

FAST FACTS

ASX Code: HNR

CAPITAL STRUCTURE

Shares on issue: 3.37 billion

Market cap: \$40.5M (at 1.2c)

Cash: \$3.87M (31 March 2023)

Debt: Nil

BOARD OF DIRECTORS

Non-Executive Chairman

Jonathan Murray

Non-Executive Directors

Andrew Umbers

Mark Sumich

LITHIUM-ION BATTERY RECYCLING

Sweden, Norway, Denmark & Finland

UK & Ireland

Italy, Slovakia & SE Europe

ABOUT HANNANS LTD

(EST. 2002)

Our vision is to sustainably produce metals for society.

LITHIUM-ION BATTERY (LiB) RECYCLING

- › Hannans announced the signing of a binding Market Development Agreement with G&P Battery Recycling Limited (**GPBR**) for the supply of LiB feedstock to a proposed Hannans' battery recycling operation to be formed in the UK.
- › Engineering and design studies in relation to the GBPR-UK recycling facility in the UK underway – planned engagement of 3rd party construction firm by year end-2023 (subject to FID).
- › Hannans continues to pursue a number of similar LiB recycling opportunities in Europe.

EXPLORATION ASSETS

- › Company continues to assess all options for its mineral exploration assets.
- › Discussions continuing with third parties having regional interest in the Company's Forrester project.

CORPORATE

- › \$3.87m cash at bank as at 31 March 2023.
- › CEO interviews underway and at an advanced stage – multiple credible candidates.

LiB RECYCLING

Market Development Agreement

Hannans Ltd (**Hannans** or the **Company**) announced on 19 April 2023 the signing of a binding Market Development Agreement between Hannans BatRec (Europe) Limited (a wholly owned subsidiary of the Company) and G&P Battery Recycling Limited (**GPBR**) in the United Kingdom (**Agreement**). The terms of the Agreement with GPBR contemplate a four-year (4) undertaking by GPBR to deliver 16,800 tonnes of qualifying LiB feedstock (subject to entry into a formal feedstock supply agreement) for a proposed battery-recycling operation to be formed in the UK (**Hannans Shredding Spoke**). Hannans has also granted GPBR the right to earn up to a 20% total participating interest in the proposed UK entity that will operate the Hannans Shredding Spoke by meeting its Minimum Commitment (as defined in the Market Development Agreement. – see ASX release of 19 April 2023 for further information).

Hannans intends to provide management and product sales services to the proposed UK entity through the Company's wholly-owned Irish subsidiary, Hannans BatRec (Europe) Limited. Working towards a joint final investment decision, Hannans and GPBR have agreed to conclude a final operational scoping study and business plan, among other initiatives necessary for the recycling operation. Subject to the making of a final investment decision and following the completion of an engineering and design study for the processing and recycling of



www.hannans.com



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



info@hannans.com

HANNANS 3rd QUARTER ACTIVITIES REPORT 2022/2023

LiBs, Hannans proposes to submit a request to an engineering firm to construct and commission a 10-tonne per day shredding and sorting plant by year-end 2023.

About GBPR

GPBR founders have 40 years of industry experience owning, managing and operating end-of-life battery recycling companies across Europe. GPBR currently focuses on providing approved trading and recovery services to numerous British waste compliance schemes. Battery manufacturers engage GPBR to withdraw batteries from the market for reprocessing.

GPBR's founders established one of the UK's first nationwide waste battery collection services that expanded to include other chemistries, alongside the dominant lead acid battery. This responded to the requirement of new European Union and British legislation from 2010 that required producers to recover increasing volumes to reduce the materials going to landfill and incineration. GPBR has built an alternative business model for collection services to facilitate the recycling of the increasing number of spent LiBs anticipated in future years.

Feedstock Sourcing Strategy

The Market Development Agreement with GPBR represents a first and significant milestone in Hannans' new LiB recycling strategy. With the recent increased (and increasing) European emphasis on environmental regulation of end-of-life batteries, the arrangement with GBPR positions Hannans nicely in the UK. GBPR brings expertise in battery treatment and transportation, allowing the venture to process waste LiBs locally and close to the source.

Hannans believes that the opportunity in relation feedstock supply generated from OEMs/giga factories is likely to lag somewhat behind collection compliance schemes. Hannans' mover advantage and path to potential first revenue is best facilitated by an immediate focus on these schemes as a feedstock sourcing strategy.

Opportunity Pipeline

The Company continues to focus on similar opportunities in other European jurisdictions and remains in active (but incomplete) discussions with a number of parties. The ultimate aim of the Company being securing access to sustainable volumes of lithium-ion battery feedstock to carry the capex for a minimum production volume of a 10 t/pd shredding circuit capability.

The Company will update the market if any of these discussions result in a binding arrangement.

EXPLORATION ASSETS

The Company continues to assess its options and engage with third parties in relation to its mineral exploration portfolio.

The Company notes the recent high grade lithium results reported by Forrestania Resources Limited¹ on tenements proximate to Hannans' Forrestania project.

Material developments regarding possible dealings on any of the Company's mineral exploration assets will be notified to the market in accordance with its continuous disclosure obligations.

CEO APPOINTMENT PROCESS

A formal CEO search and interview process has commenced and is at an advanced stage. There are multiple experienced and credible candidates on the short list.

¹ Refer to Forrestania Resources Limited ASX Announcement dated 24 April 2023.

FINANCIAL

The Company had cash on hand as of 31 March 2023 of approximately \$3.87 million.

Related Party payments for the Quarter, as outlined in the Appendix 5B at section 6.1, totalled \$248,000 and included amounts paid to directors including payment of \$137,956 made for PAYGW and superannuation relating to directors' resignation in December 2022, and services provided by directors.

Refer to the Appendix 5B for an overview of the Company's financial activities during the Quarter.

Capital Structure at 31 March 2023

Description	Number
Fully paid ordinary shares	3,372,105,462
Unlisted Options exercisable at 6.1 cents on or before 25 November 2025	55,000,000
Unlisted Options exercisable at 3.2 cents on or before 25 November 2025	5,000,000
Unlisted Options exercisable on or before 25 November 2025 at the VWAP [^] for the five (5) trading days before and five (5) trading days after 26 November 2023 PLUS a premium of 50%	5,000,000

[^] VWAP = Volume Weights Average Price

Use of Funds²

Hannans provides the following disclosure required by ASX Listing Rule 5.3.4 regarding a comparison of its actual expenditure to date since re-listing on 8 December 2022 against the 'use of funds' statement in its Prospectus dated 17 October 2022. The figures shown below are inclusive of GST.

Expenditure	Funds allocated under Prospectus \$	Actual to 31 Mar 2023 \$	Variance \$
LiB recycling activities	2,700,000	621,158	2,078,842
Exploration	1,800,000	121,434	1,678,566
Working capital	550,000	488,948	61,052
Re-compliance cost	200,000	222,663	(22,663)
Cost of Offer	250,000	271,707	(21,707)
TOTAL	5,500,000	1,725,910	3,774,090

This ASX announcement has been authorised for release by Mr Jonathan Murray, Non-Executive Chairman, on behalf of the Board of Hannans.

For further information, please contact:

Mindy Ku
 Company Secretary
 E: info@hannans.com

² The Use of Funds table is a statement of current intentions. Investors should note that the allocation of funds set out in the table may change depending on a number of factors including the results of exploration, outcome of development activities, regulatory developments and market and general economic conditions.

ASX ANNOUNCEMENTS

ASX announcements during the period 1 January 2023 to date of report

Date	Announcement
19/04/2023	Market Development Agreement for UK
17/04/2023	Trading Halt
10/03/2023	Half Year Financial Report
31/01/2023	2nd Quarter Activities & Cashflow Report
20/01/2023	Market Update

TENEMENT SUMMARY

Granted Tenements

Tenement number	Interest 3rd Quarter 2022/2023		Note	Tenement number	Interest 3rd Quarter 2022/2023		Note
	Start	End			Start	End	
HANNANS LIB PTY LTD ¹							
Location: Fraser Range, Australia							
E28/3167	100%	100%	1				
E28/3168	100%	100%	1				
E63/2143	100%	100%	1				
REED EXPLORATION PTY LTD ²							
Location: Forrestania, Western Australia				Location: Fraser Range, Western Australia			
E77/2207-I	100%	100%	3	E63/2020	100%	100%	
E77/2219-I	100%	100%	3	E63/2021	100%	100%	
E77/2220-I	100%	100%	3	E63/2022	100%	100%	
E77/2239-I	100%	100%	3,4	E63/2023	100%	100%	
P77/4290	100%	100%	3	E63/2024	100%	100%	
P77/4291	100%	100%		E63/2025	100%	100%	
E77/2546	100%	100%		E63/2026	100%	100%	
P77/4534	100%	100%		Location: Moogie, Western Australia			
E77/2460	100%	100%		E09/2374	100%	100%	
				E09/2417	100%	100%	
				E09/2460	100%	100%	
				E09/2461	100%	100%	
				E09/2640	100%	100%	

Note:

- Hannans LiB Pty Ltd (**HLB**) is a wholly owned subsidiary of Hannans Ltd. HLB is the registered holder of the tenements.
- Reed Exploration Pty Ltd (**REX**) is a wholly owned subsidiary of Hannans Ltd. REX is the registered holder of the tenements unless indicated otherwise.
- REX holds a 100% interest in all minerals excluding gold. REX holds a 20% free-carried interest in the gold rights.
- REX voluntary partial surrendered 6 sub-blocks during the period.

Tenement Applications

Tenement number	Note	Tenement number	Note
REED EXPLORATION PTY LTD			
Location: Moogie, Western Australia		Location: Forrestania, Western Australia	
E09/2662	1	E77/2711	1
E09/2697	1	E77/3002	1
E09/2718	1		
E09/2719	1		

Note:

1 Re-application of existing exploration licences pending grant following changes in Warden’s decision published on the 24 August 2022.

Relinquished or Lapsed Tenements

Tenement number	Start	End
REED EXPLORATION PTY LTD		
Location: Moogie, Western Australia		
E09/2373	100%	0%

-End-

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly cash flow report

Name of entity

HANNANS LTD

ABN

52 099 862 129

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	–	–
1.2 Payments for		
(a) exploration & evaluation	(47)	(395)
(b) recycling project	(494)	(739)
(c) production	–	–
(d) staff costs	(185) [^]	(447)
(e) administration and corporate costs	(133)	(839)
1.3 Dividends received (see note 3)	–	–
1.4 Interest received	10	18
1.5 Interest and other costs of finance paid	–	–
1.6 Income taxes received/(paid)	–	–
1.7 Government grants and tax incentives	–	–
1.8 Other (provide details if material)	–	–
1.9 Net cash from / (used in) operating activities	(849)	(2,402)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	–	–
(b) tenements	–	–
(c) property, plant and equipment	–	–
(d) exploration & evaluation	–	–
(e) investments	–	–
(f) other non-current assets	–	–

Note: [^] Payment of \$137,956 was made for PAYGW and superannuation relating to directors' resignation in December 2022.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	–	–
	(b) tenements	–	–
	(c) property, plant and equipment	–	23
	(d) investments	–	–
	(e) other non-current assets	–	–
2.3	Cash flows from loans (to) / from other entities	–	–
2.4	Dividends received (see note 3)	–	–
2.5	Other (provide details if material)	–	–
2.6	Net cash from / (used in) investing activities	–	23
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	–	2,275
3.2	Proceeds from issue of convertible debt securities	–	–
3.3	Proceeds from exercise of options	–	–
3.4	Transaction costs related to issues of equities, securities or convertible debt securities	(5)	(62)
3.5	Proceeds from borrowings	–	–
3.6	Repayment of borrowings	–	–
3.7	Transaction costs related to loans and borrowings	–	–
3.8	Dividends paid	–	–
3.9	Other (provide details if material)	–	–
3.10	Net cash from / (used in) financing activities	(5)	2,213
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,719	4,031
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(849)	(2,402)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	–	23
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	2,213

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	–	–
4.6	Cash and cash equivalents at end of period	3,865	3,865

a. Hannans received the cash flow boosts from the Australian Taxation Office.

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	3,805	4,719
5.2 Call deposits	60	–
5.3 Bank overdrafts	–	–
5.4 Other (provide details)	–	–
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,865	4,719

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties included in item 1	248
6.2 Aggregate amount of payments to related parties and their associates included in item 2	–
Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments	
Description: Directors' salaries, and fees including payment of \$137,956 made for PAYGW and superannuation relating to directors' resignation in December 2022. Legal and geological services provided by the directors.	

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term 'facility' includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	–	–
7.2 Credit standby arrangements	–	–
7.3 Other (please specify)	–	–
7.4 Total financing facilities	–	–
7.5 Unused financing facilities available at quarter end		–
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(849)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	–
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(849)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,865
8.5 Unused finance facilities available at quarter end (item 7.5)	–
8.6 Total available funding (item 8.4 + item 8.5)	3,865
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.00
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2023

Authorised by: Jonathan Murray, Non Executive Director

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.