

HANNANS

ASX: HNR ABN: 52 099 862 129

9 June 2016

via email

Mr Mauro Piccini
Senior Adviser
ASX Listings Compliance
Level 40, Central Park
152/158 St George's Terrace
Perth WA 6000

Dear Mr Piccini,

Thank you for your recent letter. We also note the strong increase in price and volume of trading in Hannans shares on ASX.

I confirm that Hannans is not aware of any information that has not been released to the market that could explain the recent strong trading in Hannans.

We note however that earlier this year Hannans announced a strategic collaboration with lithium company Neometals Ltd (ASX:NMT). One of the main conditions precedent to the Neometals transaction was a requirement for Hannans to complete a \$1.25 million capital raising. The capital raising condition was satisfied earlier this week which brings Hannans a step closer to successfully closing the transaction.

In relation to exploration for lithium, Hannans plans to lodge with ASX an updated presentation on its Swedish lithium projects, including the historic Varuträsk lithium mine shortly once finalised and approved for release to the market.

Hannans would also like to take this opportunity to provide shareholders with an update in relation to the ongoing Discovery Zone matter with Avalon Minerals Ltd (ASX:AVI). In relation to Hannans' application in the Supreme Court of Western Australia to set aside Avalon's statutory demand, Master Sanderson made orders on 3 May 2016 that Avalon's statutory demand be set aside, and that Avalon pays Hannans' costs. In relation to an appeal lodged by Avalon in the Swedish Administrative Court against the Mining Inspectorate of Sweden's decision to dismiss the Discovery Zone exploitation concession application, no decision has yet been made by the Swedish Court. In relation to Avalon's written advice that it will commence court action in an attempt to recover \$1 million paid by Avalon to Hannans pursuant to the Discovery Zone Heads of Agreement, Hannans confirms that Avalon served a Writ of Summons on Hannans on 8 June 2016. Hannans proposes to lodge a Memorandum of Appearance and a Defence and Counterclaim in accordance with the Court's Rules.

Hannans confirms it is, and remains in compliance with the Listing Rules and in particular Listing Rule 3.1.

If you have any questions, please don't hesitate to contact me.

Kind regards,



Damian Hicks
Managing Director

AUSTRALIA

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9 June 2016

Ms Mindy Ku
Company Secretary
Hannans Limited

By email: mindyk@hannansreward.com

Dear Ms Ku

Hannans Limited (the “Entity”): ASX Price and Volume Query

We have noted a change in the price of the Company’s securities from a closing price of \$0.011 on Wednesday, 25 May 2016, to an intraday high of \$0.019 at the time of writing today, 9 June 2016.

In light of the price and volume increase, ASX asks you to respond separately to each of the following questions:

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is “yes”:
 - a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity’s securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.
 - b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).
 - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that the Entity may have for the recent trading in its securities?
4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.



When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **11:45 am (WST) today, 9 June 2016**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at mauro.piccini@asx.com.au and tradinghaltsperth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.



We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[sent electronically without signature]

Mauro Piccini
Senior Adviser, ASX Listings Compliance