

Hannans Secures Gold & Nickel Project near Southern Cross

- Hannans signs option to purchase 90% interest in large exploration license application located between Southern Cross and Bullfinch in Western Australia prospective for gold and nickel.
- Exploration license application 77/2691 (**Tenement**) is located adjacent to several historic gold mines (including Corinthia) and covers approx. 12km in strike length.
- Tenement covers greenstone belt hosting nickel sulphide mines to the south (Spotted Quoll and Flying Fox) and nickel mineralisation to the north (Trough Well).
- First field program to commence upon grant of the Tenement.

Hannans Ltd (**Hannans** or the **Company**) is pleased to announce that it has signed an option to purchase a 90% interest in exploration license application E77/2691 located between Southern Cross and Bullfinch in Western Australia (refer Figure 1 on page 3).

Hannans believes the Tenement is 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).

Hannans will now commence a detailed historic data review and target generation process.

A presentation on the Southern Cross Gold & Nickel Project will be provided to Shareholders when the review is completed.

The Tenement is expected to be granted in the 1st Quarter of 2021 following which approvals will likely be sought 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.



Regional Setting

The greenstones of the Southern Cross area are interpreted to represent the along-strike continuation of the Forrestania Greenstones. Geological mapping and aeromagnetic data both appear to show the greenstones continuing to the north of Forrestania, with some disruption in the "Parker Dome" granite intrusion, before continuing in a north-west orientation through the Marvel Loch area on to the Southern Cross area.

The Forrestania Greenstones host significant nickel sulphide deposits, two of which (Flying Fox and Spotted Quoll) are being mined at present. Exploration for nickel sulphide deposits has been undertaken throughout the Forrestania Greenstones as far north as the Parker Dome. However, potentially due to the almost singular focus on gold exploration in the Southern Cross area, nickel sulphide mineralisation does not appear to have been actively explored for between approximately Marvel Loch and Bullfinch. It is worth noting that the Trough Well nickel occurrence is located along strike to the north-west of the Tenement (ELA 77/2691), demonstrating that the komatiites in this northern part of the greenstone belt are still fertile for nickel sulphide mineralisation.

Local Geology

Komatiites are mapped (and interpreted) throughout much of the greenstone belt, part of which is covered by the Tenement. These komatiites represent the main target for nickel sulphide mineralisation. Two trends of ultramafic rocks are evident; the major trend (which runs from the NW tip of the Parker Dome to right through to Bullfinch and beyond), and a minor trend (which passes to the west of the Parker Dome and appears to join the major trend in the area around the town of Southern Cross. Both these trends have indications of nickel anomalism.

In addition to komatiite-hosted nickel sulphides, there is a possibility that intrusion related nickel-copper-PGE mineralisation may be present within the Tenement. One such prospect called Robertsons has been subject to previous exploration for base metal and precious metal mineralisation.

Summary of Historic Exploration

A large amount of exploration has been undertaken over the Southern Cross greenstones, almost exclusively for gold mineralisation. Hannans has completed a brief review of open file drill hole data to identify areas that have anomalous nickel assay results, and indications of nickel sulphide mineralisation. Drill hole collars were plotted over the Tenement and styled based on their maximum down-hole nickel assay. The next phase of review will be to consider the geochemical or geophysical coverage of the Tenement.

In this brief review the previously identified Robertsons and Gibney's intrusive nickel-copper-PGE prospect was confirmed as being located within the Tenement. The prospect was subject to exploration in the early 2000s by Sons of Gwalia. Exploration identified a layered mafic-ultramafic intrusion with PGE anomalism on some of the boundaries and between layers internal to the intrusion. The basal contact, which is expected to be the most prospective area for nickel sulphides, is not well exposed, but appears to have been the subject of limited RAB drilling. A reasonably comprehensive report on the prospect was prepared by W.K. Witt in 2002, and this report and most of the exploration data over the prospect is contained in Annual Technical Report A66781. The area is seen to have potential for hosting nickel sulphide mineralisation. Surface EM would be a cost effective and non-invasive method of testing for bedrock conductors that may relate to nickel sulphide mineralisation.



Figure 1: ELA 77/2691 is represented by the yellow outline. This is the tenure Hannans has secured via an option to purchase agreement. The green star represents the approximate location of the Robertson's and Gibney's intrusive nickel-copper-PGE prospect. The Corinthia gold mine is excised from the ELA and is owned by Adaman Resources Ltd. The area represented by the thin white outline has been secured via an option to purchase / farm-in agreement by Altan Rio Ltd, a TSX:V listed company. The Flying Fox mine is approx. 150kms due south of ELA 77/2691 and Trough Well is approx. 40kms due north. Southern Cross is 335kms due east of Perth and is accessible by travelling on the National Highway 94 (Great Eastern Highway).

Transaction Terms

The terms of the option to purchase agreed on 29 November 2020 are as follows:

- The applicant for exploration license application E77/2691 (Tenement) is Kym Anthony McClaren (Vendor);
- The Vendor is to be paid an option fee of \$100,000 payable in three instalments, \$25,000 on acceptance of the offer (paid by Hannans Ltd on 29 November 2020), \$50,000 on grant of the Tenement and \$25,000 within six months of grant.
- If the Tenement is not granted the \$25,000 option fee already paid will be refunded within 14 days of the decision not to grant the Tenement.

- The option exercise price is \$200,000 cash plus \$200,000 worth of fully paid ordinary shares in Hannans Ltd.
- The option can be exercised anytime on or before the third anniversary of grant of the Tenement.
- Hannans Ltd will free carry the Vendor at 10% through to a decision to mine.
- If a decision to mine is made the Vendor will have 30 days to contribute or dilute to 1% Gross Smelter Royalty.
- Both parties have reciprocal 30 day right to purchase the other parties' interest if they are prepared to accept an offer for their rights, title and interest on arm's length terms.
- Hannans is to maintain the tenement and keep it in good standing during the option period, or prior to notifying the Vendor of its intention not to exercise the option, whichever occurs first.
- The Vendor warrants that the Tenement on grant will be free of all encumbrances including third party interests of any type.
- The parties agree to execute a full and complete agreement covering all the usual terms as soon as practical. If a full and complete agreement is not signed, the current agreement will govern the relationship.

Hannans notes the Tenement is an application only, as such the Vendor has an expectation that the Tenement will be granted but cannot guarantee it. The grant of the Tenement is expected early 2021.

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

Damian Hicks
Executive Director

COMPLIANCE STATEMENT

The information in this document that relates to exploration results at the Southern Cross Gold & Nickel Project 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).