

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**1. Name and Address of Company**

HANNAN METALS LTD. (the "Issuer")  
#1305 - 1090 West Georgia Street  
Vancouver, British Columbia V6E 3V7  
Phone: (604) 685-9316

**2. Date of Material Change**

November 30, 2020

**3. Press Release**

The press release was released on November 30, 2020, through various approved public media and filed with the TSX Venture Exchange and the British Columbia and Alberta Securities Commissions.

**4. Summary of Material Change(s)**

See attached press release for details.

**5. Full Description of Material Change**

See attached press release for details.

**6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not Applicable

**7. Omitted Information**

Not Applicable

**8. Executive Officer**

The following executive officer of the Issuer is knowledgeable about the material change disclosed in this report and may be contacted as follows:

Mariana Bermudez, Corporate Secretary, telephone: (604) 685-9316

**9. Date of Report**

December 2, 2020

# Hannanmetals

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## NEWS RELEASE

NOVEMBER 30, 2020

### HANNAN AND JOGMEC PARTNER AT SAN MARTIN COPPER-SILVER PROJECT IN PERU

Vancouver, Canada – **Hannan Metals Limited** (“Hannan” or the “Company”) (TSXV: HAN) (OTCPK: HANNF) is pleased to announce it has signed a binding letter agreement for a significant Option and Joint Venture Agreement (the “**Agreement**”) with Japan Oil, Gas and Metals National Corporation (“**JOGMEC**”). **Under the Agreement, JOGMEC has the option to earn up to a 75% beneficial interest in the San Martin Project by spending up to US\$35,000,000 to deliver to the joint venture (“JV”) a feasibility study.** The San Martin Project covers 656 square kilometres of Hannan’s 940 square kilometre Peruvian holdings (Figure 1). Hannan will continue to progress exploration on its remaining Peruvian projects.

#### Highlights:

- The Agreement grants JOGMEC the option to earn an initial **51% ownership** interest by funding **US\$8,000,000 in project expenditures** at San Martin over a 4-year period, subject to acceleration at JOGMEC's discretion. JOGMEC’s minimum commitment is to fund US\$1,000,000 from 01 April 2020 to 31 March 2021 and JOGMEC has agreed to reimburse Hannan for all project related costs from 01 April 2020;
- JOGMEC, at its election, can then earn:
  - **an additional 16% interest for a total 67% ownership** interest by achieving either a prefeasibility study or funding a further **US\$12,000,000 in project expenditures** in amounts of at least US\$1,000,000 per annum (for a US\$20,000,000 total expenditure); and,
  - **subject to owning a 67% interest, a further 8% interest for a total 75% ownership** interest by achieving either a feasibility study or funding a further **US\$15,000,000 in project expenditures** in amounts of at least US\$1,000,000 per annum (for a US\$35,000,000 total expenditure);
- Should JOGMEC not proceed to a prefeasibility study or spend US\$20,000,000 in total, Hannan shall have the right to purchase from JOGMEC for the sum of US\$1.00, a two percent (2%) Participating Interest, whereby Hannan Metals’ Participating Interest will be increased to fifty-one percent (51%) and JOGMEC’s Participating Interest will be reduced to forty-nine percent (49%);
- At the completion of a feasibility study, JOGMEC has the right to either:
  - Purchase up to an additional ten percent (10%) Participating Interest from Hannan Metals (for a total 85% maximum capped Participating Interest) at fair value as determined in accordance with internationally recognized professional standards by an agreed upon independent third-party valuator; or
  - Receive up to an additional ten percent (10%) Participating Interest from Hannan (for a total 85% maximum capped Participating Interest) in consideration of JOGMEC’s agreement to fund development of the project, by loan carrying Hannan until the San Martin Project generates positive cash flow;
- After US\$35,000,000 has been spent by JOGMEC and before a feasibility study has been achieved, both parties will fund expenditures pro rata or dilute via a standard industry dilution formula;

- If the Participating Interest in the Joint Venture of any party is diluted to less than 5% then that party's Participating Interest will be automatically converted to a 2.0% net smelter royalty ("NSR"), and the other party may at any time purchase 1.0% of the 2.0% NSR for a cash payment of US\$1,000,000;
- Hannan will manage exploration at least until JOGMEC earns a 51 per cent interest, after which the majority participant interest holder will be entitled to act as the operator of the joint venture; and
- Initial exploration activities will focus on the collection of the geological, geophysical, and geochemical datasets in the JV project areas. The first phase of exploration is expected to conclude March 2021.

Mr Michael Hudson, CEO, states: *"We are privileged to have the Japanese government-owned JOGMEC elect to partner with us on the San Martin copper-silver project. JOGMEC are the perfect partner for such a large and prospective early stage exploration project, that will need significant budget and time commitments. JOGMEC's exploration funding, of up to US\$35,000,000, will allow a focused and accelerated exploration program in Peru, thereby maximizing the chances of success while minimizing shareholder dilution. We look forward to a long and successful relationship with JOGMEC, as we work together with local stakeholders, with a common aim to make a significant copper-silver discovery in Peru. Concurrently, Hannan will continue to progress exploration on its other projects"*.

### **Overview of the San Martin Copper Silver Project**

The San Martin Project is located in north-eastern Peru. Project access is excellent via a proximal paved highway, while the altitude ranges from 400 metres to 1,600 metres in a region of high rainfall and predominantly forest cover. Hannan has staked a total of 87 mineral concessions for a total of 65,600 ha (656 sq kms), covering multiple trends within a 120 km of combined strike for sedimentary-hosted copper-silver mineralization. A total of 43 granted mining concessions for 329 sq km have been granted, while the remainder remain under application.

San Martin encompass a new, basin-scale high-grade sediment-hosted copper-silver system situated along the foreland region of the eastern Andes Mountains. Geologically, analogues include the Spar Lake sediment hosted copper-silver deposit in Montana and the vast Kupferschiefer deposits in Eastern Europe where KGHM Polska Miedź (KGHM) operate the largest silver producing mine in the world, more than twice the production of any other operation, and also the sixth biggest copper miner on earth. Sediment-hosted stratiform copper-silver deposits are among the two most important copper sources in the world, the other being copper porphyries.

Hannan recognized the significant potential for large copper-silver deposits in this part of Peru and has aggressively staked a commanding position of prospective where mineralized outcrops and boulders have been discovered in context with a consistent mineralized horizon geology over 120 kilometres of combined strike. Results from outcrop channel sampling, located 20 kilometres apart, from the southern Sacanche area include 3 metres @ 2.5% copper and 22g/t silver and 2 metres @ 5.9% copper and 66g/t silver. Exploration potential for the area is highlighted at four separate areas at Tabalosos, located 80 kilometres north of Sacanche, where high-grade copper and silver mineralization has been discovered over 15 kilometres of strike within at least 2 structural corridors. Grab samples from 19 mineralized boulders (>0.1% copper) range in grade from 0.1% to 8.3% copper and 0.2g/t silver to 109g/t silver with an average grade of 2.8% copper and 27.2g/t silver (Figure 1). Channel samples are considered representative of the in-situ mineralization samples and sample widths quoted approximate the true width of mineralization, while grab samples are selective by nature and are unlikely to represent average grades on the property.

Initial exploration activities under the Option and Joint Venture Agreement will include geological mapping and prospecting, geochemical rock chip, soil and stream sediment sampling and trial geophysical surveys. The first phase of exploration is expected to conclude March 2021.

The Transaction remains subject to acceptance of filings with the TSX Venture Exchange

### **About Japan Oil, Gas and Metals National Corporation (JOGMEC)**

JOGMEC is a Japanese government independent administrative agency which among other things seeks to secure stable resource supply for Japan. JOGMEC has a strong reputation as a long term, strategic partner in

mineral projects globally. The mandated areas of responsibilities within JOGMEC relate to oil and natural gas, metals, coal and geothermal energy. JOGMEC facilitates opportunities with Japanese private companies to secure supply of natural resources for the benefit of the country's economic development.

**About Hannan Metals Limited (TSXV:HAN) (OTCPK: HANNF)**



Hannan Metals Limited is a natural resources and exploration company developing sustainable resources of metal needed to meet the transition to a low carbon economy. Over the last decade, the team behind Hannan has forged a long and successful record of discovering, financing, and advancing mineral projects in Europe and Peru.

Mr. Michael Hudson FAusIMM, Hannan's Chairman and CEO, a Qualified Person as defined in National Instrument 43-101, has reviewed and approved the technical disclosure contained in this news release.

On behalf of the Board,

**Further Information**

[www.hannanmetals.com](http://www.hannanmetals.com)

1305 – 1090 West Georgia St., Vancouver, BC, V6E 3V7

Mariana Bermudez, Corporate Secretary,

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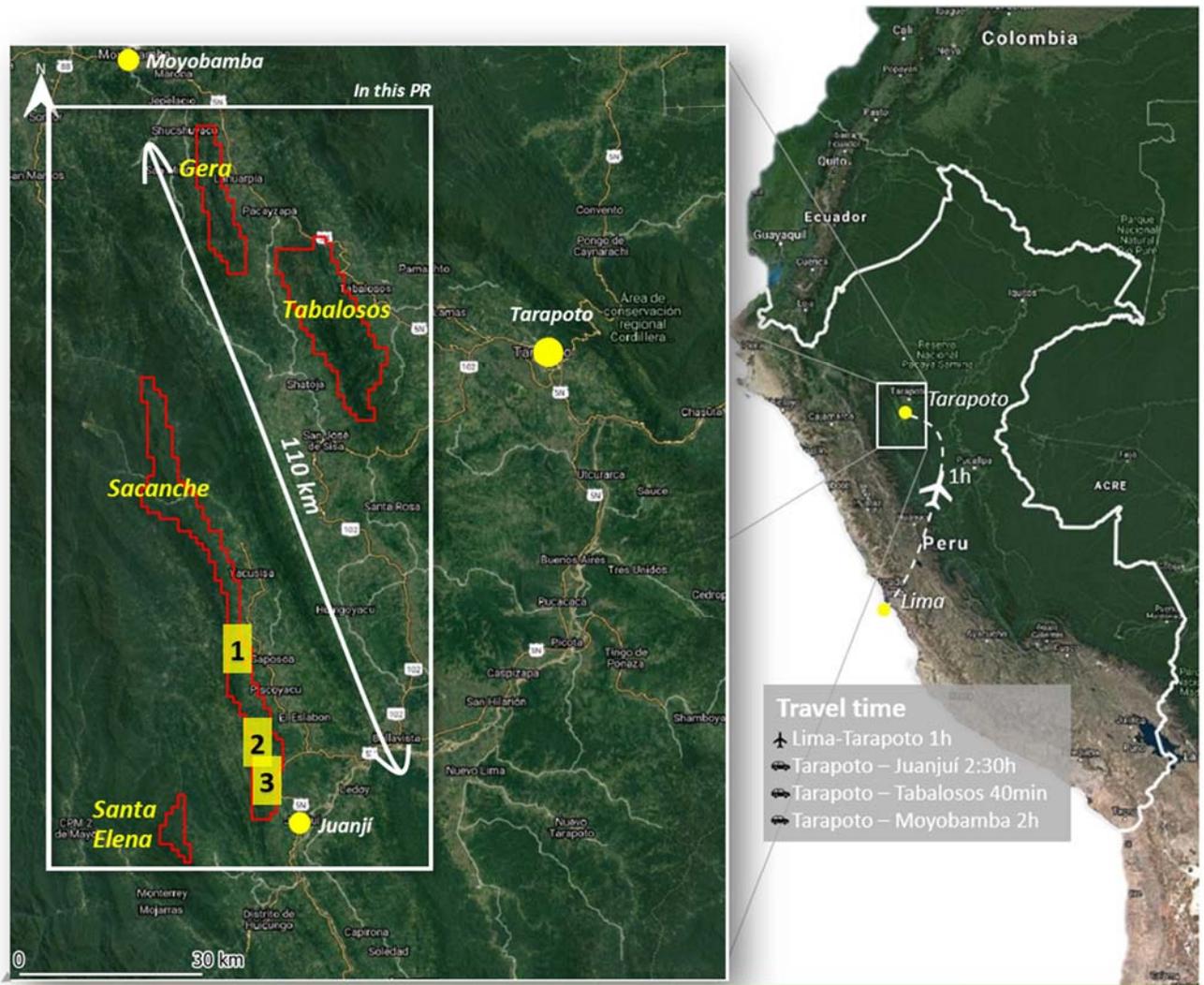
**"Michael Hudson"**

Michael Hudson, Chairman & CEO

**Forward Looking Statements**

Certain disclosure contained in this news release, including the Company's expectations regarding the Agreement and the payments and earn-in upon the successful completion of certain milestones, may constitute forward-looking information or forward-looking statements, within the meaning of Canadian securities laws. These statements may relate to this news release and other matters identified in the Company's public filings. In making the forward-looking statements the Company has applied certain factors and assumptions that are based on the Company's current beliefs as well as assumptions made by and information currently available to the Company. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. These risks and uncertainties include but are not limited to the potential impact of epidemics, pandemics or other public health crises, including the current outbreak of the novel coronavirus known as COVID-19 on the Company's business. Readers are cautioned not to place undue reliance on forward-looking statements. The Company does not intend, and expressly disclaims any intention or obligation to, update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news



**Figure 1.** The San Martín sediment-hosted copper-silver project, Peru is the leading discovery in the emerging sub-Andean sediment hosted stratabound copper silver province of South America. Hannan's four project areas now cover 65,600 hectares of the prospective host horizon within a 110 kilometers long trend. Key results in outcrops at Sacanche include:

- 1) 3m @ 2.5% Cu and 22g/t Ag (LD190517-19)
- 2) 2m @ 5.9% Cu and 66g/t Ag (TC190536-38)
- 3) 0.6m @ 9.0% Cu and 59g/t Ag (TC190519)

**And boulders from Tabalosos:**

Initial sampling outlining 4 separate areas of high-grade copper and silver over 15 kilometres of strike within at least 2 structural corridors. Nineteen mineralized boulders (>0.1% copper) range in grade from 0.1% to 8.3% copper and 0.2 g/t silver to 109 g/t silver with an average grade of 2.8 % copper and 27.2 g/t silver