

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 continued discovery, stakeholder relationship building and waiting for drill permits as we continued to unlock Peru's new geological frontiers to find the next generation of large-scale global copper-silver and copper-gold deposits.

From 2020 to 2021, Hannan launched a greenfield exploration program for porphyry and epithermal gold deposits in the high jungle areas of the Eastern Cordillera of Peru, which included regional database compilation, target generation, and field mapping. Hannan also conducted regional stream sediment sampling.

Initially, 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. Average widths and grades continuing to show context with drill numbers found during the discovery of the vast Kupferschiefer copper-silver deposits. At San Martin we await drill permits.

The target generation permitted definition of other prospective areas, one of which was the Valiente block located along the eastern flank of the Central Cordillera, Department of Ucayali. The Valiente project consists of an overlapping suit of 18 porphyry targets with composition ranging from conventional calc-alkalic to alkalic hosted Cu-Au mineralization across a 150 km by 40 km belt. We plan to sequentially derisk, permit and drill multiple porphyry centres over the next 5 years. At the Belen project in Valiente, an area that covers two copper-gold porphyries, skarns, and a 3 km long epithermal system, we have completed all base line studies and have stakeholder sign-off, and in the process of submitting the applications for drill permits.

This year, we also entered Chile with a low-cost entry into the Cerro Rolando project, a large, blind geophysical porphyry target. Geophysical surveys were completed, and the targets are now being evaluated.

Our strategy has led some of the biggest names in our Industry to become involved in Hannan, with both Teck Resources Limited ("Teck"), one of Canada's largest mining companies, and the Japan Organization for Metals and Energy Security ("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. Teck remains our largest shareholder, increasing their holding in the Company during the year.

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