HANNANS

Forrestania Nickel
Drill Testing of Nickel Targets

29 July 2020

- **High priority geophysical responses identified that may represent massive sulphides**
- **Drilling to test 6 target areas with the potential to host nickel mineralisation**
- **Drilling to commence in August; all approvals received**

Hannans Ltd (ASX:HNR) has completed modelling of the ground geophysical surveys (MLEM and DHEM) undertaken during June and July 2020 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. Several high priority geophysical (electromagnetic) anomalies have been identified, with the potential to represent nickel sulphide mineralisation, and which warrant drill testing.

All drill approvals have now been received, and site preparation will commence shortly. Drill testing will commence as soon as a drilling contractor is secured for the reverse circulation (RC) and diamond drill (DD) program. The program will test six target areas; the targets have not previously been the subject of drill testing and represent the culmination of a significant amount of historic data review, data collection, and interpretation by consultants Newexco Exploration Pty Ltd.

Please refer to Figure 1 on page 2 for a regional location map, Figure 2 on page 3 for a project location map, Table 1 on page 4 for a summary of the surveys and drill targets, and Figure 3 on page 5 for an image showing the location of the highest priority conductor plates adjacent to the historic Blue Haze Open Pit gold mine.

An ASX release will be made when drilling has commenced. This ASX announcement has been authorised for release by Mr Damian Hicks, Executive Director.

For further information, please contact:

Damian Hicks
Executive Director

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

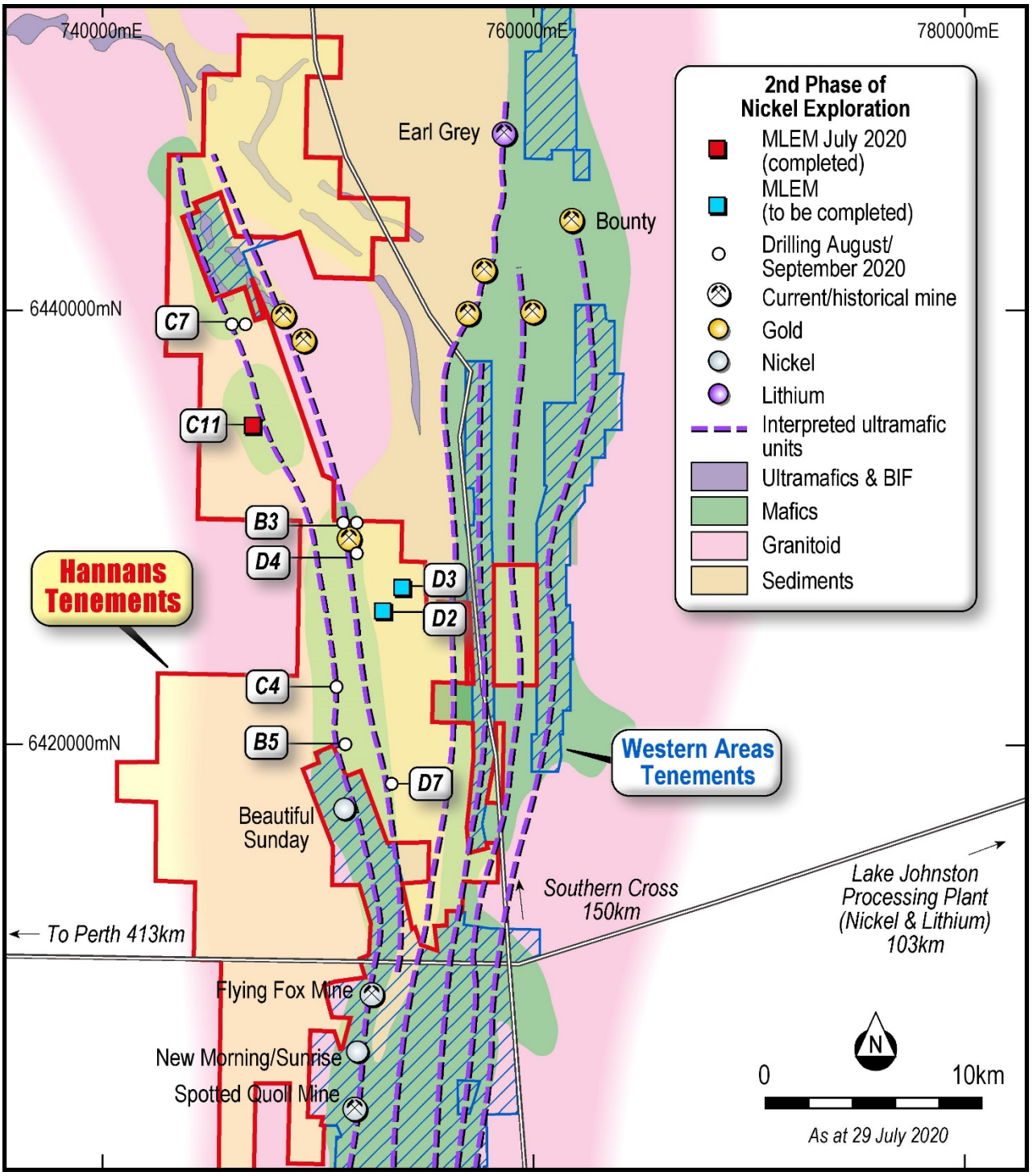

Figure 2. Tenement map showing the Forrestania Nickel Project. Refer to the key in the right hand corner of the map for an explanation of the symbols. Refer to the Table on page 4 for a summary of each of the target IDs. From west to east the broken lines represent the Western, Mid-Western, Takashi, 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.

Target Area	No. of Holes	Target ID	Target Type	Technique	Comment	Scheduled
1 Refer Figure 3 on page 5	2	B3	Geophysical	Reverse circulation (RC) drilling	MLEM completed. Anomalies identified - three discrete bedrock conductors modelled below and north of Blue Haze Open Pit, possibly associated with rocks prospective for nickel sulphide mineralisation. Two drill holes planned to test these conductors. POW granted.	August
2 Refer Figure 3 on page 5	1	D4	Geophysical	RC drilling	MLEM completed. Several bedrock conductors identified and modelled. One drill hole is planned to test these conductors. POW granted.	August
3	1	C4	Geophysical	Diamond core (DD) drilling	Drill hole FSRC062 did not reach its planned depth. A diamond tail will be required to test the EM conductor and reach the planned end of hole depth. POW granted.	September
4	1	B5	Geophysical	RC drilling	A mid-time anomaly possibly represents a conductor modelled on the ultramafic contact. One drill hole planned. POW granted.	August / September
5	1	D7	Geological	RC drilling	Shallow drill hole planned to test the western contact beneath the sub crop and the ultramafic stratigraphy where anomalous nickel assays intersected in historical auger sampling, and the recent identification of gossanous sub crop in surface reconnaissance. POW granted.	August / September
6	2	C7	Geophysical	RC drilling	There is coincident anomalous copper geochemistry in soil samples. Interpretation of the 2019 MLEM identified two steeply dipping conductors. The location of these anomalies with respect to the Western Ultramafic Belt warrants follow up. Two drill holes planned to test these conductors. POW granted.	August / September
		C11	Geophysical	Moving Loop Electromagnetic (MLEM) survey	MLEM completed in July 2020. No bedrock anomalies identified.	
		D2	Geophysical	MLEM	~1 day of surveying.	3rd phase (pending)
		D3	Geophysical	MLEM	~1 day of surveying.	3rd phase (pending)

Table 1. Updated 2nd Phase of Nickel Exploration – Summary Table. Refer to Figure 2 on page 3 to see where the target ID's are located within the project tenure. Abbreviations: MLEM – moving loop electromagnetic survey; DHEM – down-hole electromagnetic survey; RC – reverse circulation drilling; DD – diamond drilling; POW – program of works (approval from the State Government to drill).

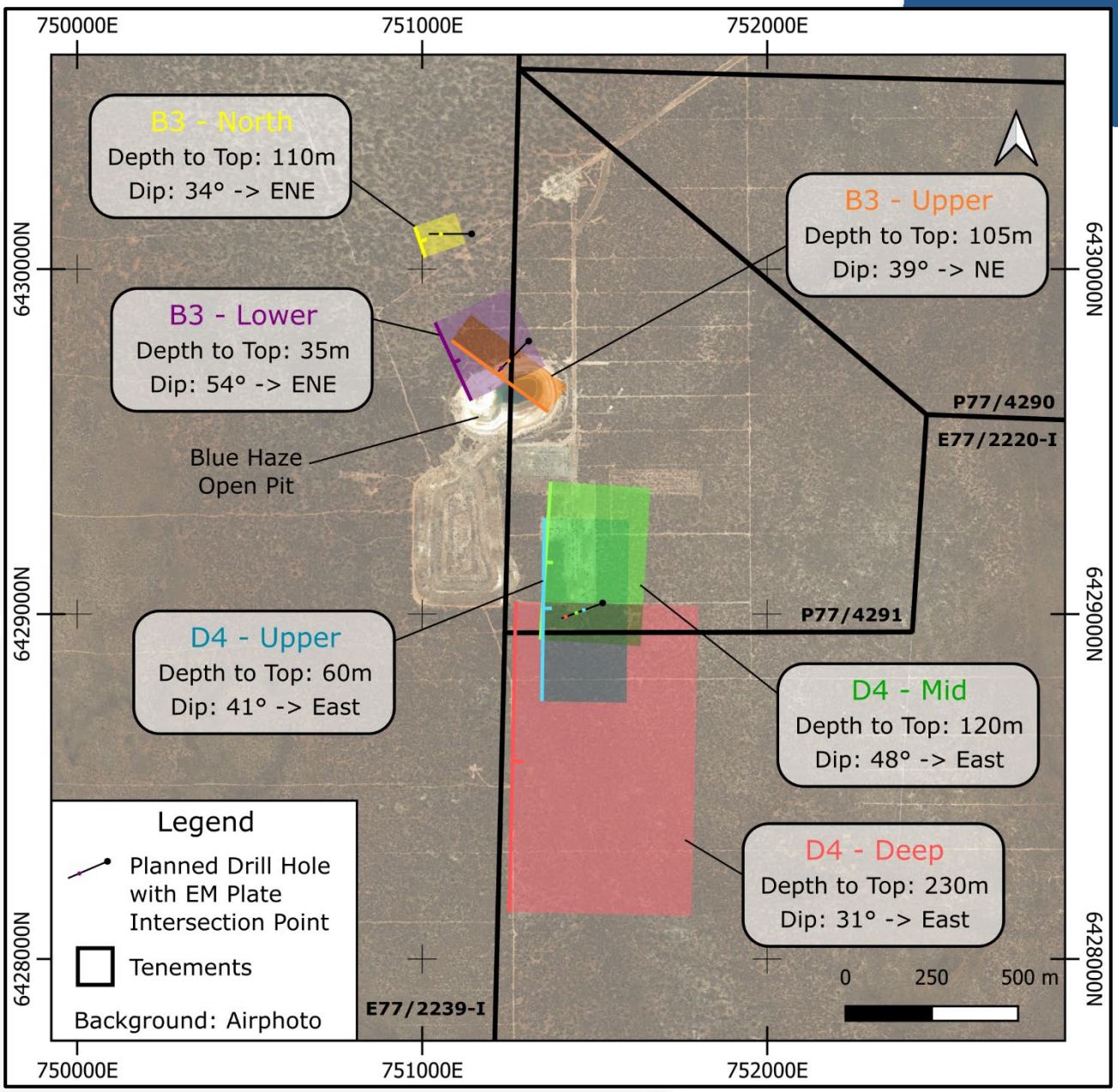

Figure 3. Plan of the high priority EM conductors situated in the vicinity of the Blue Haze Open Pit.

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 in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	Nature and quality of sampling (e.g. 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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.	No drilling is being reported in this announcement.
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).	No drilling is being reported in this announcement.
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure 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.	No drilling is being reported in this announcement.
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.	No drilling is being reported in this announcement.
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.	No drilling is being reported in this announcement.

Criteria	JORC Code explanation	Commentary
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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	No drilling is being reported in this announcement.
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.	No drilling is being reported in this announcement.
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.	EM loops and reading points are located by handheld GPS. 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.	No drilling is being reported in this announcement.
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.	No drilling is being reported in this announcement.
Sample security	The measures taken to ensure sample security.	No drilling is being reported in this announcement.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No drilling is being reported in this announcement.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

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 (REX) is a wholly owned subsidiary of Hannans Ltd, and the registered holder of the relevant tenements being P77/4290, P77/4291, E77/2220-I, E77/2239-I and E77/2207-I. A joint venture partner owns 80% of the gold rights only on the tenements. Lake Cronin Nature Reserve encroaches on the far south-east corner of tenement E77/2220-I but does not impact proposed drilling areas. All relevant tenements are in good standing with no known impediments.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	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 including Hannans Ltd. REX has held interest in the tenements since June 2015. Historical exploration results and data quality have been considered during the planning of programs.
Geology	Deposit type, geological setting and style of mineralisation.	The Forrestania Project is located on the western margin of 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.	No drilling is being reported in this announcement.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. 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 drilling is being reported in this announcement.

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 (e.g. 'down hole length, true width not known').	No drilling is being reported in this announcement.
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) as appropriate and determined by Newexco Exploration Pty Ltd consulting geophysicists 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 (e.g. 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 including drilling (RC and Diamond) is planned as stated in this announcement (refer Table 1).