

HANNANS

14 December 2017

ASX & MEDIA ANNOUNCEMENT

Lithium – Major Ground Position

- ∅ **Hannans creates major ground position at Forrestania prospective for lithium, adjacent to the potential source of a globally significant lithium deposit¹**
- ∅ **Hannans applies for highly prospective new tenure that has not previously been the subject of systematic exploration, is free of native title claims and is located outside the Jilbadgi Nature Reserve**
- ∅ **A detailed airborne geophysical survey over the new tenure is scheduled for January 2018**

Hannans Ltd (ASX:HNR) is pleased to advise it has now created a major ground position prospective for lithium mineralisation at its Forrestania project located approximately 125kms south of Southern Cross, Western Australia (refer Figures 1 and 2 on page 2).

Hannans new tenure covers the eastern margin of the granite located east of the Earl Grey lithium deposit and the Company's existing tenure covers the western margin of the granite located west of Earl Grey, thereby creating a major ground position prospective for economic lithium mineralisation² (refer Figure 3 on page 3). The new tenure comprises three tenement applications registered in the name of Hannans' wholly owned subsidiary company Reed Exploration Pty Ltd and covers an area of ~260 square kilometres.

Hannans exploration goal at Forrestania is to discover a lithium deposit comparable to the globally significant Earl Grey being developed by the world's largest producer of lithium SQM and emerging Australian mining company Kidman Resources Ltd. The exploration model is first to identify the source (granite) of the pegmatites, and secondly to intersect pegmatites that host economic grades and widths of lithium mineralisation³. Hannans is being assisted in its understanding of the global lithium market and lithium exploration methodology by its major shareholder, leading Australian specialty minerals company Neometals Ltd.

A detailed airborne geophysical survey will be completed over the new tenure in January 2018 with the aim of accurately defining the margin of the eastern granite. Accurately mapping the margin of the granite intrusion is considered important because approximately 4km from the margin 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 important lithium minerals⁴.

Ground truthing of geophysical anomalies, mapping of the geology and a desktop environmental survey will also be initiated in January 2018. Hannans is aiming to build a comprehensive understanding of the potential of the new tenure to enable a systematic geochemical sampling program to commence as soon as the tenements are granted⁵, and government approvals obtained.

¹ Earl Grey is owned by the world's largest producer of lithium, New York Stock Exchange listed SQM and emerging Australian mining company Kidman Resources Ltd (ASX:KDR)

² Hannans' wholly owned subsidiary Reed Exploration Pty Ltd is the registered holder and applicant for the tenements and owns 100% of all mineral rights, excluding gold where it owns a 20% free-carried interest only (in the existing tenure only)

³ It is important to appreciate that the majority of pegmatites do not contain economic lithium mineralisation

⁴ Refer to presentations released to ASX by Pioneer Resources Ltd (ASX:PIO) as well as research published by Černý

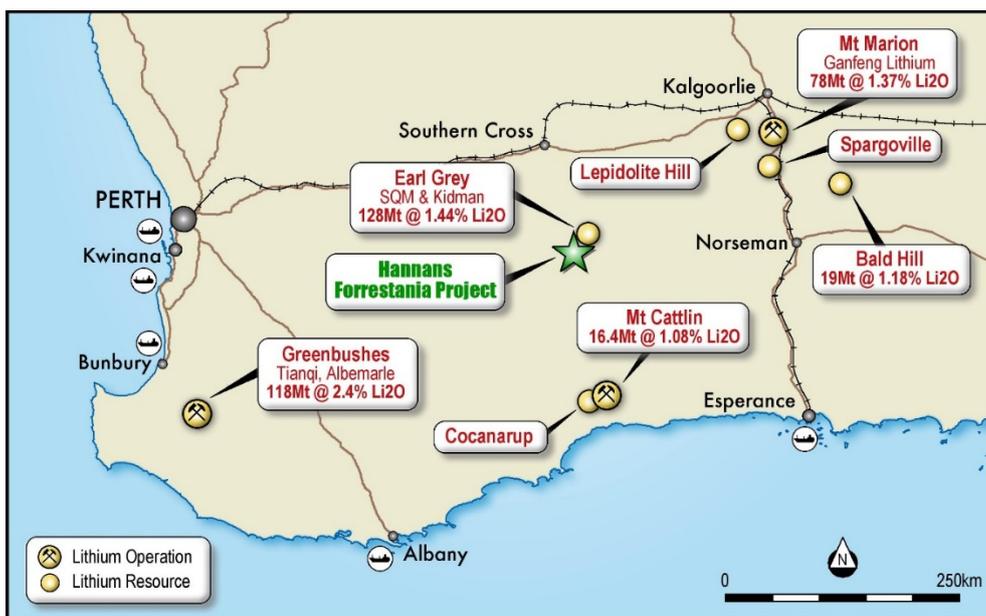
⁵ Estimated date of grant is April 2018

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Figure 1 and 2: Location Map showing Hannans' Forrestania Project and Queen Victoria Rocks Project and Lake Johnston Joint Venture Project (Hannans free-carried) and location of major lithium mines and projects in the south-west of Western Australia



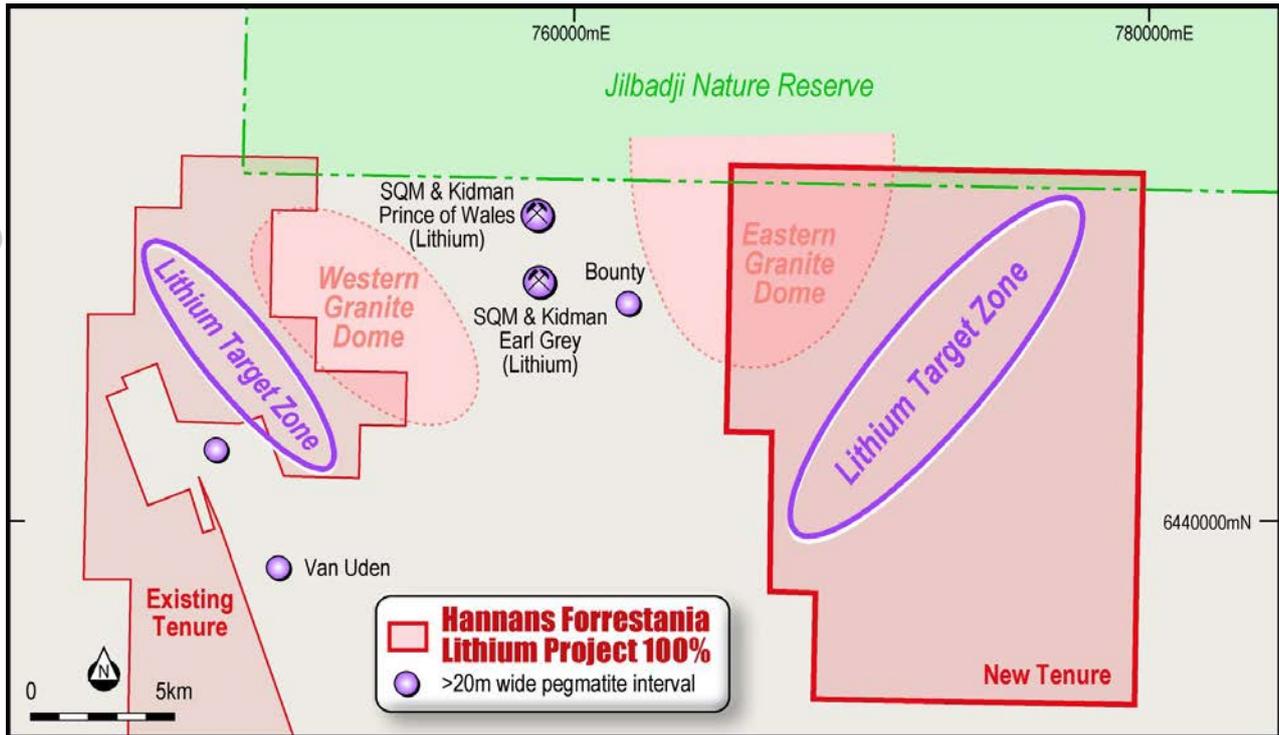


Figure 3: Hannans 100% tenements and applications shown in red. Existing tenure is shown in 'light' red and new tenure is shown in 'dark' red. The lithium target zones are located approx. 4kms west of the western granite dome and 4kms east of the eastern granite dome. The globally significant Earl Grey deposit is located approx. 4kms from both granites. This distance (i.e. 4km) from the margin 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 important lithium mineral such as spodumene.

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. 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.

Competent Person

The information in this document that relates to exploration results at Forresteria 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).