

1 February 2022

Expansion of lithium battery recycling footprint to major European EV markets

HIGHLIGHTS

- ∅ Hannans executes Heads of Agreement with Greenhouse Investments Ltd providing Hannans with right to expand its lithium battery recycling commercialisation activities into the United Kingdom, Ireland, Italy, and the Balkans.
- ∅ Hannans sub-licenses and rights now cover territories incorporating 49% of the population of the EU27¹ and 38% of all motor vehicles registered in the EU² giving it tremendous leverage to the rapidly growing European LiB recycling sector, and specifically countries with the highest penetration rate of electric vehicles.
- ∅ Hannans focus turns to securing lithium battery feedstock agreements with companies requiring a recycling solution for scrap and end-of-life lithium batteries in compliance with EU battery regulations.³
- ∅ Hannans to raise up to \$3.5M at 3.5 cents per share to fund activities in the new territories.

Hannans Ltd (ASX: HNR) (**Hannans** or the **Company**) is pleased to advise it has executed a heads of agreement (**Greenhouse Agreement**) with private company Greenhouse Investments Ltd (**Greenhouse**) effectively granting Hannans the right to enter the lithium battery (**LiB**) recycling markets in the United Kingdom, Ireland, Italy, and the Balkans (**Greenhouse Transaction**). In addition, Hannans has secured Greenhouse's market intelligence and relationships in these regions. The Greenhouse Agreement more than doubles Hannans addressable market for scrap and end-of-life batteries.

Late 2021 Hannans executed an agreement with Critical Metals Ltd (**Critical**) providing it with a right to commercialise a LiB recycling technology in Sweden, Norway, Finland, and Denmark⁴, and by combining these territories with the United Kingdom, Ireland, Italy, and the Balkans Hannans has established tremendous leverage to the rapidly growing European LiB recycling sector, and specifically countries with the highest penetration rate of electric vehicles.⁵

Damian Hicks, Executive Director of Hannans said, "We are extremely pleased to deliver this increase in size and scope of our recycling opportunity for Hannans shareholders. It is abundantly clear that Europe needs a scalable, safe, and sustainable, lithium battery recycling solution. We believe the technology we will hold sub-licences to will help stakeholders in our licenced jurisdictions meet their circular economy ambitions and legal obligations to recycle. We are now focused on increasing Hannans business development activities and forming long-term mutually beneficial relationships with the European lithium battery supply chain participants."

¹ Plus the United Kingdom.

² Plus the United Kingdom and Norway.

³ No agreement have been reached for feedstock supply.

⁴ Refer ASX release dated 9 September 2021.

⁵ Which in time will require recycling.



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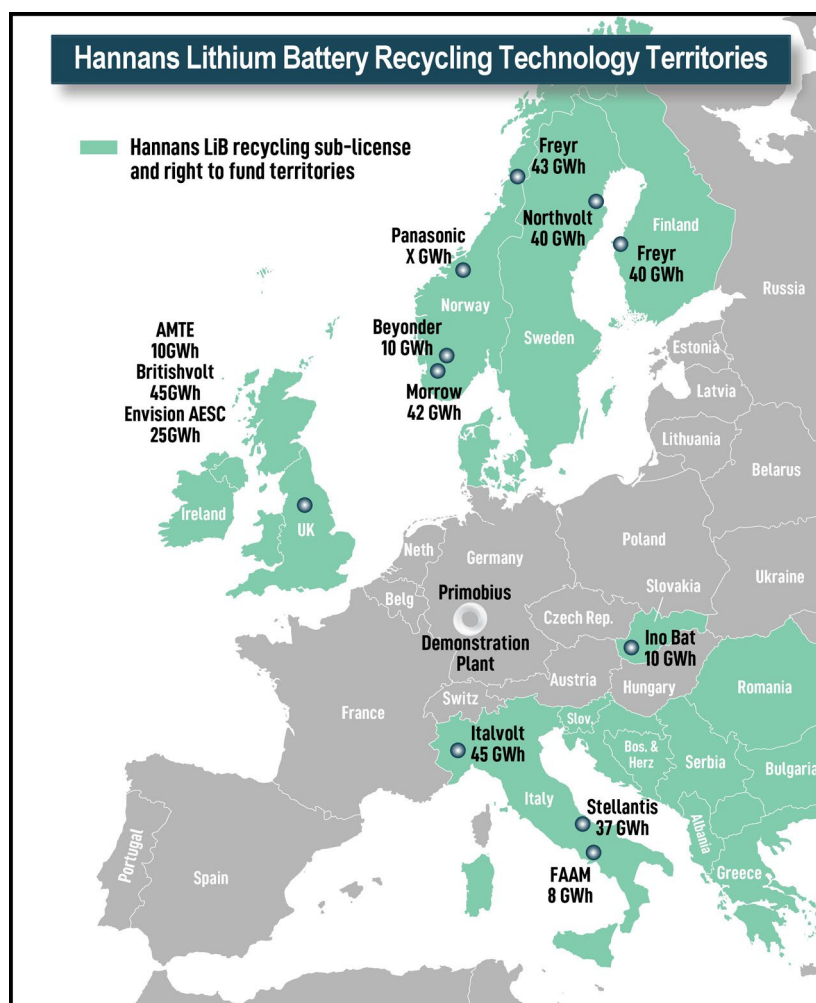


Figure 1: Licence and Right to Fund Jurisdictions

Transaction Background

The background to the Greenhouse Agreement is that Greenhouse holds a non-exclusive license in the UK and Ireland, and an exclusive license in Italy and the Balkans, for a base lithium battery recycling technology⁶. Greenhouse has agreed to grant Hannans a sub-license to commercialise the base technology in the UK and Ireland. Responsibility for the carriage of business in the UK and Ireland will now rest with Hannans. In addition, Greenhouse has granted Hannans the sole and exclusive right (but not the obligation) to fund all LiB recycling projects potentially developed by Greenhouse in Italy and the Balkans in the future. The consideration for funding each project will be equity in the project, to be negotiated on a case-by-case basis at arms-length. The agreement with Greenhouse remains subject to the satisfaction of the conditions precedent set out in further detail below.

UK, Ireland, Italy, and the Balkans

There are currently seven LiB factories planned for construction in the UK, Italy, and the Balkans.⁷ These territories are forecast to have more than 30,000t⁸ of end-of-life batteries available for recycling by 2030. Greenhouse has been actively seeking to establish relationships with potential suppliers of battery feedstock in these countries and will pass to Hannans the benefit of these relationships, discussions, and initiatives.

By way of example, Greenhouse recently executed a memorandum of understanding (**MoU**) with a wholly owned subsidiary of leading south-eastern European steel scrap recycler and green steel

⁶ Owned by a wholly owned subsidiary of Neometals Ltd.

⁷ Refer Figure 1 on page 2 for locations and publicly available information on company web sites.

⁸ Hannans internal research based on publicly available information.

producer Metalfer⁹. The MoU contemplates a 50:50 joint venture to recycle all forms of lithium-ion batteries including but not limited to electric vehicle batteries arising from end-of-life vehicles and battery packs, giga factory production waste and scrap batteries through to consumer and commercial battery recycling. If Greenhouse and Metalfer make a positive investment decision to develop a recycling facility, Hannans has the sole and exclusive right (but not an obligation) to fund Greenhouse's portion of the costs in consideration for an equity stake in the project at normal commercial rates, on arm's length terms.

Consideration and Timing

Upon satisfaction of the conditions precedent, including Hannans shareholder approval and ASX approvals, Hannans will issue 539,583,879 fully paid ordinary shares to Greenhouse¹⁰. A meeting of Hannans shareholders will be called late March / early April 2022 (**General Meeting**) to consider the requisite approvals relating to the transaction, including approval for the purposes of ASX Listing Rule 11.1.2 for the change in Hannans' activities because of the transaction.

LiB Recycling Technology

Neometals Ltd (ASX:NMT) is licensor of the base technology which is being commercialised globally by Primobius GmbH. The base technology the subject of the Greenhouse Agreement is the same technology that Hannans will commercialise in the Nordic region.¹¹ Neometals is Hannans largest shareholder with 32.43%.¹²

Capital Raising and Consolidation of Capital

As part of the re-compliance transaction, the Company is required to undertake a consolidation of capital on a 1.2:1 basis (**Consolidation**). The Company will seek shareholder approval for the Consolidation at the General Meeting.

Hannans proposes undertaking a \$2.5 million capital raising (with oversubscriptions available for an additional \$1 million) at a price of 3.5 cents per share to fund its expansion plans and to meet ASX conditions for re-complying with Chapters 1 and 2 of the Listing Rules.

The capital raising will be completed by way of a general offer to the public, with existing Hannans shareholders given a priority right to subscribe for new shares under the offer.

- There is no cap on the priority right and the offer may therefore be fully subscribed by existing Hannans shareholders (up to the maximum subscription of \$3.5m).
- If funds more than the maximum amount to be raised are received solely from Hannans shareholders on the register on the priority offer record date, the scale back process will be:
 - (a) Applicants who were not registered Hannans shareholders on the record date will not be allocated any shares under the offer;
 - (b) Applicants who were registered Hannans shareholders on the record date will each receive a minimum allocation of \$2,000 (being the minimum individual subscription amount under the offer).
 - (c) Following (b), to the extent the offer is still oversubscribed by Hannans shareholders, Hannans shareholders will be scaled back pro-rata to their existing Hannans shareholding as at the record date. In addition, if a Hannans shareholder applied for less shares than their pro-rata entitlement, they would receive the value of the Hannans shares they applied for.

⁹ Click [here](#) for media released by Greenhouse.

¹⁰ On a post-Consolidation basis. Refer to page 7 for full transaction details. This represents approximately 19.9% of Hannans consolidated capital base prior to the capital raise referred to above.

¹¹ Refer ASX release dated 9 September 2021.

¹² Prior to the issue of shares to Greenhouse. This interest will decrease to approximately 25.97% after issue of shares to Greenhouse.

The offer will not be underwritten. Full details of the capital raising will be set out in a prospectus to be lodged with ASX in late February / early March 2022.

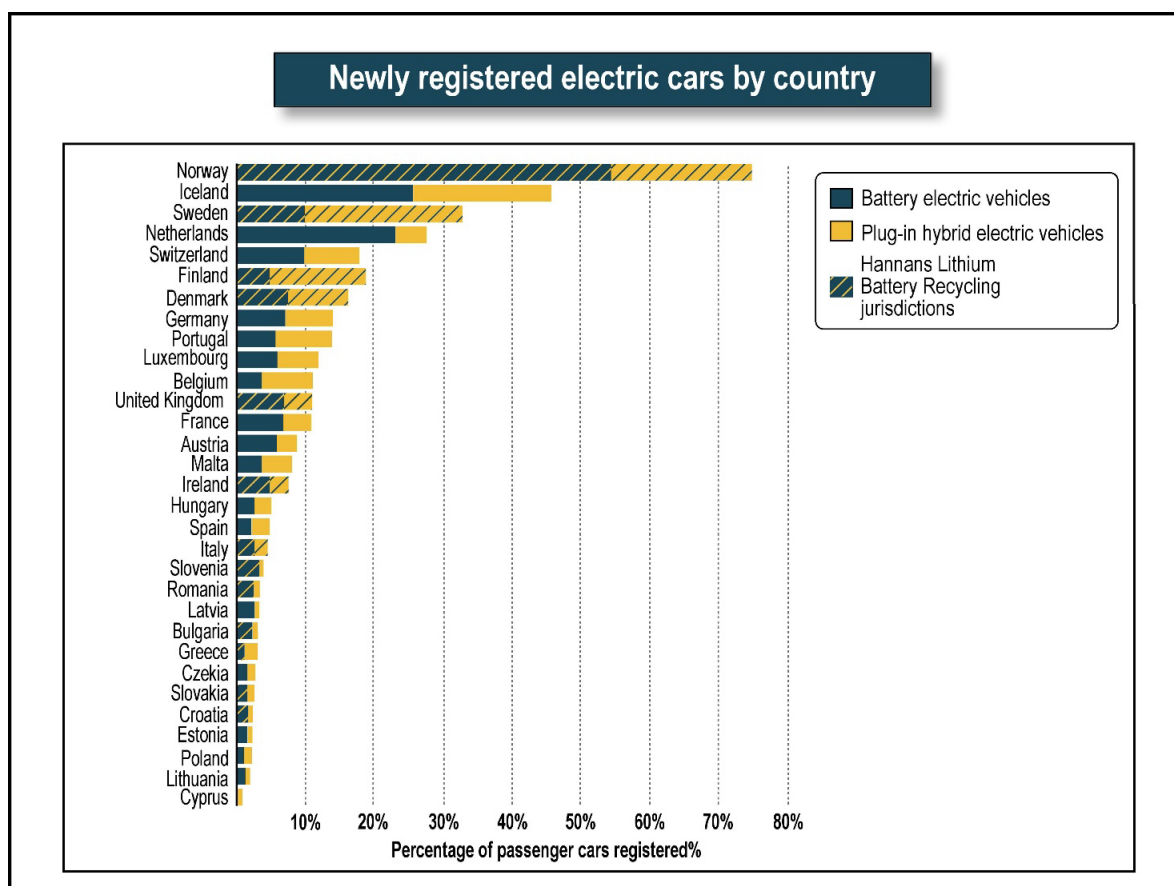


Figure 2: Source: <https://www.eea.europa.eu/data-and-maps/figures/new-electric-vehicles-by-country>

Jurisdiction	Population (M)	Total motor vehicles in use in EU (plus Norway & UK) ¹³ (M)	New car registrations EV Mix January – July 2021 (%)
Sweden, Norway, Denmark & Finland	27	5.6 + 3.4 + 3.1 + 3.2 = 15.3	40 + 83 + 28 + 28
United Kingdom & Ireland	72	40.4 + 2.6 = 43.0	15
Italy	60	44.8	8
Balkans	60	20.4 ¹⁴	Negligible
Total	219	123.5	
Rest of EU27 (plus UK)	228		
Rest of EU (plus Norway & UK)		198.1	

Table 1: Summary of market exposure

¹³ <https://www.acea.auto/files/report-vehicles-in-use-europe-january-2021-1.pdf>

¹⁴ This excludes vehicles in Albania, Bulgaria, Bosnia and Herzegovina and Serbia.

The following table summarises the sub-licenses and right to fund territories stemming from Hannans agreements with Critical and Greenhouse.

Jurisdiction	Summary
Sweden, Norway, Denmark & Finland	Critical has granted Hannans a sub-license to commercialise the technology (subject to entry into a formal sub-licence agreement). Hannans will manage and fund all tasks and activities through to a final investment decision (FID) with respect to the construction of each plant for the processing or recycling of feedstock batteries using the Technology. A plant may comprise a shredding and beneficiation plant (Stage 1) or a refining plant (Stage 2) (each, a Plant). If Hannans makes a positive FID and enters a binding engineering, procurement, and construction agreement for a Plant, Critical Metals can either (1) 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, or (2) its equity interest in the Plant will be diluted pro-rata to its relative funding contribution. Critical will pass to Hannans its market intelligence and relationships in these regions and will not compete with Hannans.
United Kingdom & Ireland	Greenhouse Investments Ltd holds a non-exclusive license to commercialise the technology. Greenhouse has agreed to grant Hannans a sub-license to commercialise the technology (subject to the satisfaction of certain conditions precedent). Greenhouse will pass to Hannans its market intelligence and relationships in these regions and will not compete with Hannans.
Italy & Balkans (comprising Albania, Bulgaria, Bosnia and Herzegovina, Croatia, Greece, Romania, Serbia, Slovakia and Slovenia)	Greenhouse holds an exclusive license to commercialise the technology. Greenhouse has granted Hannans the sole and exclusive right (but not the obligation) to fund all LiB recycling projects potentially developed by Greenhouse in Italy and the Balkans in the future. The consideration for funding each project will be equity in the project, to be negotiated on a case-by-case basis at arms-length.

Background

The Greenhouse Agreement is with private company Greenhouse Investments Ltd (**Greenhouse**). Greenhouse holds a non-exclusive licence for the United Kingdom and Ireland, and an exclusive license in Italy and the Balkans to commercialise a patented, proprietary technology to safely recover battery metals from off-specification and end-of-life lithium-ion batteries (**Technology**). The Technology is owned by ACN 630 589 507 Pty Ltd, a wholly owned subsidiary of Neometals Ltd.

The Greenhouse Agreement contemplates Greenhouse issuing an exclusive sub-licence to Hannans to commercialise the Technology in the UK and Ireland and further, provide Hannans the exclusive right to fund commercialisation of Greenhouse's future LiB recycling facilities in Italy and the Balkans in consideration for project equity.

If Hannans shareholders approve the proposed transaction, Greenhouse will be issued 19.9% of Hannans' consolidated capital base (pre capital raising). The Greenhouse Transaction is subject to:

1. execution of a sub-licence agreement;
2. ASX and regulatory approvals; and
3. receipt of Hannans shareholder approval for the purposes of ASX Listing Rule 11.1.2.

Full details of the proposed resolutions will be set out in a notice of meeting proposed to be lodged with ASX in late February / early March 2022.

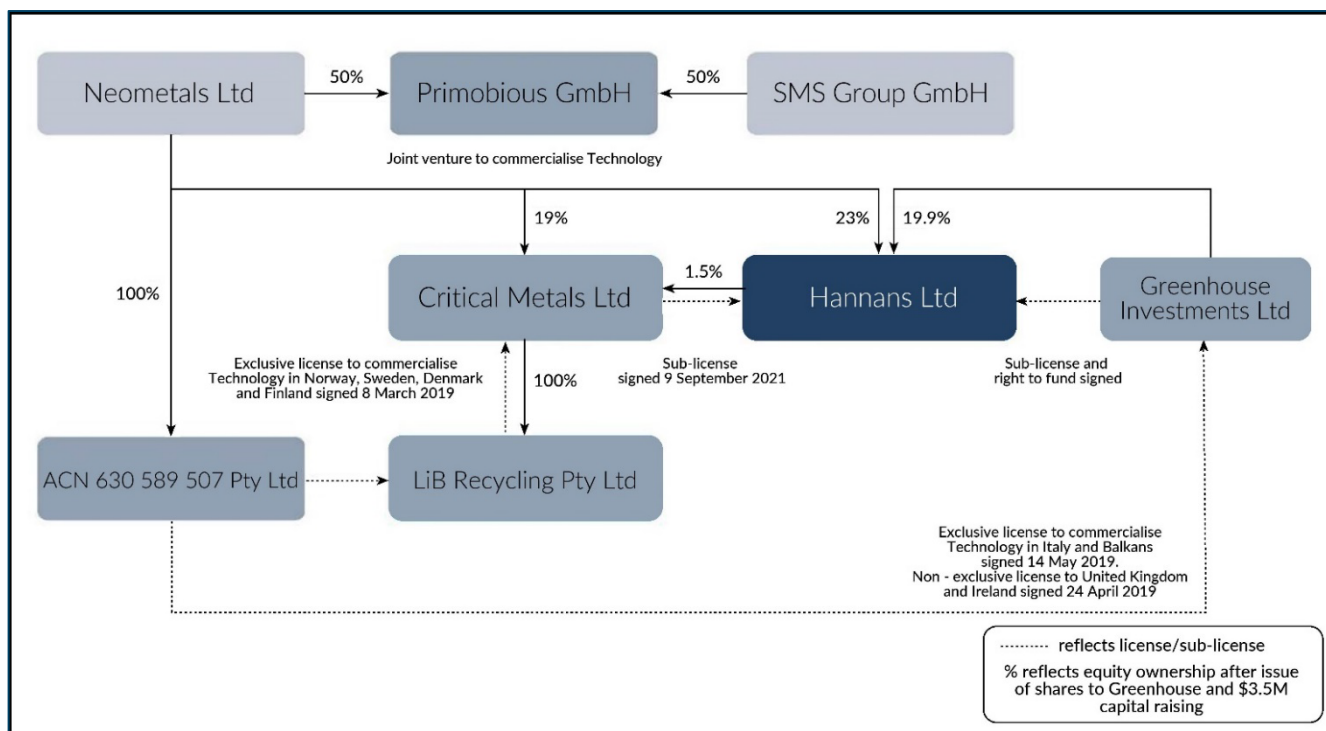


Figure 3: Diagram highlighting relationships between owners, licensors, and licensees.

ASX Process

To complete the transaction ASX requires Hannans to:

1. obtain shareholder approval for a change in nature of its primary activity; and
2. re-comply with Chapters 1 and 2 of the ASX Listing Rules (including the requirement to obtain 300 applications for new shares under the capital raising for parcels to the value of not less than \$2,000).

Full details of the proposed resolutions will be set out in a notice of meeting to be lodged with ASX in late February / early March 2022.

Trading in Hannans

Subject to ASX approval, it is anticipated that Hannans shares will continue trading through to the General Meeting. It is noted however that if ASX suspends Hannans' securities from trading for any reason during this period, Hannans' securities will remain suspended until the Company satisfies ASX conditions for reinstatement/re-compliance.

If Hannans shareholders approve both the Greenhouse Agreement and the change in nature of Hannans primary activity (from minerals exploration to lithium battery recycling) Hannans shares will be briefly suspended from trading until Hannans has satisfied the ASX conditions for reinstatement.

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

Best regards,

Damian Hicks

Damian Hicks
Executive Director

APPENDIX

A. Greenhouse Transaction – Background

- A. Greenhouse Investments Ltd is a privately owned company registered in Jersey.
- B. ACN 630 589 507 Pty Ltd (**ACN**) a private company registered in Australia is the owner of the patented, proprietary technology to safely recover several metals from spent and off-specification lithium-ion batteries (**Technology**) and licensor of the same. ACN is a subsidiary of ASX listed Neometals Ltd (**Neometals**).
- C. ACN granted Greenhouse the sole and exclusive rights to commercialise the Technology in Italy and the Balkans (**Exclusive Territories**) and non-exclusive rights to commercialise the Technology in the United Kingdom and Ireland (**Non-Exclusive Territories**).

B. Greenhouse Transaction – Terms and Conditions

Sub-Licence

1. Under the terms of the binding heads of agreement between Hannans and Greenhouse (**Greenhouse Agreement**), Greenhouse agrees to grant Hannans (or nominee) an exclusive sub-Licence to commercialise the Technology in the Non-Exclusive Territories (subject to the satisfaction of certain conditions precedent, detailed below).

Right to Fund

2. Under the terms of Greenhouse Agreement, Greenhouse agrees to grant Hannans the right to fund the commercialisation of the Technology in the Exclusive Territories.
3. Hannans will have the sole and exclusive right to fund Greenhouse's portion of development and construction of stage 1 (shredding and sorting) and or stage 2 (refining) facilities for the recycling of lithium batteries in the Exclusive Territories. Greenhouse does not have projects to fund now so the requirement for additional capital for Hannans is unknown.
4. Consideration for the provision of funding by Hannans to Greenhouse will be project equity, or equivalent, in Greenhouse's share of the project being financed.
5. The terms of each funding arrangement will be negotiated by Hannans and Greenhouse on a case-by-case basis and will be at arm's length on commercial and competitive terms.
6. If Greenhouse receives a bone fide takeover offer or funding offer from an unrelated third party acting at arm's length Hannans retains the right to provide funding on equivalent terms, or terms no less favourable to Greenhouse.

Conditions

7. The Greenhouse Agreement is conditional on:
 - a. entry into a full form substantive agreement to formalise the terms of the Greenhouse Agreement;
 - b. satisfactory completion of due diligence on Greenhouse by Hannans;
 - c. receipt of written approval to the Greenhouse Transaction from Neometals and ACN;
 - d. receipt of Hannans shareholder approval to the Greenhouse Transaction for the purposes of ASX Listing Rule 11.1.2;

- e. receipt of all other shareholder, regulatory or third party consents and/or approvals required to implement the Transaction,

hereafter collectively referred to as the **Conditions**.

Consideration

8. Subject to satisfaction or waiver of all Conditions, the consideration for the Sub-Licence and Right to Fund is the issue to 539,583,879 fully paid ordinary shares to Greenhouse (**Consideration**).

Appointment of Director

9. On satisfaction of all Conditions and payment of the Consideration, Greenhouse has the right to appoint a non-executive director to the Hannans board of directors. As at the date of this announcement, Greenhouse do not presently intend to exercise this right at settlement of the Greenhouse Transaction.

Relationships

10. Greenhouse has been actively seeking to establish relationships with potential providers of battery feedstock and engineering, procurement, and construction firms in the Non-Exclusive Territories. Greenhouse will pass to Hannans the benefit of these relationships, discussions and initiatives and responsibility for the carriage of these matters will become the sole responsibility of Hannans.

Non-Compete

11. On satisfaction of all Conditions, neither Greenhouse, its CEO, directors, shareholders, controllers will compete with any activities or endeavours Hannans undertakes or pursues in the Non-Exclusive Territories.

C. Indicative Timetable

Activity	Date
Dispatch "Notice of Meeting" seeking Hannans Shareholder Approvals	Late February 2022
Lodge Prospectus for Capital Raising	Late February / Early March 2022
Open Capital Raising	Early March 2022
Close Capital Raising*	Early April 2022
Hannans Shareholder Meeting and Hannans shares suspended from trading until re-compliance transaction is completed	Early April 2022
Completion of Greenhouse Transaction	Early April 2022
Hannans Reinstatement to Official ASX Quotation	Mid April 2022

* As the offer is conditional on receipt of shareholder approval at the General Meeting, no shares will be issued under the offer until this approval is received.

The above timetable is indicative only and is subject to change. Shareholders should also note that the Company's securities will be suspended from the date of the "Hannans Shareholder Meeting" until such time as the Company has satisfied LR Chapters 1 and 2, being the date of "Hannans Reinstatement to Official ASX Quotation".

D. Shareholder Approval and Issues of Securities

A general meeting of Hannans shareholders will be convened to consider and approve the Greenhouse Transaction and associated business items.

E. Control Issues

- ∂ Upon completion of the Greenhouse Transaction, Greenhouse will hold a total of 539,583,879 shares in the Company, being 19.39%, assuming minimum subscription under the Capital Raising, or 19.19% assuming maximum subscription under the Capital Raising.
- ∂ Assuming completion of the Greenhouse Transaction, the only shareholder to hold voting power of 20% or more in Hannans will be Neometals Ltd (26.14% at minimum subscription and 26.20% at maximum subscription, assuming it subscribes for its full entitlement under the Capital Raising).

F. Hannans' Board and Management

- ∂ Upon completion of the Greenhouse Transaction, Greenhouse has the right to appoint a non-executive director to the Hannans Board.
- ∂ Otherwise, there are no plans to change Hannans' board of directors or senior management.

G. Capital Raising

- ∂ To assist the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules, the Company proposes to undertake a capital raising at an issue price of \$0.035 to raise up to \$3.5 million (with a minimum subscription of \$2.5 million) (**Capital Raising**).

H. Pro Forma Capital Structure

- ∂ The indicative capital structure of the Company following completion of the Greenhouse Transaction and associated Capital Raising is shown below.

Activity	Shares		Options
	Min sub (\$2.5M)	Max sub (\$3.5M)	
Securities currently on issue	2,171,892,897	2,171,892,897	201,250,008
Shares to be issued pursuant to the Greenhouse Transaction	539,583,879	539,583,879	0
Capital raising pursuant to the Prospectus	71,428,571	100,000,000	0
TOTAL	2,782,905,347	2,811,476,776	201,250,008

Option currently on issue are summarised below (post consolidation)

Options	No of options
Unlisted Options exercisable at 1.8 cents on or before 27 October 2022	23,333,335
Unlisted Options exercisable at 1.8 cents on or before 27 October 2022	2,916,667
Unlisted Options exercisable at 2.6 cents on or before 30 October 2022	16,666,667
Unlisted Options exercisable at 3.2 cents on or before 30 October 2022	20,833,334
Unlisted Options exercisable at 7.3 cents on or before 25 November 2025	45,833,335
Unlisted Options exercisable on or before 25 November 2025	45,833,335
exercise price calculated from the VWAP for the five (5) trading days before and five (5) trading days after 25 November 2022 PLUS a premium of 50%	
Unlisted Options exercisable on or before 25 November 2025	45,833,335
exercise price calculated from the VWAP for the five (5) trading days before and five (5) trading days after 25 November 2023 PLUS a premium of 50%	

Notes:

- ∂ The Company plans to seek Shareholders approved for the consolidation of the Company's shares through the conversion of every 1.2 Shares into 1 Share and 1.2 Options into 1 Option in the Company. The above has been adjusted to reflect the pro forma capital structure post consolidation.
- ∂ In the preceding six months the Company has issued the following securities:
 - ∂ On 1 November 2021, 28,000,000 shares were issued upon the exercise of options by various option holders (including key management personnel of the Company). The exercise price paid was \$0.018 per option. A total of \$504,000 was raised from this issue, which was applied towards exploration, business development and working capital.

- › Between 8 and 9 November 2021, 218,294,284 shares under an entitlement issue undertaken by the Company (including placement of the shortfall) at an issue price of \$0.025 per share, raising \$5.45 million. The funds are proposed to be allocated as disclosed in the use of funds table in section 4.2 of the Company's Offer Document dated 11 October 2021. The entitlement issue was underwritten by Euroz Securities Limited. Details of the fees paid by the Company to the underwriter are set out in section 7.1 of the Offer Document.
 - › On 6 December 2021, a total of 165,000,000 options (on terms and conditions set out in Schedule A of the Company's Notice of Meeting dated 25 October 2021), issued under an employee incentive scheme.
- ∂ It is proposed that the funds raised plus the Company's existing cash will be applied in the next 12 months as follows:

Item	Min sub (\$2.5M)		Max sub (\$3.5M)	
	Amount (\$M)	Percentage (%)	Amount (\$M)	Percentage (%)
Existing cash reserves of the Company	5.0	66.7%	5.0	58.8%
Funds raised under the Prospectus	2.5	33.3%	3.5	41.2%
TOTAL	7.5	100.0%	8.5	100.0%
Use of funds for \$2.5 million raising				
Allocation of funds	Min sub (\$2.5M)		Max sub (\$3.5M)	
	Amount (\$M)	Percentage (%)	Amount (\$M)	Percentage (%)
LiB Recycling Nordic Region	1.5	20.0%	1.8	21.2%
Greenhouse Transaction	1.5	20.0%	2.0	23.5%
Mineral Exploration in Western Australia	2.5	33.3%	2.5	29.4%
Re-compliance with LR Chapters 1 and 2	0.2	2.7%	0.2	2.3%
Capital raising costs	0.1	1.3%	0.1	1.2%
Working capital and corporate administration	1.7	22.7%	1.9	22.4%
TOTAL	7.5	100.0%	8.5	100.0%

Notes:

- › The proposed funds allocated to developing the lithium battery recycling in the Nordic region, UK and Ireland will be spent on human resources in Europe (sales and marketing), fees associated with securing sites (including agents fees and lease fees), permitting (environmental, building, and chemical permits and associated fees to consultants for completion of studies and documentation), fees associated with reporting in accordance with the TCFD framework and equator principles, deposits on long lead time items for the first shredding and sorting plant, marketing costs associated with establishing a new brand in the relevant jurisdictions, legal, finance, compliance and administration costs associated with operating in multiple jurisdictions.
- › The proposed funds allocated to mineral exploration activities in Western Australia will be spent on a detailed helicopter-borne electromagnetic (EM) survey (covering the Breccia, Minni Ritchi and Ghallangee prospects), mapping and geochemical coverage at Moogie; a review of the historic exploration will be completed prior to recommencing ground EM surveys and drill testing of targets at Fraser Range; and developing a strategy to generate and thereafter test deeper targets (> 250m) at Forrestania. Funds will also be allocated to transaction costs associated with acquiring new projects and exploration on such new projects (if any).
- › The working capital and corporate administration costs cover 24 months of costs associated with maintaining a listing on ASX for an active company.

The table is a statement of current intentions as at the date of this announcement. Intervening events may alter the way funds are ultimately applied by the Company.

J. Effect of the Greenhouse Transaction on the Company's consolidated total assets and total equity interests

- ∂ The principal effect of the Greenhouse Transaction on the Company's consolidated statement of financial position is reflected in the pro forma balance sheet below.

K. Effect of the Greenhouse Transaction on the Company's revenue, expenses and profit before tax

- ∅ The Company does not expect to generate revenues from operations or sale of assets during the relevant period.
- ∅ The effect of the proposed transaction on the Company's expenditure will be to increase expenditure as contemplated by the use of funds section above.
- ∅ The unaudited pro forma statements of financial position as at 30 June 2021 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.
- ∅ The pro forma balance sheet has been prepared to reflect the rights issue completed by the Company in November 2021, the Capital Raising to be completed in conjunction with the Greenhouse Transaction, and the initial consideration for the acquisition for the Greenhouse Transaction.

	Hannans 30 June 2021 (Audited) A\$	Min Sub (\$2.5M) Post acquisition pro forma Hannans 30 June 2021 (Unaudited) A\$	Max Sub (\$3.5M) Post acquisition pro forma Hannans 30 June 2021 (Unaudited) A\$
CURRENT ASSETS			
Cash	1,013,733	7,558,136	8,540,745
Trade and other receivables	90,849	90,849	90,849
Other financial assets	65,000	65,000	65,000
TOTAL CURRENT ASSETS	1,169,582	7,713,985	8,696,594
NON-CURRENT ASSETS			
Other receivables	30,000	30,000	30,000
Property, plant and equipment	19,406	19,406	19,406
Other financial assets	328,460	328,460	328,460
Capitalised exploration and evaluation expenditure	2,240,000	2,240,000	2,240,000
TOTAL NON-CURRENT ASSETS	2,617,866	2,617,866	2,617,866
TOTAL ASSETS	3,787,448	10,331,851	11,314,460
CURRENT LIABILITIES			
Trade and other payables	580,104	580,104	580,104
Provisions	7,385	7,385	7,385
TOTAL CURRENT LIABILITIES	587,489	587,489	587,489
TOTAL LIABILITIES	587,489	587,489	587,489
NET ASSETS	3,199,959	9,744,362	10,726,971
EQUITY			
Issued capital	42,433,949	87,759,232	88,741,841
Reserves	655,948	2,208,501	2,208,501
Accumulated losses	(39,889,938)	(80,223,370)	(80,223,370)
TOTAL EQUITY	3,199,959	9,744,362	10,726,971

Notes:

- The consolidated statement of financial position is based on Hannans' 2021 Annual Report.
- The unaudited post acquisition pro forma consolidated statement of financial position is based on Hannans' 2021 Annual Report, adjusted for:
 - The issue of 218,294,284 ordinary shares at \$0.025 each to raise A\$5,457,357 for the rights issue completed in November 2021, and the related raising fee which includes the broker's fee of 4% of the amount raised.
 - Working capital adjustment between 1 July 2021 and 31 December 2021 of A\$1,549,592 consists of exploration, corporate and administrative expenses.
 - The issue of 539,583,879 Shares to the Vendor or its nominee(s) as consideration for the

Greenhouse Transaction.

- (d) The issue of between 71,428,571 and 100,000,000 fully paid Shares at \$0.035 per Share to raise between \$2,500,000 (Minimum Subscription) and \$3,500,000 (Maximum Subscription) before costs.

M. Company Overview and Business Model including Greenhouse

History

Hannans Ltd was founded in 2002 in by Dr Ernest Dechow, Mr William Hicks and Mr Damian Hicks. The Company listed on the Australian Securities Exchange on 5 December 2003. Hannans core reason for being was to discover an economic minerals deposit that could sustainably produce metals for society. Hannans expanded its interests to the recovery of metals from scrap and end-of-life lithium batteries in 2021. Hannans has executed agreements over time with Vale Exploration Australasia, Anglo American Exploration, Boliden, Rio Tinto Exploration, Neometals and many junior companies.

Vision

Hannans vision is to sustainably produce metals for society via:

- ∂ recycling lithium batteries in Europe; and
- ∂ discovering minerals deposits in Western Australia.

Our mission is to develop an economic interest in a portfolio of metals production assets via recycling lithium batteries or minerals exploration discovery. Our focus is to provide shareholders with a strong return on investment by managing our people, projects, and capital in an entrepreneurial and responsible manner. We recognise that a professional, knowledgeable, and ethical team of directors, employees and consultants is the key to our business.

Our values are:

- ∂ **Care:** prioritising safety; health; the environment; and community.
- ∂ **Integrity:** striving to be consistent; staying true to our values; and being accountable for our actions.
- ∂ **Fairness & Respect:** valuing diversity & difference; acting without prejudice; and communicating with courtesy.
- ∂ **Transparency:** being honest; addressing problems; and being clear with our communications.
- ∂ **Collaboration:** sharing ideas and knowledge; encouraging cooperation; listening to our stakeholders; and building long term relationships.
- ∂ **Awareness:** taking account of all identified key issues in our decisions; and considering future impacts.
- ∂ **Commitment:** staying focused on the core objectives; making pragmatic, quality technical and commercial decisions; and being decisive with the courage of our convictions.

Primary focus: Lithium Battery Recycling

Hannans is seeking to pivot its focus to the recycling of lithium-ion batteries.

Lithium batteries are energy storage devices comprising several metals including nickel, cobalt, lithium, and manganese (and others). Demand for lithium-ion batteries to power electric vehicles and energy storage has seen significant growth in the last decade and is forecast to continue. If not handled correctly, LiB can explode, are flammable and toxic and are not suitable for long term storage at end-of-life or for disposal in landfill. LiB

recycling involves shredding, sorting, and refining to make the batteries safe and to recover valuable metals for reuse. The recycling using environmentally, and socially acceptable processes is the only way.

Hannans has entered into two separate agreements to commercialise a proprietary, patent pending LiB recycling technology developed by ASX listed Neometals Ltd (ASX:NMT) (**Neometals**).

By way of background:

- ∂ ASX listed Neometals Ltd (ASX:NMT) (**Neometals**) developed the proprietary sustainable process for the recovery of valuable constituents from cell production scrap and end-of-life lithium-ion batteries (the **Technology**). The Neometals processing flowsheet targets the recovery of >90% of all battery materials from LiBs that might otherwise be disposed of in land fill or processed in energy-intensive pyrometallurgical recovery circuits. Specifically, the Neometals' recycling process targets the recovery of valuable materials from consumer electronic batteries (devices with lithium cobalt oxide cathodes), and nickel-rich electric vehicle and stationary storage battery chemistries (lithium-nickel-manganese-cobalt cathodes).
- ∂ Five years of R&D development including bench and pilot trials, feasibility studies and engineering has culminated in a recycling commercialisation joint venture (known as "Primobius GmbH") with large privately owned German engineering firm SMS group GmbH (**SMS**). The joint venture is operating a showcase LiB recycling demonstration plant in Germany, completing engineering studies and advancing commercial agreements to consider an investment decision on commercial deployment in July 2022.
- ∂ Through Primobius, Neometals aims to make revenue from provision of recycling services, sale of recovered battery grade metal sulphates (nickel, cobalt, nickel, lithium etc) and royalties from legacy licence holders.

On 9 September 2021, Hannans announced that it had signed an MoU with unlisted Australian company Critical Metals Ltd (**Critical**) to commercialise the Technology in Norway, Sweden, Denmark, and Finland. The MoU with Critical will take the form of a joint venture enabling Hannans to earn its interest by funding and managing certain tasks and activities. On 30 November 2021, Hannans announced the conditional MoU with Critical had been converted to a binding agreement.

To fast track Hannans expansion, the Company proposes to undertake the Greenhouse Transaction, pursuant to which it will acquire an exclusive sub-licence to commercialise the Technology in the United Kingdom and Ireland whilst also securing the right to fund (and earn an equity position in) new lithium battery recycling plants in Italy and the Balkans.

The Opportunity

Europe does not have enough battery metals to meet its growth ambitions. Every source of battery metals will be retained within Europe and the loop will be closed. Security of raw material supply and the circular economy are key themes. The lithium battery recycling focus in the short-medium term is on scrap lithium batteries from the cell manufacturing process.

The Challenge

To be a successful lithium battery recycling company Hannans will need:

- ∂ a hydrometallurgical recycling process with high metal recoveries, low greenhouse gas emissions, low water consumption and be battery format agnostic;
- ∂ secure LiB feedstock supplies which in the short to medium term will likely come from Gigafactory scrap; and

- ② be scalable as it must be capable of ramping up quickly to handle scrap now and end of life lithium batteries in the future. This will lead to increased profitability and improved margins.

The key to managing a successful lithium battery recycling facility will be managing and controlling the lithium battery waste feedstock mix and cost; scrap rates and product recall rates; the useful life of lithium batteries; battery collection rates; recycling and reuse rates of lithium batteries; recoveries and efficiencies of refining technologies; commodity prices; and legislative reforms.

The concept is that build, operate, and maintain support services for future lithium battery recycling plants developed by Hannans can be supplied by SMS group GmbH to Primobius and on to Hannans, but there is no obligation for SMS group to do so.

Technology Development

The Technology has undergone comprehensive pilot plant and validation test work programs and has been substantially de-risked. Hannans shareholders are poised to benefit from long-term ongoing research and development investment into the Technology. Hannans believes these attributes significantly increase the potential for the commercialisation strategy to be successfully executed.

The Technology is the result of a multi-year period of bench scale, pilot and demonstration plant test work programs that has validated the flowsheet and potential economics. Primobius has achieved industry recognition via agreements with leading international companies including Itochu from Japan and Stelco from Canada.

Primobius GmbH have completed a demonstration scale plant (1 tonne per day throughput) test program in Hilchenbach, Germany from which final engineering and cost estimates will be based prior to making a final investment decision to build the first commercial plant (50 tonnes per day throughput). The Technology enables battery cell manufacturers to close the loop, deliver safe, responsible, and cost effective products and eliminate waste.

The Process

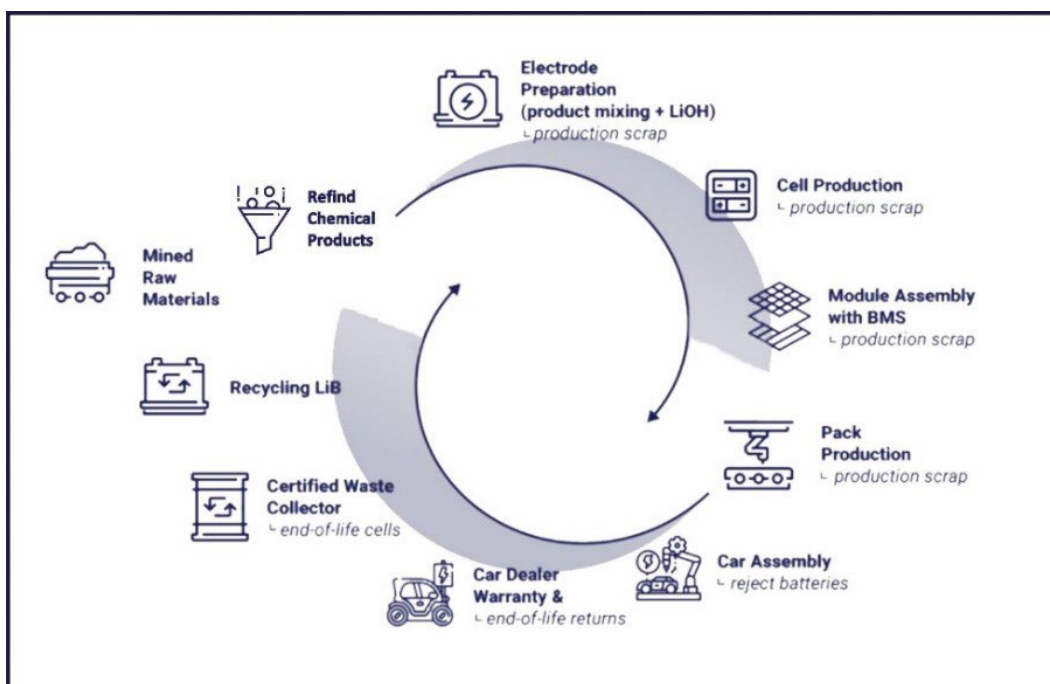


Figure 4: Production scrap, reject batteries, end-of-life returns and end-of-life cells are all raw material feedstock sources for the lithium ion battery recycling plant. Source: Neometals Ltd

Shredding and sorting (Stage 1) and refining (Stage 2) components of the Technology are capable of processing multiple lithium battery chemistries, formats, and types. Stage 1 products include mixed cathode and anode “black mass” plus steel, plastic, and foil. Stage 2 products include high purity battery chemicals including nickel, cobalt, lithium, and manganese sulphates.

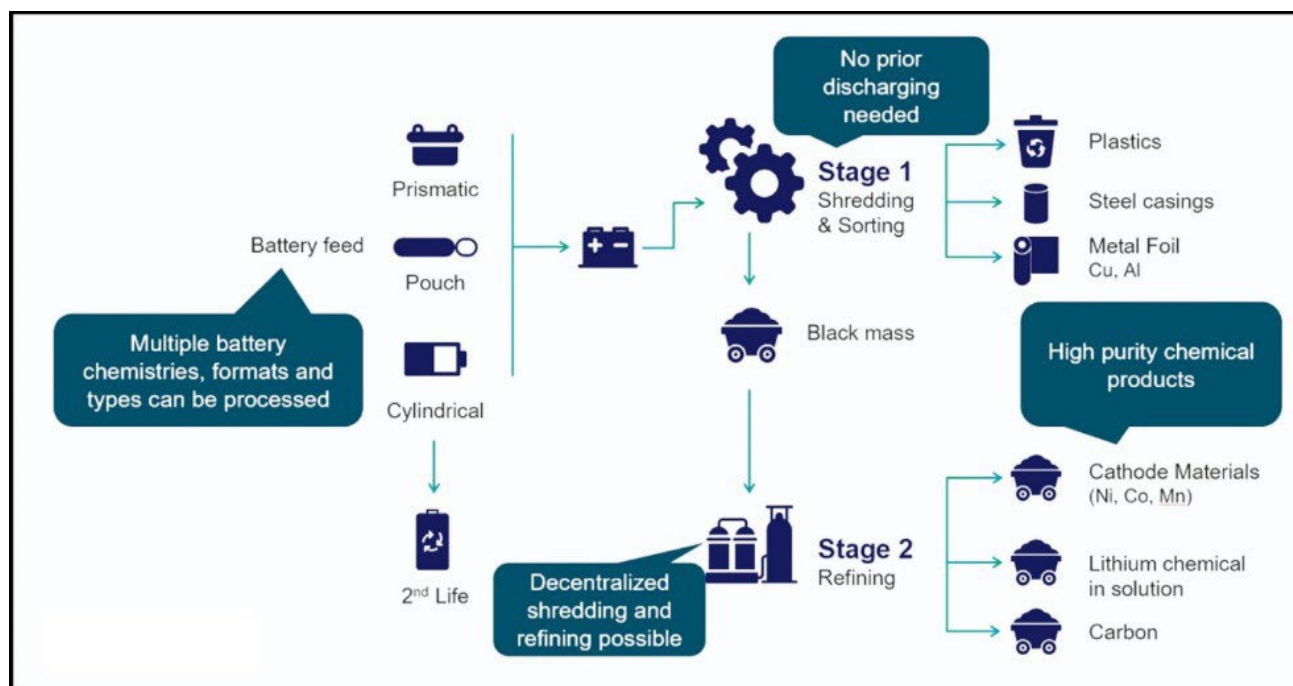


Figure 5: The two stages to the process are shredding and sorting (stage 1) and refining (stage 2). Source: Neometals Ltd

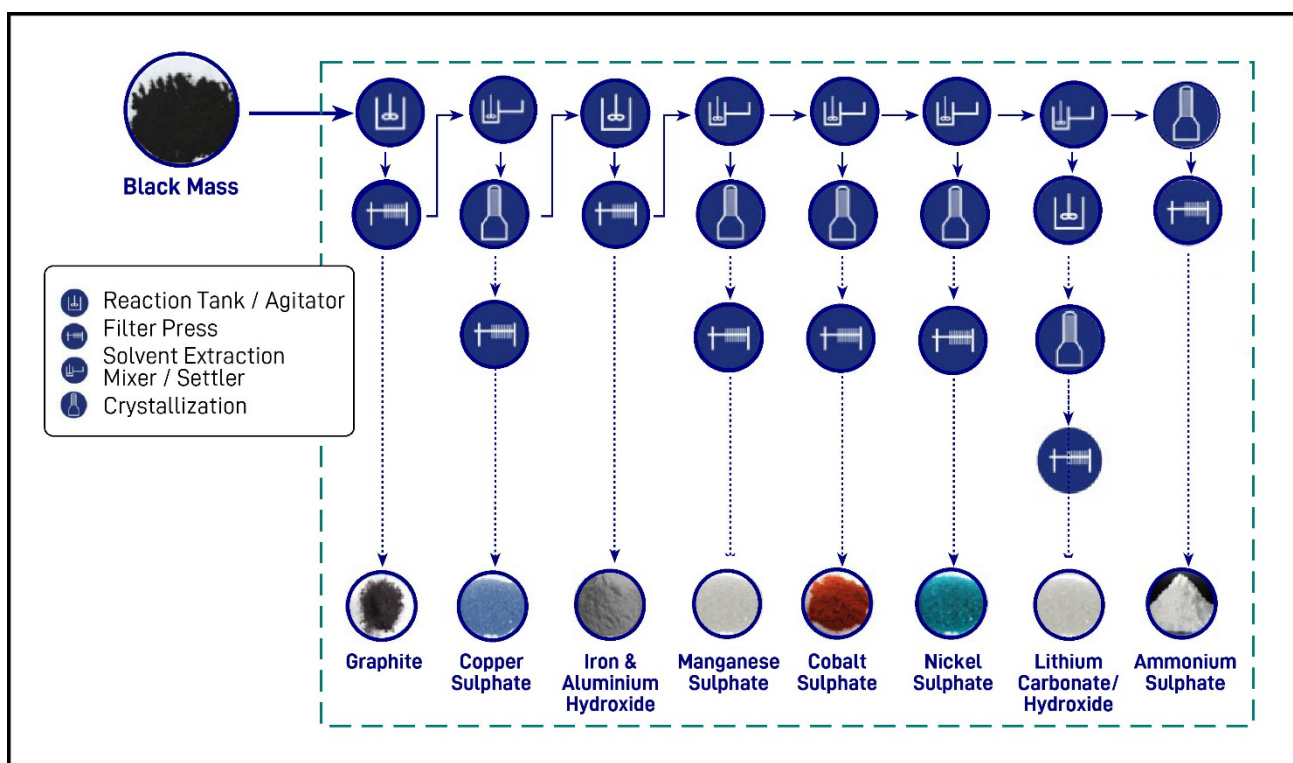


Figure 6: Proprietary Hydrometallurgical Refining flowsheet showing the products to be produced in the Demonstration Plant trials. Source: Neometals Ltd

Sustainability

The Technology provides high purity battery chemicals for sale to lithium battery cell manufacturers under off-take arrangements and satisfies European Union (EU) recycling and safe disposal regulations.

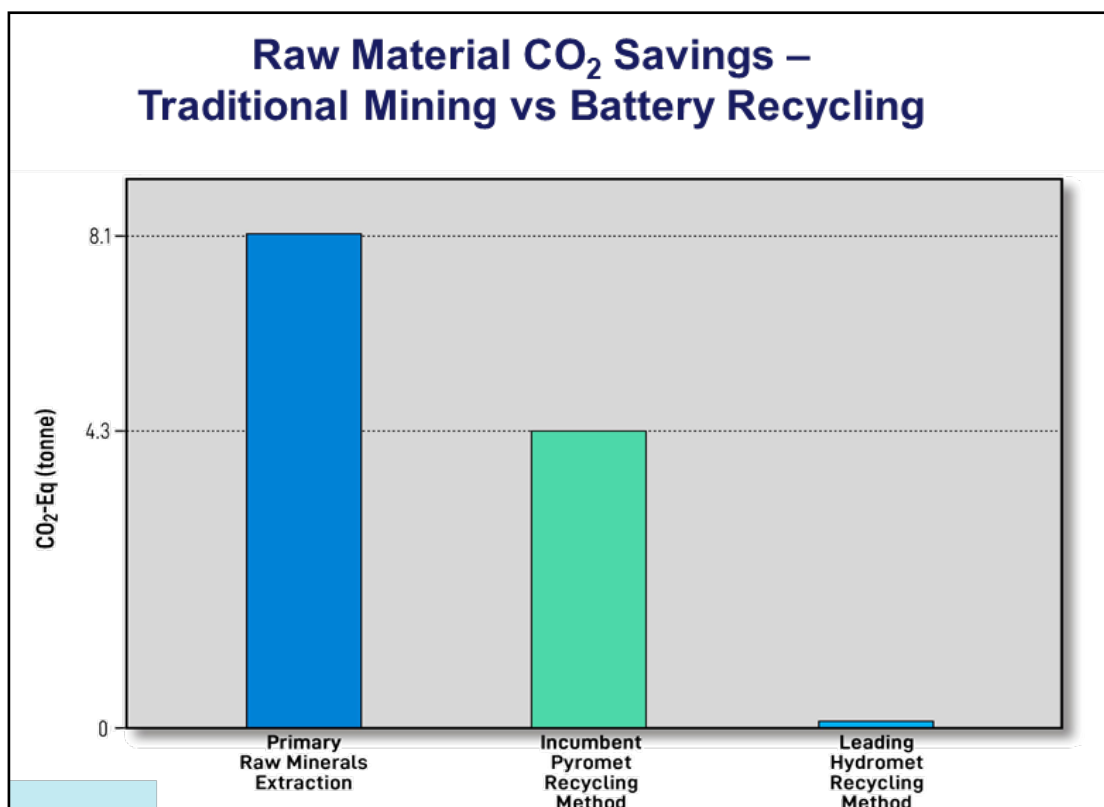


Figure 7: Raw material CO₂ savings. Source: Neometals Ltd

Hannans believes that the Technology will enable battery cell manufacturers to meet their recycling regulatory requirements; produce high purity metal sulphates for reuse in the production of new LiB. The low-carbon and environmentally friendly Technology was recently a finalist in the 2022 German Sustainability Awards.

Safety

The Technology is focused on safety. Safety has the highest priority to prevent fires and release of hazardous substances. If needed, batteries are discharged then wet shredded in an inert atmosphere, external fire suppression and best available technology (**BAT**) off-gas systems for the recovery of volatile organic compounds and dust are installed. All water is recycled in the process.

Barriers to Entry

The barriers to entry into the recycling of lithium batteries include: the time and resources required to research and develop an industrial scale, fully integrated, safe, and compliant recycling process; securing permits to operate; the requirement for a steady stream of consistent lithium battery feedstock to underwrite the business; and the means to fund and build plants to the high standard required by original equipment manufacturers (**OEM**).

Competition

The jurisdictions being targeted by Hannans generally have plans for several giga factories, strong connections with social and environmental responsibility, strong recycling cultures, strong legislative regimes, limited access to battery metals from mining and are focussed on circular economy and recycling to ensure supply chain resilience. Companies currently offering lithium battery recycling solutions and those potentially planning entry into the jurisdictions being considered by Hannans include, but are not limited to: Fortum, Hydro Volt, Northvolt Revolt, Li-Cycle, Stena Recycling, AkkuSer, and Redwood Materials.

Next Steps

The next steps for Hannans are to:

1. Secure feedstock via existing Greenhouse relationships with OEM's;
2. Identify sites for Stage 1 shredding plants;
3. Commence site permitting: 8 to 12 month process;
4. Build first Stage 1 shredding plant and sell "black mass";
5. Identify site for Stage 2 hydrometallurgical refinery in either Sweden, Norway, Denmark or Finland;
6. Commence site permitting: 8 to 12 month process; and
7. Build Stage 2 plant and sell refined battery chemicals in full compliance with EU Battery Regulations by 2025

Secondary Focus: Minerals Exploration

Hannans is exploring in new and emerging provinces at the margin of the Yilgarn Craton. Its three projects are:

- ∂ Moogie – Nickel, Copper & Gold (100%);
- ∂ Fraser Range – Nickel & Copper (earning 70% & 100%); and
- ∂ Forrestania – Nickel (100%), Gold (20% free carried).

Hannans is always seeking opportunities to acquire or joint venture into Western Australian critical mineral projects with economic potential.

At Moogie the next exploration steps include a detailed helicopter-borne electromagnetic (**EM**) survey (covering the Breccia, Minni Ritchi and Ghallangee prospects) and completion of mapping and geochemical coverage. At Fraser Range the plan is to review the current exploration strategy, recommence ground EM surveys and drill test targets. At Forrestania the plan is to develop a strategy to generate and test deeper targets (>250m).

All the minerals and metals being explored for by Hannans have a significant role to play in a modern society. Discovery of an economic mineral deposit is the first step towards producing metals for society. Hannans is focused on discovery.

For further information with respect to Hannans existing mineral exploration assets, please refer to Hannans' 2021 Annual Report and quarterly activities reports.

N. Hannans – Key Risks and Dependencies

The key risks to the activities of the Company are as follows:

- ∂ The shares of Hannans should be considered highly speculative because of the nature of the Company's business. The future profitability of the Company will be dependent on the successful commercial exploitation of its business and operations.
- ∂ An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below.
- ∂ There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors.

- ∂ The list of risk factors in this section should not be taken as exhaustive of the risks faced by the Company or by investors in the Company. The risk factors, and others not specifically referred to, may in the future materially affect the financial performance of the Company and the value of its shares.
- ∂ The business assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the shares of the Company.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which it can effectively manage them is limited.

Risks relating to the re-compliance transaction:

∂ Completion Risk

The Greenhouse Transaction is subject to the fulfillment of certain conditions. There is a risk that the conditions for completion of the Greenhouse Transaction cannot be fulfilled and, in turn, that completion of the Greenhouse Transaction does not occur. If the Greenhouse Transaction is not completed, the Company will incur costs relating to advisors and other costs without any material benefit being achieved.

∂ Re-quotation of Hannans Shares on ASX

As part of the Company's change in nature and scale of activities, ASX will require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. It is anticipated that the Company's securities will be suspended from the date of the General Meeting convened to seek shareholder approval for the Greenhouse Transaction until completion of the Greenhouse Transaction, the Capital Raising, re-compliance by the Company with Chapters 1 and 2 of the ASX Listing Rules, and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its securities will consequently remain suspended from official quotation.

∂ Liquidity Risk

On completion of the Greenhouse Transaction, the Company proposes to issue securities to Greenhouse. The Company understands that ASX may treat some of these securities as restricted securities in accordance with Chapter 9 of the ASX Listing Rules. This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be freely traded for a period.

∂ Uncertainty of Future Profitability

The Company has incurred losses in the past and it is therefore not possible to evaluate the Company's prospects based on past performance. The Company expects to make losses in the foreseeable future. Factors that will determine the Company's future profitability are its ability to manage its costs and its development and growth strategies, the success of its activities in a competitive market, and the actions of competitors and regulatory developments. As a result, the extent of future profits, if any, and the time required to achieve sustainable profitability, is uncertain. In addition, the level of any such future profitability (or loss) cannot be predicted and may vary significantly from period to period.

Risks relating to the LiB recycling business:

∂ Government Licences and Approvals

Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and site safety.

Failure to comply strictly with applicable laws, regulations and local practices could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

∂ 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.

∂ 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:

- › economically recycle and recover lithium-ion batteries and lithium-ion battery materials and meet customers' business needs;
- › effectively introduce methods for higher recovery rates of lithium-ion batteries and solutions to recycling;
- › complete the construction of its future facilities at a reasonable price and on a timely basis;
- › secure and maintain required strategic supply arrangements;
- › effectively compete in the markets in which it operates; and
- › 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.

∂ **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.

∂ **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.

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

∂ **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:

- › discovery and proving-up, or acquiring, an economically recoverable resource or reserve;
- › access to adequate capital throughout the acquisition, discovery and project development phases;
- › securing and maintaining title to tenements;
- › obtaining required development consents and approvals necessary for the acquisition, exploration, development and production phases; and
- › 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 control of the Company.

∂ **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.

General Risks

∂ **General Economic and Political Risks**

Changes may occur in the general economic and political climate in the jurisdictions in which the Company operates and on a global basis that could have an impact on economic growth, the lithium battery feedstock prices, interest rates, the rate of inflation, taxation, tariff laws and domestic security which may affect the value and viability of any activities that may be conducted by the Company.

∂ **Additional Requirements for Capital**

The Directors expect that the Company will have sufficient capital resources to enable the Company to achieve its initial business objectives upon settlement of the Greenhouse Transaction. However, the Directors can give no assurances that such objectives will in fact be met without future borrowings or capital raisings.

The Company's capital requirements depend on numerous factors. The Company may require further financing in the future. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

∂ **Potential Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, complementary companies or prospects and additional assets. Any such acquisitions will be accompanied by risks commonly encountered and listed in this Section.

∂ **Exchange Rate Risks**

Commodity prices fluctuate and are affected by many factors beyond the control of the Company, including international supply and demand, the level of consumer product demand, technological advancements, forward selling activities, weather conditions, the price and availability of alternative energy storage devices and battery chemistries, actions taken by governments and international cartels, and global economic and political developments.

∂ **Reliance on Key Personnel**

The Company is substantially reliant on the expertise and abilities of its key personnel in overseeing the day-to-day operations of its projects. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees or contractors cease their relationship with the Company.

∂ **Competition**

The Company will compete with other companies, including lithium battery recycling companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

∂ **Economic Risks**

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

∂ **Market Conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- › general economic outlook;
- › interest rates and inflation rates;
- › currency fluctuations;
- › changes in investor sentiment toward market sectors; the demand for, and supply of, capital; and
- › terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

O. ASX Waivers and Confirmations

In addition to the in-principle approval seeking confirmation of the Greenhouse Transaction, the Company has been granted a waiver from the requirements of Listing Rule 2.1 (Condition 2) to enable it to issue shares at an issue price less than A\$0.20 per share. The waiver is subject to the following conditions:

- ∂ the issue price of the capital raising shares is not less than A\$0.02 per share;
- ∂ the terms of this waiver are disclosed to the market and, along with the terms and conditions of the capital raising shares, are clearly disclosed in the notice of meeting pursuant to which the Company will seek the approval required under Listing Rule 11.1.2 for the Greenhouse Transaction and in the prospectus to be issued in respect of the capital raising;
- ∂ Hannans' shareholders approve the issue price of the capital raising shares in conjunction with the approval obtained under Listing Rule 11.1.2 in respect of the Greenhouse Transaction; and
- ∂ Hannans completes a consolidation of its capital structure in conjunction with the Greenhouse Transaction such that its securities are consolidated at a ratio that will be sufficient, based on the lowest price at which the Company's securities traded over the 20 trading days preceding the date ASX paused the trading of the Company's securities, to achieve a market value for its securities of not less than the offer price.

P. Change of Activities

ASX has determined that because of the proposed Greenhouse Transaction Hannans will be required, pursuant to ASX Listing Rule 11.1.2, to obtain shareholder approval at a general meeting (**GM**). The Company will also be required, pursuant to ASX Listing Rule 11.1.3, to re-comply with Chapters 1 and 2 of the Listing Rules because the Greenhouse Transaction triggers a change of nature of activities for Hannans.

Q. Regulatory Statements

The Company notes that:

- ∂ the Greenhouse Transaction requires Shareholder approval under the Listing Rules and therefore may not proceed if that approval is not forthcoming;
- ∂ the Company is required to re-comply with ASX's requirements for admission and quotation and therefore the Greenhouse Transaction may not proceed if those requirements are not met;
- ∂ ASX has absolute discretion in deciding whether to re-admit the Company to the Official List and to quote its securities and therefore the Greenhouse Transaction may not proceed if ASX exercises that discretion; and
- ∂ investors should take account of these uncertainties in deciding whether to buy or sell the Company's securities.

Furthermore, the Company:

- ∂ notes that ASX takes no responsibility for the contents of this announcement; and
- ∂ confirms that it is in compliance with its continuous disclosure obligations under LR 3.1.

End.