HANNANS

Expansion of Lithium Battery Recycling into Major European EV Markets

www.hannans.com
ASX:HNR
3 February 2022

Summary

Our vision is to sustainably produce metals for society in the:

- Nordic region;
- United Kingdom and Ireland;
- Italy; and the
- Balkans.

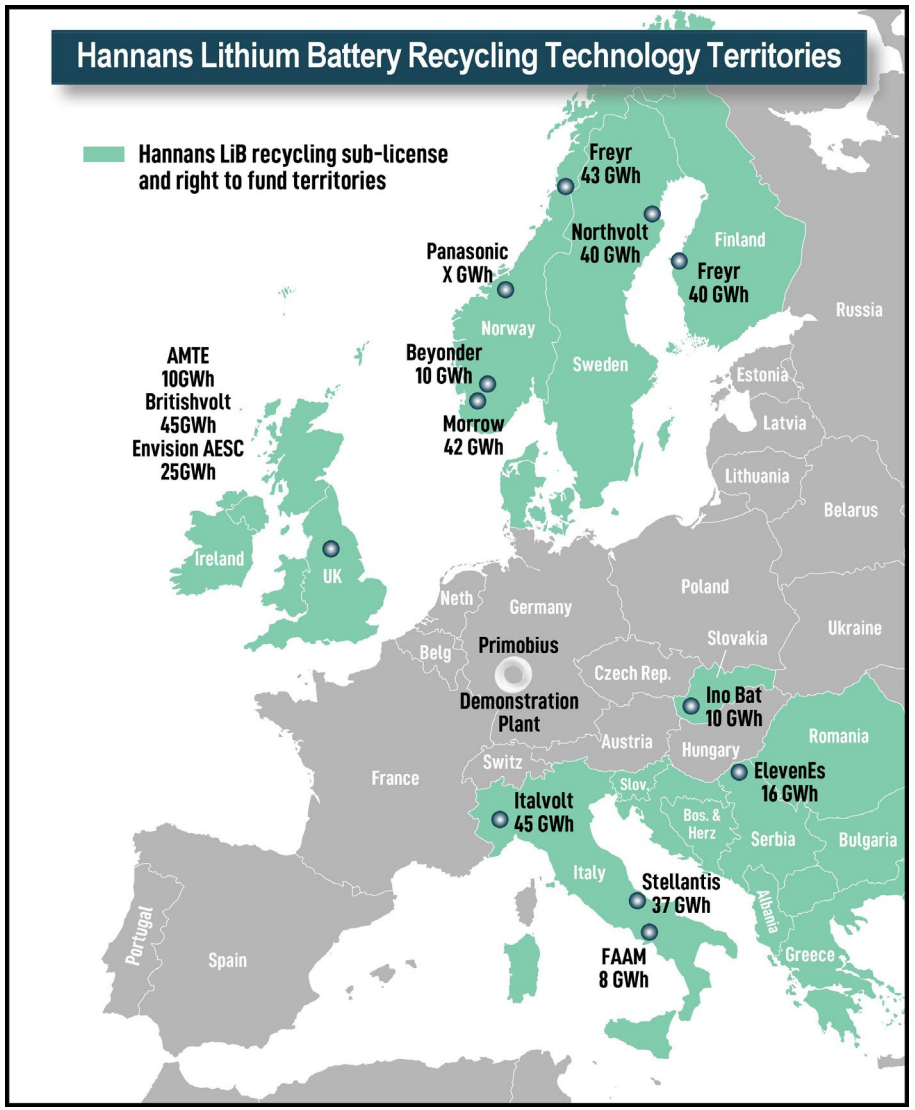
We aim to achieve this vision by recycling lithium batteries – shredding, sorting and refining active battery components into battery grade chemicals for sale to lithium battery precursor manufacturers.

We aim to become an important part of the European lithium battery supply chain and the circular economy.

Rapid Growth

Our focus is rapid growth via partnerships, corporate activity and organic growth within the European lithium battery supply chain.

Territories*



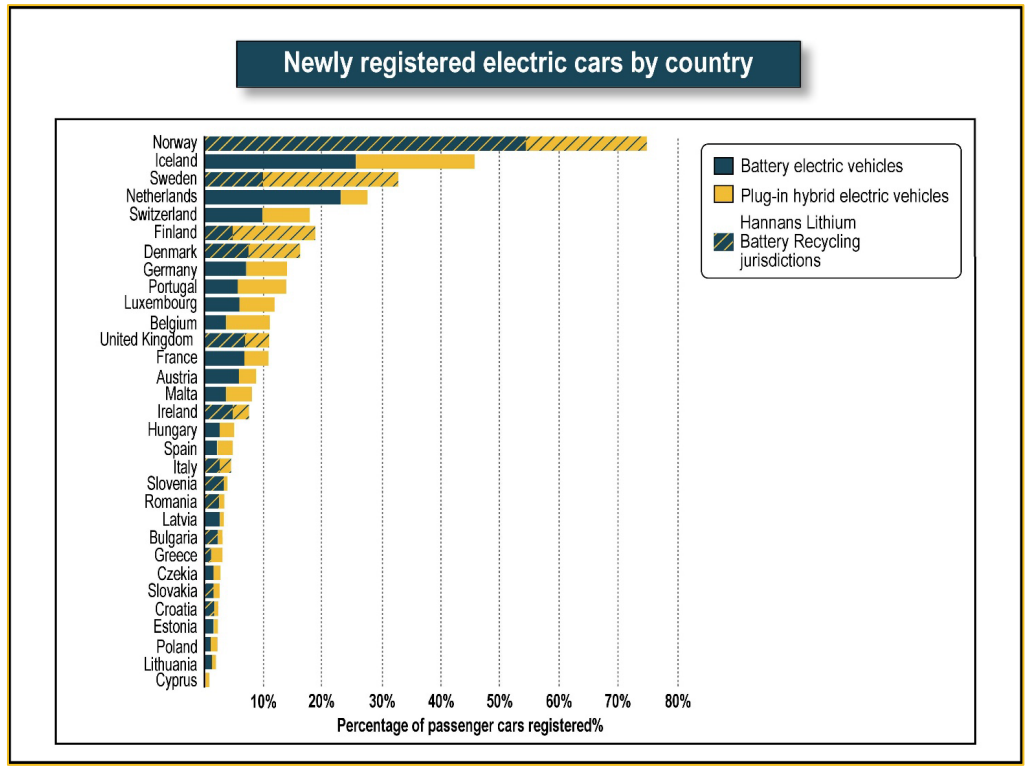
Hannans has established tremendous leverage to the rapidly growing European LiB recycling sector, and specifically countries with the highest penetration rate of electric vehicles.

Hannans' lithium battery recycling focus turns to securing feedstock agreements with companies requiring a recycling solution for scrap and end-of-life lithium batteries in compliance with EU battery regulations.

"We believe the technology we 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."
Damian Hicks, Executive Director

* For further detailed information refer slides 4 and 9 and Hannans Ltd ASX release dated 1 February 2022.

Lithium Battery Recycling Territories



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

Jurisdiction	Summary
Sweden, Norway, Denmark & Finland	Sub-license to commercialise the technology. If Hannans makes a positive FID and enters a binding engineering, procurement, and construction agreement for a Plant, Critical Metals Ltd (www.criticalmetals.eu) 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.
United Kingdom & Ireland[1]	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 not compete with Hannans.
Italy & Albania, Bulgaria, Bosnia and Herzegovina, Croatia, Greece, Romania, Serbia, Slovakia and Slovenia[1]	Sole and exclusive right (but not the obligation) to fund all LiB recycling projects developed by Greenhouse in Italy and the Balkans. The consideration for funding each project will be equity in the project, to be negotiated on a case-by-case basis at arms-length.

[1] Subject to execution of a sub-licence agreement; receipt of ASX and regulatory approvals; and 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 late February / early March 2022.

Transaction Example – Balkans

- Greenhouse Investments Ltd executed MoU with Serbia's Metalfer to build a lithium battery recycling plant – December 2021.
- Next step definitive shareholder agreement between Greenhouse and Metalfer – anticipated close Q1, 2022.
- Thereafter lithium battery feedstock sourcing will commence with aim of establishing volume to justify first shredding and sorting plant, followed by refining plant.
- Hannans has exclusive right (but not the obligation) to fund the plant in consideration for a share of Greenhouse project equity, on arms length terms.

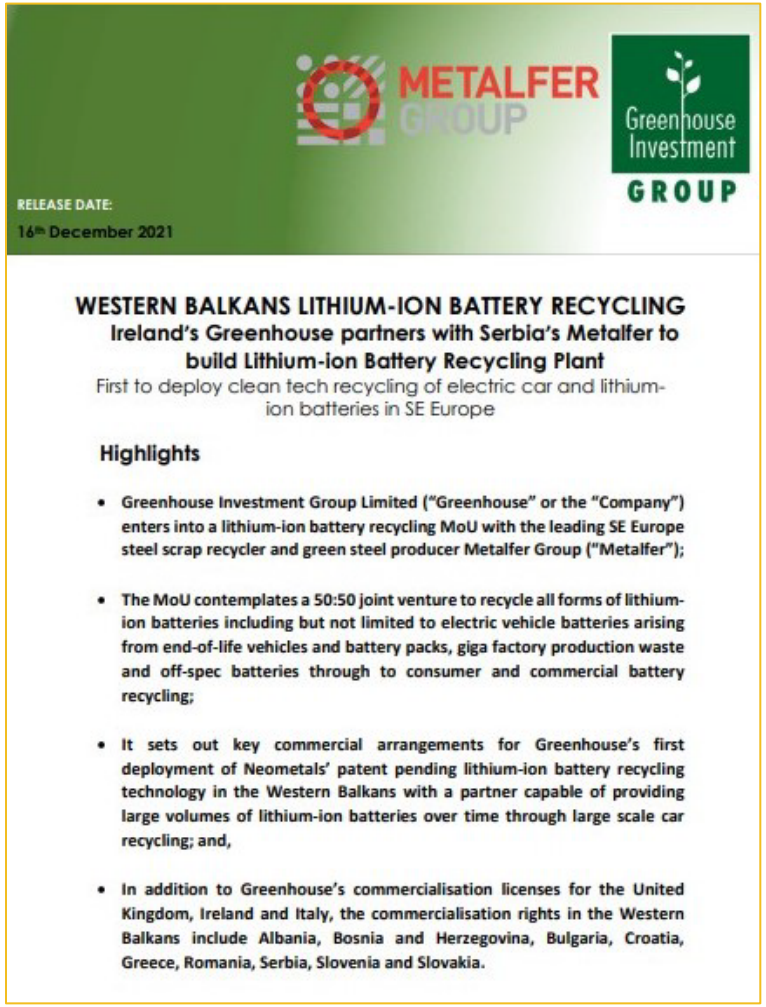
By way of introduction **Metalfer Group** was founded in London in 1993.

Metalfer doo (herein "Metalfer") was established in Serbia in 2002 to develop the Group's operations in the Balkans. Ever since, the company grew to become one of the major steel and mining players in the region.

In 2008 the Group has built Metalfer Steel Mill doo (herein "MSM") in Serbia, taking advantage of being the only local producer of steel reinforcing bars (debars), at the transport hub of the Western Balkans in town of Sremska Mitrovica.

Since 2008, focus of operations was transferred to the region of Balkans, in parallel developing the mining operations in Serbia, Montenegro and Bosnia.

In 2011 Metalfer Invest was founded, to deal with power and infrastructure projects, while in 2013 Metalfer Invest Montenegro was founded. Source: Metalfer Group



METALFER GROUP

Greenhouse Investment GROUP

RELEASE DATE:
16th December 2021

WESTERN BALKANS LITHIUM-ION BATTERY RECYCLING

Ireland's Greenhouse partners with Serbia's Metalfer to build Lithium-ion Battery Recycling Plant

First to deploy clean tech recycling of electric car and lithium-ion batteries in SE Europe

Highlights

- Greenhouse Investment Group Limited ("Greenhouse" or the "Company") enters into a lithium-ion battery recycling MoU with the leading SE Europe steel scrap recycler and green steel producer Metalfer Group ("Metalfer");
- 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 off-spec batteries through to consumer and commercial battery recycling;
- It sets out key commercial arrangements for Greenhouse's first deployment of Neometals' patent pending lithium-ion battery recycling technology in the Western Balkans with a partner capable of providing large volumes of lithium-ion batteries over time through large scale car recycling; and,
- In addition to Greenhouse's commercialisation licenses for the United Kingdom, Ireland and Italy, the commercialisation rights in the Western Balkans include Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Romania, Serbia, Slovenia and Slovakia.

Technology Relationships

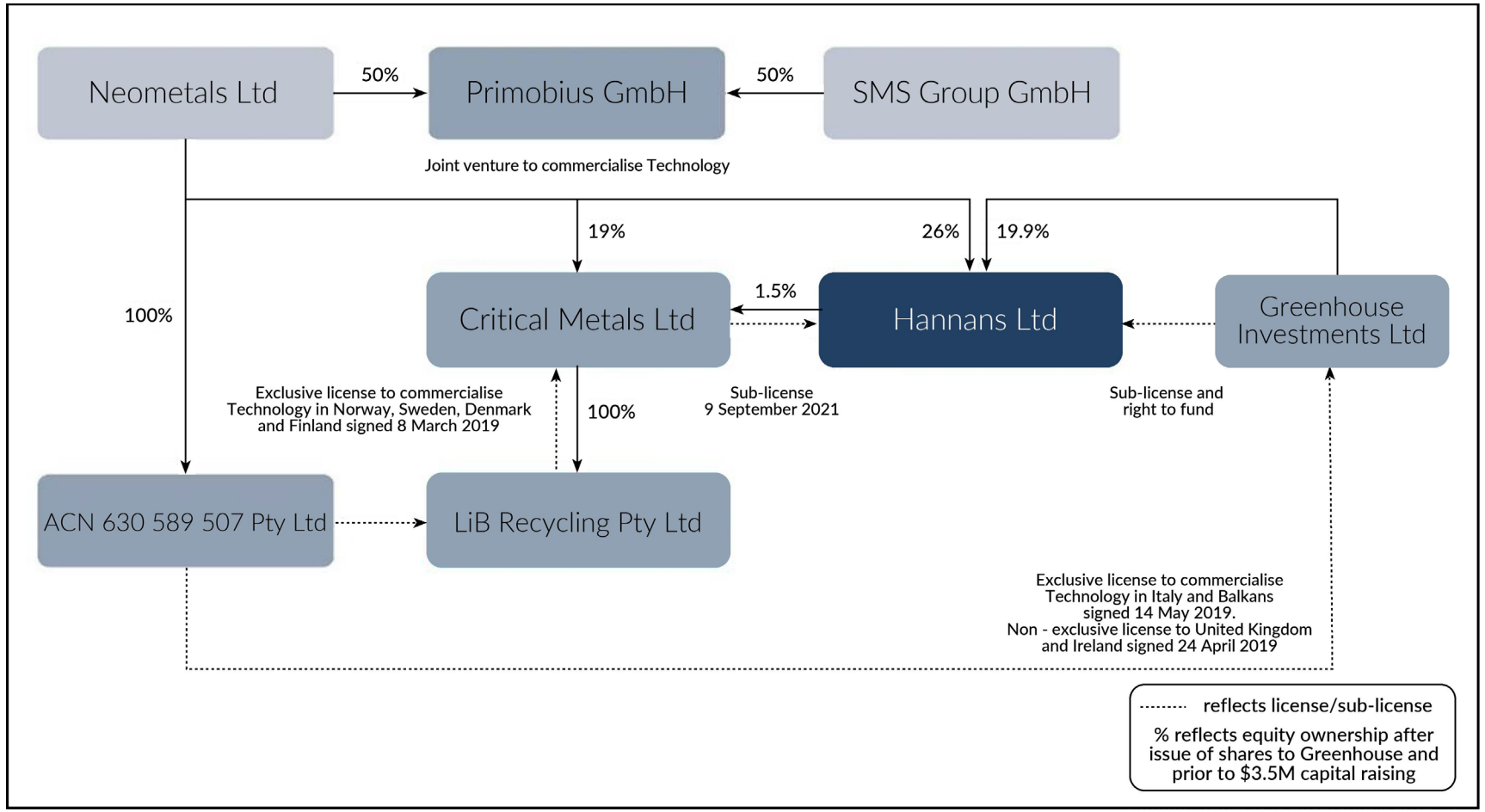


Diagram highlighting relationships between owners, licensors, and licensees and sub-licensees of base lithium battery recycling technology being commercialised by Hannans and Greenhouse in the respective territories.

Capital Raising

- Cash at bank: AU$5 Million
- Minimum raise is AU$2.5 Million, and maximum raise is AU$3.5 Million.
- Debt: Nil
- Price on post consolidation basis is 3.5 cps (pre consolidation basis is 2.9 cps)
- Priority to Hannans shareholders.
- Full details of capital raise will be set out in a Prospectus to be lodged with ASX late February / early March 2022.

Capital Structure & Top Holders

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 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%			45,833,335
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Number	Name	Shares*	%*
1	Neometals Investments Pty Ltd	704,238,553	26.0
2	Greenhouse Investments Ltd	539,583,879	19.9
3	Citicorp Nominees Pty Limited	126,648,800	4.7
4	MCA Nominees Pty Ltd	70,501,408	2.6
5	HSBC Custody Nominees (Australia) Ltd	70,262,874	2.6

Top Holders	%*
5 Holders	55.7
20 Holders	66.2
50 Holders	71.4

* Post consolidation and prior to capital raising. Assumes shareholders approve Greenhouse Transaction and ASX approves recompliance.

ASX Listing Rules

Recompliance with Listing Rules

- The Greenhouse Transaction requires Shareholder approval under the Listing Rules and therefore may not proceed if that approval is not forthcoming.
- Hannans 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.
- Hannans must obtain 300 applications for new shares under the capital raising for parcels to the value of not less than $2,000.
- Hannans undertake a consolidation of capital on a 1.2:1 basis to obtain waiver relief for capital raise price.

Trading in Hannans shares

- It is anticipated that Hannans shares will continue trading through to the General Meeting seeking shareholder approvals referred to above.
- If ASX suspends Hannans' shares from trading for any reason during this period, Hannans' securities will remain suspended until the Company satisfies ASX conditions for reinstatement/re-compliance (early April 2022).
- If Hannans shareholders approve both the Greenhouse Agreement and the change in nature of Hannans primary activity Hannans shares will be suspended from trading until Hannans has satisfied the ASX conditions for reinstatement (likely two weeks).

Timetable

Activity	Date
Dispatch "Notice of Meeting" seeking Hannans Shareholder Approvals	Late February / early March 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

Directors

Jonathan Murray, Independent Non-Executive Chairman

- Director of Hannans Ltd (2010).
- Partner of Steinepreis Paganin
- Principal legal practice areas include equity capital markets, takeovers, project acquisitions and divestments, corporate governance, commercial law and strategy.
- Non-Executive Director of Critical Metals Ltd and Errawarra Resources Ltd.

Markus Bachmann, Non-Executive Director

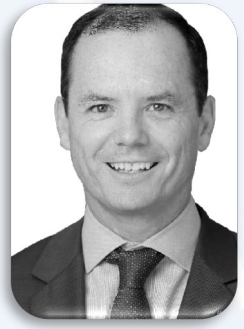
- Director of Hannans Ltd (2012) residing in Switzerland.
- Corporate finance professional.
- Founding partner of Craton Capital (cratoncapital.com)
- Non-Executive Director of Critical Metals Ltd.

Clay Gordon, Non-Executive Director

- Director of Hannans (2016).
- Bachelor of Applied Science (Geology) and a Master of Science (Mineral Economics). Member of the AusIMM and AIG.
- +25 years' experience in senior roles (operational, management and corporate) within large and small resource companies active in a range of commodities within Australia, Africa and Southeast Asia.

Amanda Scott, Non-Executive Director

- Director of Hannans (2016) residing in Sweden.
- Exploration Manager for Hannans Group (2008-2016).
- Recipient of the 10th Nordic Exploration Award 2021
- Consulting Geologist with 18 years experience.
- Extensive experience in the Yilgarn and Pilbara regions of Western Australia and the Caledonides and Kiruna regions of Scandinavia exploring for gold, copper, nickel, PGEs, iron and manganese.



Damian Hicks, Executive Director

- Director of Hannans Ltd (2002).
- Financial, legal and compliance qualifications.
- Principal responsibilities includes strategy formulation, deal origination & execution and capital raising.
- Executive Director of Critical Metals Ltd

HANNANS

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