

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

HANNANS LTD

ABN

20 119 323 385

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(260)	(918)
(b) development	-	-
(c) production	-	-
(d) staff costs	(43)	(279)
(e) administration and corporate costs	(49)	(632) ^a
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	82
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)	-	-
1.9 Net cash from / (used in) operating activities	(346)	(1,747)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(1)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	(1)	(1)
(b) tenements (see item 10)	300 ^b	600
(c) investments	–	–
(d) other non-current assets	–	–
2.3 Cash flows from loans (to) / from other entities	95 ^d	–
2.4 Dividends received (see note 3)	–	–
2.5 Other (provide details if material)	–	750 ^c
2.6 Net cash from / (used in) investing activities	394	1,348
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		–
3.2 Proceeds from issue of convertible notes	–	–
3.3 Proceeds from exercise of share options	–	271
3.4 Transaction costs related to issues of shares, convertible notes or options	–	(7)
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	–	264
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,492	1,675
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(346)	(1,747)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	394	1,348
4.4 Net cash from / (used in) financing activities (item 3.10 above)	–	264
4.5 Effect of movement in exchange rates on cash held	–	–
4.6 Cash and cash equivalents at end of period	1,540^a	1,540^a

+ See chapter 19 for defined terms.

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	840	792
5.2 Call deposits	700	700
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)	1,540	1,492

- a. Approximately \$224,000 (Jul – Dec 2016) was associated with one-off transaction costs relating to implementation of the Neometals transactions and the in-specie distribution of Critical Metals Ltd.
- b. On 30 May 2017 Hannans received \$300,000 from Mine Builder Pty Ltd as second payment for the acquisition of the North Ironcap Gold Rights.
- c. The in-specie distribution of Critical Metals was completed on 27 September 2016. Critical Metals was funded with Hannans' cash reserve \$250,000. The acquisition of Reed Exploration Pty Ltd was completed on 29 September 2016. Pursuant to the agreement with Neometals Ltd, Reed Exploration Pty Ltd was transferred to Hannans with a cash balance of \$1 million less the costs of the nickel exploration drilling completed in October 2016 with no liabilities.
- d. In June 2017, Critical Metals Ltd fully repaid the outstanding loan of \$94,542.

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

Current quarter \$A'000
43
–

Directors' salaries, fees and entitlements

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

Current quarter \$A'000
–
–

N/A

8. Financing facilities available

Add notes as necessary for an understanding of the position

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.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	–	–
8.2	–	–
8.3	–	–

N/A

9. Estimated cash outflows for next quarter**\$A'000**

9.1 Exploration and evaluation

9.2 Development

9.3 Production

9.4 Staff costs

9.5 Administration and corporate costs

9.6 Other (provide details if material)

9.7 Total estimated cash outflows

117

–

–

74

189

–

380**10. Changes in tenements**
(items 2.1(b) and 2.2(b)
above)**Tenement reference and
location****Nature of interest****Interest at
beginning of
quarter****Interest at
end of
quarter**10.1 Interest in mining
tenements and
petroleum tenements
lapsed, relinquished or
reduced

N/A

N/A

N/A

N/A

10.1 Interests in mining
tenements and
petroleum tenements
acquired or increased

N/A


N/A

N/A

N/A

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.

Sign here: 
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Director

Date: 28 July 2017

Print name: Damian Hicks

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.