

FAST FACTS

ASX Code: HNR

CAPITAL STRUCTURE

Shares on issue: 3.37 billion

Market cap: \$60.6M (at 1.8c)

Cash: \$4.72M (31 December 2022)

Debt: Nil

BOARD OF DIRECTORS

Non-Executive Chairman

Jonathan Murray

Non-Executive Directors

Andrew Umbers

Mark Sumich

LITHIUM-ION BATTERY RECYCLING

Sweden, Norway, Denmark & Finland - JV

UK & Ireland

Italy & Balkans

MINERAL EXPLORATION

Western Australia

Fraser Range (Ni-Cu)

Forrestania (Ni)

Moogie (Cu-Au & Ni-Cu)

Forrestania (Au) 20% - Free-Carried to DTM

ABOUT HANNANS LTD

(EST. 2002)

Our vision is to sustainably produce metals for society.

LITHIUM-ION BATTERY (LiB) RECYCLING

- › The Company is engaged in a number of advanced stage and ongoing negotiations with European based partners, with the aim being to secure access to sustainable volumes of lithium-ion battery feedstock supply.
- › A European based operations team has been engaged to oversee the implementation of the Company's lithium battery recycling strategy.
- › Preliminary planning, pending binding feedstock supply agreements being secured, in relation to potential site location assessment, construction options, integrated circuit opportunities, project financial models and funding scenarios.

MINERALS EXPLORATION

- › Minimal exploration activity in light of the focus re-compliance and re-admission to trading on ASX.
- › Ongoing interest from third parties in the mineral exploration assets.

CORPORATE

- › Completed capital raising – raised \$2 million by way of an offer pursuant to the Prospectus at \$0.02 per share.
- › Board succession completed – Messrs Andrew Umbers and Mark Sumich appointed as Directors.
- › General Meeting – all resolutions were passed by shareholders for the change in scale and nature of activities to lithium battery recycling.
- › Annual General Meeting – all resolutions were passed by shareholders.



LIB RECYCLING

The Company's primary 2023 objective is to formalise a number of non-binding MOUs into binding agreements, with the aim of delivering access to sustainable volumes of lithium-ion battery feedstock.

The Company is very focused on delivering binding agreements in the near term. To this end, a newly appointed European operations team has been appointed (5 in total), headed by Michael O'Leary Collins. Michael is the principal of Greenhouse Investments Ltd that is now the second largest shareholder in Hannans. He is a Bond University MBA and Law graduate with an investment banking and private equity consulting background. Greenhouse was founded by Michael 17 years ago and provides an integrated approach to capital markets, international trade and urban mining.

In anticipation of the Company converting non-binding MOUs into binding feedstock supply agreements, the European operations team is actively preparing and planning for a range of post-formalisation activities, including preliminary potential site location assessment, construction options, integrated circuit opportunities, project financial models and funding scenarios.

MINERALS EXPLORATION

As previously advised to the market, the Company notes that there has been some interest received from third parties in relation to the Company's mineral exploration assets. The Company's approach is to assess all proposals from the perspective of creating long-term value for its shareholders. Any developments will be notified to the market in accordance with its continuous disclosure obligations. The Company is currently in discussion with several parties regarding formal terms. Tenure covers (approximately) 1,179sqkm within the world-class and emerging jurisdictions.

CORPORATE

Board succession

Mr Jonathan Murray continues as Non-Executive Chairman. Messrs Andrew Umbers and Mark Sumich were appointed as the Non-Executive Directors and Mrs Mindy Ku was appointed as the Company Secretary of the Company as part of the relisting process.

Messrs Damian Hicks, Markus Bachmann, Clay Gordon, and Ms Amanda Scott resigned as Directors.

The new Board will continue to assess and ensure its composition and skill matrix provides the appropriate foundation and gives effect to the corporate intention to become a successful recycler of lithium-ion batteries in Europe.

Financial

The Company had cash on hand as of 31 December 2022 of approximately \$4.72 million.

Related Party payments for the Quarter, as outlined in the Appendix 5B at section 6.1, totalled \$301,000 and included amounts paid to directors including salary, directors' fees and statutory superannuation.

Refer to the Appendix 5B for an overview of the Company's financial activities during the Quarter.

Capital Structure at 31 December 2022

Description	Number
Fully paid ordinary shares	3,372,105,462
Unlisted Options exercisable at 6.1 cents on or before 25 November 2025	55,000,000
Unlisted Options exercisable at 3.2 cents on or before 25 November 2025	5,000,000
Unlisted Options exercisable on or before 25 November 2025 at the VWAP [^] for the five (5) trading days before and five (5) trading days after 26 November 2023 PLUS a premium of 50%	5,000,000

[^] VWAP = Volume Weights Average Price

Use of Funds¹

Hannans provides the following disclosure required by ASX Listing Rule 5.3.4 regarding a comparison of its actual expenditure to date since re-listing on 8 December 2022 against the 'use of funds' statement in its Prospectus dated 17 October 2022. The figures shown below are inclusive of GST.

Expenditure	Funds allocated under Prospectus \$	Actual to 31 Dec 2022\$	Variance \$
LiB recycling activities			
Nordic region	1,250,000	–	1,250,000
UK & Southern Europe	1,450,000	126,462	1,323,538
Exploration	1,800,000	72,358	1,727,642
Working capital	550,000	212,685	337,315
Re-compliance cost	200,000	196,428	3,572
Cost of Offer	250,000	262,695	(12,695)
TOTAL	5,500,000	870,628	4,629,372

This ASX announcement has been authorised for release by Mr Jonathan Murray, Non-Executive Chairman, on behalf of the Board of Hannans.

For further information, please contact:

Mindy Ku
 Company Secretary
 E: info@hannans.com

¹ The Use of Funds table is a statement of current intentions. Investors should note that the allocation of funds set out in the table may change depending on a number of factors including the results of exploration, outcome of development activities, regulatory developments and market and general economic conditions.

ASX Announcements

ASX announcements during the period 1 October 2022 to date of report

Date	Announcement
20/01/2023	Market Update
08/12/2022	Reinstatement to Quotation
08/12/2022	Prospectus
08/12/2022	Amended Anticipated Reinstatement to Official Quotation
08/12/2022	Top 20 shareholders
08/12/2022	Distribution Schedule
08/12/2022	Securities Trading Policy
08/12/2022	Corporate Governance Statement
08/12/2022	Employee Securities Incentive Plan
08/12/2022	Constitution
08/12/2022	Supplementary Prospectus
08/12/2022	Annexure 1 - Mining Entities
08/12/2022	Information Form and Checklist
08/12/2022	Appendix 1A
08/12/2022	Pre-Quotation Disclosures
08/12/2022	Anticipated Reinstatement to Official Quotation
07/12/2022	Notification of cessation of securities - HNR
07/12/2022	Final Interest Notices
07/12/2022	Appendix 3X for Mark Sumich
07/12/2022	Appendix 3X for Andrew Umbers
07/12/2022	Board Succession Completed
07/12/2022	Change in substantial holding from NMT
06/12/2022	Exercise Price of Unlisted Options
29/11/2022	AGM Results
29/11/2022	AGM Presentation
28/11/2022	Notification regarding unquoted securities - HNR
28/11/2022	Application for quotation of securities - HNR
28/11/2022	Reinstatement to Trading
15/11/2022	General Meeting Results
15/11/2022	General Meeting Presentation
15/11/2022	Capital Raising Closes Oversubscribed
14/11/2022	Application for quotation of securities - HNR
08/11/2022	Strong Support for Relisting on ASX
08/11/2022	Supplementary Prospectus for Relisting on ASX
08/11/2022	Application for quotation of securities - HNR
01/11/2022	Change of Directors' Interest Notice x 3
01/11/2022	Updated Capital Structure
01/11/2022	Notification of cessation of securities - HNR

HANNANS 2nd QUARTER ACTIVITIES REPORT 2022/2023

Date	Announcement
01/11/2022	Notification regarding unquoted securities - HNR
31/10/2022	1st Quarter Activities Report
28/10/2022	1st Quarter Cashflow Report
28/10/2022	Notice of Annual General Meeting
26/10/2022	JMEI 2022 Entitlement Statements
17/10/2022	Prospectus for Relisting on ASX
17/10/2022	Date of AGM and Director Nomination
17/10/2022	Proposed issue of securities
17/10/2022	Proposed issue of securities
12/10/2022	Notice of General Meeting
12/10/2022	Relisting on ASX & Lithium Battery Recycling in Europe
06/10/2022	Change of Director's Interest Notice (AS)

TENEMENT SUMMARY

Granted Tenements

Tenement number	Interest 2nd Quarter 2022/2023		Note	Tenement number	Interest 2nd Quarter 2022/2023		Note
	Start	End			Start	End	
HANNANS LIB PTY LTD 1							
Location: Fraser Range, Australia							
E28/3167	100%	100%	1				
E28/3168	100%	100%	1				
E63/2143	100%	100%	1				
REED EXPLORATION PTY LTD 2							
Location: Forrestania, Western Australia				Location: Fraser Range, Western Australia			
E77/2207-I	100%	100%	3	E63/2020	100%	100%	
E77/2219-I	100%	100%	3	E63/2021	100%	100%	
E77/2220-I	100%	100%	3	E63/2022	100%	100%	
E77/2239-I	100%	100%	3,4	E63/2023	100%	100%	
P77/4290	100%	100%	3	E63/2024	100%	100%	
P77/4291	100%	100%		E63/2025	100%	100%	
E77/2546	100%	100%		E63/2026	100%	100%	
P77/4534	100%	100%					
E77/2460	100%	100%	5				

HANNANS 2nd QUARTER ACTIVITIES REPORT 2022/2023

Tenement number	Interest 2nd Quarter 2022/2023		Note
	Start	End	
REED EXPLORATION PTY LTD ²			
Location: Moogie, Western Australia			
E09/2373	100%	100%	
E09/2374	100%	100%	
E09/2417	100%	100%	
E09/2460	100%	100%	
E09/2461	100%	100%	
E09/2640	100%	100%	

Note:

- Hannans LiB Pty Ltd (**HLB**) is a wholly owned subsidiary of Hannans Ltd. HLB is the registered holder of the tenements.
- Reed Exploration Pty Ltd (**REX**) is a wholly owned subsidiary of Hannans Ltd. REX is the registered holder of the tenements unless indicated otherwise.
- REX holds a 100% interest in all minerals excluding gold. REX holds a 20% free-carried interest in the gold rights.
- REX voluntary partial surrendered 6 sub-blocks during the period.
- Tenement previously registered under HRF and HLB after the change of name, was transferred to REX on the 10 August 2022.

Tenement Applications

Tenement number	Note	Tenement number	Note
REED EXPLORATION PTY LTD			
Location: Moogie, Western Australia		Location: Forrestania, Western Australia	
E09/2662 / E09/2718	6	E77/2711 / E77/3002	6
E09/2697 / E09/2719	6		

Note:

- Re-application of existing exploration licences pending grant following changes in Warden's decision published on the 24 August 2022.

Relinquished or Lapsed Tenements

NIL

-End-

COMPLIANCE STATEMENT

The information in this document that relates to exploration results at Forrestania, and Fraser Range 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).

The information in this document that relates to exploration results at Moogie is based on information compiled by Amanda Scott, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy (Membership No.990895). Amanda Scott is a full-time employee of Scott Geological AB. Amanda Scott is also a non-executive director of Hannans and holds both shares and options in Hannans. Amanda Scott 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). Amanda Scott consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly cash flow report

Name of entity

HANNANS LTD

ABN

52 099 862 129

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	–	–
1.2 Payments for		
(a) exploration & evaluation	(72)	(348)
(b) recycling project	(95)	(245)
(c) production	–	–
(d) staff costs	(169)	(262)
(e) administration and corporate costs	(485)	(706)
1.3 Dividends received (see note 3)	–	–
1.4 Interest received	6	8
1.5 Interest and other costs of finance paid	–	–
1.6 Income taxes received/(paid)	–	–
1.7 Government grants and tax incentives	–	–
1.8 Other (provide details if material)	–	–
1.9 Net cash from / (used in) operating activities	(815)	(1,553)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	–	–
(b) tenements	–	–
(c) property, plant and equipment	–	–
(d) exploration & evaluation	–	–
(e) investments	–	–
(f) other non-current assets	–	–

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	–	–
	(b) tenements	–	–
	(c) property, plant and equipment	23	23
	(d) investments	–	–
	(e) other non-current assets	–	–
2.3	Cash flows from loans (to) / from other entities	–	–
2.4	Dividends received (see note 3)	–	–
2.5	Other (provide details if material)	–	–
2.6	Net cash from / (used in) investing activities	23	23
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,275	2,275
3.2	Proceeds from issue of convertible debt securities	–	–
3.3	Proceeds from exercise of options	–	–
3.4	Transaction costs related to issues of equities, securities or convertible debt securities	(57)	(57)
3.5	Proceeds from borrowings	–	–
3.6	Repayment of borrowings	–	–
3.7	Transaction costs related to loans and borrowings	–	–
3.8	Dividends paid	–	–
3.9	Other (provide details if material)	–	–
3.10	Net cash from / (used in) financing activities	2,218	2,218
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,293	4,031
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(815)	(1,553)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	23	23
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,218	2,218

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	–	–
4.6	Cash and cash equivalents at end of period	4,719	4,719

a. Hannans received the cash flow boosts from the Australian Taxation Office.

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	4,719	3,293
5.2 Call deposits	–	–
5.3 Bank overdrafts	–	–
5.4 Other (provide details)	–	–
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,719	3,293

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties included in item 1	301
6.2 Aggregate amount of payments to related parties and their associates included in item 2	–
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments	
Description: Directors' salaries, bonus, and fees including statutory superannuation where applicable. Legal and geological services provided by the directors.	

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	–	–
7.2 Credit standby arrangements	–	–
7.3 Other (please specify)	–	–
7.4 Total financing facilities	–	–
7.5 Unused financing facilities available at quarter end		–
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(815)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	–
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(815)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,719
8.5 Unused finance facilities available at quarter end (item 7.5)	–
8.6 Total available funding (item 8.4 + item 8.5)	4,719
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	6.00
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2023



Authorised by: Jonathan Murray, Non Executive Director

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.