

FAST FACTS

ASX Code: HNR

CAPITAL STRUCTURE

Shares on issue: 2.36 billion

Market cap: \$16.5M (at 0.7c)

Cash: \$1.36M (31 Mar 2021)

Debt: Nil

BOARD OF DIRECTORS

Non-Executive Chairman

Jonathan Murray

Executive Director

Damian Hicks

Non-Executive Directors

Markus Bachmann

Clay Gordon

Amanda Scott

KEY PROJECTS

Sole Funded

Fraser Range (Ni-Cu-PGE)

Forrestania (Ni)

Southern Cross (Ni & Au)

Moogie (Au & Ni-Cu-PGE)

Free-Carried to Decision to Mine

Forrestania (Au) 20%

ABOUT HANNANS LTD

(EST. 2002)

Hannans Ltd is an exploration company with a focus on nickel and gold in Western Australia.

During the 3rd Quarter (January – March 2021):

- Fraser Range (Nickel-Copper) – completed 1st phase of EM surveying on E63/1772. Planned 2nd phase of EM surveying.
- Forrestania (Nickel) – completed evaluation of exploration results, refined planning for four diamond drill holes to test four separate nickel targets in June 2021.
- Southern Cross (Nickel & Gold) - completed historic data review and planned 1st phase of EM surveys; commenced discussions to access private land.
- Forrestania (Gold) – Hannans is free-carried at 20% on gold rights and monitors exploration activities reported by its joint venture partner.
- Queen Victoria Rocks (Nickel) – sold 100% interest in project for \$100,000.
- Milly Boo (Nickel-Copper) – withdrew tenement application following review of project.
- Business Development – presented firm offers to acquire interests in two separate precious and base metals projects in Western Australia, however bids unsuccessful.

Goals for the 4th Quarter (April – June 2021):

- Fraser Range (Nickel-Copper) – complete 2nd phase of EM surveying, and plan to drill test any bedrock targets identified.
- Forrestania (Nickel) – complete diamond drill testing of 4 nickel targets.
- Southern Cross (Nickel & Gold) – subject to securing access, complete 1st phase of EM surveying.
- Moogie (Gold & Nickel-Copper) – fly airborne magnetic survey over two tenement applications; review all historic exploration results and reduce project tenure.
- Forrestania (Gold) – follow gold exploration drilling results from joint venture partner.
- Business Development – seek out new opportunities.

NOTE

All material results and commentary included in this Quarterly Report have previously been released to ASX. Please click [here](#) for more information.



www.hannans.com



[@HannansLtd](https://twitter.com/HannansLtd)



[Hannans_Ltd](https://www.linkedin.com/company/hannans-ltd)



info@hannans.com

EXPLORATION



Figure 1: State map showing location of Hannans' Forrestania, Fraser Range, Southern Cross and Moogie Projects (red font with yellow background) relative to the location of major projects not owned by Hannans (in blue font with white background).



Figure 2: Regional location map showing major nickel mines and nickel deposits. Hannans Forrestania Nickel Project shaded in red.

Fraser Range (Nickel-Copper)

Hannans completed its 1st round of surface geophysical surveys at its Fraser Range nickel-copper project located 100km east of Norseman, Western Australia during the Quarter (refer Figure 1 on page 2).

The two areas of interest subjected to the 1st round of EM surveying were located within tenement E63/1772 and were considered high priority areas. These were the “low hanging fruit” within the tenement areas, where there were indications of sulphide mineralisation or favourable environments for the development of such mineralisation in other datasets. With these areas now tested for massive sulphide mineralisation to a significant depth with EM (and with no bedrock targets identified), these areas are considered to have been tested and exploration focus now shifts to other parts of E63/1772 and tenements E63/2023 through to E63/2026.

High Priority - Tenements E63/2024 and E63/2025

Recently completed petrographic work suggests the most promising samples from a nickel sulphide mineralisation perspective are from within tenement E63/2024. The mafic igneous rocks collected from within this tenement contained olivine (i.e., more primitive part of the igneous system) and traces of sulphides. While the rocks exposed at surface are not interpreted to be suitable hosts for nickel sulphide mineralisation themselves, they may indicate that the larger igneous system, of which they are a part, may be prospective. E63/2024 and E63/2025 are both single block exploration licences and can therefore be screened effectively for massive sulphides at relatively low cost with EM surveying.

Moderate Priority – Tenements E63/2023 and E63/2026

Tenement E63/2023 occurs close to the western edge of the significant strongly magnetic package – approximately along strike from Nova-Bollinger and Silver Knight (to the north). This tenement also contains elevated nickel and copper in geochemical soil samples; however, the tenement area is mostly under cover, some of which appears to be transported. Given that this tenement is both in a promising location and appears to have an encouraging geochemical signature, EM will be used to test for conductors consistent with massive sulphides. The tenement is a single block exploration licence, so the EM surveying will be relatively fast and low-cost to complete.

Tenement E63/2026 appears to have been overlooked to a large extent by previous explorers. The regional soil and aeromagnetic surveying that is pervasive throughout much of the Fraser Range appears to have neglected the area of E 63/2026. Deep cover is present over most of the tenement, and field inspection did not locate any significant outcrop. In the regional magnetics data, the tenement appears to straddle a structure where the strike of the magnetic units changes from NE in the west, to NNW in the east. Further exploration is however justified here based on the presence of nearby intrusions, and the fact that the tenement appears to straddle a significant structure. The tenement is a single block exploration licence, so the EM surveying will be relatively fast and low-cost to complete.

Proposed Litho-Geochemical Analysis

Litho-geochemical analyses are recommended to assist in understanding magma genesis during intrusion and emplacement. Trace element and litho-geochemical analyses may assist in evaluating the potential for the rock units to host sulphide mineralisation. A selection of the rock chip samples taken during field work in 2020 have now been submitted for analysis. The completion of this work will add to the overall understanding of the region and may help to further refine Hannans’ interpretation of the geology and prospectivity of the project.

Conclusions

The Project area remains under-explored for nickel sulphide mineralisation, and recommendations have been made that will advance exploration in several tenements. These recommendations are based upon a mixture of historic datasets (both local and on a more regional scale) and results of recent mapping and petrographic work. While the recently conducted EM surveying conducted at the Fraser Range Project has tested some of the Project (and uncovered no anomalies), there remains potential for nickel sulphide mineralisation in other areas of the tenure that have experienced less exploration work to date.

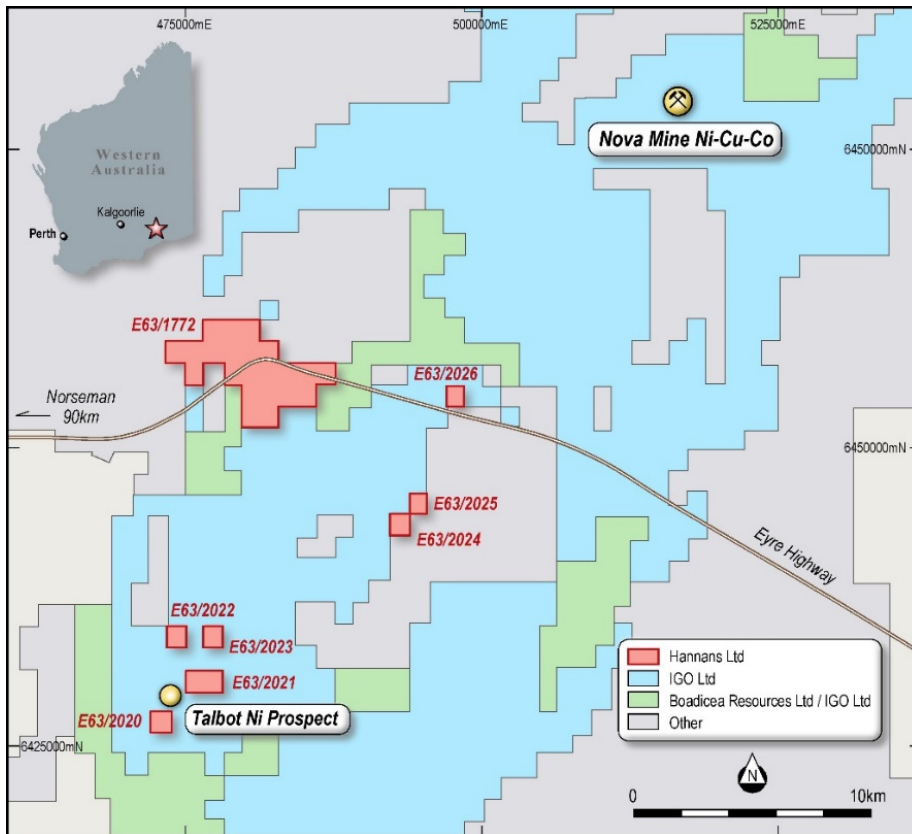


Figure 3 Plan of the Hannans tenure at the Fraser Range.

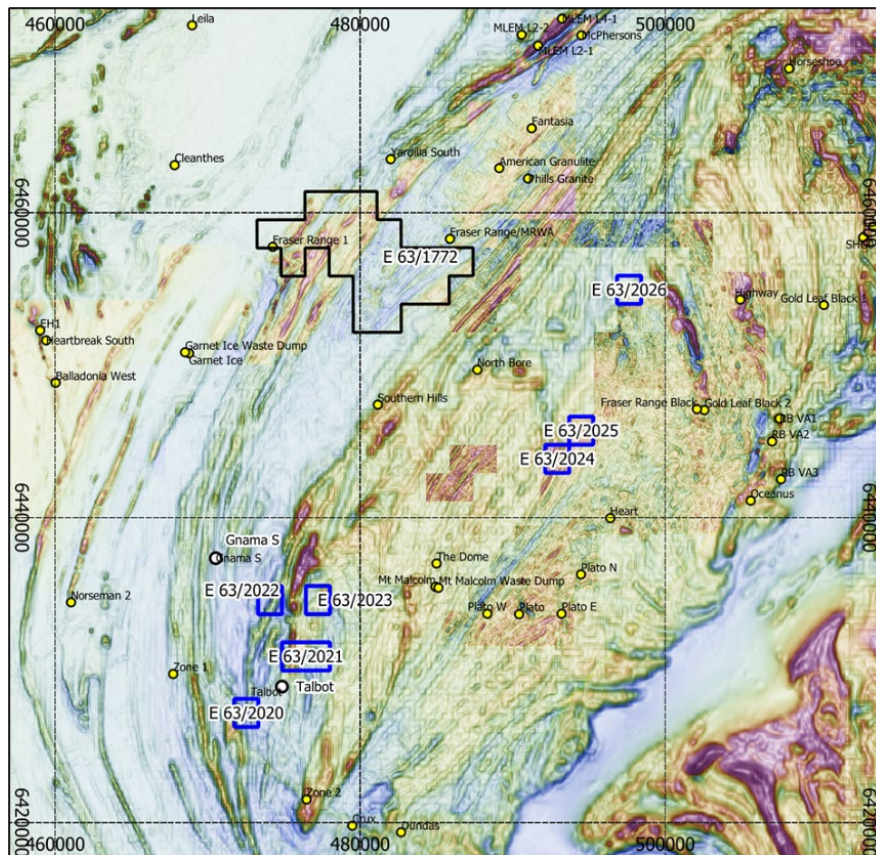


Figure 4: Plan of the Fraser Range Project tenements. Minedex locations are annotated. Background image is aeromagnetic data from various sources (TMI).

Forrestania Nickel

The Forrestania Nickel Project ("FNP") is located approximately 120km south of Southern Cross and 80km east of Hyden, in the Goldfields region of Western Australia (refer Figures 1 and 2 on page 2).

Consultants Newexco Exploration recently completed an evaluation of Hannans historic exploration results and recent geophysical surveys at the FNP. The evaluation facilitated a comprehensive review and refinement of the existing geophysical models and anomalies that may represent conductors hosting nickel mineralisation. This disciplined process enabled the planning of four diamond drill holes to test four separate targets located within the Western and Mid-Western Ultramafic sequences (refer Table 1 below showing target IDs and target explanations and Figure 5 on page 6 for project map showing target locations). The targets will be tested with diamond drilling in June 2021.

It is important to reflect on why Forrestania is an attractive region to be targeting nickel sulphide mineralisation. The ultramafic belts at Forrestania host some of the most attractive nickel sulphide deposits in Australia and possibly the world. Its nickel sulphide endowment is remarkable having four mines with two open pits and nickel sulphides persisting beyond 1 km depth (refer Table 2 on page 6). All the mineralised belts that host the mines, resources, and prospects at Forrestania are represented within the Hannans ground package, particularly the Western Ultramafic belt that contains the highest-grade nickel deposits. It is principally for these reasons that Hannans persists with its methodical exploration process targeting a new nickel sulphide discovery.

Table 1: Completed and Planned 3rd Phase of Exploration

Task	Target ID	Planned Hole ID	Next Step
Evaluate	NA	NA	Evaluate historic results in conjunction with recent geophysical and drilling results - completed .
Review	NA	NA	Review and refine geophysical models and anomalies - completed .
Drill Test	A1	FSDD076	FSRC061 - High conductance off-hole anomaly to be tested at depth of approximately 250m.
Drill Test	C4	FSDD062	FSRC062 - Deepen hole with diamond drilling to hit geophysical conductor at 200-250m depth.
Drill Test	B3	FSDD068	FSRC068 - Hole ended in ultramafics, deepen hole to test basal ultramafic contact, carry out DHEM to refine off-hole conductor below and north of FSRC068.
Drill Test	B5	FSDD075	FSRC070 - Drill new hole to test DHEM off-hole conductor south of existing hole FSRC070.
Re-Prioritise			Check and re-prioritise anomalies that nestle within or alongside stratigraphic conductors (mainly sulphidic) as many of the Forrestania deposits are closely allied or in direct contact with sulphidic horizons. Examples are (in diminishing order of importance/association): Flying Fox, Spotted Quoll, Cosmic Boy, Beautiful Sunday, Digger Rocks, Seagull, Purple Haze and Liquid Acrobat.

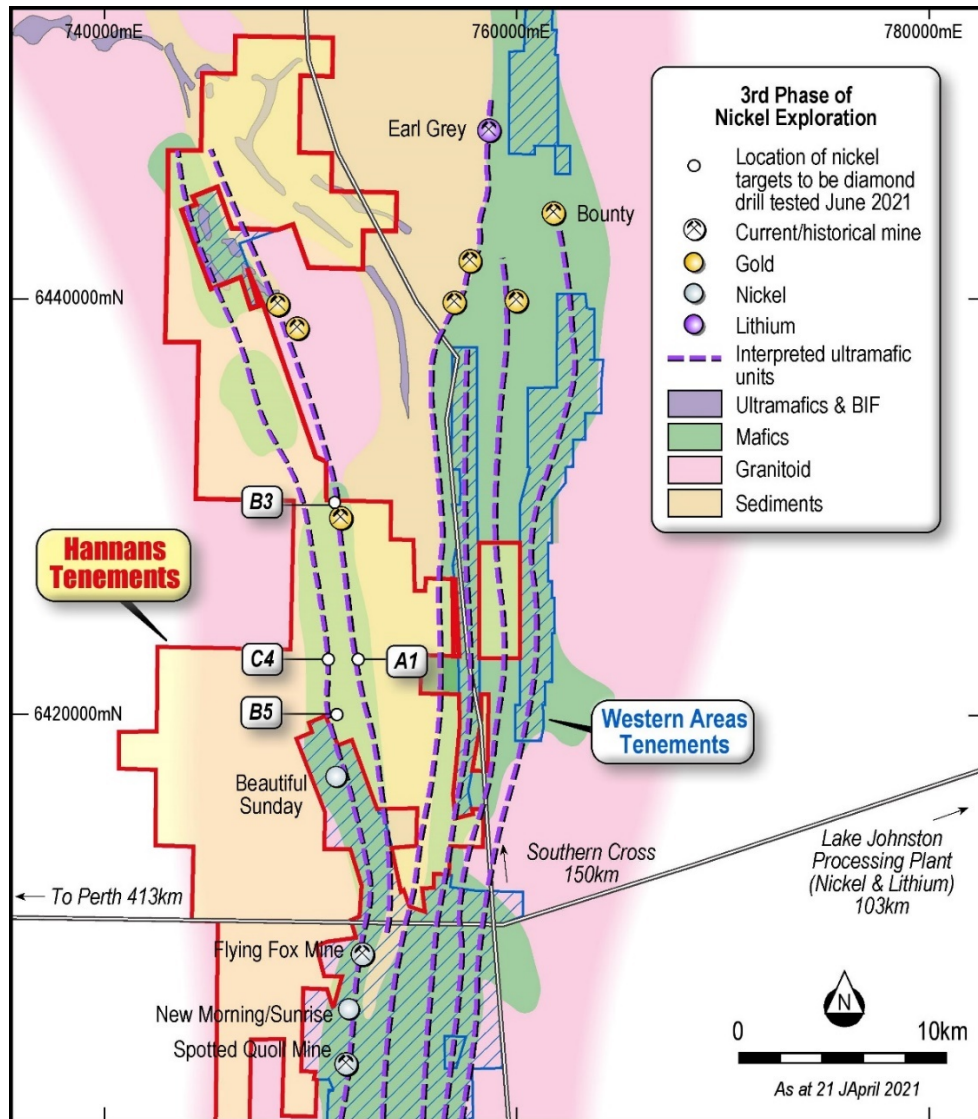


Figure 5 Project location map showing major nickel mines and nickel deposits (owned by Western Areas Ltd).

Table 2: List of producing mines, past producers, significant resources, and significant prospects.

Producing mines*

Flying Fox	Producing mine (WSA) and past producer (Outokumpu), several million tonnes of high grade and significant tonnes of disseminated nickel sulphides in Western Ultramafic Belt. Ore grade material is more than 100,000 nickel metal tonnes.
Spotted Quoll	Producing mine (WSA), high grade nickel sulphides in Western Ultramafic Belt. Ore grade material is more than 100,000 nickel metal tonnes.
Cosmic Boy:	Past producer with high grade disseminated and matrix nickel sulphides in the Eastern Ultramafic belt, Outokumpu mined 1.8 Mt @ 2.0% Ni from two mineralized horizons.
Digger Rocks	Past producer in the Eastern Ultramafic belt, Outokumpu mined 1.3 Mt @ 1.5% Ni from the open pit and 380,000 tonnes @ 2.0% Ni from underground. Diggers South remains unmined containing 3.0 Mt @ 1.5% Ni

HANNANS 3RD QUARTER ACTIVITIES REPORT 2020/2021

Significant resources*

New Morning	Massive and disseminated sulphides in Western Ultramafic Belt under evaluation by WSA. Massive sulphides 481kt @ 3.4% Ni and lower grade including disseminated of 5.1Mt @ 1.3% Ni.
Beautiful Sunday	Matrix and disseminated sulphides in Western Ultramafic Belt just south of Hannans Tenements. The resource here is 480,000 tonnes @ 1.4% Ni.
Purple Haze	Disseminated sulphides in Eastern Ultramafic Belt Resources of 560,000 tonnes @ 0.9% Ni
Seagull	Disseminated and matrix sulphides in Eastern Ultramafic Belt, Outokumpu estimated resources of 200,000 tonnes @ 2.0% Ni.

Significant prospects*

South Ironcap	Disseminated and cloud sulphide in Eastern Ultramafic Belt. Intersections of 35m @ 0.7% Ni.
Liquid Acrobat	Disseminated and matrix to semi-massive sulphide in Eastern Ultramafic Belt, best intersection is 54m @ 0.85% Ni.
Fireball	Disseminated and semi massive-sulphide in Eastern Ultramafic Belt. Intersections of 3m @ 4.5% Ni and 25m @ 0.9% Ni.
Mount Hope	Disseminated and cloud sulphide in Eastern Ultramafic Belt, no known resource.

* Information on these mines, resources and prospects is taken from publicly available information, and they are not owned by Hannans Ltd.

Southern Cross (Nickel & Gold)

Hannans has the option to purchase a 90% interest in ELA77/2691 located between Southern Cross and Bullfinch in Western Australia (refer Figure 1 on page 2). The tenure is considered both strategic and prospective due to:

- its location adjacent to historic gold mines that are undergoing renewed gold exploration activity due to high gold prices (refer Adaman Resources and Altan Rio);
- the minimal amount of sustained exploration for nickel sulphides that has been undertaken in the Southern Cross area;
- its location between known nickel sulphide locations (Forrestania nickel deposits to the south, Trough Well to the north); and
- the presence of what appear to be fertile host rocks for nickel sulphides within the tenement (both komatiite-hosted and layered mafic intrusion related).

Approvals are being sought to access the private land to commence:

- ground geophysical surveys targeting ultramafic rocks that have the potential to host nickel sulphide mineralisation; and
- aircore / RC drilling targeting high grade gold mineralisation on tenement grant and after completion of EM surveying.

Moogie (Gold & Nickel-Copper-PGE)

The Moogie gold and nickel-copper-PGE project is located approximately 260km north-west of Meekatharra in the East Gascoyne region of Western Australia (refer Figure 1 on page 2).

Moogie represents a conceptual greenfield exploration opportunity based on large-scale tectonic controls on mineralisation. The concept is that deep, long-lived crustal scale structures like major shear zones represent excellent tectonic settings for large scale mineralising events. Government seismic lines indicate the surface expression of a major structure occurs at the Moogie Project.

An airborne magnetic survey will be flown over two tenement applications in May 2021 and interpretation of the data will be completed this current Quarter. The purpose the survey is to obtain greater detailed magnetic resolution over structures considered to have potential to host a major mineralised gold system. The first field visit to the new tenements will occur after interpretation of the magnetic data. The survey was originally proposed to be completed in March 2021 however was delayed due to cyclone activity and to avoid disturbing cattle during mustering.

A thorough review of all data collected over tenements E09/2373, E09/2374 and ELA09/2417 will be completed this Quarter prior to making a final assessment of the likelihood that these tenements cover tenure with potential to host a large mineralised system. Less prospective tenure will be relinquished.

Forrestania Gold

Joint venture partner, Classic Minerals Ltd (ASX:CLZ), is funding exploration on the Forrestania Gold Project. Hannans owns a 20% free-carried interest in the FGP¹ meaning Hannans is not required to fund the costs of exploration until a decision to mine gold has been made by the joint venture. For the avoidance of doubt Hannans owns a 100% interest in all non-gold rights on the tenements including but not limited to nickel, lithium, and other metals. Hannans continues to monitor the joint venture partners exploration activities for gold.

Queen Victoria Rocks (Nickel)

The Queen Victoria Rock nickel sulphide tenement and data was sold during the Quarter for \$100,000.

Milly Boo (IOCG)

The Milly Boo project comprising one exploration license application was withdrawn during the Quarter after re-evaluating both the historic data and the ground gravity survey completed by Hannans.

Continued...

¹ Please refer to the ASX releases made by Classic Minerals Ltd dated 2 May 2017, 18 December 2019 and 21 January 2020 for full details of the mineral resource estimates reported in compliance with the JORC Code, 2012 Edition. Hannans has no interest in either the Lady Lila or Kat Gap prospects owned by Classic Minerals Ltd.

CORPORATE GOVERNANCE

ASX Announcements since 1 January 2021

Date	Announcement
21/04/2021	Forrestania nickel project update
19/04/2021	Geophysical surveys at Fraser Range
15/03/2021	Half Yearly Report
10/02/2021	Presentation
31/01/2021	2nd Quarter Cashflow Report
31/01/2021	2nd Quarter Activities Report
18/01/2021	Fraser Range Geophysical Surveys

CORPORATE FINANCE

Issued Capital

As at 31 March 2021 the total number of shares on issue was 2,359,977,192.

Investments

The approximate value of the Company's investments as of 31 March 2021 was \$367,518.

Investee Name	Number of Securities	Value (\$)
Errawarra Resources Ltd	687,594	137,518
Critical Metals Ltd	575,000	230,000

Finance

The Company held cash and term deposits on hand as of 31 March 2021 of \$1.36 million.

Related Party payments for the quarter outlined in the Appendix 5B at section 6.1 total \$105,000 include amounts paid to directors including salary, directors' fees, geological consulting fees and statutory superannuation.

This ASX announcement has been authorised for release by Mr Damian Hicks, Executive Director.

– END –

COMPLIANCE STATEMENT

The information in this document that relates to exploration results at the Fraser Range, Forrestania and Southern Cross is based on information compiled by Adrian Black, a Competent Person who is a Member of the AIG (1364). Adrian Black is a consultant to Hannans Ltd and its subsidiary companies. Adrian Black 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).

HANNANS 3RD QUARTER ACTIVITIES REPORT 2020/2021

Granted Tenements

Tenement number	Interest 3 rd Quarter 2020/2021		Note	Tenement number	Interest 3 rd Quarter 2020/2021		Note
	Start	End			Start	End	
HR FORRESTANIA PTY LTD ¹							
Location: Forrestania, Australia							
E77/2460	100%	100%					
REED EXPLORATION PTY LTD ²							
Location: Forrestania, Western Australia				Location: Fraser Range, Western Australia			
E77/2207-I	100%	100%	3	E63/1772	0%	0%	5
E77/2219-I	100%	100%	3	Location: Moogie, Western Australia			
E77/2220-I	100%	100%	3	E09/2373	0%	100%	
E77/2239-I	100%	100%	3,4	E09/2374	100%	100%	
P77/4290	100%	100%	3	Location: Queen Victoria Rocks			
P77/4291	100%	100%	3	E15/1416	100	0	6
E77/2489	100%	100%					
E77/2546	100%	100%					
E77/2610	100%	100%					
P77/4534	100%	100%					
E77/2303	100%	0	7				

Note:

- 1 HR Forrestania Pty Ltd (**HRF**) is a wholly owned subsidiary of Hannans Ltd. HRF is the registered holder of the tenements.
- 2 Reed Exploration Pty Ltd (**REX**) is a wholly owned subsidiary of Hannans Ltd. REX is the registered holder of the tenements unless indicated otherwise.
- 3 REX holds a 100% interest in all minerals excluding gold. REX holds a 20% free-carried interest in the gold rights.
- 4 REX voluntary partial surrendered 6 sub-blocks during the period.
- 5 REX may earn up to 70% interest in all minerals in accordance with the transaction terms. Kingmaker Metals Pty Ltd is the registered holder of the tenement. Refer to ASX announcement titled, "Secures Nickel Project at Fraser Range" released on 30 November 2020.
- 6 Sold during the Quarter.
- 7 Withdrawn during the Quarter.

Tenement Applications

Tenement number	Note	Tenement number
REED EXPLORATION PTY LTD		
Location: Forrestania, Western Australia		Location: Fraser Range, Western Australia
E77/2711		E63/2020
Location: Moogie, Western Australia		E63/2021
E09/2417		E63/2022
E09/2460		E63/2023
E09/2461		E63/2024
Location: Andover West, Western Australia		E63/2025
P47/1976		E63/2026
Location: Southern Cross, Western Australia		Location: Milly Boo, Western Australia
ELA77/2691	9	E09/241810
Location: Maggie Hays, Western Australia		
ELA63/2016	11	

Note:

- 8 HR Forrestania Pty Ltd (**HRF**) is a wholly owned subsidiary of Hannans Ltd. HRF is the registered holder of the tenements.
- 9 Subject to an option to purchase a 90% interest on grant.
- 10 Withdrawn following data review.
- 11 Withdrawn as considered non-core.