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NEWS RELEASE

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## HANNAN SOIL SAMPLING DEFINES COPPER-SILVER MINERALIZATION OVER 18 KILOMETRES AT TABALOSOS EAST

Vancouver, Canada – **Hannan Metals Limited** ("Hannan" or the "Company") (TSXV: HAN) (OTCPK: HANNF) reports on the results from the soil geochemical sampling program from the Tabalosos East prospect within the San Martin JOGMEC JV sediment-hosted copper-silver project in Peru (Figures 1 and 2).

Hannan is rapidly advancing the Tabalosos East target and demonstrating scale and continuity of copper-silver mineralization over 18 kilometres of combined strike, within a 6 kilometre by 2 kilometre area (Figure 2). Three geological teams with more than 10 local assistants and guides are systematically sampling traverses across the densely vegetated jungle. The survey is the first systematic attempt to map the continuity of the high-grade mineralized outcrops reported in [March 2021](#).

### Highlights:

- The soil survey confirms continuity of previously [reported](#) high grade copper mineralization at Tabalosos East which included outcrop mineralization of up to 2.0m @ 4.9% copper and 62 g/t silver. The area is covered by dense jungle vegetation and in parts relatively steep topography. It is estimated that <1% of the bedrock outcrops;
- A total of 1,211 soil samples have been taken with approximately 50% of the survey completed. Sampling will be ongoing for another two months;
- Results demonstrate continuity of sub-cropping stratabound copper-silver mineralization over 18 kilometres of combined strike, within a 6 kilometre by 2 kilometre area (Figure 2);
- Permitting to undertake advanced exploration work within Tabalosos East, including diamond drilling, are ongoing with Environmental Impact Statement (Declaración de Impacto Ambiental, or "DIA") [baseline studies underway](#).

Michael Hudson, CEO, states, *"These results demonstrate the scale of the Company's multi-kilometre long copper-silver anomalies at the Tabalosos East prospect and coincide with, and expand upon, areas of known mineralization in outcrop. Encouragingly, these data confirm the continuity of mineralization at the same stratigraphic position and outline 18 kilometres of subcropping mineralization at Tabalosos East. Our sediment-hosted San Martin copper-silver project continues to develop into a major copper-silver system of scale for Peru."*

The soil survey was designed to determine the continuity of copper-silver mineralization under soil cover over larger areas. Hannan has previously [reported](#) high grades of copper and silver in outcrop up to 2.0 metres @ 4.9% copper and 62 g/t silver. The 2,500 point soil sampling program was designed to determine the continuity of copper silver mineralization under soil cover over larger areas. The program consists of approximately 35-line kilometers of survey lines covering an area measuring 6 kilometres by 2.6 kilometres. The main survey lines are spaced at 250-metre centers running east-west, with shorter infill survey lines spaced at 150-metre centers. Soil samples were collected every 20 meters along each of the survey lines. Approximately 1,212 samples to date have been collected and assayed.

Specific areas of interest discovered in the survey to date (Figure 2) include:

- **Zona Sur:** A 1.4 kilometre long anomaly composed of two parallel zones striking E-W. The anomalies show excellent correlation with channel sampled outcrops ([reported here](#)) and including 2.0 metres @

4.9% copper and 62 g/t silver (partially sampled) and 0.4 metres @ 6.3% copper, 152 g/t silver (partially sampled), but importantly double the strike length of the outcrop zone.

- **Zona Oeste:** A new blind discovery over three regional lines with over 2.2 kilometres of strike that is open to the N and S. The copper anomalies are situated in the same stratigraphic position in all three lines, close to the mineralized contact seen elsewhere on the project. Additional sampling is needed to determine the continuity of the mineralization.
- **Zona Norte:** To date one sampling line has been completed in the northern area. This line revealed a broadly elevated zone of 800 metres length with three distinct anomalies with soil values >100 ppm copper.
- **Salt dome targets:** The salt dome targets show elevated background values of copper with internal high copper values over five lines with up to 800 metres of strike continuity. Some boulders of gypsum with disseminated chalcopyrite have been observed near the anomalies. The anomalies show excellent correlation with channel sampled outcrops ([reported here](#)) and include 1.0 metre @ 6.3% copper and 101 g/t silver (partially sampled), 1.8 metres @ 3.7% copper and 42 g/t silver (partially sampled) and 2.2 metres @ 2.4% copper and 29 g/t silver (full sample).

Future work during the dry season at Tabalosos East will focus on continued systematic soil sampling, trenching, and sampling of key soil anomalies and detailed geological mapping to aid the interpretation of the soil anomalies.

#### **About the San Martin JOGMEC JV Project (Copper-Silver, Peru, 88 mining concessions for 660 sq km)**

On November 30, 2020 Hannan announced that it had signed a binding letter agreement for a significant Option and Joint Venture Agreement (the "Agreement") with 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 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 four-year period, subject to acceleration at JOGMEC's discretion.

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, a two percent (2%) Participating Interest, whereby Hannan's 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% interest, after which the majority

participant interest holder will be entitled to act as the operator of the joint venture. Initial exploration activities will focus on the collection of the geological, geophysical, and geochemical datasets in the JV project areas.

Sediment-hosted stratiform copper-silver deposits are among the two most important copper sources in the world, the other being copper porphyries. They are also a major producer of silver. According to the World Silver Survey 2020 KGHM Polska Miedz's ("KGHM") three copper-silver sediment-hosted mines in Poland are the leading silver producer in the world with 40.2Moz produced in 2019. This is almost twice the production of the second largest producing mine. The Polish mines are also the sixth largest global copper miner and in 2018, KGHM produced 30.3 Mt of ore at a grade of 1.49% copper and 48.6 g/t silver from a mineralized zone that averages 0.4 to 5.5 metres thickness.

## Technical Background

All soil samples were collected by Hannan geologists using an in-house protocol for soil sampling in jungle areas. The samples were subsequently analyzed with a portable XRF deploying a protocol developed by Hannan for the San Martin project. The method is designed to minimize risk of contamination and ground disturbance. In most cases the sample media is the "B-horizon" of the soil profile. Only 100g of sample material is collected from each site. From the soil sample a pellet is being produced which is dried and analyzed by a portable XRF (pXRF). Certified reference material, blanks and field duplicates are routinely added to monitor the quality of the pXRF data. In addition, 10% of all samples are submitted to ALS in Lima for 4-acid ICP-MS analysis to check the quality of the pXRF data.

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.

## 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. Hannan is a top ten in-country explorer by area in 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,

**"Michael Hudson"**  
Michael Hudson, Chairman & CEO

### Further Information

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## 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 coronavirus pandemic 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.

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## HANNAN IN PERU

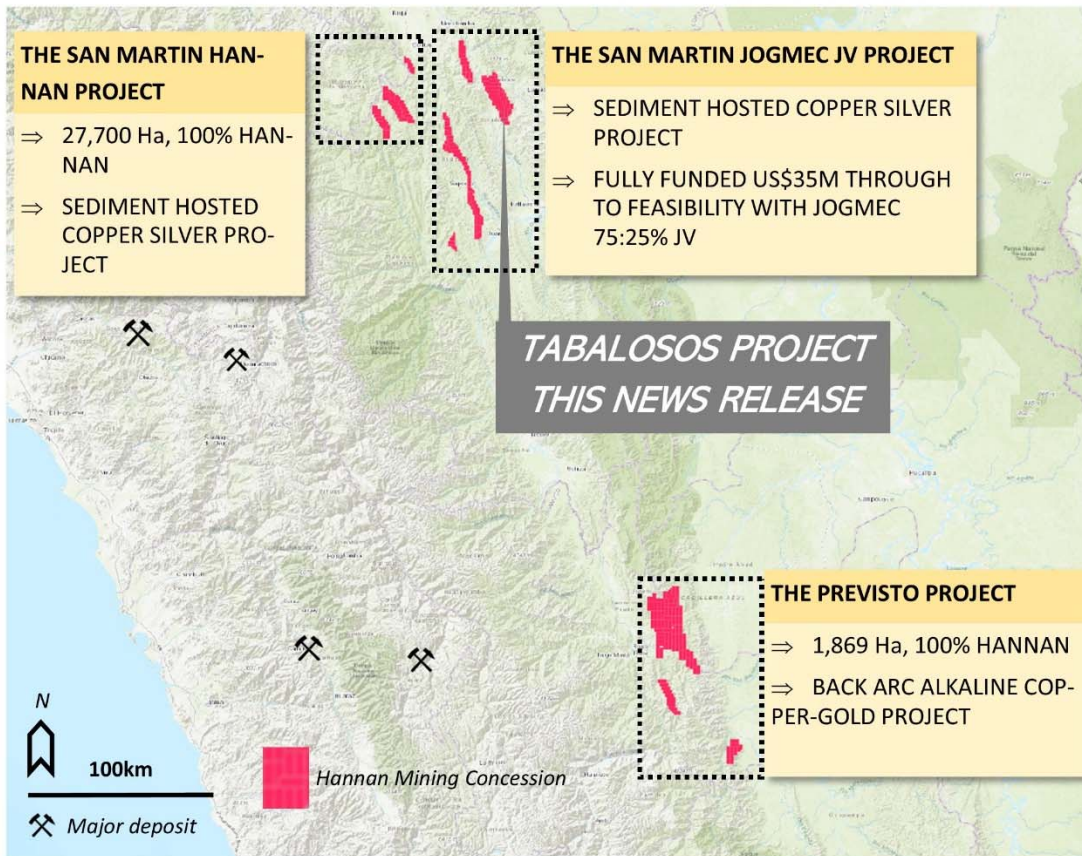


Figure 1. Overview of Hannan's project areas in Peru.

### **THE SAN MARTIN JOGMEC JV PROJECT**

- ⇒ Fully funded Option and Joint Venture Agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC"). 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. 87 mineral concessions for a total of 660 sq kms.
- ⇒ On a basin scale, the project exhibits district wide mineralization hosted in reduced sedimentary rocks covering at least 120 kilometres of strike and 50 kilometres

### **THE SAN MARTIN HANNAN PROJECT**

- ⇒ Sediment hosted copper silver project (same as the JOGMEC JV project) but 100 % owned by Hannan.

### **THE PREVISTO PROJECT**

- ⇒ Back arc alkaline porphyry project. Initial results have outlined well defined targets with copper and gold mineralization in boulders and coincident stream sediment anomalies.
- ⇒ 100% owned by Hannan



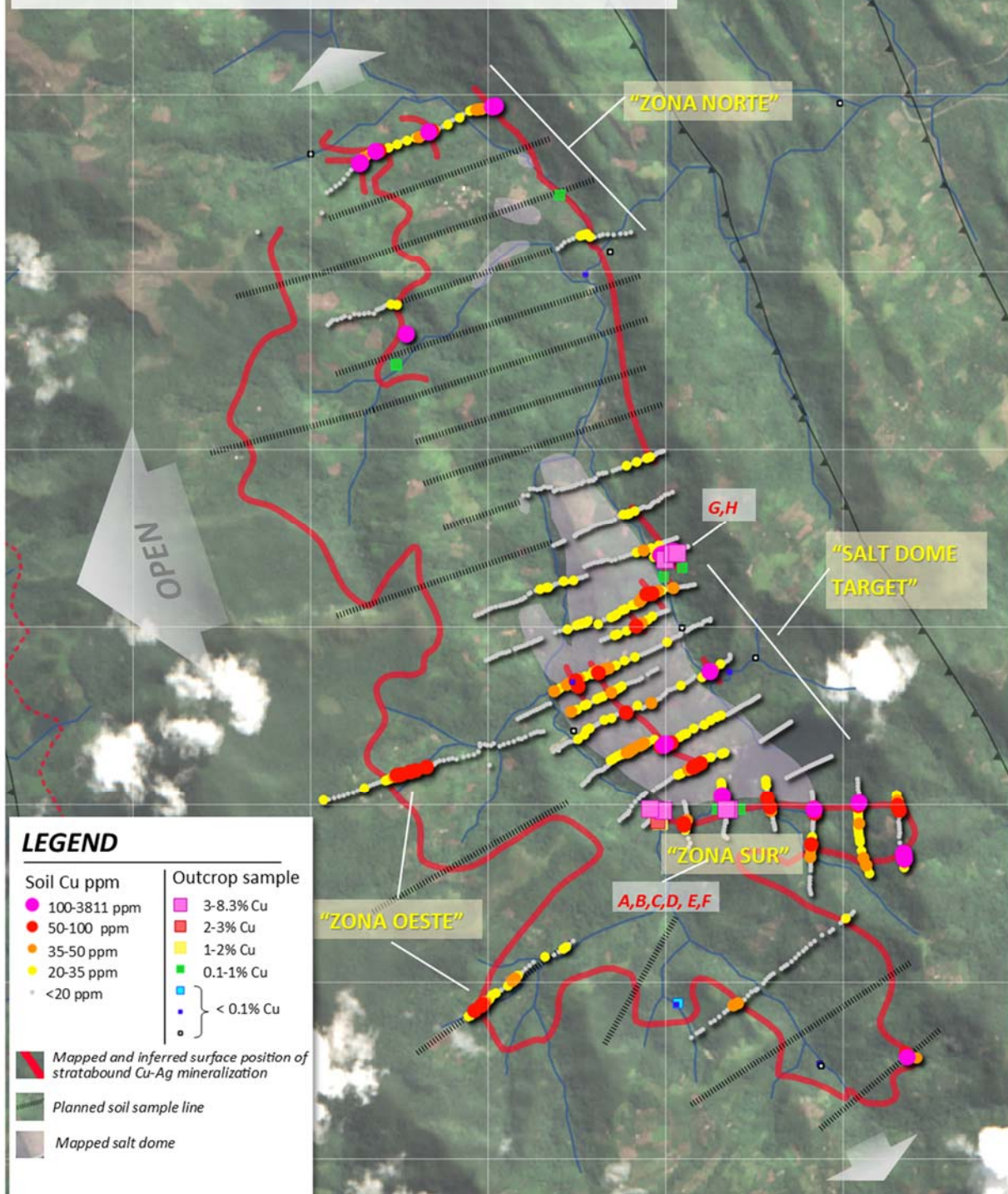
## TABALOSOS EAST COPPER SILVER TARGET

**"Continuity of high grade Cu-Ag mineralization mapped and inferred >6km in current soil survey"**

0 500 1,000 m



Background map: Sentinel-2 bands 4-3-2 draped on DEM, lit from NE



**Figure 2.** Overview of soil sampling at Tabalosos East. Approximately 50% of the survey is completed to date. The correlation between known sites of Cu-Ag mineralization and soil anomalies is excellent. Key results from outcrop sampling: **A:** 1.8m @ 3.7% Cu and 42 g/t Ag\* incl. 1.2m @ 5.4% Cu and 62 g/t Ag / **B:** 2.2m @ 2.4% Cu and 29 g/t Ag incl. 0.7m @ 5.9% Cu and 70 g/t Ag / **C:** 4m @ 7.2% Cu and 163 g/t Ag\* / **D:** 0.4m @ 6.3% Cu and 152 g/t Ag\* / **E:** 1.1m @ 1.6% Cu and 28 g/t Ag / **F:** 0.5 m @ 2.0% Cu and 35 g/t Ag / **G:** 2m @ 4.9% Cu and 62 g/t / **H:** 1.3m @ 1.5% Cu and 18 g/t Ag. \* Partially sampled.