

FAST FACTS

ASX Code: HNR

CAPITAL STRUCTURE

Shares on issue: 3.37 billion

Market cap: \$23.6M (at 0.7c)

Cash: \$2.85M (30 September 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 .

> Engineering Studies Commenced:

Engineering consultancy engaged to oversee feasibility studies and manage the operating and environmental permit applications for UK operations.

> Developing Further Feedstock Partnerships:

Hannans continues to pursue a number of similar battery recycling opportunities and is active discussions with a number of parties across its licenced territories.

> Potential Project and Grant Funding Sources Identified:

Sources of grants and investment incentives from the UK government and International Finance Institutions shortlisted.

EXPLORATION ASSETS

- > Discussion with Classic progressed for the sale of the Forrestania Project with divestment executed during October 2023 marking the completion of Hannans transition to become a battery recycling business.

LiB RECYCLING

Feedstock Sourcing Strategy

Following the UK Market Development Agreement with GPBR announced in April 2023, the Company has now engaged engineering firm Chris Wilson Consulting to initiate a Feasibility Study for a 10 tonne per day battery shredding 'Spoke' Plant to produce black mass. The Study will cover project economics, preliminary equipment design, layout, schedule, permitting and cost estimates. The Hannans/GPBR agreement contemplates 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 processing in a Hannans "Spoke" Plant. Hannans is also in advanced stages of site selection for the location for its proposed UK Spoke Plant and will update the market once the selection process is completed. This Spoke Plant is the first step in developing sustainable volumes of leach-feed to underpin a patented hydrometallurgical circuit in the United Kingdom to extract battery chemicals.



The Company continues to focus on similar opportunities in other European jurisdictions, including Scandinavia, Italy, Slovakia and Southeast Europe, and remains in active discussions with a number of parties. The aim of the Company is to secure access to sustainable volumes of lithium-ion battery feedstock to carry profitably the capex for a minimum production volume of a 10 t/pd shredding circuit capability that will scale with the anticipated growth of new opportunities. Hannans will update the market once binding agreements are reached.

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

EXPLORATION ASSETS

In October 2023, the Company entered into a binding a tenement sale agreement with Classic Minerals Limited to sell its interests in the Forrestania Project. Classic will seek and obtain the necessary approvals, including shareholder approval, by no later than 30 November 2023.

FINANCIAL

The Company had cash on hand as of 30 September 2023 of approximately \$2.85 million.

Related Party payments for the Quarter, as outlined in the Appendix 5B at section 6.1, totalled \$61,000 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 September 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 Funds¹

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 30 September 2023 \$	Variance \$
LiB recycling activities	2,700,000	1,211,055	1,488,945
Exploration	1,800,000	183,978	1,616,022
Working capital	550,000	823,844	(273,844)
Re-compliance cost	200,000	222,663	(22,663)
Cost of Offer	250,000	271,707	(21,707)
TOTAL	5,500,000	2,713,247	2,786,753

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

¹ 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 July 2023 to date of report

Date	Announcement
25/10/2023	Notice of Annual General Meeting
17/10/2023	Date of AGM & Director Nomination
06/10/2023	Notification regarding unquoted securities – HNR
05/10/2023	Commencement of New CEO
03/10/2023	Sale of Forrestania Project
21/09/2023	2023 Annual Report
21/09/2023	Appendix 4G & 2023 Corporate Governance Statement
07/09/2023	Change of Registry Address
09/08/2023	Investor Presentation
31/07/2023	4th Quarter Activities & Cashflow Report

TENEMENT SUMMARY

Granted Tenements

Tenement number	Interest 3rd Quarter 2022/2023		Note	Tenement number	Interest 3rd Quarter 2022/2023		Note
	Start	End			Start	End	
REED EXPLORATION PTY LTD ¹				Location: Moogie, Western Australia			
Location: Forrestania, Western Australia ⁴				Location: Moogie, Western Australia			
E77/2207-I	100%	100%	2	E09/2374	100%	100%	
E77/2219-I	100%	100%	2	E09/2640	100%	100%	
E77/2220-I	100%	100%	2				
E77/2239-I	100%	100%	2,3				
P77/4290	100%	100%	2				
P77/4291	100%	100%	2				
E77/2546	100%	100%					
P77/4534	100%	100%					
E77/2460	100%	100%					
E77/2711	100%	100%					

Note:

- 1 Reed Exploration Pty Ltd (**REX**) is a wholly owned subsidiary of Hannans Ltd. REX is the registered holder of the tenements unless indicated otherwise.
- 2 REX holds a 100% interest in all minerals excluding gold. REX holds a 20% free-carried interest in the gold rights.
- 3 REX voluntary partial surrendered 6 sub-blocks during the period.
- 4 All Forrestania tenements were sold post the quarter. Refer to ASX announcement titled 'Sale of Forrestania' released on 3 October 2023.

Tenement Applications

Tenement number	Note	Tenement number	Note
REED EXPLORATION PTY LTD			
Location: Moogie, Western Australia		Location: Forrestania, Western Australia	
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
REED EXPLORATION PTY LTD					
Location: Fraser Range, Western Australia			Location: Moogie, Western Australia		
E28/3167	100%	0%	E09/2460	100%	0%
E28/3168	100%	0%	E09/2461	100%	0%
E63/2143	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 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	–	–
1.2 Payments for		
(a) exploration & evaluation	(12)	(12)
(b) recycling project	(281)	(281)
(c) production	–	–
(d) staff costs	(41)	(41)
(e) administration and corporate costs	(261)	(261)
1.3 Dividends received (see note 3)	–	–
1.4 Interest received	8	8
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	(587)	(587)
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	–	–

Mining exploration entity or oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	–	–
	(b) tenements	–	–
	(c) property, plant and equipment	–	–
	(d) investments	95	95
	(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	95	95
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	–	–
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	–	–
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	–	–
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,339	3,339
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(587)	(587)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	95	95
4.4	Net cash from / (used in) financing activities (item 3.10 above)	–	–

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	–	–
4.6	Cash and cash equivalents at end of period	2,847	2,847

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	2,847	3,339
5.2 Call deposits	110	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)	2,957	3,399

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	61
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 statutory superannuation where applicable. 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)	(587)
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)	(587)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,847
8.5 Unused finance facilities available at quarter end (item 7.5)	–
8.6 Total available funding (item 8.4 + item 8.5)	2,847
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: 31 October 2023

Authorised by: Jonathan Murray, Non-Executive Chairman

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.