

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

**Name of entity**

HANNANS LTD

**ABN**

52 099 862 129

**Quarter ended ("current quarter")**

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(275)	(335)
(b) development	-	-
(c) production	-	-
(d) staff costs	(31)	(192)
(e) administration and corporate costs	(232) <sup>b</sup>	(487) <sup>b</sup>
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(531)</b>	<b>(1,000)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(1)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(4)	(95)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	1,000 <sup>a</sup>	750 <sup>a</sup>
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>996</b>	<b>654</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	125	271
3.4	Transaction costs related to issues of shares, convertible notes or options	(20)	(25)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>105</b>	<b>246</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,005	1,675
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(531)	(1,000)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	996	654
4.4	Net cash from / (used in) financing activities (item 3.10 above)	105	246
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,575</b>	<b>1,575</b>

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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	792	87
5.2 Call deposits	783	918
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,575</b>	<b>1,005</b>

a The acquisition of Reed Exploration Pty Ltd was completed on 29 September 2016. Pursuant to the agreement with Neometals Ltd, Reed Exploration Pty Ltd transferred a cash balance of \$1 million less the costs of the nickel exploration drilling completed in October 2016 with no liabilities.

b Approximately \$94,000 (Jul – Dec 2016: \$224,000) was associated with one-off transaction costs relating to implementation of the Neometals transactions and the in-specie distribution of Critical Metals Ltd.

#### 6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

6.1 Payments of Managing Director's salary, superannuation, taxes and Non-Executive Directors' fees for the quarter.

During the quarter, the Company issued shares and unlisted options in lieu of the outstanding Managing Director's salary and Non-Executive Directors' fees as approved at Hannans' shareholder meeting on 15 September 2016. Refer to ASX announcement dated 15 November 2016 for further information.

#### 7. Payments to related entities of the entity and their associates

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	–	–
8.2 Credit standby arrangements	–	–
8.3 Other (please specify)	–	–
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	340
9.2 Development	–
9.3 Production	–
9.4 Staff costs	48
9.5 Administration and corporate costs	49
9.6 Other (provide details if material)	–
<b>9.7 Total estimated cash outflows</b>	<b>437</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

## 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.



27 January 2017

Damian Hicks

Executive Director

## 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.