

### FAST FACTS

ASX Code: HNR

### CAPITAL STRUCTURE

Shares on issue: 2.6 billion

Market cap: \$104M (at 4.0c)

Cash: \$5.1M (31 Dec 2021)

Debt: Nil

### BOARD OF DIRECTORS

Non-Executive Chairman

Jonathan Murray

Executive Director

Damian Hicks

Non-Executive Directors

Markus Bachmann

Clay Gordon

Amanda Scott

### LITHIUM-ION BATTERY RECYCLING

Nordic joint venture

### MINERAL EXPLORATION

Sole Funded

Fraser Range (Ni-Cu)

Forrestania (Ni)

Moogie (Cu-Au & Ni-Cu)

Free-Carried to Decision to Mine

Forrestania (Au) 20%

### ABOUT HANNANS LTD

(EST. 2002)

Our vision is to sustainably produce metals for society.

### 2<sup>nd</sup> Quarter (October – December 2021):

#### LITHIUM-ION BATTERY (LIB) RECYCLING

- Nordic region – satisfied all conditions precedent to the MoU announced in the 1st Quarter.
- New business (LIB recycling and energy storage) – commenced search for rapid growth opportunities in Europe.

#### MINERALS EXPLORATION

- Moogie (Copper-Gold & Nickel-Copper) – monitored arrival of contractor to complete helicopter-borne (electromagnetic) geophysical survey over four priority targets.
- Fraser Range (Nickel-Copper) – reviewed historical data covering new tenure and completed preparations for ground (electromagnetic) geophysical surveys.
- Forrestania (Nickel) – completed preparations for ground (electromagnetic, EM) geophysical surveys and geochemical sampling of nickel prospects within the Western Ultramafic Belt.
- New business (Nickel) – continued search for attractive nickel sulphide exploration projects in Western Australia.

#### COMPLIANCE AND CORPORATE GOVERNANCE

- TCFD – selected the Recommendations of the Task Force on Climate-related Financial Disclosures as the framework for reporting on environmental, social and governance matters.
- AGM – all resolutions were passed by shareholders.

#### CORPORATE

- Capital Raising – raised \$5.5M by way of a fully underwritten rights issue at a price of 2.5 cps.

### Goals for the 3rd Quarter (January – March 2022):

#### LIB RECYCLING

- Execute material transaction.
- Source LIB feedstock within Nordic region.

#### MINERALS EXPLORATION

- Moogie (Copper-Gold & Nickel-Copper) – complete airborne EM survey, and complete interpretation of results.
- Fraser Range (Nickel-Copper) – complete ground EM survey and acquisition of historic airborne EM data.

#### COMPLIANCE AND CORPORATE GOVERNANCE

- ASX – re-comply with Chapters 1 and 2 of the Listing Rules.



## HANNANS 2nd QUARTER ACTIVITIES REPORT

### LITHIUM-ION BATTERY (LIB) RECYCLING

During the 1st Quarter 2021/2022 Hannans signed a Memorandum of Understanding (**MoU**) with Critical Metals Ltd (**Critical**) and LiB Recycling Pty Ltd (a wholly owned subsidiary of Critical) to commercialise a lithium battery recycling technology in Norway, Sweden, Denmark, and Finland (**Nordics**). During the 2<sup>nd</sup> Quarter all conditions precedent to the MOU were satisfied. These included approval by the Critical Board and shareholders, approval by the Hannans Board and shareholders, and completion of a \$5 Million capital raising by Hannans before 31 December 2021. Having satisfied the condition precedent Hannans' focus has now turned to securing LiB feedstock agreements with Nordic based companies requiring a recycling solution for scrap and end-of-life lithium batteries.

As advised during the Quarter the Nordic region has one of the highest EV penetration rates in the world and further has six Giga factories in planning and construction<sup>1</sup>. The volume of scrap and end-of-life lithium batteries available for recycling in the Nordics will underpin a vibrant LiB recycling sector into the future. From an environmental perspective the recovery of metals from scrap and end-of-life lithium batteries is imperative because the volumes of flammable toxic scrap and spent lithium batteries are forecast to grow exponentially. Importantly the growing volumes of scrap and end-of-life batteries contain significant nickel, cobalt, lithium, and manganese. The recycling technology to be commercialised by Hannans in the Nordics unlocks that embedded value.

The agreement with LiB Recycling provides that Hannans will manage and fund all tasks and activities in the Nordic region through to a final investment decision (**FID**) with respect to the construction of each plant for the processing or recycling of feedstock batteries using the recycling technology. A plant may comprise a shredding and beneficiation plant (Stage 1) or a refining plant (Stage 2) (each, a **Plant**). Subject to Hannans complying with Chapters 1 and 2 of the ASX Listing Rules (assuming the current ASX position remains unchanged), if Hannans makes a FID and enters a binding engineering, procurement, and construction agreement for a Plant, LiB Recycling Pty Ltd will be required to either (1) co-contribute to all future construction costs of the new Plant (capital and operating costs), in which case, each party would have a 50% equity interest in the Plant, or (2) its equity interest in the Plant will be diluted pro-rata to its relative funding contribution. To be able to make an FID, Hannans will need to have secured enough feedstock to justify the economics of a Plant and obtained the required permits to operate the Plant. Under the proposed joint venture arrangement, the costs of permitting and sourcing and marketing the business in the Nordic region will always be borne by Hannans (i.e., Hannans will fund all activities up to each FID for a given Plant, at which point, LiB Recycling will have the option to contribute or dilute).

For more than two years LiB Recycling has been actively seeking to establish relationships with potential providers of battery feedstock and engineering, procurement, and construction firms. LiB Recycling has passed to Hannans the benefit of these relationships, discussions and initiatives and responsibility for the carriage of these matters is now the sole responsibility of Hannans. For further information please refer to the Annual General Meeting presentation available [here](#).

Hannans recognises the opportunity for rapid growth within the European energy storage industry and it will pursue new opportunities that add value for shareholders.

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<sup>1</sup> Refer ASX release dated 30 November 2021.

MINERALS EXPLORATION

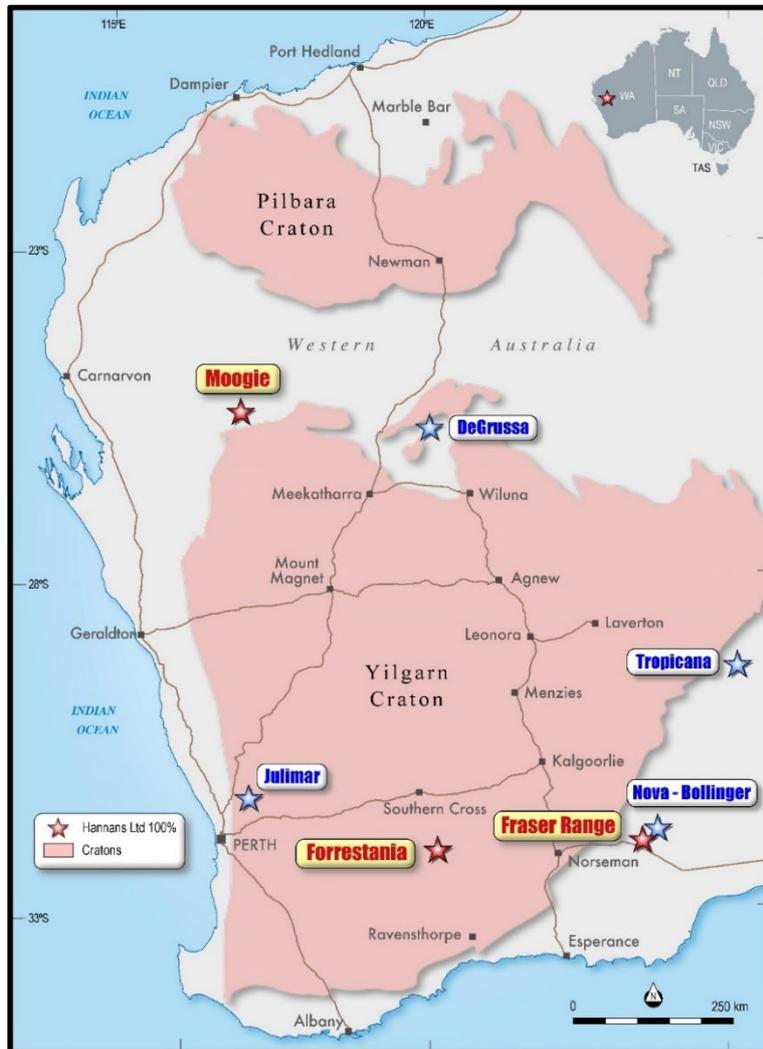


Figure 1: Map showing location of Hannans mineral exploration projects in Western Australia

**Moogie (Nickel-Copper and Copper-Gold)**

The Moogie Project is located approximately 260km north-west of Meekatharra and 300km east of Carnarvon in the East Gascoyne Region of Western Australia.

Moogie is located within the Gascoyne Province proximal to the margin with the Yilgarn and Pilbara Cratons. Such collision belts at the margin of cratons are known to host deep crustal-scale structures, favourable target sites for mineralisation. The Project hosts a significant strike length of the Cardilya Shear Zone, identified as such a deep-seated structure.

The Cardilya Shear Zone is a 2-5km wide, east-west trending shear zone which buckles and thickens at its intersection with northeast-trending Deadman Fault Zone, a second major structure transecting the Project. Hannans is currently exploring the Cardilya Shear Zone and related structures for intrusive copper-gold (Cu-Au), nickel-copper-platinum group elements (Ni-Cu-PGE), and shear hosted gold (Au) mineralisation.



## HANNANS 2nd QUARTER ACTIVITIES REPORT

An airborne electromagnetic (EM) survey<sup>2</sup> previously scheduled to commence late 2021, commenced last week. The survey is a 413 line kilometre high resolution EM and magnetic survey using the XciteTM system. The line spacing over the Breccia, Mission Bore, Minni Ritchi and Ghallangee prospects will be 200m and the line spacing for the regional part of the survey will be 400m.

Follow-up geological mapping and character-sampling in the next field season (April – October) is planned and if warranted, surface EM and reconnaissance drilling (RAB/AC/RC) will be scheduled.

### Fraser Range (Nickel-Copper)

The Fraser Range nickel-copper project is located 100km east of Norseman, in Western Australia.

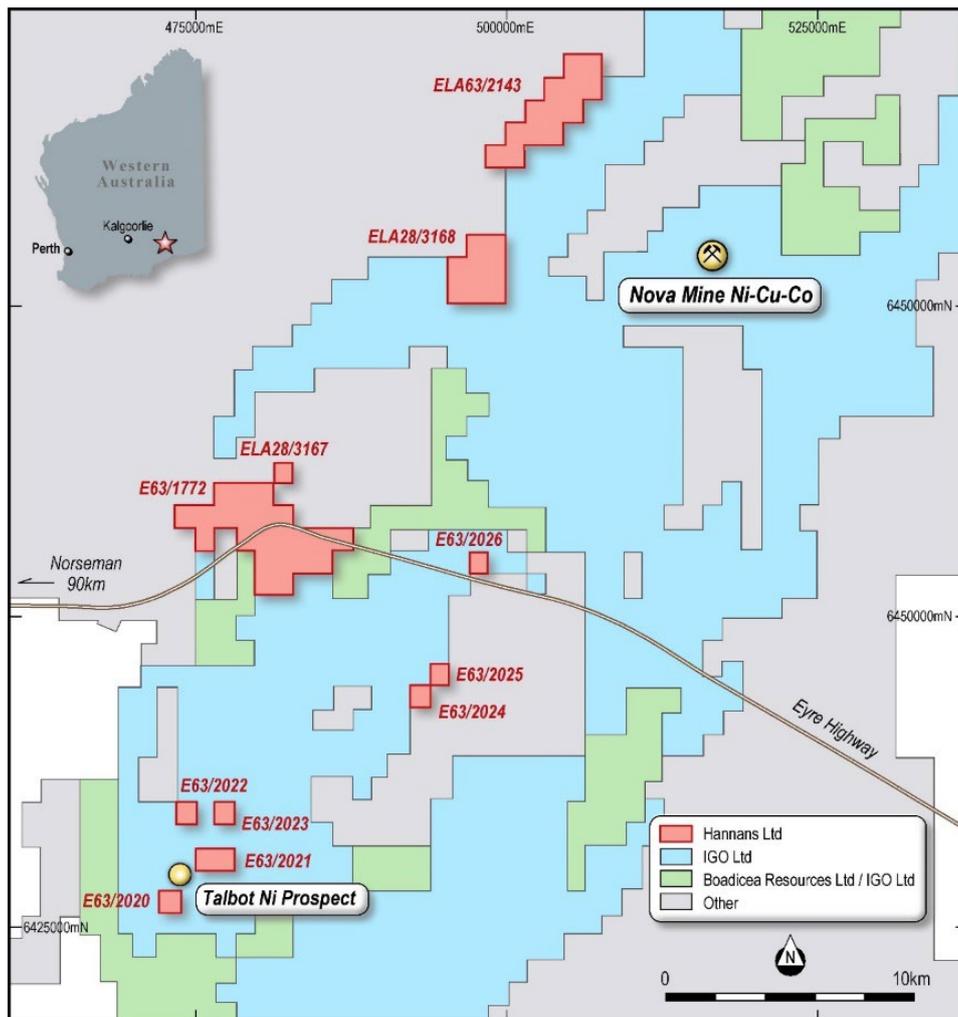


Figure 4: Location Plan of the Fraser Range Project showing the Project Tenements

All tenements within the Hannans Fraser Range Project contain host rocks/stratigraphy that are considered prospective for nickel-copper sulphide mineralisation related to mafic-ultramafic intrusions. However, the status of exploration by previous explorers remains variable and much of this potential remains to be rigorously tested, particularly considering the geological targets for nickel-copper sulphide mineralisation need not be large (i.e. there is a significant trade-off between the detail/resolution with which previous exploration has been conducted and the scale or size of a deposit).

<sup>2</sup> Refer ASX release dated 2 September 2021

## HANNANS 2nd QUARTER ACTIVITIES REPORT

Activity during the Quarter focused on a review of historic data and exploration. Acquisition of historic airborne EM data and surface EM surveying (mostly moving loop MLEM, some fixed loop FLEM) is planned this Quarter to cover several areas testing for bedrock conductors that may indicate the presence of buried massive nickel-copper sulphides. No exploration was completed by Hannans on joint venture tenement E63/1772 during the Quarter.

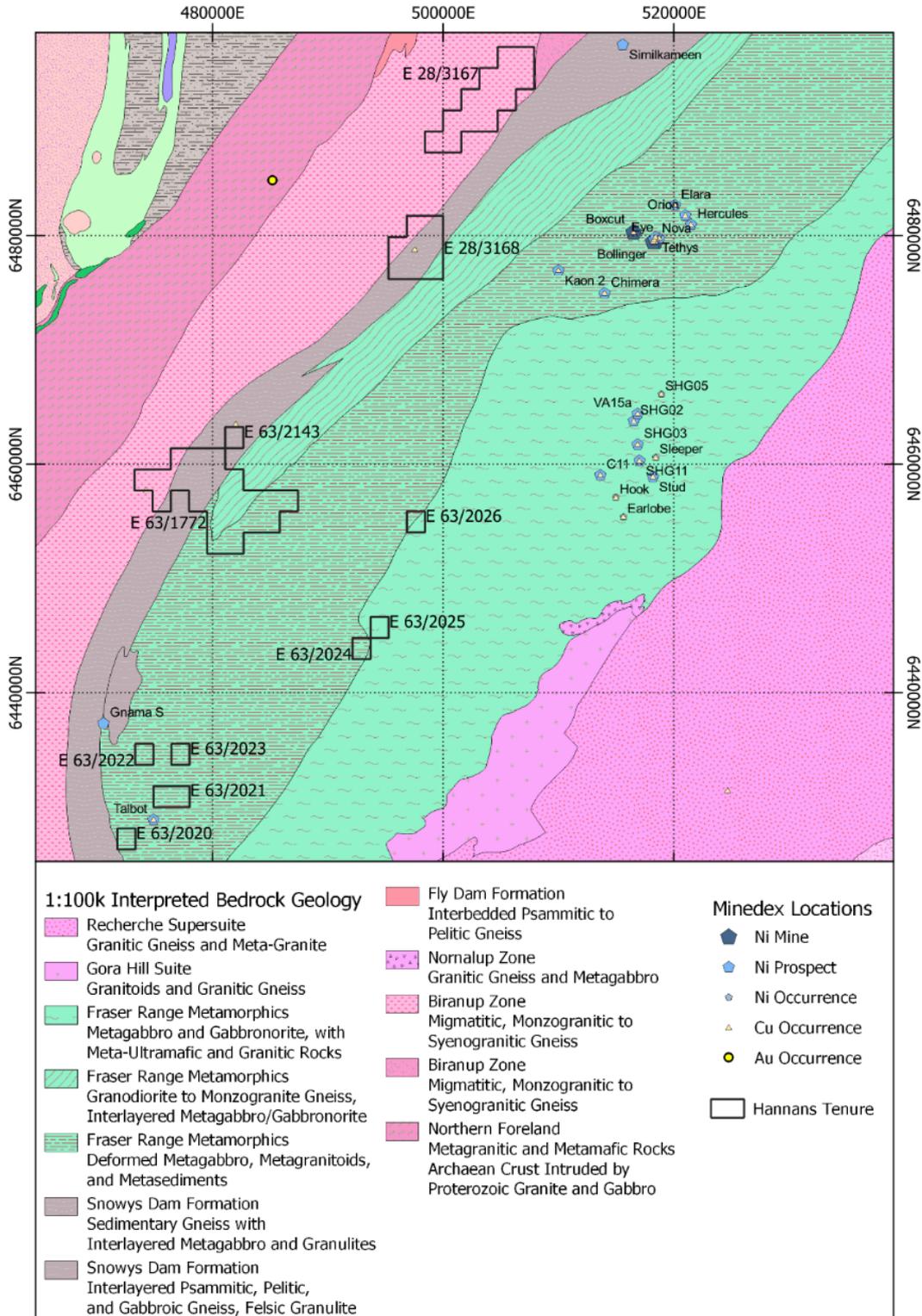
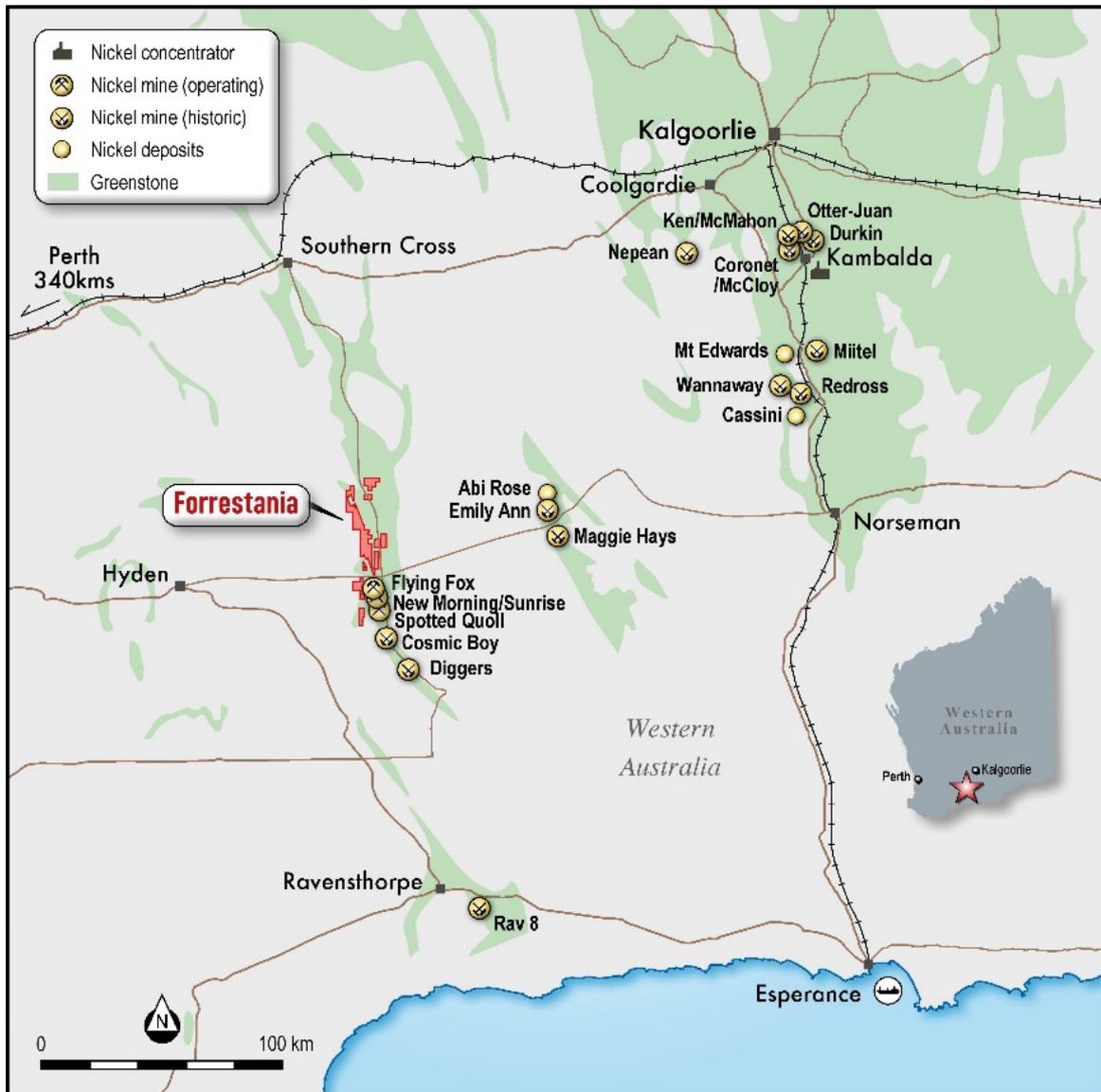


Figure 5: Local geology of the Hannans Fraser Range Project

### Forrestania (Nickel)

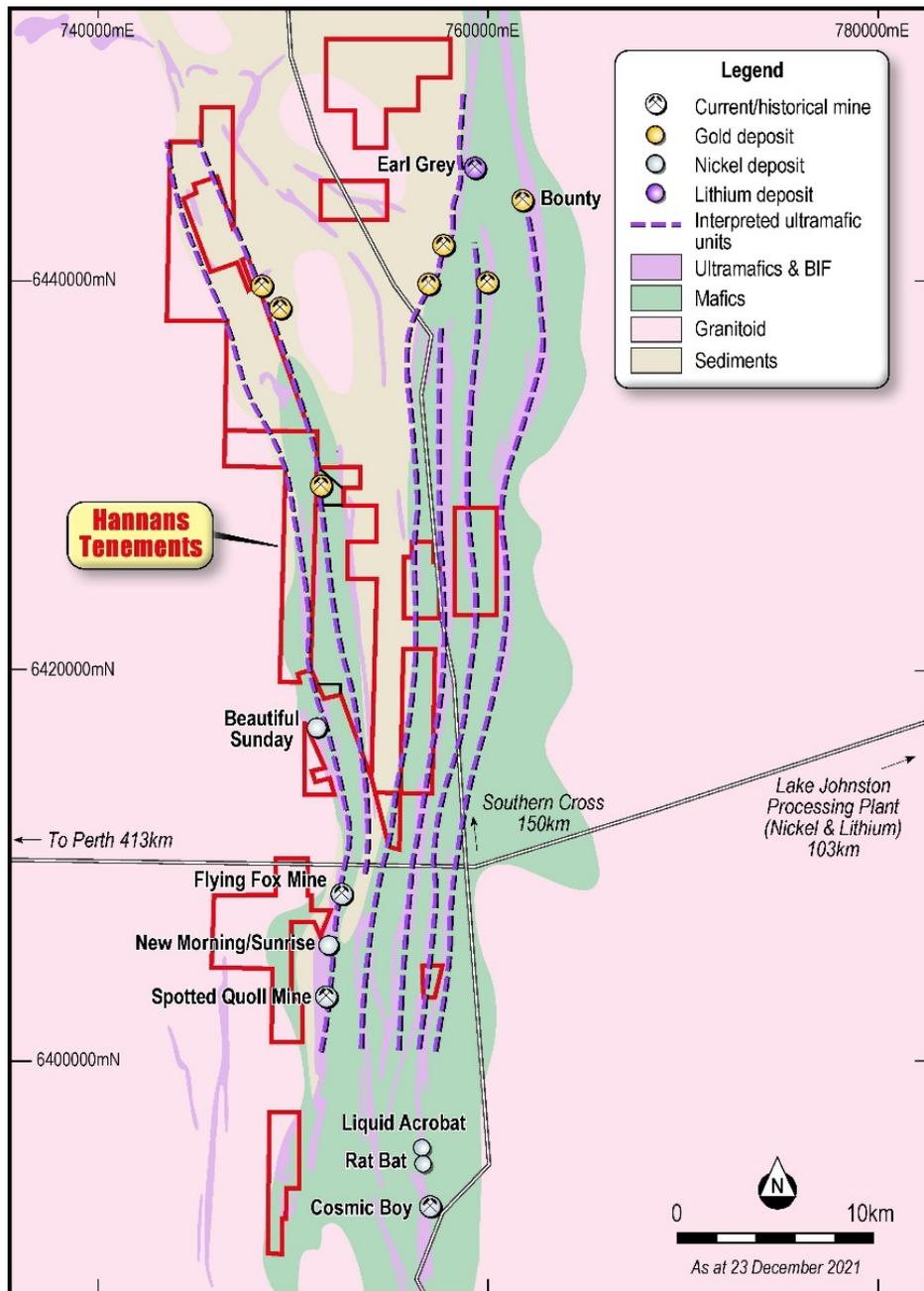
The Forrestania Nickel Project ("FNP") is located approximately 120km south of Southern Cross and 80km east of Hyden, in the Goldfields region of Western Australia.

The Project is centred on the Forrestania Greenstone Belt which hosts some of the worlds highest-grade nickel mines, as well as world-class lithium and gold deposits. The nickel sulphide endowment of its ultramafic belts is remarkable having four mines with two open pits with nickel sulphides persisting beyond 1 km depth. All the mineralised belts that host the mines, resources, and prospects at Forrestania are represented within Hannans ground package, particularly the Western Ultramafic belt that contains the highest-grade nickel deposits.



**Figure 6:** The Forrestania Project location in context of major nickel sulphide deposits of the southern Yilgarn.

A systematic process of generating and testing targets is in place for the Forrestania Project and activities during the Quarter focussed on preparations for the next phase of field activities, including ground EM over ultramafic units that are fertile for nickel sulphide mineralisation. New soil geochemistry has been planned to utilise the LabWest/CSIRO UltraFine+™ soil analysis technique.



**Forrestania (Gold)**

Joint venture partner, Classic Minerals Ltd (ASX:CLZ), is funding exploration on the Forrestania Gold Project (“FGP”). Hannans owns a 20% free-carried interest in the FGP meaning Hannans is not required to fund the costs of exploration until a decision to mine gold has been made by the joint venture. For the avoidance of doubt Hannans owns a 100% interest in all non-gold rights on the tenements including but not limited to nickel, lithium, and other metals. Hannans continues to monitor the joint venture partners exploration activities for gold.

## CORPORATE GOVERNANCE

### ASX Announcements

**Table 1:** ASX announcements during the period 1 October 2021 to 31 December 2021

Date	Announcement
7/12/2021	Notification of cessation of securities
6/12/2021	Change of Directors' Interest Notice x 5
6/12/2021	Notification regarding unquoted securities
6/12/2021	Updated Capital Structure
30/11/2021	Binding Agreement to Recycle Lithium Batteries
26/11/2021	AGM Results
26/11/2021	AGM Presentation
23/11/2021	LiB Recycling in the Nordic Region (Updated)
12/11/2021	Change of Director's Interest Notice
8/11/2021	Change of Directors' Interest Notice x 5
8/11/2021	Appendix 2A
5/11/2021	Lithium Battery Recycling in the Nordic Region
3/11/2021	Rights Issue Closed
1/11/2021	Application for quotation of securities
1/11/2021	Updated Capital Structure
31/10/2021	September 2021 Quarterly Report
31/10/2021	1st Quarter Activities Report
31/10/2021	1st Quarter Cashflow Report
27/10/2021	Rights Issue Closing Date
25/10/2021	Notice of Annual General Meeting
20/10/2021	Rights Issue Open
18/10/2021	Date of AGM and Director Nomination
12/10/2021	Neometals Commit \$1.8M to Rights Issue
11/10/2021	Proposed issue of securities
11/10/2021	Rights Issue Offer Document
11/10/2021	Cleansing Notice
11/10/2021	Fully Underwritten \$5.5M Rights Issue
8/10/2021	LiB Recycling in Europe
4/10/2021	Reinstatement to Official Quotation
4/10/2021	Expansion of LiB Recycling in Europe

### CORPORATE

#### Capital Raising

Hannans completed a fully underwritten non-renounceable rights issue that raised approximately \$5.5 Million (before costs). Shareholders subscribed for 166,883,371 new shares (76% of the total new shares on offer) and the shortfall was placed by the underwriter.

#### Issued Capital

As at 31 December 2021 the total number of shares on issue was 2,606,271,476.

#### Investments

The value of the Company's investments as of 31 December 2021 was \$370,080.

**Table 2:** Investee company portfolio

Investee Name	Number of Securities	Value
Errawarra Resources Ltd (ASX: ERW)	687,594	\$134,080
Critical Metals Ltd (Unlisted)	575,000	\$230,000
NickelX Limited (ASX: NKL)	50,000	\$6,000

#### Finance

The Company held cash and term deposits on hand as at 31 December 2021 of \$5.1 million.

**Table 3:** Proportion of expenditure incurred on exploration and the recycling project during the Quarter

Project	Expenditure (A\$'000)	Percentage (%)
Exploration	235	100.0
Recycling	Nil	0.0
<b>Total</b>	<b>235</b>	<b>100.0</b>

Related Party payments for the quarter outlined in the Quarterly Cashflow Report (Appendix 5B) at section 6.1 of \$185,000 include amounts paid to directors including salary, directors' fees, geological consulting fees and statutory superannuation.

## TENEMENT SUMMARY

### Granted Tenements

Tenement number	Interest 1st Quarter 2021/2022		Note	Tenement number	Interest 1st Quarter 2021/2022		Note
	Start	End			Start	End	
<b>HR FORRESTANIA PTY LTD <sup>1</sup></b>							
<b>Location: Forresteria, Australia</b>							
E77/2460	100%	100%	1				
<b>REED EXPLORATION PTY LTD <sup>2</sup></b>							
<b>Location: Forresteria, Western Australia</b>				<b>Location: Fraser Range, Western Australia</b>			
E77/2207-I	100%	100%	3	E63/1772	0%	0%	5
E77/2219-I	100%	100%	3	E63/2020	0%	100%	
E77/2220-I	100%	100%	3	E63/2021	0%	100%	
E77/2239-I	100%	100%	3,4	E63/2022	0%	100%	
P77/4290	100%	100%	3	E63/2023	0%	100%	
P77/4291	100%	100%		E63/2024	0%	100%	
E77/2546	100%	100%		E63/2025	0%	100%	
P77/4534	100%	100%		E63/2026	0%	100%	
<b>Location: Moogie, Western Australia</b>							
E09/2373	100%	100%					
E09/2374	100%	100%					
E09/2417	100%	100%					
E09/2460	0%	100%					
E09/2461	0%	100%					

**Note:**

- 1 HR Forresteria Pty Ltd (**HRF**) is a wholly owned subsidiary of Hannans Ltd. HRF is the registered holder of the tenements.
- 2 Reed Exploration Pty Ltd (**REX**) is a wholly owned subsidiary of Hannans Ltd. REX is the registered holder of the tenements unless indicated otherwise.
- 3 REX holds a 100% interest in all minerals excluding gold. REX holds a 20% free-carried interest in the gold rights.
- 4 REX voluntary partial surrendered 6 sub-blocks during the period.
- 5 REX may earn up to 70% interest in all minerals in accordance with the transaction terms. Kingmaker Metals Pty Ltd is the registered holder of the tenement. Refer to ASX announcement titled, "Secures Nickel Project at Fraser Range" released on 30 November 2020.

### Tenement Applications

Tenement number	Note	Tenement number	Note
<b>REED EXPLORATION PTY LTD</b>		<b>HR FORRESTANIA PTY LTD <sup>1</sup></b>	
<b>Location: Forresteria, Western Australia</b>		<b>Location: Fraser Range, Western Australia</b>	
E77/2711		E28/3167	
		E28/3168	
<b>Location: Moogie, Western Australia</b>		E63/2143	
E09/2640			
E09/2662			

**Note:**

- 1 HR Forresteria Pty Ltd (**HRF**) is a wholly owned subsidiary of Hannans Ltd. HRF is the registered holder of the tenements.

### Relinquished or Lapsed Tenements

Nil

This ASX announcement has been authorised for release by Mr Damian Hicks, Executive Director.

-End-

### COMPLIANCE STATEMENT

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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.