

HANNANS LTD
ACN 099 862 129

OFFER DOCUMENT

For a pro rata non-renounceable Rights Issue to Eligible Shareholders on the basis of 4 New Shares for every 43 existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.025 per New Share to raise approximately \$5,500,000 (before costs) (**Offer**).

The Offer opens on Wednesday, 20 October 2021 and closes at 5:00pm (WST) on Monday, 1 November 2021 (unless it is lawfully extended). Valid acceptances must be received before that time.

The Offer is fully underwritten by Euroz Hartleys Limited (Australian Financial Services Licence No 230052). Please refer to Section 7.1 for the material terms and conditions of the Underwriting Agreement.

Applications for New Shares by Eligible Shareholders can only be made by using or following the instructions on an Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out the Eligible Shareholders' Entitlement to participate in the Offer.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form.

This document is not a prospectus and does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document.

This Offer Document is not for release or distribution in the United States.

The New Shares offered by this Offer Document should be considered as speculative.

Lead Manager and Underwriter

EUROZ HARTLEYS

Legal Advisers

STEINPREIS PAGANIN 
Lawyers & Consultants

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1. IMPORTANT INFORMATION

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

1.1 This document is not a prospectus

This Offer Document is dated 11 October 2021, has been prepared by Hannans Ltd (ACN 099 862 129) and is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of the Company. This Offer Document is not a prospectus under the Corporations Act and has not been lodged with the ASIC. It does not contain all of the information that an investor would find in a prospectus, or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares offered by this document.

This Offer Document including each of the documents attached to it and which form part of this Offer Document are important and should be read in their entirety prior to making an investment decision. In particular, Shareholders should refer to the risk factors set out in section 6 of this document. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser.

1.2 Section 708AA of the Corporations Act

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to accept the Offer.

1.3 Eligibility

Applications for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, to be emailed and posted to Eligible Shareholders by Computershare on Wednesday, 20 October 2021, available downloadable by logging in to the Computershare web site, and also available from <https://hannansoffer.thereachagency.com>. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

1.4 Overseas Shareholders

This Offer Document does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

The Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand and the United Kingdom. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of Shares these

Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

New Zealand Shareholders

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Offer Document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no Offer Document (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Securities.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

United States

This Offer does not constitute an offer in the United States of America, nor does it constitute an offer to a person who is a US Person or someone who is acting on behalf of a US Person.

The Shares have not been, and will not be, registered under the US Securities Act 1933 and may not be offered or sold in the United States of America, or to, or for

the account or benefit of, US Persons (as defined in Rule 902 under the US Securities Act) except under an available exemption from registration under the US Securities Act. These Shares may only be resold or transferred if registered under the US Securities Act or pursuant to an exemption from registration under the US Securities Act and in compliance with state securities laws. The Company is under no obligation and has no intention to register the Shares in the United States of America.

1.5 Notice to nominees and custodians

Shareholders resident in Australia, New Zealand or the United Kingdom holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.6 Forward-looking statements

This Offer Document contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Offer Document, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Offer Document will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Document, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Offer Document.

1.7 Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds, and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct, and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

2. CORPORATE DIRECTORY

Directors

Mr Jonathan Murray
Non-Executive Chairman

Mr Damian Hicks
Executive Director

Mr Markus Bachmann
Non-Executive Director

Mr Clay Gordon
Non-Executive Director

Ms Amanda Scott
Non-Executive Director

Company Secretary

Mr Ian Gregory

Registered Office

Level 12
197 St Georges Terrace
PERTH WA 6000
Telephone: + 61 8 9324 3388

Email: info@hannans.com
Website: www.hannans.com

ASX Code

HNR

Share Registry*

Computershare
Level 11
172 St George's Terrace
PERTH WA 6000

Legal Advisers

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Lead Manager and Underwriter

Euroz Hartleys Limited
Level 18 Alluvion
58 Mounts Bay Road
PERTH WA 6000
(AFSL 230052)

Auditor*

Ernst & Young
11 Mounts Bay Road
PERTH WA 6000

*These parties have been included for information purposes only. They have not been involved in the preparation of this Offer Document.

3. LETTER FROM THE CHAIRMAN

Dear Shareholder

On behalf of the Directors of Hannans Ltd, I present this Offer Document to invite you to participate in a non-renounceable entitlement offer to raise approximately \$5.5 million (before costs and expenses).

The Offer is fully underwritten by Euroz Hartleys Limited (**Euroz Hartleys**). Details of the Underwriting Agreement between the Company and Euroz Hartleys is set out in Section 7.1.

The Offer presents you the right to take up 4 New Shares for every 43 Shares you hold as at 5:00pm (WST) on Friday, 15 October 2021 at an issue price of \$0.025 per New Share.

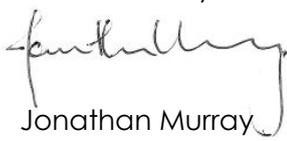
As announced on 9 September 2021, funds raised pursuant to the Offer will be applied towards confirmed mineral exploration at the Company's Forrestania, Fraser Range and Moogie projects. Funds will also be applied towards funding preliminary activities associated with the Company's recently announced LiB recycling joint venture, expenses of the offer and general working capital. For further details on the proposed use of funds please see Section 4.2 of this Offer Document.

The Offer Document includes further details of the Offer, including the effect of the Offer on the Company and a summary of the risks associated with investing in the Company.

This is an important document and should be read in its entirety. If you have any doubts or questions in relation to the Offer Document you should consult your stockbroker, accountant, solicitor or other independent professional advisor to evaluate whether or not to participate in the Offer.

On behalf of the Board, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours faithfully



Jonathan Murray
Non-Executive Chairman

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement offer of **4 New Shares for every 43 Share** held by Eligible Shareholders registered at the Record Date at an issue price of \$0.025 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as set out in Section 4.6, 219,532,763 Shares will be issued pursuant to this Offer to raise up to approximately \$5.5 million (before costs).

As at the date of this Offer Document, the Company has 129,500,000 Options on issue, 59,500,000 of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to section 4.6 of this Offer Document for information on the exercise price and expiry date of the Options currently on issue.

All of the Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document.

The Directors may at any time decide to withdraw this Offer Document and the offer of Shares made under this Offer Document in which case the Company will return all Application monies (without interest) within 28 days of giving such notice of withdrawal.

4.2 Use of Funds

Completion of the Offer will result in an increase in cash in hand of approximately \$5,500,000 (before the payment of costs associated with the Offer).

The Company intends to apply the funds raised under the Offer as follows:

Items of Expenditure	\$	%
Mineral Exploration at existing projects ¹	2,500,000	45.5%
Preliminary activities in connection with LiB recycling joint venture ²	1,500,000	27.3%
Working capital	1,000,000	18.2%
Expenses of the Offer	500,000	9%
Total	5,500,000	100%

Note:

- Existing projects include Forrestania, Fraser Range and Moogie Projects. Activities include geophysics (airborne, surface, and downhole), geology (mapping and drilling) and geochemistry (surface sampling and drilling be it aircore, reverse circulation or diamond drilling). Airborne geophysics is planned for Moogie in November 2021, ground geophysics is planned for Fraser Range and Moogie early 2022 and downhole geophysics is planned for Forrestania early 2022. RC / diamond drilling is planned for Moogie early 2022. The Company will also seek to apply funds to source new nickel projects in Western Australia either via staking new ground, joint venture, or acquisition.
- Includes costs associated with securing battery feedstock, location studies, environmental and social impact assessments and permitting.

The above table is a statement of the Board's current intentions as at the date of this Offer Document. Shareholders should note that, as with any budget, the

allocation of funds set out in the above table may change depending on several factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

4.3 Indicative Timetable

Event	Date**
Announcement of Offer and Appendix 3B	Monday, 11 October 2021
Lodgement of Offer Document and Cleansing Notice with ASX	Monday, 11 October 2021
Ex-date	Thursday, 14 October 2021
Record Date for determining Entitlements	Friday, 15 October 2021
Offer opening date, Offer Document sent to Eligible Shareholders and Company announces this has been completed	Wednesday, 20 October 2021
Last day to extend Closing Date*	Wednesday, 27 October 2021
Closing Date (Offer closes 5:00pm (WST))*	Monday, 1 November 2021
New Shares quoted on a deferred settlement basis	Tuesday, 2 November 2021
Announcement of results of Offer (including any Shortfall)	Wednesday, 3 November 2021 (prior to market open)
Issue date of New Shares and lodgement of Appendix 2A with ASX applying for quotation of the securities (before noon Sydney time)	Monday, 8 November 2021

* Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.

** These dates are indicative only and are subject to change.

4.4 Entitlements and acceptance

Details of how to apply under the Offer are set out in Section 5 of this Offer Document.

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

You can also apply for Additional Shares under the Shortfall Offer in addition to your Entitlement by following the instructions set out in Section 5. The Company reserves the right, in consultation with the Underwriter, to issue an Eligible Shareholder a lesser number of Shortfall Shares than applied for or no Shortfall Shares at all. The Shortfall Offer is described in Section 5.5 below.

4.5 No rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

4.6 Capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below.

Shares	Number
Shares currently on issue	2,359,977,192
New Shares offered pursuant to the Offer ¹	219,532,763
Total Shares on issue after completion of the Offer¹	2,579,509,955

Notes:

1. This number may vary due to rounding of Entitlements and may increase as a result of the rounding up of New Shares offered under the Offer.

Options

Options	Number
Unlisted Options exercisable at \$0.018 each on or before 27/10/2021 ¹	28,000,000
Unlisted Options exercisable at \$0.015 each on or before 27/10/2022	28,000,000
Unlisted Options exercisable at \$0.015 each on or before 19/11/2022	3,500,000
Unlisted Options exercisable at \$0.012 each on or before 30/10/2021	10,000,000
Unlisted Options exercisable at \$0.017 each on or before 30/10/2021	15,000,000
Unlisted Options exercisable at \$0.022 each on or before 30/10/2022	20,000,000
Unlisted Options exercisable at \$0.027 each on or before 30/10/2022	25,000,000
Total Options on Issue	129,500,000

Notes:

1. The Company notes that 14,000,000 Options (exercisable at 1.8 cents on or before 27 October 2021) are held by entities associated with the Directors per below. Each of the Directors presently intends on exercising these Options after the Record Date but prior to the Closing Date as follows:

Options	Number
J Murray	3,500,000

Options	Number
M Bachmann	3,500,000
A Scott	3,500,000
C Gordon	3,500,000
Total Options	14,000,000

The capital structure on a fully diluted basis as at the date of this Offer Document would be 2,489,477,192 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Options are exercised prior to the Record Date) would be 2,709,009,955 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

4.7 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 8.51% (as compared to their holdings and number of Shares on issue as at the date of this Offer Document).

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	Approximate % at Record Date ¹	Entitlements under the Offer	Holdings if Offer not taken Up	Approximate % post Offer
Shareholder 1	50,000,000	2.12%	4,651,163	50,000,000	1.94%
Shareholder 2	25,000,000	1.06%	2,325,582	25,000,000	0.97%
Shareholder 3	10,000,000	0.42%	930,233	10,000,000	0.39%
Shareholder 4	1,000,000	0.04%	93,023	1,000,000	0.04%
Shareholder 5	100,000	0.0%	9,302	100,000	0.00%

Notes:

1. This is based on a share capital of 2,359,977,192 Shares at the date of this Offer Document.

4.8 Directors Interests and Participation

Each Director's relevant interest in the securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director	Shares ¹	Options ^{1,2}	Voting Power (%)	Entitlement	\$
J Murray	19,523,313	7,000,000	0.83%	1,816,123	45,403
D Hicks	7,461,763	Nil	0.32%	694,118	17,353
M Bachmann	85,952,405	7,000,000	3.64%	7,995,573	199,889
C Gordon	5,771,294	7,000,000	0.24%	536,865	13,422

Director	Shares ¹	Options ^{1,2}	Voting Power (%)	Entitlement	\$
A Scott	1,260,001	7,000,000	0.05%	117,210	2,930

Notes:

1. Refer to the Appendix 3Y for each Director (available from the Company's ASX platform) for further details with respect to the relevant interest of each Director in the securities of the Company.
2. As noted in Section 4.6 above, certain Directors presently intend to exercise certain of their respective Options, after the Record Date but prior to the Closing Date. Accordingly, it will have no effect on their Entitlement.

The Directors reserve the right to take up their Entitlement should they elect to do so.

4.9 Effect of the Offer on control and voting power in the Company

The Company's substantial holders and their Entitlement prior to the Offer are set out in the table below.

Substantial Holder	Shares	Voting Power (%)	Entitlement	\$
Neometals Investments Pty Ltd ¹	773,164,028	32.76%	71,922,236	1,798,056
Citicorp Nominees Pty Limited	120,020,509	5.09%	11,164,699	279,117

Notes:

1. Neometals Investment Pty Ltd has executed a firm commitment letter pursuant to which it has agreed to take up its full entitlement under the Offer (representing a subscription for 72,075,310 Shares for a sum of \$1,801,883 (**Firm Commitment Amount**)).
2. The voting power in the table is prior to settlement of the Offer.

The potential effect that the issue of the Shares under the Offer will have on the control of the Company is as follows:

- (a) if all Eligible Shareholders take up their Entitlements, the issue of Shares under the Offer will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company, subject only to changes resulting from Ineligible Shareholders being unable to participate in the Offer;
- (b) in the more likely event that there is a shortfall, Eligible Shareholders who do not subscribe for their full Entitlement and ineligible shareholders unable to participate in the Offer will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement as shown by the table in Section 4.7; and
- (c) in respect of any shortfall, Eligible Shareholders may apply for additional Shares under the Shortfall Offer, as detailed in Section 5.5.

The number of Shares held by the Underwriter and its voting power in the table above show the potential effect of the underwriting of the Offer. However, it is unlikely that no Shareholders will take up entitlements under the Offer. The underwriting obligation and therefore voting power of the Underwriter will reduce

by a corresponding amount for the amount of Entitlements under the Offer taken up by Shareholders. Furthermore, the voting power of the Underwriter will also be reduced to the extent that sub-underwriters take up any Shortfall.

The Company notes that no Shares will be issued to an applicant under this Offer Document or via the Shortfall Offer if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Shares will be issued via the Shortfall Offer to any related parties of the Company.

4.10 Underwriting

The Offer is fully underwritten by the Underwriter, who has also been appointed as the lead manager to the Offer. Refer to Section 7.1 for a summary of the material terms of the Underwriting Agreement.

4.11 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of release of this Offer Document and the respective dates of those sales were:

	(\$)	Date
Highest	0.046	21 September 2021
Lowest	0.006	15,19-23 July 2021, 2-3, 19 August 2021, 1 September 2021
Last	0.029	8 October 2021

4.12 Opening and Closing Dates

The Offer opens on the Opening Date, being Wednesday, 20 October 2021, and closes on the Closing Date, being 5:00pm (WST) on Monday, 1 November 2021 (or such other dates as the Directors in their discretion shall determine subject to the ASX Listing Rules). The Company will accept Entitlement and Acceptance Forms until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the ASX Listing Rules.

4.13 Issue and dispatch

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the indicative timetable set out in Section 4.3 of this Offer Document. Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis.

Pending the issue of the Shares or payment of refunds pursuant to this Offer Document, all Application monies will be held by the Registry in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest by completing and returning the Entitlement and Acceptance Form.

The expected dates for issue of New Shares offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the

Timetable set out in Section 4.3 of this Offer Document.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

4.14 ASX listing

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document will be made.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

4.15 CHESS

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

4.16 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are non-exhaustive. Please refer to Section 6 of this Offer Document for further details.

4.17 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

4.18 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of its securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for Shares under the Offer. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website www.hannans.com or the ASX www.asx.com.au.

Additionally, the Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the Company's and the ASX websites.

This Offer Document (including the Entitlement & Acceptance Form) and the contracts that arise from acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

4.19 Enquiries concerning Offer Document

Enquiries relating to this Offer Document should be directed to the Company on +61 8 9324 3388.

5. ACTION REQUIRED BY SHAREHOLDERS

5.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. You may participate in the Offer as follows:

- (a) **if you wish to accept your Entitlement in full:**
 - (i) complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) arrange payment by BPAY® for the amount indicated on the Entitlement and Acceptance Form; or
- (b) **if you only wish to accept part of your Entitlement:**
 - (i) fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) arrange payment by BPAY® for the appropriate Application monies (at \$0.025 per New Share);
- (c) **if you wish to accept your Entitlement in full and apply for Shortfall:**
 - (i) complete the Entitlement and Acceptance Form for your maximum Entitlement, filling in the details in the spaces provided;
 - (ii) insert the number of additional Shares over and above your Entitlement you wish to apply for under the Shortfall Offer; and
 - (iii) arrange payment by BPAY® using the instructions set out in the Entitlement and Acceptance Form, for the amount of your Entitlement plus the amount you are applying for under the Shortfall Offer; or
- (d) **if you do not wish to accept all or part of your Entitlement**, you are not obliged to do anything.

Your BPAY® payment must reach the Share Registry no later than 5:00pm (WST) on the Closing Date. If you are an eligible shareholder located in New Zealand or the United Kingdom and you are not able to pay via BPAY®, you can access your personalised electronic payment details online at <https://hannansoffer.thereachagency.com>.

The Offer is non-renounceable. Accordingly, a holder of Shares may not sell or transfer all or part of their Entitlement.

5.2 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and

- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application monies, the Application may not be varied or withdrawn except as required by law.

5.3 Payment by cheque/bank draft

Payment cannot be made by cheque or bank draft.

Only BPAY® payments will be accepted.

5.4 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 2:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

5.5 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Offer Document and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.025 being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and will revert to the Underwriter unless it is allocated to other Applicants as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer and will be subject to the disclosures outlined in Section 4.9.

If you wish to apply for additional Shares out of the Shortfall (**Shortfall Shares**) more than your Entitlement pursuant to the Shortfall Offer you may do so by completing the relevant part of the Entitlement and Acceptance Form relevant to the Shortfall Offer.

The Company reserves the right, in consultation with the Underwriter, to issue an Eligible Shareholder a lesser number of Shortfall Shares than applied for or no Shortfall Shares at all. All decisions regarding the allocation of Shortfall Shares will be made by the Company in consultation with the Underwriter and consistent

with the terms of the Underwriting Agreement and will be final and binding on all applicants under the Shortfall Offer. As such there is no guarantee that any Shares applied for will be issued to Eligible Shareholders and the Company will only issue such Shares where the Directors are satisfied, in their discretion, that the issue of the Shares will not increase the Applicant's voting power above 20%.

The Company will have no liability to any Applicant who receives less than the number of additional Shares they applied for under the Shortfall Offer. If the Company scales back any applications for Shares under the Shortfall Offer any Application monies will be returned (without interest) as soon as practicable.

Completed Application forms in relation to the Shortfall Offer and payment in accordance with Sections 5.3 and 5.4, must reach the Company's share registry by no later than 5:00pm (WST) on the Closing Date.

6. RISK FACTORS

6.1 Introduction

The Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the New Shares.

6.2 Risks relating to the Company's mineral exploration projects and associated activities

(a) Exploration success

The Company's projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are speculative and high-risk undertakings that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things:

- (i) discovery and proving-up, or acquiring, an economically recoverable resource or reserve;
- (ii) access to adequate capital throughout the acquisition, discovery and project development phases;
- (iii) securing and maintaining title to tenements;
- (iv) obtaining required development consents and approvals necessary for the acquisition, exploration, development and production phases; and
- (v) accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants, and employees.

There can be no assurance that exploration of the projects, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The Company has not published resource estimates for any prospects. There is no assurance that exploration or project studies by the Company will result in the definition of an economically viable mineral deposit. The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical

difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

(b) **Tenure**

Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Western Australia and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a granted tenements for reasons beyond the control of the Company could be significant.

(c) **Agents and Contractors**

The Company outsources substantial parts of its exploration activities pursuant to service contracts with third party contractors. The Directors are unable to predict the risk of financial failure or default of the insolvency of any of the contractors that are or will be used by the Company in any of its activities or other managerial failure by any of the other service providers used by the Company for any activity. Contractors may also underperform their obligations of their contract, and if their contract is terminated, the Company may not be able to find a suitable replacement on satisfactory terms.

(d) **Exploration Costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(e) **Climate Risks**

There are several climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will

endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and

- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(f) **Exposure to natural events**

The Company's operations could be impacted by natural events such as significant rain events and flooding. Such natural events could result in impacts including reduced mining efficiencies, restrictions to or loss of access to open pits, mining and exploration locations or necessary infrastructure, or restrictions to or delays in access to the site for exploration activities and deliveries of key consumables required for the Company's operations. This could result in increased costs which could impact the Company's financial performance and position. Whilst the Company is able to transfer some of these risks to third parties through insurance, many of the associated risks are not able to be insured or in the Company's opinion the cost of transfer is not warranted by the likelihood of occurrence of the risk event.

(g) **Environment Risks**

The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds.

It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

6.3 Risks relating to the Company's lithium-ion battery recycling joint venture activities

(a) **Limited Exposure**

The future success of the Company's lithium-ion battery recycling joint venture operations (**LiB Recycling Business**) will depend in large part on its ability to source, recycle and recover lithium-ion batteries and lithium-ion battery waste materials in an economic and efficient manner, in response to industry demand.

Hannans currently has limited experience in recycling lithium-ion materials and Hannans has not developed or operated a facility on a commercial scale to produce and sell end products. Hannans does not know whether it will be able to develop efficient, automated, low-cost recycling capabilities and processes, or whether it will be able to secure reliable sources of supply, in each case that will enable it to meet the production standards, costs and volumes required to successfully recycle lithium-ion batteries and meet its business objectives and customer needs.

Even if Hannans is successful it does not know whether it will be able to do so in a manner that avoids significant delays and cost overruns, including because of factors beyond its control, such as problems with suppliers, or in time to meet the commercialisation schedules of future recycling needs or to satisfy the requirements of its customers.

(b) **Conditional Memorandum of Understanding**

On 9 September 2021, the Company announced it had entered into a memorandum of understanding (MoU) with Critical Metals Ltd (Critical Metals) that provides Hannans with rights to recover high purity metals from scrap and spent LiB using a LiB recycling technology that is safe, sustainable, low energy and low CO₂ when compared to incumbent technologies. The MoU with Critical Metals will take the form of a joint venture enabling Hannans to earn its interest by funding and managing certain tasks and activities.

As at the date of this Offer Document, the MoU remains conditional on completion of the Offer and Shareholder approval (to be sought at the Company's upcoming Annual General Meeting). There is no certainty that the conditions will be satisfied. In the event that these conditions are not met then the transaction will not complete and the Company's business will solely comprise its existing mineral exploration operations.

(c) **Ability to execute and implement growth strategy**

Hannans future, operations will be dependent upon its ability to successfully implement its growth strategy with respect to its LiB Recycling Business, which, in turn, is dependent upon several factors, some of which are beyond Hannans control, including its ability to:

- (i) economically recycle and recover lithium-ion batteries and lithium-ion battery materials and meet customers' business needs;
- (ii) effectively introduce methods for higher recovery rates of lithium-ion batteries and solutions to recycling;
- (iii) complete the construction of its future facilities at a reasonable price and on a timely basis;
- (iv) secure and maintain required strategic supply arrangements;
- (v) effectively compete in the markets in which it operates; and
- (vi) attract and retain management or other employees who possess specialised knowledge and technical skills.

There can be no assurance that Hannans can successfully achieve any or all the above initiatives in the manner or time period that it expects. Further, achieving these objectives will require investments that may result in both short-term and long-term costs without generating any current revenue and therefore may be dilutive to earnings. Hannans cannot provide any assurance that it will realise, in full or in part, the anticipated benefits it expects to generate from its growth strategy. Failure to realise those benefits could have a material adverse effect on Hannans business, results of operations or financial condition.

(d) **Risks associated with lithium-ion batteries**

On rare occasions, lithium-ion batteries can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium-ion batteries. Negative public perceptions regarding the suitability of lithium-ion batteries for automotive applications, the social and environmental impacts of cobalt mining or any future incident involving lithium-ion batteries, such as a vehicle or other fire, even if such incident does not involve Hannans directly, could have a negative impact on the market for lithium-ion batteries, reducing the number of batteries in the market.

In addition, recycling of lithium-ion batteries requires it to store a significant number of lithium-ion cells at its facilities. Any mishandling of lithium-ion batteries could cause disruption to the operation of Hannans facilities.

(e) **Electric vehicle market**

The demand for Hannans recycling services and end products will be driven in part by projected increases in the demand for electric vehicles (including automobiles, e-bikes, scooters, buses and trucks). A decline in the adoption rate of electric vehicles could reduce the demand for Hannans recycling services and end products in the future.

The price that Hannans may charge for products generated from the LiB Recycling Business will be tied to commodity prices for their principal contained metals, such as lithium, nickel, and cobalt. Fluctuations in the prices of these commodities will affect any future revenues and therefore declines in the prices of these commodities would have a material adverse impact on any future revenues.

(f) **Competition**

The lithium-ion recycling market is competitive. As the industry evolves and demand increases, Hannans anticipates that competition will increase. Hannans will face competition primarily from companies all of which have more expertise in recycling than Hannans. Hannans will also competes against companies that have a substantial competitive advantage because of longer operating histories and larger budgets, as well as greater financial and other resources.

National or global competitors could enter the market with more substantial financial and workforce resources, stronger existing customer relationships, and greater name recognition or could choose to target medium to small companies in markets Hannans will focus on. Competitors could focus their substantial resources on developing a more efficient recovery solution than Hannans can offer. Competition also places downward pressure on contract prices and profit margins, which presents significant challenges to maintain strong growth rates and acceptable profit margins.

(g) **Joint venture, acquisitions or other strategic investments**

The Company's LiB Recycling Business will initially be implemented via an unincorporated joint venture arrangement with Critical Metals Limited (**Critical**), the holder of the underlying technology licence (**Technology**).

The Company is subject to the risk that changes in the status of this partnership may adversely affect the operations and performance of the Company or impact on its ability to effectively commercialise the Technology.

Pursuant to the current memorandum of understanding between the parties, if Hannans makes a final investment decision and enters a binding engineering, procurement, and construction agreement for the construction of a plant for the processing or recycling of feedstock batteries using the Technology (**Plant**), Critical will have the option to co-contribute to all future construction costs of the new Plant (capital and operating costs), in which case, each party would have a 50% equity interest in the Plant.

There is also a risk of financial failure or default under such joint venture arrangements by Critical. Any withdrawal or issues with Critical's ability to perform its obligations due under current or future joint venture arrangements could have a material adverse impact on the financial position of the Company. There is also the risk of disputes arising, the resolution of which could lead to delays in the Company's proposed development activities or financial loss.

6.4 General Risks

(a) Going concern risk

The Company's annual financial report for the period ending 30 June 2021 (**Annual Report**) includes an emphasis of matter with respect to the existence of a significant uncertainty about the Company's ability to continue as a going concern.

Notwithstanding the 'going concern' paragraph included in the Annual Report, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current expenditure commitments and short-term working capital requirements.

(b) Executive Director

The Company has one executive director, Damian Hicks, and the role of executive director is not full-time. The Board is aware of the need to have sufficient management to properly supervise the exploration and (if successful) the development of projects in which the Company has, or will in the future have an interest. This now includes the LiB Recycling business. The Board will continually monitor the management roles in the Company. To this end, the Company currently has four non-executive directors, Jonathan Murray, Markus Bachmann, Clay Gordon and Amanda Scott as well as access to technical consultants, Newexco, with significant experience in exploration, development, mining and finance to assist the executive director as needed. However, there is a risk that the Company may not be able to secure personnel with the relevant experience at the appropriate time which may impact on the Company's ability to complete all of its preferred exploration programmes in its preferred timetable.

(c) Conflicts of Interest

Certain Directors are also directors and officers of other public companies engaged in mineral exploration and development and lithium-ion battery recycling. Although these Directors have been advised of their fiduciary duties to the Company, there exist actual and potential conflicts of interest among these persons and situations could arise in which their obligations to, or interests in, other companies could detract from their efforts on behalf of the Company. The Directors will continue to manage their responsibilities in accordance with applicable legal requirements and good governance frameworks.

(d) **Coronavirus (COVID-19)**

The outbreak of the coronavirus disease (**COVID-19**) continues to impact economic markets. The Company's Share price may be adversely affected by the continued economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Directors will continue to monitor the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

(e) **Additional requirements for capital**

The funds raised under the Offer are considered sufficient to meet the current proposed objectives of the Company. Additional funding may be required in the event future costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of its research and development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

In addition, as set out in the Company's announcement dated 9 September 2021, the Company has advised ASX that it proposes to carry out LiB recycling business development activities and undertake permitting processes at an estimated cost of \$1.5 Million (**Feasibility Stage**).

ASX has advised, subject to certain conditions, that the undertaking of the Feasibility Stage of the LiB recycling project does not constitute a change in the nature and scale of Hannans activities in terms of Listing Rule 11.1.

ASX have confirmed its present position that if Hannans proceeds beyond the Feasibility Stage of the LiB recycling project (or incurs expenditure more than the \$1.5 million budgeted in relation to the Feasibility Stage) it will constitute a change in the nature and scale of Hannans activities in

terms of Listing Rule 11.1. If that occurs, Hannans will be required under Listing Rule 11.1.3 to comply with all the requirements of Chapters 1 and 2 of the Listing Rules before it proceeds beyond the Feasibility Stage or incurs expenditure more than the \$1.5 Million budgeted on the Feasibility Stage of the LiB recycling project.

(f) **General economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

(g) **Equity market conditions**

Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(h) **Change in government policy and legislation**

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Company, and consequent returns to investors. The activities of the Company are subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

(i) **Litigation**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(j) **Unforeseen Expenses**

The proposed expenditure on the Projects may be adversely affected by any unforeseen expenses which arise in the future and which have not

been considered in this Offer Document. While the Company is not aware of any expenses that may need to be incurred that have not been considered, if such expenses were incurred, the expenditure proposals of the Company may be adversely affected.

(k) **Insurance risks**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition, and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

6.5 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Offer Document. Therefore, the securities to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Offer Document.

7. ADDITIONAL INFORMATION

7.1 Underwriting Agreement

The Company has entered into an underwriting agreement (**Underwriting Agreement**) with the Underwriter, pursuant to which the Underwriter has agreed to fully underwrite the Offer.

The Underwriter may appoint sub-underwriters to sub-underwrite the Offer.

The material terms and conditions of the Underwriting Agreement are summarised below:

Fees	The Company has agreed to pay: <ul style="list-style-type: none">(a) a management fee of 1% of the total gross amount raised under the Offer; and(b) an underwriting fee of 4% of the total gross amount raised under the Offer (excluding any amount subscribed by Neometals Investments Pty Ltd); and(c) its reasonable expenses incurred in relation to the Offer.
Termination Events	The obligations of the Underwriter under the Underwriting Agreement are subject to certain events of termination. The Lead Manager may terminate its obligations under the Underwriting Agreement (without costs or liability to it) if: <ul style="list-style-type: none">(a) (disclosures) a statement contained in any of the Offer Documents or Public Information is or becomes misleading or deceptive, or a matter required to be included is omitted from an Offer Document;(a) (new circumstances) there occurs a "new circumstance" that arises after an Offer Document is lodged that would have been required to be included in the Offer Document if it had arisen before the Offer Document was lodged that is materially adverse from the point of view of an investor;(b) (S&P/ASX Small Resources market fall):<ul style="list-style-type: none">(i) the S&P/ASX Small Resources Index falls to a level that is 90% or less of the level of that index as at the close of normal trading on ASX on the last trading day before the date of this agreement:<ul style="list-style-type: none">(A) for at least two consecutive trading days; or(B) on the trading day immediately prior to the Settlement Date;(c) (notifications) any of the following notifications are made in respect of the Offer:<ul style="list-style-type: none">(i) ASIC issues an order (including an interim order) under section 739 of the Corporations Act;(ii) ASIC holds a hearing under section 739(2) of the Corporations Act (other than a notice which does not become public or is withdrawn before becoming public);(iii) an application is made by ASIC for an order under Part 9.5 in relation to the Offer or an Offer Document or ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the Offer or an Offer Document, except where any such order, hearing or application does not become publicly known and is withdrawn within 3 Business Days of being made, held or given (as applicable) (or if it is made, held or given (as applicable) within 3 Business Days prior to the

- Settlement Date, it is withdrawn prior to the Settlement Date); or
- (A) any person (other than the Underwriter) who has previously consented to the inclusion of its name in any Offer Document withdraws that consent; or
 - (B) any person (other than the Underwriter) gives a notice under section 730 in relation to the Offer Document;
- (d) **(certificate)** the Company does not provide a Closing Certificate as and when required by this agreement;
- (e) **(withdrawal)** the Company withdraws the Offer Document or the Offer or indicates that it does not intend to proceed with the Offer or any part of the Offer (unless otherwise agreed in writing between the parties);
- (f) **(forecasts):**
- (i) in the reasonable opinion of the Underwriter, there are not, or there ceases to be, reasonable grounds for any statement or estimate in the Offer Documents which relates to a future matter; or
 - (ii) any statement or estimate in the Offer Documents which relate to a future matter is, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe (including in each case financial forecasts);
- (g) **(Material Contracts)** if any of the obligations of the relevant parties under any of the contracts that are material to the business of the Group or any of the Material Contracts are not capable of being performed in accordance with their terms (in the reasonable opinion of the Underwriter) or if all or any part of any of such contracts:
- (i) is materially amended or materially varied without the prior written consent of the Underwriter;
 - (ii) is terminated;
 - (iii) is breached;
 - (iv) ceases to have effect, otherwise than in accordance with its terms; or
 - (v) is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and affect, or its performance is or becomes illegal;
- (h) **(insolvency events)** any member of the Group is or becomes Insolvent or there is an act or omission which may result in any member of the Group becoming Insolvent;
- (i) **(ASIC Modifications)** ASIC withdraws, revokes or amends the ASIC Modifications;
- (j) **(regulatory approvals)** if a regulatory body withdraws or revokes; or amends, any regulatory approvals required for the Company to perform its obligations under this agreement or to carry out the transactions contemplated by the Offer Documents;
- (k) **(change to Company)** the Company:
- (i) alters the issued capital of the Company or a Group member (other than pursuant to an employee share or option plan or other issue described in the Offer Documents); or
 - (ii) disposes or attempts to dispose of a substantial part of the business or property of the Company or a Group member, without the prior written consent of the Underwriter;

- (l) **(applications and proceedings)** any Government Agency (other than ASX or ASIC) commences or gives notice of an intention to hold, any Enquiry, except where the application, investigation, proceeding or hearing does not become publicly known and is disposed of or withdrawn to the Underwriter's satisfaction within 5 Business Days and in any event before 4.00pm on the Business Day before the Settlement Date;
- (m) **(fraud)** the Company, any Group member or any of their respective directors or officers (as those terms are defined in the Corporations Act) engage, or have engaged since the date of this agreement, in any fraudulent conduct or activity, whether or not in connection with the Offer;
- (n) **(prosecution)** any of the following occur:
 - (i) a director or proposed director named in the Offer Documents of the Company is charged with an indictable offence;
 - (ii) any Government Agency commences, or announces that it intends to take, any Enquiry or public action against the Company, any Group member or any of the directors of the Company in their capacity as a director of the Company (as applicable); or
 - (iii) any director or proposed director named in the Offer Documents is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- (o) **(force majeure)** there is an event or occurrence, including any statute, order, rule, regulation, directive or request (including one compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any Government Agency which makes it illegal for the Underwriter to satisfy an obligation under this agreement, or, in the case of an event, occurrence or non-occurrence that makes it commercially impracticable for the Underwriter to satisfy a material obligation under this agreement, or to market, promote or settle the offer of Offer Shares, or that causes the Underwriter to delay satisfying a material obligation under this agreement, such event or occurrence lasting in excess of 7 days, including:
 - (i) any acts, statute, order, rule, regulation, directive or requirement of any Government Agency or orders of any courts; or
 - (ii) any acts of God or other natural forces, civil unrest or other civil disturbance, currency restriction, embargo, action or inaction by a Government Agency, or any other event similar to those mentioned in this clause 1.1 (o);
- (p) **(unable to issue)** the Company is prevented from allotting or issuing the Offer Shares within the time required by the Timetable, the Offer Documents, or by any other applicable laws, an order of a court of competent jurisdiction or a Government Agency;
- (q) **(change in management)** a change in senior management or the board of directors of the Company occurs; or
- (r) **(Timetable)** any event specified in the Timetable:
 - (i) from the date of this agreement up to and including the Settlement Date is delayed by more than 2 Business Days (other than any delay as a result of an extension of the exposure period by ASIC); or
 - (ii) after the Settlement Date is delayed by more than 5 Business Days (other than any delay as a result of an extension of the exposure period by ASIC),
 - (i) without the prior written consent of the Underwriter acting reasonable.

First Right of Refusal

the Underwriter will be offered a first right of refusal to act on any subsequent capital raisings conducted by the Company for a period of 12 months from the date of the Underwriting Agreement. In the event that this occurs, the Underwriter will be the sole lead manager and the fee arrangements on the same terms as the Underwriting Agreement.

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including indemnities, representations and warranties and confidentiality provisions).

8. DEFINED TERMS

\$ or A\$ means an Australian dollar.

Additional Shares means those New Shares not issued under the Offer.

Applicant refers to a person who submits an Entitlement and Acceptance Form, or submits a payment of subscription monies in respect of the Offer.

Application refers to the submission of an Entitlement and Acceptance Form or Shortfall Application Form (as the case may be).

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the Listing Rules of the ASX.

Closing Date means the closing date set out in Section 4.3 or such other date as may be determined by the Directors.

Company means Hannans Ltd (ACN 099 862 129).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia, New Zealand or United Kingdom. Additional details are set out in Section 1.4 of this Offer Document.

Entitlement means the entitlement to subscribe for 4 New Share for every 43 Shares held by an Eligible Shareholder on the Record Date.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

New Share means a new Share proposed to be issued pursuant to this Offer.

Offer or **Rights Issue** means the pro rata non-renounceable offer of New Shares at an issue price of \$0.025 each on the basis of 4 New Shares for every 43 Shares held on the Record Date subscribed for pursuant to this Offer Document.

Offer Document means this offer document.

Opening Date means the opening date set out in Section 4.3 of this Offer Document.

Record Date means the record date set out in Section 4.3 of this Offer Document.

Section means a section of this Offer Document.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall means those Shares under the Offer not applied for by Shareholders under their Entitlement.

Shortfall Offer means as defined in Section 5.5 of this Offer Document.

Underwriter or **Euroz Hartleys** means Euroz Hartleys Limited (ACN 104 195 057) (AFSL 243302).

Underwriting Agreement means the underwriting agreement dated 11 October 2021 between the Company and the Underwriter, as detailed in Section 7.1

US Person means a person who receives the Offer when they are located in either the United States of America.