

HANNANS

29 March 2017

ASX & MEDIA ANNOUNCEMENT

Forrestania Project – Lithium Drilling

- ∂ Approval received to commence 3,000 metre aircore drill program targeting a geological position similar to that hosting the high grade Earl Grey lithium deposit

Hannans Ltd (ASX:HNR) advises shareholders that approval has been received to commence an aircore drilling program to assess the lithium prospectivity of the 100% owned Forrestania Project, located approximately 100kms south of Southern Cross, Western Australia (refer to Figure 1 on Page 2 for Location Map). The drill program is scheduled to commence in early April.

The Forrestania-Mt Holland lithium province has been the subject of frenetic exploration and corporate activity in recent times highlighted by:

- Kidman Resources Ltd (ASX:KDR) fast tracking exploration and development activities to bring their high grade Earl Grey lithium project closer to a decision to mine;
- Western Areas Ltd (ASX:WSA) owner of world class nickel mines, becoming a significant shareholder in Kidman following the sale and purchase of lithium rights; and
- Albamarle (NYSE:ALB) the world's biggest lithium producer reportedly considering mergers and acquisitions activities that may include Kidman Resources Ltd, amongst others.

It is noteworthy that Hannans' major shareholder (~ 43%) is Neometals Ltd (ASX:NMT) who together with its joint venture partners have commenced production at the Mt Marion lithium mine and are now focused on developing the Kalgoorlie lithium hydroxide facility. Neometals' consultant Dr Bryan Smith has planned Hannans exploration activities for lithium at Forrestania and will complete interpretation of results and reporting.

Drilling¹ will be located approximately 4km west of two granite intrusions mapped within Hannans' tenure. The high grade Earl Grey lithium deposit is located approximately 4km east of the same granite intrusions (refer to Figure 2 on page 3). This distance (i.e. 4km) appears to be the distance necessary to allow for cooling of the intruding pegmatites sourced from the granite intrusions and for differential crystallization of exotic minerals including spodumene (an important lithium mineral).

As there is minimal historic information in the immediate area of interest at Forrestania the exploration approach proposed is to use broad reconnaissance traverses of aircore drilling to help define the geology and to provide improved geochemical information.

The exploration drilling was originally planned for March 2017 however the heavy rainfall in January and February 2017 made accessing the target areas very difficult without damaging existing tracks.²

¹ Approximately 300 holes for 3,000 metres

² The Bureau of Meteorology's Seasonal Climate Summary for WA revealed summer rainfall was the highest since records began in 1900, averaging 340mm across the state, 30mm higher than the previous record set in 2010-11. The South West was marked by its heaviest rainfall since 1954-55 in late January and early February, which caused minor floods in the Perth metropolitan area and severe flooding on the south-east coast. The Perth metropolitan area received 192.8mm of rain over summer, breaking the previous record of 180mm in 1954. The average rainfall for Perth, where records have been kept for the past 144 years, is just 50.1mm.

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About Hannans Ltd

Hannans Ltd (ASX:HNR) is an exploration company with a focus on nickel, gold and lithium in Western Australia. Hannans' major shareholder is leading Australian specialty minerals company Neometals Ltd. Hannans has a strategic relationship with West Australian based mining services company Australian Contract Mining. Since listing on the ASX in 2003 Hannans has signed agreements with Vale Inco, Rio Tinto, Anglo American, Boliden, Warwick Resources, Cullen Resources, Azure Minerals, Neometals, Tasman Metals, Grängesberg Iron AB, Lovisagruvan AB and Montezuma Mining Company Ltd. Shareholders at various times since listing have included Rio Tinto, Anglo American, OM Holdings, Craton Capital and BlackRock. For more information, please visit www.hannansreward.com.

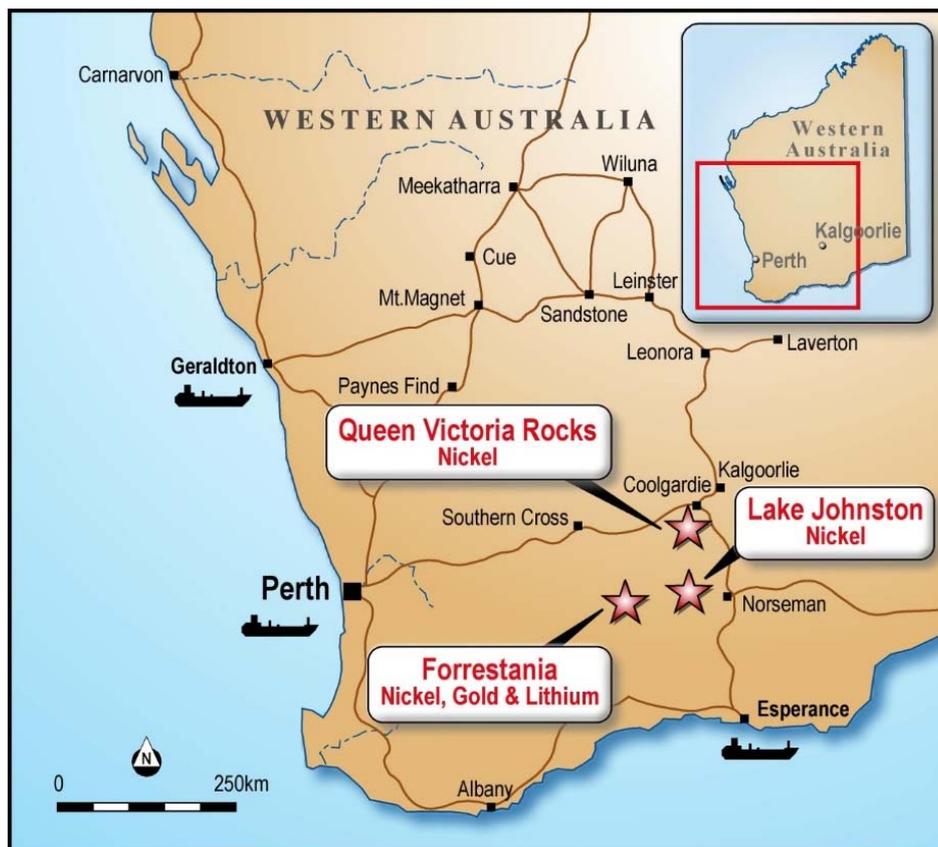


Figure 1: Location Map showing Hannans' Forrestania Project and Queen Victoria Rocks Project and Lake Johnston Joint Venture Project (Hannans free-carried)

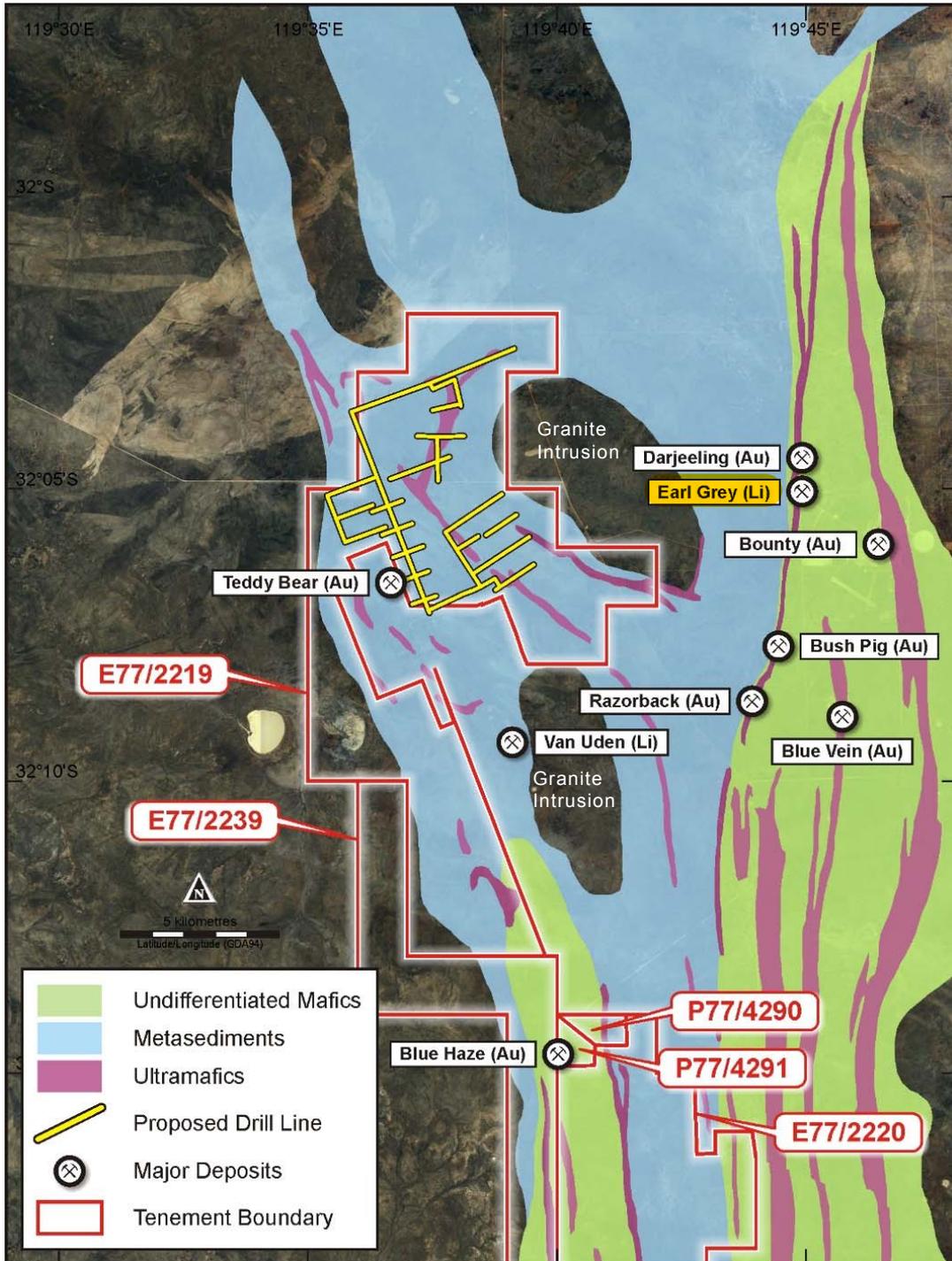


Figure 2: Yellow grid lines show the existing tracks which Hannans plans to use to complete its airborne drilling program creating the least possible ground disturbance.