
HANNANS LTD

ACN 099 862 129

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10.00am

DATE: Friday, 27 October 2017

PLACE: The Kings Park Room (Level 1)
Quest West Perth
54 Kings Park Road
West Perth WA 6005

The Hannans 2017 Annual Report can be viewed at www.hannansreward.com

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4pm on 25 October 2017.

CONTENTS

Glossary	1
Business of the Meeting (setting out the proposed Resolutions)	2
Explanatory Statement (explaining the proposed Resolutions)	4
Schedule 1 – Terms and conditions of Related Party Options	9
Schedule 2 – Valuation of Related Party Options	10
Schedule 3 – Issues of Equity Securities since 27 October 2016 (only if issue of options proceed)	11
Proxy Form	Attached

IMPORTANT INFORMATION

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in

- accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9324 3388.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in Section 5.1.

Annual General Meeting or Meeting means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Hannans Ltd (ACN 099 862 129).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or Notice of Meeting means this notice of meeting including the Explanatory Statement and the Proxy Form.

Options means an option to acquire a Share.

Optionholder means a holder of an Option.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Related Party Option means an Option on the terms and conditions set out in Schedule 1.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2017.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A.2.

WST means Western Standard Time as observed in Perth, Western Australia.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2017."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – DAMIAN HICKS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Damian Hicks, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MARKUS BACHMANN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Markus Bachmann, a Director, retires by rotation, and being eligible, is re-elected as a Director."

5. RESOLUTION 4 – ELECTION OF DIRECTOR – AMANDA SCOTT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Amanda Scott, a Director who was appointed as an additional Director on 29 November 2016, retires, and being eligible, is elected as a Director."

Voting Exclusion applicable to Resolution 5 to 9

The Company will disregard any votes cast on Resolution 5 to 9 by any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, and any associates of those Directors (**Resolution 5 to 9 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 5 to 9 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement applicable to Resolution 5 to 9

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 5 to 9 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 5 – ISSUE OF RELATED PARTY OPTIONS – DAMIAN HICKS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 5, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 42,000,000 Related Party Options to Damian Hicks (or his nominee) under the Company's Directors' Equity Plan on the terms and conditions set out in the Explanatory Statement."

7. RESOLUTION 6 – ISSUE OF RELATED PARTY OPTIONS – JONATHAN MURRAY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 6, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 10,500,000 Related Party Options to Jonathan Murray (or his nominee) under the Company's Directors' Equity Plan on the terms and conditions set out in the Explanatory Statement."

8. RESOLUTION 7 – ISSUE OF RELATED PARTY OPTIONS – MARKUS BACHMANN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 7, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 10,500,000 Related Party Options to Markus Bachmann (or his nominee) under the Company's Directors' Equity Plan on the terms and conditions set out in the Explanatory Statement."

9. RESOLUTION 8 – ISSUE OF RELATED PARTY OPTIONS – CLAY GORDON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 8, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 10,500,000 Related Party Options to Clay Gordon (or his nominee) under the Company's Directors' Equity Plan on the terms and conditions set out in the Explanatory Statement."

10. RESOLUTION 9 – ISSUE OF RELATED PARTY OPTIONS – AMANDA SCOTT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 9, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 10,500,000 Related Party Options to Amanda Scott (or her nominee) under the Company's Directors' Equity Plan on the terms and conditions set out in the Explanatory Statement."

11. RESOLUTION 10 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

12. RESOLUTION 11 – PLACEMENT – SHARES

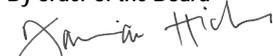
To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares, when multiplied by the issue price, will raise up to \$2,000,000 on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated: 27 September 2017

By order of the Board



Damian Hicks

Executive Director

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2017 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.hannansreward.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the

remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – DAMIAN HICKS

3.1 General

ASX Listing Rule 14.4 provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled not to be subject to re-election.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Damian Hicks, who has served as a Managing Director since 2007 became the Executive Director on 29 November 2016 and was last re-elected on 27 November 2006, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Hicks was a founding Director of Hannans Limited in 2002. Mr Hicks graduated from the University of Western Australia with a

Bachelor of Commerce (Accounting and Finance) in 1992 and was admitted as a Barrister and Solicitor of the Supreme Court of Western Australia in 1999. Mr Hicks holds a Graduate Diploma in Applied Finance & Investment from FINSIA, a Graduate Diploma in Company Secretarial Practice from Chartered Secretaries Australia and is a Graduate of the Australian Institute of Company Directors.

During the past 3 years Mr Hicks did not served as a director of other listed companies.

3.3 Independence

If elected the board considers Mr Hicks will be a non-independent director.

3.4 Board recommendation

The Board supports the re-election of Damian Hicks and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MARKUS BACHMANN

4.1 General

ASX Listing Rule 14.4 provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled not to be subject to re-election.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Markus Bachmann, who has served as a director since 2012 and was last re-elected on 21 November 2014, retires by rotation and seeks re-election.

4.2 Qualifications and other material directorships

Mr Bachmann was appointed a director of Hannans in 2012. He graduated with Honours ("cum laude") from the University of Berne, Switzerland and began his corporate finance career in 1993. In 2003, Mr Bachmann was founding partner of Craton Capital (cratoncapital.com) and is the Chief Executive Officer. Craton Capital

was awarded Fund Manager of the Year at the Mining Journal's "Outstanding Achievement Awards" announced in London during December 2010 for the Craton Capital Precious Metal Fund. The award is the most prestigious fund award in the mining industry.

In 2001, Mr Bachmann was Senior Portfolio Manager with Coronation Fund Managers in Cape Town when it was awarded the Standard & Poor's Award for Manager of the Best Performing Large Cap Equity Unit Trust in South Africa.

During the past 3 years Mr Bachmann did not served as a director of other listed companies.

4.3 Independence

If elected the board considers Mr Bachmann will be a non-independent director.

4.4 Board recommendation

The Board supports the re-election of Markus Bachmann and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – ELECTION OF DIRECTOR – AMANDA SCOTT

5.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Amanda Scott, having been appointed by other Directors on 29 November 2016 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

5.2 Qualifications and other material directorships

Ms. Scott was appointed a director Hannans in 2016 has been the Exploration Manager for Hannans and its subsidiary companies in

Australia and Sweden since 2008. Ms. Scott played an integral role in the development of the Company's nickel, gold, iron and manganese portfolio in Western Australia, is credited with the discovery of high grade iron mineralisation at the Jigalong Project and has extensive exploration experience in northern Scandinavia. Ms Scott is founder of Scott Geological AB. She also holds a Bachelor of Science (Geology) from Victoria University of Wellington, and is a Member of the Australian Institute of Mining & Metallurgy.

During the past 3 years Ms Scott did not served as a director of other listed companies.

5.3 Independence

If elected the board considers Ms Scott will be a non-independent director.

5.4 Board recommendation

The Board supports the re-election of Ms Scott and recommends that Shareholders vote in favour of Resolution 4.

6. RESOLUTION 5 TO 9 – ISSUE OF RELATED PARTY OPTIONS

6.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 84,000,000 options (**Related Party Options**) to each of Messrs Damian Hicks, Jonathan Murray, Markus Bachmann, Clay Gordon and Ms Amanda Scott (together, the **Related Parties**) Options pursuant to the Directors' Equity Plan (**the Plan**) on the terms and conditions set out below.

The Directors, being Messrs Damian Hicks, Jonathan Murray, Markus Bachmann, Clay Gordon and Ms Amanda Scott, are all entitled to participate in the Plan.

The vesting dates and exercise prices attaching to the Related Party Options are set out in Schedule 1.

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Options constitutes the giving of a financial benefit and Messrs Damian Hicks, Jonathan Murray, Markus Bachmann, Clay Gordon and Ms Amanda Scott are related parties of the Company by virtue of being directors of the Company.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

It is the view of the Directors that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Related Party Options to the Related Parties.

6.2 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of the Related Party Options to the Related Parties:

- (a) the related parties are Messrs Damian Hicks, Jonathan Murray, Markus Bachmann, Clay Gordon and Ms Amanda Scott and they are related parties by virtue of being Directors;
- (b) the maximum number of Related Party Options to be issued to the Related Parties (or their nominees) is:
 - (i) 42,000,000 Related Party Options to Damian Hicks;
 - (ii) 10,500,000 Related Party Options to Jonathan Murray;
 - (iii) 10,500,000 Related Party Options to Markus Bachmann;

- (iv) 10,500,000 Related Party Options to Clay Gordon; and
- (v) 10,500,000 Related Party Options to Amanda Scott;

- (c) the Related Party Options will be issued on the terms and conditions as set out in Schedule 1;
- (d) no loan will be provided to the Related Parties with respect to the Related Party Options;
- (e) no Related Party Options have previously been issued under the Plan. The Plan was previously approved by Shareholders on 15 September 2016;
- (f) the Related Party Options will be issued to the Eligible Participants no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;
- (g) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (h) the terms and conditions of the Related Party Options are set out in Schedule 1 and will each convert into one (1) Share upon exercise;
- (i) the value of the Related Party Options and the pricing methodology is set out in Schedule 2;
- (j) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related party	Shares	Options (unlisted)
Damian Hicks	6,416,667	Nil
Jonathan Murray	9,736,629	4,737,500
Markus Bachmann	63,797,917	4,197,917
Clay Gordon	Nil	Nil
Amanda Scott	1,260,001	8,500,000

- (k) the amounts paid from the Company to the Related Parties and their associates for the previous two financial years are set out below.

Related party	2017 (A\$)	2016 (A\$)
Damian Hicks	120,000	120,000
Jonathan Murray	12,000	12,000
Markus Bachmann	12,000	12,000
Clay Gordon	9,000	Nil
Amanda Scott	7,000	115,489

- (l) if the maximum number of Related Party Options are issued to the Related Parties are exercised, a total of 84,000,000 Shares would be issued. This will increase the number of Shares on issue from 1,682,640,560 to 1,766,640,560 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 4.75% comprising of the following:

Related party	Related Party Options	Dilution %
Damian Hicks	42,000,000	2.38%
Jonathan Murray	10,500,000	0.59%
Markus Bachmann	10,500,000	0.59%
Clay Gordon	10,500,000	0.59%
Amanda Scott	10,500,000	0.59%

(m) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price (cents)	Date
Highest	0.022	5 Oct 2016
Lowest	0.009	14 Jun 2017
Last	0.014	20 Sep 2017

- (n) the primary purpose of the grant of the Related Party Options to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;
- (o) the Board recommends that Shareholders vote in favour of Resolutions 5 to 9 for the reasons set out in paragraph (m);
- (p) Damian Hicks declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 6 to 9, Mr Hicks recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- (q) Jonathan Murray declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolution 5 and Resolutions 7 to 9, Mr Murray recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);

- (r) Markus Bachmann declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 5 to 6 and Resolutions 8 to 9, Mr Bachmann recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- (s) Clay Gordon declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 5 to 7 and Resolution 9, Mr Gordon recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- (t) Amanda Scott declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 5 to 8, Ms Scott recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- (u) in forming their recommendations, each Director considered the experience of each other Related Party, the existing and proposed contribution of each Related Party to the Company and the current market practices when determining the number of Related Party Options to be issued; and
- (v) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 5 to 9.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Related Party Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

7. RESOLUTION 10 – APPROVAL OF 10% PLACEMENT CAPACITY

7.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$23,556,968 (based on the number of Shares on issue and the closing price of Shares on the ASX on 20 September 2017).

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one (1) class of quoted Equity Securities on issue, being the Shares (ASX Code: HNR).

If Shareholders approve Resolution 10, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

Resolution 10 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 10 for it to be passed.

7.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution:

Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 5.2(a)(i), the date on which the Equity Securities are issued.

Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 10 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the market price of Shares and the number of Equity Securities on issue as at 20 September 2017.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)

	Dilution			
	Issue Price (per Share)	\$0.007 50% decrease in Issue Price	\$0.013 Issue Price	\$0.020 50% increase in Issue Price
1,682,640,560 (Current Variable A)	Shares issued – 10% voting dilution	168,264,056 Shares	168,264,056 Shares	168,264,056 Shares
	Funds raised	\$1,177,848	\$2,187,433	\$3,365,281
2,523,960,840 (50% increase in Variable A)	Shares issued – 10% voting dilution	252,396,084 Shares	252,396,084 Shares	252,396,084 Shares
	Funds raised	\$1,766,773	\$3,281,149	\$5,047,922
3,365,281,120 (100% increase in Variable A)	Shares issued – 10% voting dilution	336,528,112 Shares	336,528,112 Shares	336,528,112 Shares
	Funds raised	\$2,355,697	\$4,374,865	\$6,730,562

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table uses the following assumptions:

- There are currently 1,682,640,560 Shares on issue. This does not take into account the shareholder approval required for Resolution 11;
- The issue price set out above is the closing price of the Shares on the ASX on 20 September 2017.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The Company issued 3,276,957 fully paid ordinary shares in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an

acquisition), continued exploration expenditure on the Company's current assets and general working capital etc; or

- as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

Allocation policy under the 10% Placement Capacity

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- the purpose of the issue;
- alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

Previous approval under ASX Listing Rule 7.1A

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 25 November 2016 (Previous Approval).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 27 October 2016, the Company issued a total of 55,682,805 Shares and 21,155,848 Options which represents approximately 4.54% of the total diluted number of Equity Securities on issue in the Company on 27 October 2016, which was 1,694,253,588 Shares.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 3.

Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- the information required by Listing Rule 3.10.5A for release to the market.

7.3

Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 10.

8. RESOLUTION 11 – PLACEMENT – SHARES

8.1 General

Resolution 11 seeks Shareholder approval for the issue of up to that number of Shares, when multiplied by the issue price, will raise up to \$2,000,000 (Placement).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 11 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

8.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$2,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be not less than 80% of the volume weighted average price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the securities were recorded before the date the prospectus is signed;
- (d) the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Placement towards exploration in Western Australia and ongoing working capital.

8.3 Dilution

The volume weighted average price for Shares on the 5 days on which sales in Shares were recorded before 20 September 2017 was \$0.013. The lowest issue price (ie maximum discount) of not less than 20% of this volume weighted average price would be \$0.011 per Share.

Accordingly, set out below is a worked example of the number of Shares that may be issued under Resolution 11 based on an assumed issue price of \$0.011, \$0.012 and \$0.013.

Assumed issue price	Maximum number of Shares which the Company could issue (rounded up to the nearest whole number) pursuant to Resolution 11	Current Shares on issue as at the date of this Notice	Increase in the number of Shares on issue assuming the Company issued the maximum amount pursuant to Resolution 11	Dilution effect on existing Shareholders
\$0.011	181,818,182	1,682,640,560	1,864,458,742	9.75%
\$0.012	166,666,667	1,682,640,560	1,849,307,227	9.01%
\$0.013	153,846,154	1,682,640,560	1,836,486,714	8.38%

Assuming no Options are exercised or other Shares issued and the maximum number of Shares as set out in the worked example above are issued, the number of Shares on issue would increase from 1,682,640,560 (being the number of Shares on issue as at the date of this Notice) to 1,864,458,742 and the shareholding of existing Shareholders would be diluted by 9.75%.

The Company notes that the above workings are an example only and the actual issue price may differ. This will result in the maximum number of Shares to be issued and the dilution percentage to also differ.

SCHEDULE 1 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (m), the amount payable upon exercise of each Option will be as follow (**Exercise Price**):

Tranche 1: the volume weighted average sale price for the five (5) trading days before and five (5) trading days after approval by shareholders PLUS a premium of 50%.

Tranche 2: the volume weighted average sale price for the five (5) trading days before and five (5) trading days after the 1st anniversary of the approval by shareholders PLUS a premium of 50%.

Tranche 3: the volume weighted average sale price for the five (5) trading days before and five (5) trading days after the 2nd anniversary of the approval by shareholders PLUS a premium of 50%.

(c) **Vesting Dates**

Tranche 1: one third immediately;

Tranche 2: one third in twelve (12) months; and

Tranche 3: one third in twenty four (24) months.

(d) **Expiry Date**

Each Option will expire three (3) years from vesting date (**Expiry Date**).

(e) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date after the vesting conditions have been met (**Exercise Period**).

(f) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

Within 15 Business Days after the later of the following:

(i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (h)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Share issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(j) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(k) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(l) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(n) **Takeover**

All unvested options will automatically vest on receipt of a takeover offer. The exercise price for the options that vest on takeover, will be the same as the exercise price of the latest Tranche of options that vested.

(o) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 2 – VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to the Related Parties pursuant to Resolutions 5 to 9 have been valued by internal management.

Single Option values

Using the Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

Assumptions:	
Valuation date	24 August 2017
Market price of Shares	1.5 cents* as at 21 August 2017
Exercise price (Market price + 50% premium)	2.3 cents*
Expiry date (length of time from issue)	3 years
Risk free interest rate	1.95%
Volatility	100.00%
Indicative value per Related Party Option	0.8174 cents

Total Value of Related Party Options	
Total value:	\$686,616
Mr Damian Hicks	\$343,308
Mr Jonathan Murray	\$85,827
Mr Markus Bachmann	\$85,827
Mr Clay Gordon	\$85,827
Ms Amanda Scott	\$85,827

Note: The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.

* The actual deemed exercise price will be the volume weighted average sale price for the five (5) trading days before and five (5) trading days after approval by shareholders + 50% premium. Based on historical and current market trends, the Company has taken the assumption that the current market price + 50% premium is the best estimate of the exercise price.

SCHEDULE 3 – ISSUES OF EQUITY SECURITIES SINCE 27 OCTOBER 2016

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 9 Jun 2017 Appendix 3B – 12 Jun 2017	3,276,957	Shares ²	Western Diamond Drillers as part payment for drilling services	\$0.014 (premium of 40.0%)	Consideration: part payment for drilling services provided Value ⁴ = \$45,877
Issue – 13 Dec 2016 Appendix 3B – 13 Dec 2016	31,250,000	Shares ²	Exercise of Unquoted Options ³	\$0.004 (discount of 76.5%)	Amount raised = \$125,000 Amount spent = \$Nil Amount remaining = \$25,000 <u>Use of funds</u> – Exploration expenses – General working capital
Issue – 15 Nov 2016 Appendix 3B – 15 Nov 2016	21,155,848	Shares ²	Issued as payment in lieu of outstanding directors' and company secretary fees	\$0.018 (premium of 5.9%)	Consideration: payment in lieu of outstanding directors' fee as approved by shareholders at Hannans' General Meeting on 15 September 2016 Value ⁵ = \$380,806
Issue – 15 Nov 2016 Appendix 3B – 15 Nov 2016	21,155,848	Unquoted Options ³	Issued as payment in lieu of outstanding directors' and company secretary fees	Nil cash consideration (free attaching to Shares on a 1:1 basis)	Consideration: free attaching to shares on a 1:1 basis Option value ⁶ = \$189,176

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: HNR (terms are set out in the Constitution).
3. Unquoted Options, exercisable at \$0.027 each, on or before 15 September 2020. The full terms and conditions were disclosed in the notice of meeting for the shareholder meeting held on 15 September 2016.
4. In respect of quoted Equity Securities the value is based on the deemed issued price of the Shares \$0.014 (VWAP 5 working days prior to the issue of shares).
5. In respect of quoted Equity Securities the value is based on the deemed issued price of the Shares \$0.018 pursuant to the terms and conditions disclosed in the notice of meeting for the shareholder meeting held on 15 September 2016.
6. The Unlisted Options issued is allocated a separate value based on the Black Scholes model. Note that the values noted in the valuations are not necessarily the market price that the Unlisted Options could be traded and is not automatically the market price for taxation purposes.
7. In respect of quoted Equity Securities the value is based on the deemed issued price of the Shares \$0.03 pursuant to the term sheet executed on 4 March 2016 between the Company and Neometals Ltd.

PROXY FORM

HANNANS LTD
ACN 099 862 129

ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR:

the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10:00am, on Friday, 27 October 2017 at The Kings Park Room (Level 1), Quest West Perth, 54 Kings Park Road, West Perth, WA, 6005, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Damian Hicks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Markus Bachmann	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Director – Amanda Scott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Related Party Options – Damian Hicks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Related Party Options – Jonathan Murray	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Related Party Options – Markus Bachmann	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Related Party Options – Clay Gordon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Related Party Options – Amanda Scott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Placement – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is:

_____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

Consent for contact by e-mail in relation to this Proxy Form:

YES NO

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Hannans Ltd, PO Box 1227, West Perth, WA 6872; or
 - (b) email to the Company at admin@hannansreward.com,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.
