

HANNANS

16 January 2018

ASX & MEDIA ANNOUNCEMENT

Mt Holland Lithium Exploration

- ◊ **Hannans' Mt Holland Lithium Project is located adjacent to Earl Grey, a globally significant lithium deposit jointly owned by the world's largest producer of lithium and Kidman Resources Ltd – Earl Grey will underpin a world-class long-life integrated lithium project¹**
- ◊ **Hannans major shareholder is Neometals Ltd, a leading Australian specialty minerals company and minority owner of the producing Mt Marion lithium mine**
- ◊ **Hannans aims to comprehensively test its 100% owned Mt Holland Lithium Project² with the aim of discovering a lithium deposit comparable to Earl Grey**
- ◊ **Exploration activities including drilling (shallow and deep), surface sampling, mapping and geophysics will be ongoing at Mt Holland during the next six months**
- ◊ **The first reverse circulation (RC) drilling program, a detailed airborne geophysical survey and a field trip within new tenure will commence this week³**

Hannans Ltd (ASX:HNR) is pleased to advise it has recommenced exploration within its 100% owned Mt Holland Lithium Project located approximately 125kms south of Southern Cross, Western Australia (refer Figure 1 on page 2 and Figures 2 and 3 on page 3).

The exploration goal at Mt Holland is to discover a lithium deposit comparable to the globally significant Earl Grey owned by the world's largest producer of lithium SQM and emerging Australian mining company Kidman Resources Ltd.

Hannans expects the RC drill program starting this week to be the first of many RC drill programs to take place at Mt Holland during the next six months. The initial program will comprise approximately 15 reverse circulation (RC) drill holes to depths in the range of 100 – 200 metres at Mt Holland West. The RC holes will be located approximate to the edge of the western granite dome and will be focussed on testing the lithium anomalies generated in Hannans' first two rounds of drilling⁴.

A detailed airborne geophysical survey covering the Mt Holland East tenement applications is scheduled to commence this week. Flight lines will be spaced 50 metres apart for a total of ~7,500 line kilometres covering ~260km². This survey will provide significantly more detailed magnetic and radiometric data than is currently available and will assist with mapping rock units to focus future field activities. An initial reconnaissance field trip within the tenement applications will commence this week to collect samples from outcropping rocks to gain a better understanding of the underlying geology.

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 Hannans previously referred to its lithium projects as being located at 'Forrestania', however it is more accurate to refer to them as being at 'Mt Holland'. Hannans' nickel and gold projects are located at Forrestania and the Company's lithium projects are located at Mt Holland.

³ Subject to the impact of rain in the region from ex Tropical Cycle Joyce

⁴ Refer Hannans Ltd ASX release dated 25 October 2017

Hannans is aiming to build a comprehensive understanding of the potential of the Mt Holland East tenure as rapidly as possible to enable a systematic geochemical sampling program to commence as soon as the tenements are granted⁵ and government approvals obtained.

Hannans has cash at bank of approximately \$4.5 million 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.



Figure 1: Location Map showing Hannans' Forrestania/Mt Holland Projects 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

⁵ Estimated date of grant is April 2018

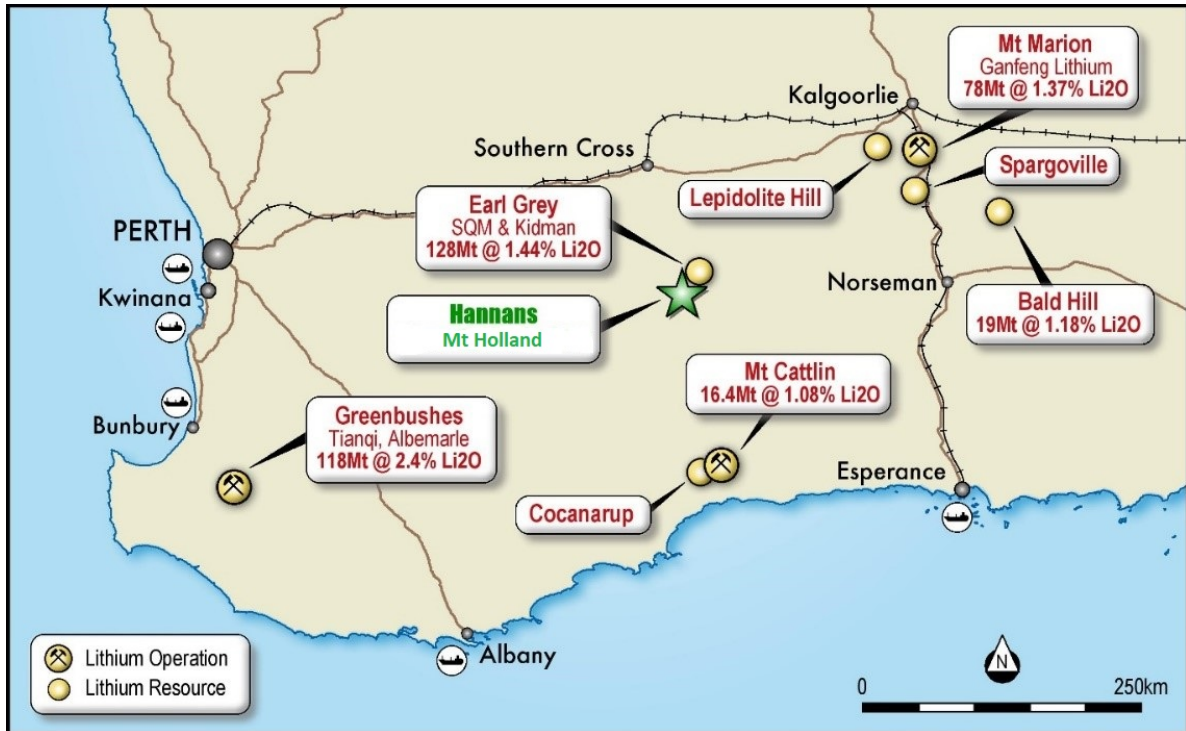


Figure 2: Location Map showing Australia's only three producing lithium mines (Greenbushes, Mt Marion and Mt Cattlin) and lithium exploration projects

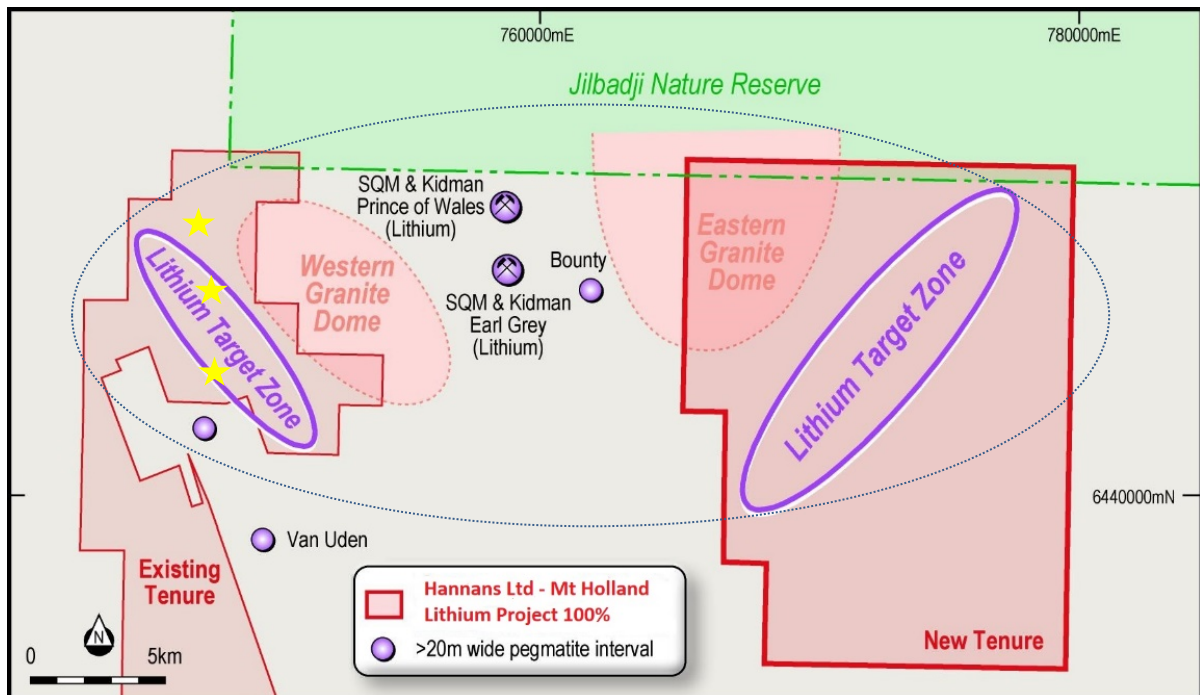


Figure 3: Hannans 100% tenements and applications shown in red. The Mt Holland West (existing tenure) is shown in 'light' red and Mt Holland East tenement applications (new tenure) is shown in 'dark' red. The lithium target zones are located approx. 4kms west of the western granite dome and 4kms east of the eastern granite dome. The globally significant Earl Grey deposit is located approx. 4kms from the interpreted margin of the granites. Yellow stars represent approximate location of initial phase of RC drilling.

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).