Belt which is the southern-most extension of the Southern Cross greenstone belt. It is subdivided in detail by six ultramafic belts, with tenement E77/2220-I located on the most nickel-endowed belt, the Western Ultramafic Belt. • The project covers a moderate to steeply east dipping sequence of variably weathered, weakly to non-differentiated, komatiite and high magnesian flows that host most known nickel sulphide mineralisation in the area, plus occasional intercalated BIF units.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• Drill hole collar locations are shown in the maps and tables included in the body of the ASX release. • 7 Reverse Circulation (RC) drill holes have been completed during the current nickel exploration program across two tenements for a total of 1,520 metres. The drill and sample programs were conducted in January 2020.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• No data aggregation methods were used.

JORC Code, 2012 Edition – Table 1 report

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• Assay intersections are reported as down hole lengths. Drill holes are planned as perpendicular as possible to intersect the target EM plates and geological targets so downhole lengths are usually interpreted to be near true width.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Refer to figures and tables in the body of the ASX release.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• The exploration results reported are representative of the mineralisation style with grades and/or widths reported in a consistent manner.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Ground moving loop electromagnetic survey have been used to assist targeting drillholes ➢ Loop Size: 100m x 100m (or 200 x 200m) ➢ Line Separation: various ➢ Receiver: EMIT SMARTem24 with EMIT SMART 3-component fluxgate ➢ Current/Frequency: 100A, 0.5 Hz.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Further work is planned as stated in this announcement.