

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

HANNANS LTD

ABN

52 099 862 129

Quarter ended ("current quarter")

30 JUNE 2016

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(27)	(90)
(b) development	-	-
(c) production	-	-
(d) administration	(262)	(687)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	6
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(288)	(772)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(1)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	5
(c) other fixed assets	9	16
1.10 Loans from/(to) other entities	-	190
1.11 Loans repaid by other entities	-	-
1.12 Other (Release of security bonds)	-	99
Net investing cash flows	9	309
1.13 Total operating and investing cash flows (carried forward)	(279)	(463)

+ See chapter 19 for defined terms.

1.13 Total operating and investing cash flows (brought forward)	(279)	(463)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	1,472	1,720
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	250
1.17 Repayment of borrowings	-	(253)
1.18 Dividends paid	-	-
1.19 Other (provide details if material)	-	-
Net financing cash flows	1,472	1,717
Net increase (decrease) in cash held		
1.20 Cash at beginning of quarter/year to date	540	475
1.21 Exchange rate adjustments to item 1.20	(2)	2
1.22 Cash at end of quarter	1,731^a	1,731

^a In addition to the cash shown at 1.22 above Hannans has access to a \$237,500 interest free loan facility from joint venture partner Lovisagruvan AB. Refer ASX release dated 24 November 2015. Furthermore, Hannans is owed \$800,000 by an unrelated private company MineBuilder Pty Ltd (refer to ASX announcements lodged on 12 March 2015 and 31 July 2015 for further details). This amount is overdue and it is uncertain when it will be received. Subject to Hannans shareholder's approving the transaction with Neometals Ltd announced 4 March 2016 Hannans will receive an additional \$750,000 - \$1 million as part of the transaction completion.

Payments to directors of the entity, associates of the directors, payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	59
1.24 Aggregate amount of loans to the parties included in item 1.12	-

1.25 Explanation necessary for an understanding of the transactions

1.23	Payment of Managing Director's salary, superannuation and taxes. To assist the Company with managing its cash flow the Managing Director deferred a portion of his remuneration from April 2013 to March 2015 (2 years) and the Non-Executive directors deferred their remuneration from January 2014. Four months deferred salary payment was made during the Quarter to the Managing Director in addition to his monthly salary. The Managing Director's remaining deferred salary entitlements totalled \$169,571 as of 31 March 2016 while the non-executive directors deferred fee entitlements totalled to \$201,113.
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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	475,000 ^c	237,500 ^b
3.2 Credit standby arrangements	-	-

^b On 24 November 2015 Hannans announced a positive joint venture decision by partner Lovisagruvan AB (LOVI) which included provision of a \$475,000 interest free loan facility by LOVI to Hannans. The first drawn down of this facility was made in January 2016 and is repayable within 12 months.

^c As at the date of this release no further amounts have been drawn down by Hannans.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	30
4.2 Development	-
4.3 Production	-
4.4 Administration	366 ^d
Total	396^d

^d Includes one-off capital raising expenses from capital raised through Share Purchase Plan, placement and conversion of options.

Reconciliation of cash

Reconciliation of cash at the end of the quarter
(as shown in the consolidated statement of cash flows)
to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,731	540
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,731^{e f}	540

^e In addition to the cash at bank Hannans is currently owed a total of \$800,000 by MineBuilder Pty Ltd. Hannans holds a personal guarantee from the sole director for the total amount owing.

^f Exercise of options were submitted in July 2016 which raised \$145,833 for the Company.

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Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			
	SWEDEN			
	Hällberg nr 1	Acquired	0%	100%
	Hällberg nr 1	Acquired	0%	100%
	Klöverfors nr 1	Acquired	0%	100%
	Nide nr 1	Acquired	0%	100%
	Varutrask nr 2	Acquired	0%	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities (description)	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	970,707,755	970,707,755	-	-
7.4 Changes during quarter				
(a) Increases through issues				
SPP & shortfall	91,666,622	91,666,622	1.2 cents	1.2 cents
Placement	83,325,000	83,325,000	0.4 cents	0.4 cents
Placement	5,000,000	5,000,000	1.2 cents	1.2 cents
Exercise of options	6,250,000	6,250,000	0.4 cents	0.4 cents
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities (description)	-	-	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-

+ See chapter 19 for defined terms.

7.7 Options <i>(description and conversion factor)</i>			Exercise price	Expiry date
	12,016,668		0.8 cents	20 November 2017
	12,016,668		0.5 cents	20 November 2018
	12,016,664		VWAP* for 10 trading days after 20 Nov 2016 PLUS a premium of 50%	20 November 2019
	31,250,000		0.4 cents	10 March 2018
	35,412,500		0.4 cents	3 June 2018
7.8 Issued during quarter	41,662,500	-	0.4 cents	3 June 2018
7.9 Exercised during quarter	6,250,000	-	0.4 cents	3 June 2018
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Damian Hicks
Managing Director
29 July 2016

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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