

# **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 stakeholders, for your support. This year was a year of discovery, derisking and bringing in additional support for the Company to execute its strategy to open Peru's new geological frontiers to find the next generation of large-scale global copper-silver and copper-gold deposits.

We continued to stay true to our core values of continuing to work alongside local stakeholders and our social work continues to lay credible foundations that has allowed us to explore prospective areas that have not previously experienced systematic exploration.

With 2,119 sq km of mineral tenure, we remain a top 10 concession holder in Peru, a country that is dominated by some of the world's largest exploration and mining companies. Hannan is one of the few juniors to acquire such a significant land position. We are focussed on two new frontier areas in Peru (San Martin and Valiente). Both are in the sub-Andean zone which is characterized by highland jungle in the transition between the Cordillera and Amazon Basin.

This year we welcomed Teck Resources Limited ("Teck") as a shareholder and thank them for their support of both our technical and social teams, as well support for Hannan's strategy. Our strategy has led some of the biggest names in our Industry to partner with Hannan, with both Teck, one of Canada's largest mining companies and the Japan Oil, Gas and Metals National Corporation ("JOGMEC"), now involved at equity and joint venture levels, respectively. JOGMEC is an independent administrative agency within the Japanese government which, among other things, seeks to secure stable resource supply for Japan. These associations allow us to strategically plan sequential tests of multiple large-scale mineral systems in the foreland basins and back-arc of Peru over the coming years. The opportunities are tremendous.

Only a couple of years ago at San Martin in Peru, Hannan recognized the significant potential for large copper-silver deposits and aggressively staked a commanding tenure position. In 2020, the Company signed a ground-breaking US\$35M earn-in and Joint Venture on one third of our ground holding at San Martin with JOGMEC. This year saw a basin scale LiDAR survey combined with comprehensive channel sampling provides further excitement, with average widths and grades continuing to show context with drill numbers found during the discovery of the vast Kupferschiefer copper-silver deposits.

At Valiente we are now starting to unlock the potential of our first mover-advantage at the new Miocene-age copper-gold mineral camp within a 140 km by 50 km area. In our most advanced area of work at Belen, we see extensive and systematic soil and rock geochemical anomalies over >8 km with the emergence of two copper-gold porphyry targets separated by an epithermal gold target area. Additionally, the completion of the extensive airborne magnetic survey is a step change for the project.

Peru is not a fast jurisdiction when it comes to drill permitting. But the prize is most certainly worth the wait. We anticipate being drill ready at San Martin early next year and then we will start to sequentially permit the multiple porphyries we are derisking at Valiente, setting ourselves up for multiple years of drill testing major targets

Hannan finishes the financial year well funded, in association with two of the world's pre-eminent mining entities, while developing a pipeline of large-scale projects, each one potentially company-changing, that will be drill tested over the coming years.

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.

Sincerely,

*"Michael Hudson"*

**Michael Hudson**  
**Chairman and CEO**

Vancouver, British Columbia, Canada,  
October 13, 2022