

HANNAN METALS LIMITED

Chairman's Report to the Shareholders

Dear Shareholders and Stakeholders,

On behalf of the Board of Directors, I would like to thank you, our shareholders, and our stakeholders for joining our vision to discover a large copper-silver mineral system in Peru.

The year has of course been challenging and uncertain for the world as we all deal with the COVID-19 pandemic. These challenges have been acutely felt by the communities where we work in Peru. Hannan is a company where our people care about each other. We are focused on doing the right thing and our number one priority is the health, safety and well-being of our employees, stakeholders and communities. We look forward to the opportunity to return to the field, and in the meanwhile we will continue to support the San Martin communities and wish for better outcomes for all over the next year.

Despite these challenges, the year has been transformative for Hannan. We have made several success capital raisings, increased our social and geological teams in Peru and subsequently, we have undertaken the most extensive field work ever on the 100% owned San Martin project in Peru that encompass a new, basin-scale high-grade copper-silver system situated along the foreland region of the eastern Andes Mountains in Peru. This work has demonstrated the exceptional potential for large copper-silver deposits in this part of Peru and Hannan has aggressively staked a commanding land position.

At San Martin, the Company believes it has identified an opportunity that could result in a significant discovery and, as a project generator, new opportunities are continually reviewed. At the same time, Hannan needs to consider all options to advance a district scale opportunity at San Martin. The results from our initial work to date has attracted the interest of a number of major mining companies. While in the early stages of our work programs, it would be remiss to not consider partnership opportunities that the Company believes are in its best interests. To date the Company remains in discussion with select parties.

I would personally like to take this time to thank all those involved in building Hannan during the year, from our shareholders old and new, our wonderful technical, social and corporate staff and contractors in Peru and Canada, and of course my fellow directors and our President, Lars Dahlenborg. We will continue to work hard, respectfully and in co-operation with our stakeholders and communities to create a valuable and sustainable opportunity for all participants.

We trust that you will continue to join us for the year ahead as we continue to derisk and unravel this large copper-silver mineral system that we have identified in Peru.

Sincerely,

"Michael Hudson"

Michael Hudson
Chairman and CEO

Vancouver, British Columbia Canada,
September 28, 2020

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