

HANNANS

31 May 2017

ASX & MEDIA ANNOUNCEMENT

Forrestania – Lithium Drilling Completed

- ∅ 240 holes for a total of 3,093 metres of aircore drilling completed; an additional 50 historic holes located in the field will also be sampled
- ∅ Drilling targeted a geological position similar to that hosting the high-grade Earl Grey lithium deposit
- ∅ Pegmatite rocks (prospective for lithium mineralisation) were intersected in a number of holes within the targeted alteration zone

Hannans Ltd (ASX:HNR) advises shareholders it has now completed the 1st phase of aircore drilling assessing 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).

It is noteworthy that the Forrestania-Mt Holland lithium province has been the subject of frenetic exploration, corporate and legal activity in recent times¹.

Hannans' recently completed drilling intersected a range of rock units including pegmatite rocks (prospective for lithium mineralisation) within the targeted alteration zone. Samples will now be submitted for analysis and interpretation.

Drilling was 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).

The exploration approach being implemented by Hannans comprises broad reconnaissance aircore drilling programs to help define the geology and to provide improved geochemical information. It is highly likely that the results of this 1st phase of drilling will lead to a 2nd phase of reconnaissance aircore drilling next Quarter.

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¹ 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; Albamarle (NYSE:ALB) the world's biggest lithium producer reportedly considering mergers and acquisitions activities that may include Kidman Resources Ltd, amongst others; and Marindi Metals Ltd (ASX:MZN) claim against Kidman Resources relating to lithium rights at the Mount Holland Project which is currently before the Supreme Court of Western Australia

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' Forresteria Project and Queen Victoria Rocks Project and Lake Johnston Joint Venture Project (Hannans free-carried)

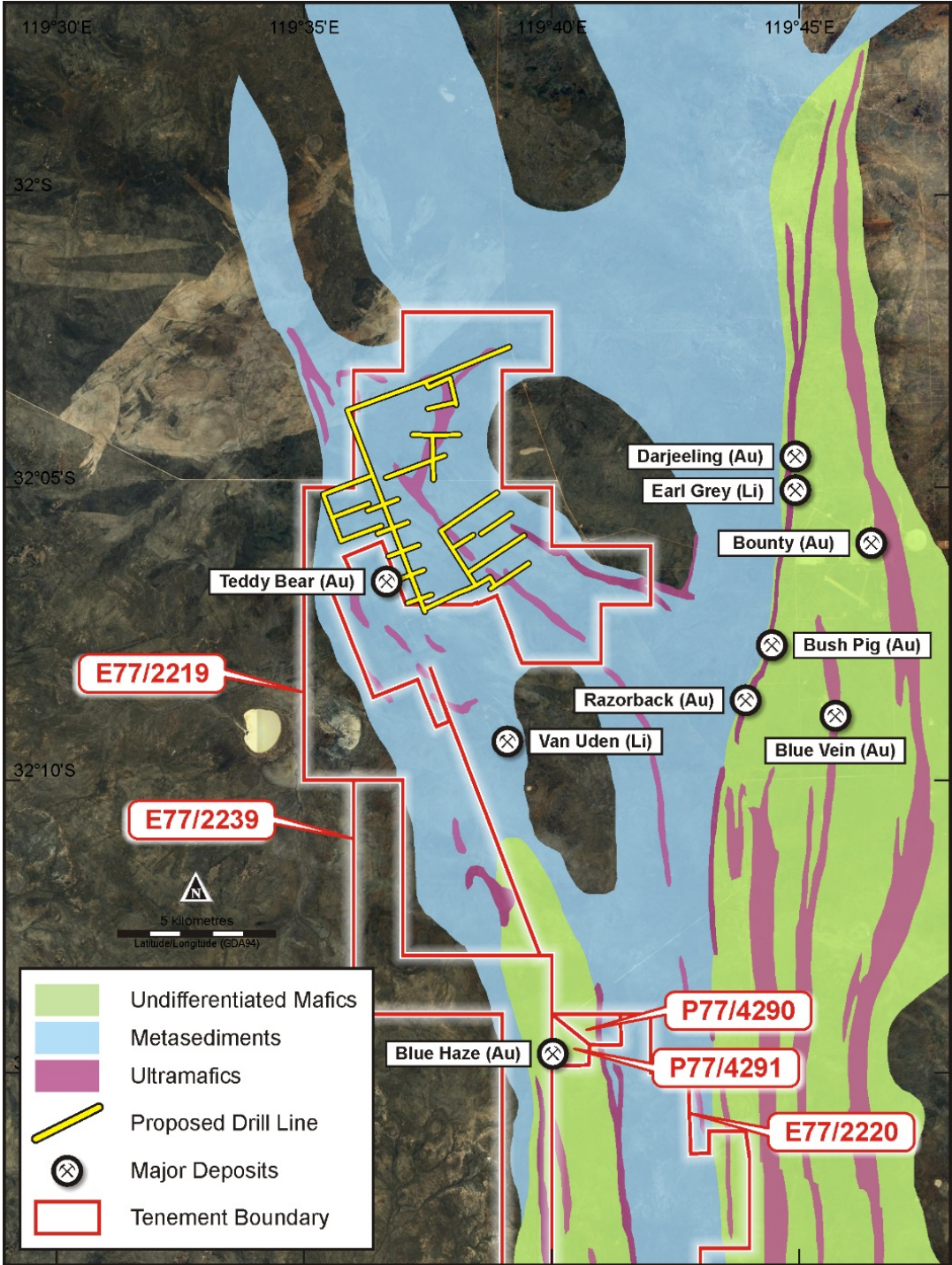


Figure 2: Yellow grid lines show the existing tracks which Hannans plans to use to complete its aircore drilling program creating the least possible ground disturbance.