

### FAST FACTS

ASX Code: HNR

### CAPITAL STRUCTURE

Shares on issue: 3.37 billion

Market cap: \$37.1M (at 1.1c)

Cash: \$3.34M (30 June 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

- › Earlier this quarter Hannans announced the signing of a binding Market Development Agreement with G&P Battery Recycling Limited (**GPBR**) for the supply of Lithium Battery (**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 continue – with the planned engagement of a construction firm, project management/engineering team and environmental permit applications to continue in the upcoming next quarter (subject to FID).
- › Hannans continues to pursue a number of similar LiB and lithium ferrous phosphate (**LFP**) recycling opportunities in its licenced territories across Europe.

### CORPORATE

- › Appointment of Brett Salt as Chief Executive Officer (**CEO**) commencing in early October.

### EXPLORATION ASSETS

- › Discussions advancing with third parties regarding the Company's Forrestania project.

## LiB RECYCLING

### Market Development Agreement

During the past quarter, 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**)<sup>1</sup>.

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 LiBs, Hannans proposes to submit a request to an engineering firm to construct and commission a 10-tonne per day shredding and sorting plant in the United Kingdom by year-end 2023. Hannans is at an advanced stage in identifying a LiB processing location in northwest England and engaging a chief engineer and project manager to support Hannans' European expansion.

<sup>1</sup> Refer to Hannans ASX Announcement dated 19 April 2023.



### Feedstock Sourcing Strategy

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The Market Development Agreement with GPBR represents a first and significant milestone in Hannans' LiB recycling strategy to ensure compliance with European Union targets for recycled battery content in new LiBs and British policy to create an electric vehicle (**EV**) battery manufacturing cluster in the United Kingdom (**UK**) to support the establishment of British EV gigafactories in the near term.

Hannans believes that the opportunity in relation to feedstock supply generated from Original Equipment Manufacturers (**OEMs**)/giga factories is likely to lag behind collection compliance schemes. Hannans' mover advantage and path to future revenue is best facilitated by an immediate focus on these schemes as a feedstock sourcing strategy across all of its licensed territories.

### Opportunity Pipeline

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The Company continues to focus on potential opportunities in other European jurisdictions, including Scandinavia, Italy, Slovakia and southeast Europe, and remains in active discussions with a number of parties. The Company aims to secure access to sustainable volumes of LiB feedstock to underpin the capital investment for a shredding circuit with a minimum production volume of a 10 t/pd capability.

### CEO APPOINTMENT

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On 6 June 2023, the Company announced the appointment of Mr Brett Salt as Chief Executive Officer (**CEO**) commencing in early October 2023.

As Hannans moves towards commercialising its battery recycling technology under licences across several jurisdictions in the EU and the UK, the Company believes Mr Salt's deep international commercial and operational experience will assist Hannans in the roll out of the hub and spoke battery shredding and materials recovery business model.

### EXPLORATION ASSETS

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As previously advised, there has been interest received from third parties in relation to the Company's mineral exploration assets, in particular the Forrestania project. The Company continues to assess all proposals and any developments will be notified to the market in accordance with continuous disclosure obligations.

### FINANCIAL

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The Company had cash on hand as of 30 June 2023 of approximately \$3.34 million.

Related Party payments for the Quarter, as outlined in the Appendix 5B at section 6.1, totalled \$85,000 which included amounts paid for directors' fees 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 30 June 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 <sup>^</sup> for the five (5) trading days before and five (5) trading days after 26 November 2023 PLUS a premium of 50%	5,000,000

<sup>^</sup> VWAP = Volume Weights Average Price

### Use of Funds<sup>2</sup>

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 Jul 2023 \$	Variance \$
LiB recycling activities	2,700,000	917,453	1,782,547
Exploration	1,800,000	175,146	1,624,854
Working capital	550,000	604,810	(54,810)
Re-compliance cost	200,000	222,663	(22,663)
Cost of Offer	250,000	271,707	(21,707)
<b>TOTAL</b>	<b>5,500,000</b>	<b>2,191,778</b>	<b>3,308,222</b>

This ASX announcement has been authorised for release by the Board of Hannans.

For further information, please contact:

Mindy Ku

Company Secretary

E: [info@hannans.com](mailto:info@hannans.com)

<sup>2</sup> 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 April 2023 to date of report

Date	Announcement
09/06/2023	Appointment of Brett Salt as CEO
28/04/2023	3rd Quarter Activities & Cashflow Report
19/04/2023	Market Development Agreement for UK
17/04/2023	Trading Halt

## TENEMENT SUMMARY

### Granted Tenements

Tenement number	Interest 3rd Quarter 2022/2023		Note	Tenement number	Interest 3rd Quarter 2022/2023		
	Start	End			Start	End	Note
<b>HANNANS LIB PTY LTD <sup>1</sup></b>				<b>Location: Fraser Range, Australia</b>			
E28/3167	100%	100%	1,5				
E28/3168	100%	100%	1,5				
E63/2143	100%	100%	1,5				
<b>REED EXPLORATION PTY LTD <sup>2</sup></b>				<b>Location: Moogie, Western Australia</b>			
<b>Location: Forrestania, Western Australia</b>				<b>Location: Moogie, Western Australia</b>			
E77/2207-I	100%	100%	3	E09/2374	100%	100%	
E77/2219-I	100%	100%	3	E09/2460	100%	100%	5
E77/2220-I	100%	100%	3	E09/2461	100%	100%	5
E77/2239-I	100%	100%	3,4	E09/2640	100%	100%	
P77/4290	100%	100%	3				
P77/4291	100%	100%	3				
E77/2546	100%	100%					
P77/4534	100%	100%					
E77/2460	100%	100%					
E77/2711	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.
- Tenements were relinquished post 30 June 2023.

Tenement Applications

Tenement number	Note	Tenement number	Note
<b>REED EXPLORATION PTY LTD</b>			
<b>Location: Moogie, Western Australia</b>		<b>Location: Forrestania, Western Australia</b>	
E09/2662	1	E77/3002	1
E09/2718	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	Tenement number	Start	End
<b>REED EXPLORATION PTY LTD</b>			<b>REED EXPLORATION PTY LTD</b>		
<b>Location: Forrestania, Western Australia</b>			<b>Location: Moogie, Western Australia</b>		
E63/2020	100%	0%	E09/2417	100%	0%
E63/2021	100%	0%	E09/2697	0%	0%
E63/2022	100%	0%	E09/2719	0%	0%
E63/2023	100%	0%			
E63/2024	100%	0%			
E63/2025	100%	0%			
E63/2026	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")**

30 June 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	–	–
1.2 Payments for		
(a) exploration & evaluation	(45)	(440)
(b) recycling project	(286)	(1,056)
(c) production	–	–
(d) staff costs	(76)	(523)
(e) administration and corporate costs	(88)	(897)
1.3 Dividends received (see note 3)	–	–
1.4 Interest received	13	31
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)	(60)	(60)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(542)</b>	<b>(2,945)</b>
<b>2. Cash flows from investing activities</b>		
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	–	–

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	–	–
	(b) tenements	–	–
	(c) property, plant and equipment	–	23
	(d) investments	17	17
	(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)	–	–
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>17</b>	<b>40</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	–	(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)	–	–
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>–</b>	<b>2,213</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,864	4,031
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(542)	(2,945)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	17	40
4.4	Net cash from / (used in) financing activities (item 3.10 above)	–	2,213

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	–	–
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,339</b>	<b>3,339</b>

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

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	3,339	3,804
5.2 Call deposits	60	60
5.3 Bank overdrafts	–	–
5.4 Other (provide details)	–	–
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,399</b>	<b>3,864</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties included in item 1	85
6.2 Aggregate amount of payments to related parties and their associates included in item 2	–
<p>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</p> <p>Description: Directors' salaries and fees including statutory superannuation where applicable. Legal and geological services provided by the directors.</p>	



<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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)	–	–
<b>7.4 Total financing facilities</b>	<b>–</b>	<b>–</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>–</b>
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(542)
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)	(542)
8.4 Cash and cash equivalents at quarter end (item 4.6)	3,339
8.5 Unused finance facilities available at quarter end (item 7.5)	–
8.6 Total available funding (item 8.4 + item 8.5)	3,339
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>6.00</b>
<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: 31 July 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.