

HANNANS

16 October 2017

Mr Chris Hesford
ASX Listings Compliance
Level 40, Central Park
152/158 St Georges Terrace
Perth WA 6000

Dear Mr Hesford

We confirm the strong rise in price and volume of trading in Hannans shares on ASX. Hannans is not aware of any information that has not been released to the market that could explain the recent strong trading. Hannans is compliant with the Listing Rules and Listing Rule 3.1. We do believe however it's important to acknowledge the following:

Forrestania Lithium Project (100%)

Hannans' Forrestania Lithium Project adjoins tenure held by SQM (the world's largest producer of lithium) and Kidman Resources Ltd (ASX:KDR). Hannans has initiated two drilling programs (RAB) targeting lithium at Forrestania and subject to receipt of further encouraging results, anticipates a third drilling program (RC) starting later this Quarter. Drilling will be located approximately 4km west of 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 Figures 1 and 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 lithium minerals.

Forrestania Nickel Project (100%)

Hannans' Forrestania Nickel Project adjoins tenure held by Western Areas Ltd (ASX:WSA), owner of the world class Flying Fox and Spotted Quoll nickel sulphide mines. Hannans tenure covers approximately 10kms of the interpreted northern extension of the western ultramafic unit that hosts Flying Fox and Spotted Quoll. With global investors focus very much on battery metals certain commentators believe that nickel prices stand most to gain from the rapid growth of electric vehicles. Forrestania is a world class nickel province and Hannans is seeking a joint venture partner to unlock the potential of its 100% owned project.

Forrestania Gold Project (20% free-carried interest to DTM)

Hannans owns a 20% interest in the gold rights on tenements currently the subject of a 13,000m drilling program (RC/diamond) aimed at increasing the existing JORC compliant mineral resource.

Merger & Acquisition

Hannans announced at the 2016 AGM its aim to develop into a West Australian mining company via exploration success, acquisition or M&A activity – that goal remains unchanged.

My responses to your questions have been authorised and approved in accordance with Hannans published continuous disclosure policy, and as the sole Executive Director of the Company I have authority to respond to ASX on disclosure matters.

If you have any further questions please don't hesitate to contact me.

Kind regards,



Damian Hicks
Executive Director

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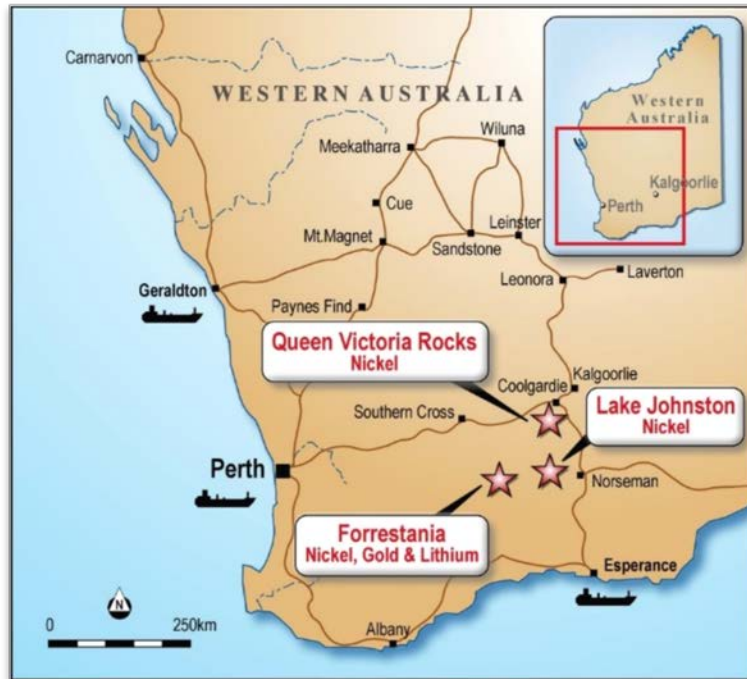


Figure 1: Location Map showing Hannans' Forrestania Project and Queen Victoria Rocks Project and Lake Johnston Joint Venture Project (Hannans free-carried)

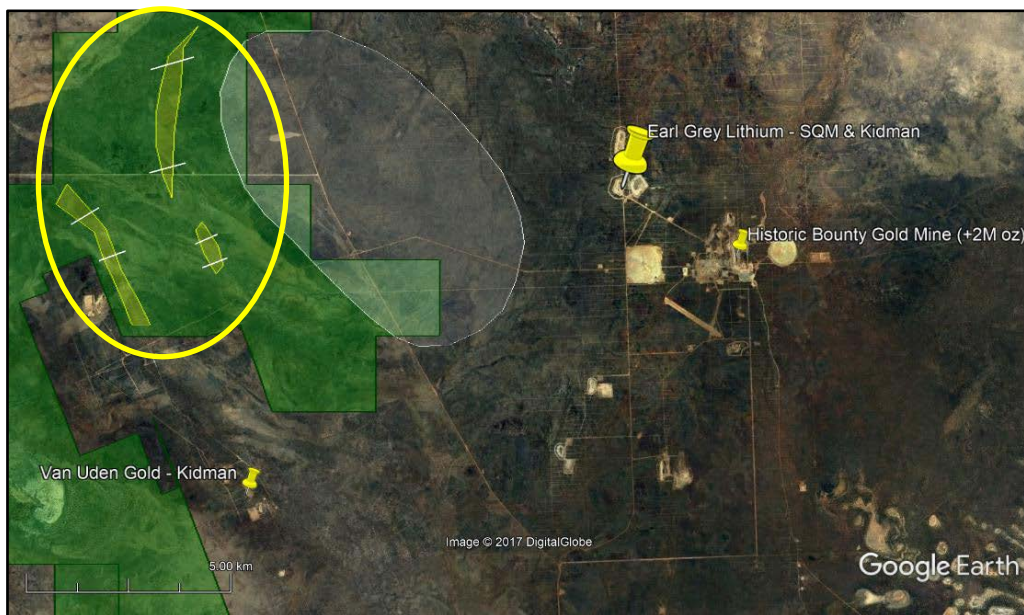


Figure 2: The green tenements are owned 100% by Hannans. SQM and Kidman Resources are developing a lithium mine and concentrator at Earl Grey. The white shaded ellipse is interpreted to be the granite source for the pegmatites hosting the high-grade lithium at Earl Grey. Within the bright yellow oval shape, the yellow polygons are the surface geochemical anomalies generated by Hannans in its 1st phase of exploration (two of these are ~ 5kms long) and the white lines that cross the anomalies represent the six traverses that Hannans drilled in its 2nd phase of exploration.

About Hannans Ltd (Est. 2002)

Hannans Ltd (ASX:HNR) is an Australia resources company with a focus on nickel, lithium and gold in Western Australia. Hannans' major shareholder is leading Australian specialty minerals company Neometals Ltd. 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, Lovisagravan 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.

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.