

HANNANS

19 September 2017

ASX & MEDIA ANNOUNCEMENT

Forrestania Lithium Project

- ◊ **2nd phase of exploration for lithium to commence this week**
- ◊ **Drilling will target a geological position similar to that hosting the Earl Grey lithium deposit**

Hannans Ltd (ASX:HNR) advises shareholders that the 2nd phase of exploration 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) will commence this week.

Hannans' Forrestania Lithium Project adjoins tenure held by SQM¹, Kidman Resources Ltd (ASX:KDR) and Western Areas Ltd (ASX:WSA). Drilling 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 2). This distance (i.e. 4km) appears to be the distance necessary to allow for cooling of the pegmatites sourced from the granite and for differential crystallization of exotic minerals including spodumene (an important lithium mineral).

Hannans 1st phase of exploration successfully identified two anomalous geochemical trends approximately 4 km from the interpreted granite². This 2nd phase of exploration will comprise six traverses of rotary air blast (RAB) drilling (approximately 3,000 metres) across the 1st phase anomalies to validate them. Drill holes will terminate at the interface of the softer weathered (oxidised) rock and the hard fresh rock (expected average depth 50 metres). Samples will only be taken from the last four metres of each drill hole, as this is the most reliable zone to assess whether the fresh rock contains pegmatites hosting lithium.

If assay results are encouraging, the 3rd phase of exploration will comprise reverse circulation (RC) drilling (expected average depth 150m) to penetrate the fresh rock to obtain an understanding of the thickness and grade of any lithium bearing pegmatites.

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About Hannans Ltd (Est. 2002)

Hannans Ltd (ASX:HNR) is an Australia resources company with a focus on nickel, lithium, cobalt and gold 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, Scandinavian Resources, Warwick Resources, Cullen Resources, Azure Minerals, Neometals, Tasman Metals, Grängesberg Iron, Lovisagruvan and Montezuma Mining Company. 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.

¹ SQM (NYSE:SQM), is the world's largest lithium producer with revenue in the 12 months to 31 March 2017: of USD2.1 billion.

² Refer ASX release by Hannans dated 31 July 2017.

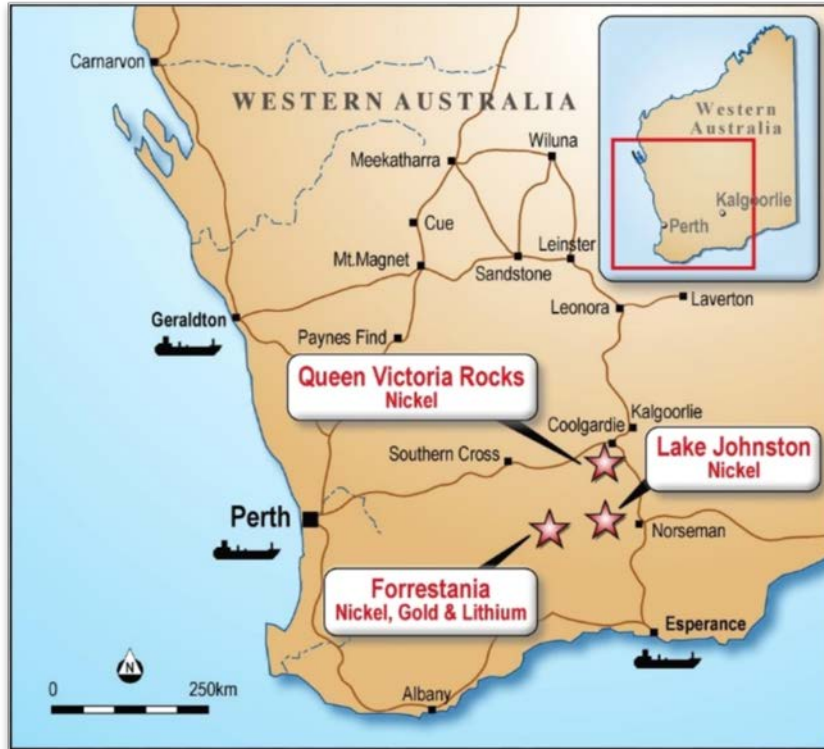


Figure 1: Location Map showing Hannans' Forrestania Project and Queen Victoria Rocks Project and Lake Johnston Joint Venture Project (Hannans free-carried)

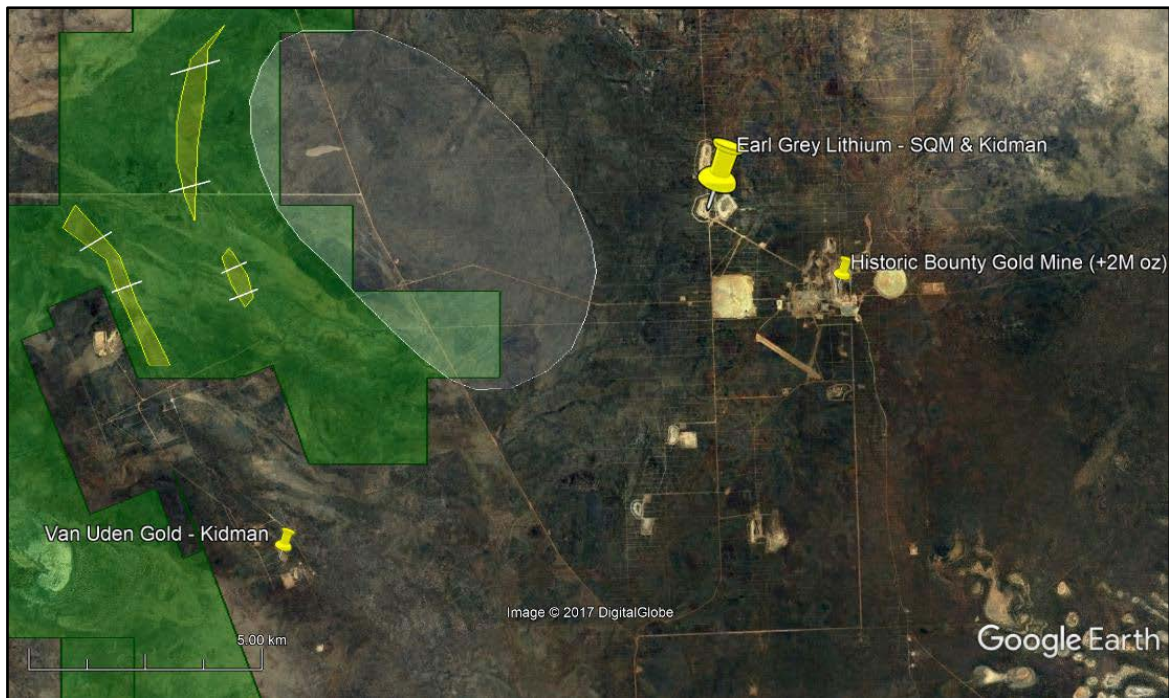


Figure 2: The green tenements are owned 100% by Hannans. SQM and Kidman Resources are developing a lithium mine and concentrator at Earl Grey. The white shaded ellipse is interpreted to be the granite source for the pegmatites hosting the high-grade lithium at Earl Grey. The yellow polygons are the surface geochemical anomalies generated by Hannans in its 1st phase of exploration. The white lines that cross the anomalies represent the six traverses that Hannans plans to drill in its 2nd phase of exploration.

Competent Person

The information in this document that relates to exploration results at Forrestania is based on information compiled by Dr Bryan Smith, a Competent Person who is a Member of the Australian Institute of Geoscientists. Dr Smith is a consultant to Hannans Ltd and its subsidiary companies. Dr Smith 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). Dr Smith consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.