

HANNANS

22 March 2018

ASX & MEDIA ANNOUNCEMENT

Major Target at Mt Holland East

- ∅ **Major new target zone identified for lithium and gold within Mt Holland East (MHE) project**
 - **Target zone represents intersection of (north-south) structures and complex (east-west) dyke system within proximity of margins of granite plutons – considered a favourable setting for mineral deposition (refer Figure 3 on page 4)**
 - **Target zone identified from recently completed detailed airborne geophysical survey – ground truthing of geological and structural interpretation to commence early April**
- ∅ **Pegmatites identified within Mt Holland West (MHW) project**
 - **Pegmatites intersected in Hannans first round of reconnaissance RC drilling however no significant lithium assays – approvals in place for next round of drill testing**
 - **Pegmatites noted by previous explorers – ground truthing to commence early April**

Hannans Ltd (ASX:HNR) is pleased to provide an update on exploration within its 100% owned Mt Holland Lithium Project located approximately 125kms south of Southern Cross, Western Australia (refer Figures on page 3).

The Mt Holland Lithium Project is located adjacent to Earl Grey, one of the most significant hard rock lithium deposits in the world jointly owned by New York Stock Exchange listed SQM and ASX listed Kidman Resources Ltd. Earl Grey will underpin a world-class long-life integrated lithium project.¹ Hannans' exploration goal at Mt Holland is to discover a lithium deposit comparable to Earl Grey.

Hannans major shareholder is Neometals Ltd, a leading Australian specialty minerals company and minority owner of the producing Mt Marion lithium mine². Dr Bryan Smith is a consulting exploration geoscientist to both Neometals and Hannans and was previously responsible for exploration at Mt Marion. Dr Smith said, "I'm very familiar with this region and **Hannans' Mt Holland East project appears to be a standout target for lithium and gold**. I've reviewed Hannans' detailed airborne survey data and I'll be going back into the field as soon as possible to validate the geological and structural interpretation. I recommend Hannans focus its future exploration efforts on Mt Holland East as it's the area most likely to host a major lithium and or gold deposit. In saying that we've only scratched the surface at both Mt Holland West and East so far in terms of exploration for lithium and gold."

Mt Holland East

Hannans completed a detailed airborne magnetic and radiometric survey over Mt Holland East (50m line spacing for 7,566 line kilometres covering ~260km²) in February 2018 and a structural interpretation of the geophysical data has recently been completed. A field trip has now been

¹ Earl Grey is owned by New York Stock Exchange listed SQM and emerging Australian mining company Kidman Resources Ltd (ASX:KDR), refer kidmanresources.com.au

² Neometals Ltd (neometals.com.au) owns 36% of Hannans

scheduled to validate the geology and structural targets. A desktop flora and fauna survey has commenced and will be completed in April. A broad spaced reconnaissance geochemical drill program will be submitted to the government for approval upon grant of the tenements³. The aim of this first drill program will be to identify robust lithium and gold anomalies that justify infill and deeper drilling.

Mt Holland West

Hannans has completed interpretation of its first reconnaissance RC drill program at MHW. The program comprised 16 reverse circulation (RC) drill holes for 1,866 metres in total. The drill targets were based on aeromagnetic and geochemical anomalies previously reported to ASX.⁴

The deep weathering (up to 80 metres) combined with strong oxidation and leaching of minerals made it very difficult to identify lithium minerals in the samples. The depth of weathering of the western granitic pluton was also greater than anticipated and there was negligible sub-outcrop of granitic rocks.

These facts made it difficult to achieve satisfactory outcomes from the first reconnaissance drill program. All samples were submitted to the laboratory for analysis however no significant lithium assays were returned.

Government approvals have been received for the next round of RC drilling. Hannans will continue drill testing Mt Holland West once the next round of robust targets has been generated.

Corporate

Hannans has approximately \$4 million cash at bank and no debt.

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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. 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 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).

³ Tenement applications are expected to be granted late May 2018

⁴ Refer Hannans Ltd ASX release dated 25 October 2017

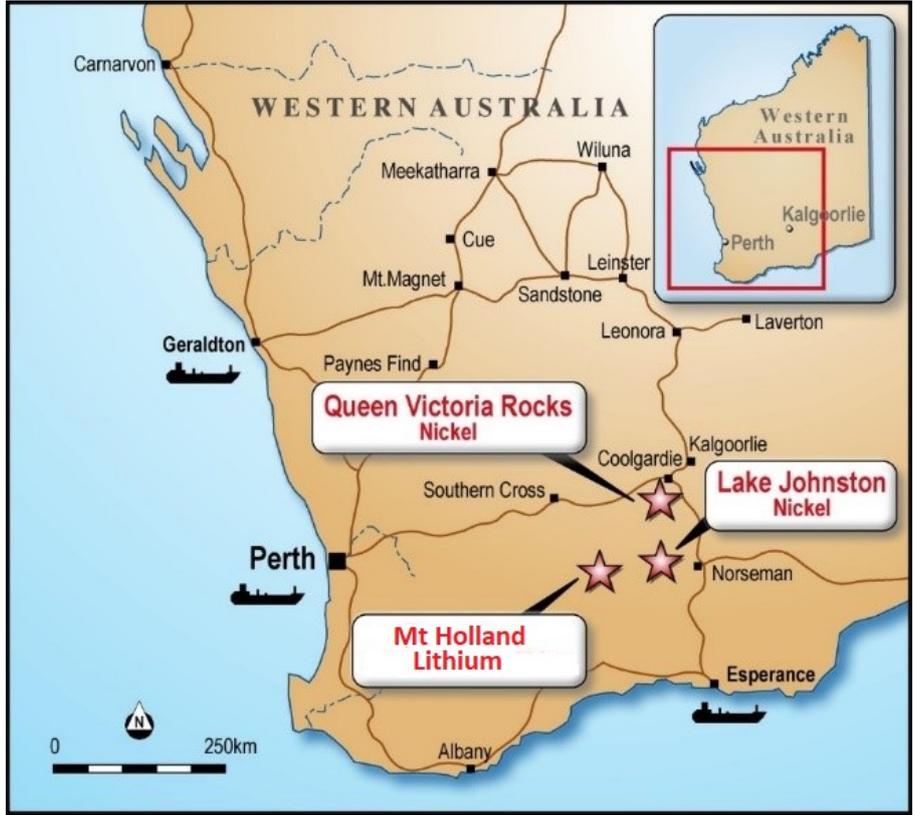


Figure 1: Location Map showing Hannans' Forrestania/Mt Holland Projects and Queen Victoria Rocks Project and Lake Johnston Joint Venture Project (Hannans free-carried).

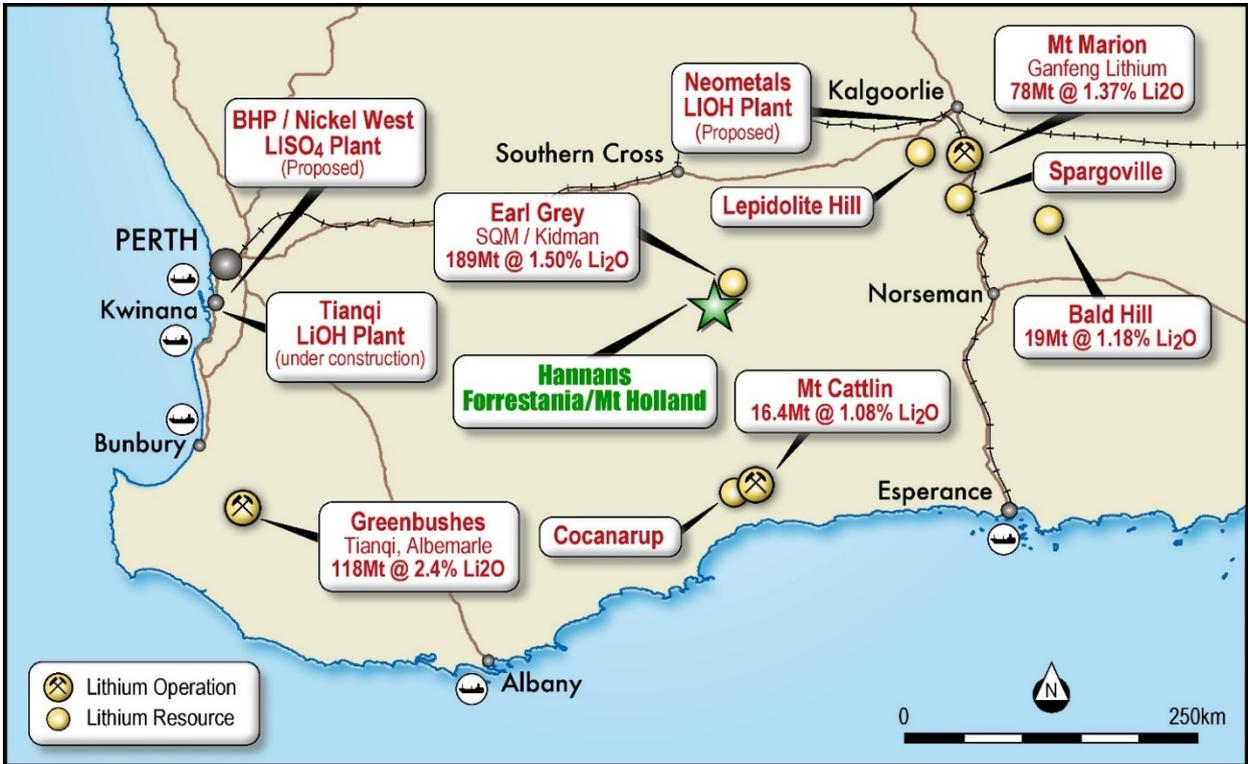


Figure 2: Location Map showing Australia's only four producing lithium mines (Greenbushes, Mt Marion, Mt Cattlin and Bald Hill) and lithium exploration projects. Greenbushes and Earl Grey are two of the world's most significant hard rock battery grade lithium deposits.

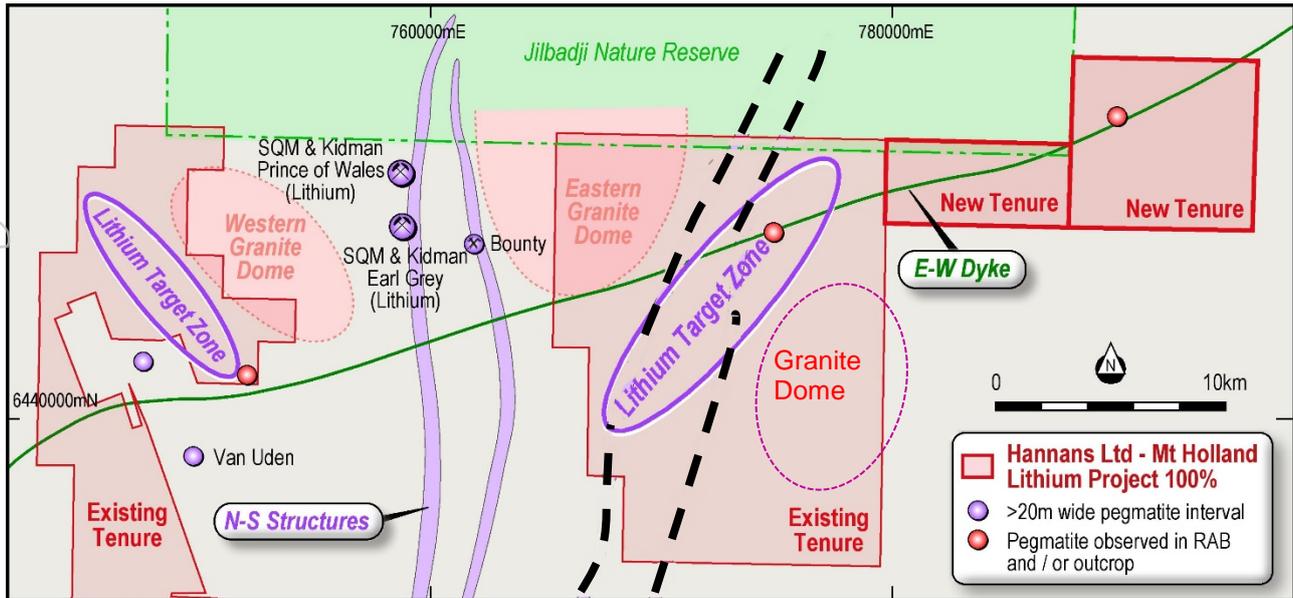


Figure 3: The Earl Grey is one of the most significant hard rock lithium deposits in the world. The Bounty mine produced more than 1.3M oz of gold and hosts significant lithium mineralisation. The Mt Holland project is prospective for lithium and gold.

The black dashed lines represent N-S structures identified from the recent airborne geophysical survey only. The purple N-S structures represent known ultramafic units. The E-W Dyke contains a complex series of dykes within the MHE project. The dykes may be using structural weaknesses that have some bearing on pegmatite mineralisation, however there is no suggestion that the dykes and pegmatites are linked genetically.

Hannans' subsidiary is the registered owner of the tenements (MHW) on the left-hand side of the map and applicant for tenements (MHE) on the right-hand side of the map. The 'New Tenure' represents recent applications by Hannans following receipt of the airborne survey details. The outlines of the tenements and applications are shown in red. Hannans owns 100% of the mineral rights at MHE (subject to grant) and 100% of the mineral rights at MHW, excluding gold. Hannans owns a 20% interest in the gold rights at MHW free-carried to a decision to mine.

JORC Table 1

Section 1 Sampling techniques and data.

Criteria	Explanation
Drilling techniques	<ul style="list-style-type: none"> Reverse circulation percussion with 130 mm diam. button bit with 1100/350 psi compressor.
Drill sample recovery	<ul style="list-style-type: none"> Samples were taken at one metre intervals. Randomly selected bags were weighed and the recoveries were found to be in excess of 90%. The drill samples were collected with a cyclone in 600 X 750 mm plastic bags. The drill samples were then composited over 4 metre intervals by plunging a tube sampler into the bags to take out equal weights of about 1.5 kg from each of the bags. The sub-samples were spread out on a flat sheet of plastic, quartered and then thoroughly mixed prior to bagging for analysis.
Logging	<ul style="list-style-type: none"> All of the one metre samples were logged following wet sieving for a number of different qualitative and quantitative features. Sub samples of the sieved material were stored in chip trays for later reference.
Sub-sampling techniques and sample preparation.	<ul style="list-style-type: none"> All of the sub-sampled material was crushed and pulverized to minus 75 micron and 300 g was split out for sub-sampling of 25 g from each sample for analysis. Four duplicate samples were submitted for each batch of 30 samples.
Quality of assay data and laboratory tests.	<ul style="list-style-type: none"> The sub-samples were subjected to a four acid digest and the dissolved material was then analysed by ICP-OES and ICP-MS. The digestion procedure achieves "near total" dissolution of almost all of the mineral species expected to be present. Standards, blanks and duplicates were inserted with every batch of samples.
Verification of sampling and assaying	<ul style="list-style-type: none"> Verification of assaying data was not necessary as there were no anomalous samples. All of the data is stored on a data base in digital format.
Location of data points	<ul style="list-style-type: none"> The drill hole collars were located using a hand held GPS instrument to an accuracy of +/- 3 metres. The GDA 94 grid system was used. The quality and adequacy of the topographic control was sufficient for the stage of exploration.
Orientation of data in relation to geological structures.	<ul style="list-style-type: none"> The drill holes were oriented at 60 degree dips based on the dips of the stratigraphy at each location. Where possible the holes were drilled normal to the assumed strike directions consistent with the access that was available from the cleared lines. Sampling bias was assumed to be minimal.

Section 2 Reporting and exploration results.

Criteria	Explanation
Mineral tenement and land tenure status.	<ul style="list-style-type: none"> The drill holes were located on E77/2217 at Mt. Holland which is registered in the name of Reed Exploration Pty Ltd (REX) as wholly owned subsidiary of Hannans Ltd. The tenement is located on vacant crown land and there are no Native Title claims that impinge on the tenement. Access to the tenement for exploration is subject to the approval of a Program of Work by DMP under the provisions of the WA Mining Act. There are no other impediments to obtaining additional approvals for exploration on the tenement.
Exploration done by other parties.	<ul style="list-style-type: none"> Exploration RAB drilling has been carried out by other parties on the existing grid lines and REX carried out a program of air core drilling on the same tenement.

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Geology	<ul style="list-style-type: none"> The geology has been derived largely from an interpretation of air magnetic data as there is a cover of transported material and strongly oxidized rocks down to depths of 20 to 80 metres. Archaean granitic plutons have intruded into a sequence of mafic and ultramafic rocks as well as meta-sediments and gneisses. There is very little to see on the surface and there is a dense cover of vegetation which is almost impossible to walk through. The targets are pegmatites that have been extruded from fertile granitic plutons into the surrounding country rocks and the target was spodumene in pegmatite.
Drill hole information.	<ul style="list-style-type: none"> All the relevant drill hole information is set out in the accompanying table. No assay data has been included the data was not considered to be anomalous and therefore not material and the exclusion does not affect the interpretation of the report.
Data aggregation methods	<ul style="list-style-type: none"> Not relevant to this report.
Relationship between mineralization widths and intercept lengths.	<ul style="list-style-type: none"> Not relevant to this report as there were no anomalous intercepts.
Diagrams	<ul style="list-style-type: none"> No diagrams are attached as there were no significant results.

Hole No.	GDA94		Azimuth	Dip	Depth	Comments
	Easting	Northing				
MHR1	747991	6450736	069		90	
MHR2	748039	6450751	069		102	
MHR3	748692	6450987	069		108	
MHR4						Not drilled
MHR5	747764	6448100			120	
MHR6						Not drilled
MHR7	748614	6446183			96	
MHR8						Not drilled
MHR9	748625	6445383			96	
MHR10						Not drilled
MHR11	745521	6446627	250	-60	120	
MHR12	745565	6446650	247	-60	120	
MHR13	745923	6446573	253	-60	120	
MHR14	745971	6446592	253	-60	120	
MHR15						Not drilled
MHR16						Not drilled
MHR17						Not drilled
MHR18						Not drilled
MHR19	747987	6448944			156	
MHR20	748041	6448943			120	
MHR21	748444	6449911			132	
MHR22	748370	6449900			150	
MHR23	748206	6447337			120	
MHR24	749800	6446141			96	
				Total metres	1866	