HANNAN METALS LTD.

(formerly Mitchell Resources Ltd.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MAY 31, 2017

The following management's discussion and analysis ("MD&A") and financial review, prepared as at September 27, 2017, should be read in conjunction with the audited consolidated financial statements and related notes for the years ended May 31, 2017 and 2016 of Hannan Metals ltd. (*formerly Mitchell Resources Ltd.*) ("Hannan" or the "Company"). The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following MD&A are quoted in Canadian dollars.

Forward-looking Statements

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors, including, but not limited to, the Company's ability to identify one or more economic deposits on its properties, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement it business strategies.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com and readers are urged to review these materials.

Company Overview

The Company currently is a reporting issuer in British Columbia and Alberta. On July 6, 2016 the Company completed a consolidation of its share capital on a one new for two old basis. All share and per share amounts have been adjusted within this MD&A to reflect the share consolidation. On January 10, 2017 the Company changed its name from Mitchell Resources Ltd. to Hannan Metals Ltd. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") and trade under the symbol "HAN". The Company's principal, registered and records office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7.

The Company is a junior mineral exploration company currently engaged in the acquisition and exploration of mineral properties. On November 4, 2016 the Company entered into an agreement to acquire prospecting licenses in Ireland. On January 9, 2017 the Company completed the acquisition of Hannan Metals BC Ltd., as described in "Acquisition of Hannan BC".

Board of Directors and Officers

On December 13, 2016 the shareholders of the Company re-elected Messrs. Nick DeMare, David Henstridge, Harvey Lim and Michael Iannacone as directors of the Company. Following the shareholders meeting, the Board appointed Mr. DeMare as President and Chief Executive Officer ("CEO"), Mr. Lim as Chief Financial Officer ("CEO") and Ms. Mariana Bermudez as Corporate Secretary.

On January 9, 2017 (concurrent with the closing of the Acquisition), Mr. Michael Hudson was appointed as a director of the Company and the Company's Chairman, and CEO. During the last 26 years Mr. Hudson has developed and financed mineral exploration properties worldwide. He graduated from the University of Melbourne in 1990 with a B.Sc. (Hons 1st) in Geology and more recently received the Tolhurst Noall Prize for "Mining Investment Analysis" in Victoria, Australia for the FINSIA Graduate Diploma. Starting his career in Broken Hill in 1990 underground for three years with Pasminco Ltd, the largest global integrated zinc producer during the 1990's, he spent ten years exploring or developing zinc-lead projects world-wide from exploration to pre-feasibility projects in Pakistan, Australia and Peru. Moving into the Canadian capital markets 16 years ago, he has raised more than US $100,000,000 for primarily European focussed exploration and project development in Finland, Spain, Portugal, Sweden and Ireland. He is a Fellow of the Australasian Institute of Mining and Metallurgy and Member of both the Society for Economic Geologists and Australian Institute of Geoscientists.

Concurrent with the appointment of Mr. Hudson, Mr. DeMare resigned as the CEO. Mr. DeMare remains a director and the President of the Company.

On January 17, 2017 the Company appointed Mr. Lars Dahlenborg as Vice President of Exploration ("VP Exploration"). Mr. Dahlenborg obtained his MSc geology from Lund University in Sweden and is a Member of the Australian Institute of Geoscientists. He has over 10 years of global experience in exploration from Sweden, Finland and Peru.

On March 28, 2017 the Company appointed Ms. Georgina Carnegie as a director of the Company. An economist and experienced corporate director, Ms. Carnegie holds a bachelor's degree in economics from Monash University and a master's degree in public administration from the Kennedy School of Government, Harvard University. Ms. Carnegie is the managing director of Carnegie Enterprises and has held senior positions in Australian government and management and board positions in the insurance, airline and resources sectors.

Concurrent with the appointment of Ms. Carnegie, Mr. Harvey Lim resigned as a director. Mr. Lim continues to serve as the Company's Chief Financial Officer.

Acquisition of Hannan BC

Acquisition Agreement

On November 4, 2016 the Company entered into an agreement (the "Share Purchase Agreement") with the shareholders of Hannan Metals BC Ltd. ("Hannan BC"), a private British Columbia company, to acquire all of the issued and outstanding shares of outstanding shares of Hannan BC (the "Acquisition") for nominal cash consideration of $20 and the assumption of all debts owed by Hannan BC and its wholly-owned subsidiary, Hannan Metals Ireland Limited ("Hannan Ireland").

Hannan Ireland is the registered holder of a 100% interest in seven prospecting licences located in County Clare, Ireland (the "Licences"), which were transferred to Hannan Ireland effective September 21, 2016 pursuant to an Assignment Agreement dated September 21, 2016 (the "Assignment Agreement"). Under a separate asset purchase agreement dated June 3, 2016 (the "Asset Purchase Agreement") between Hannan Ireland and Lundin Mining Exploration Limited ("Lundin"), an Irish subsidiary of Lundin Mining Corporation (TSX: LUN), Hannan Ireland purchased all exploration data associated with the Licences from Lundin in which the Company has made cash payments totalling US $575,000 and is required to make a further cash payment of US $425,000 on March 21, 2018. Pursuant to the Asset Purchase Agreement, Hannan Ireland is required to pay Lundin a one-time bonus payment of US $5,000,000 within the earlier of (i) Hannan Ireland's decision to proceed with mine construction or (ii) within 90 days of the establishment of a commercial financing to finance capital costs for mine construction. Additionally, Hannan Ireland will be required to pay a one-time cash fee of US $2,000,000 less cash payments already made to Lundin, if it transfers its rights to the Licences to an arm's length party (which excludes the Company) for US $10,000,000 or greater within 18 months of the execution of the Asset Purchase Agreement. Pursuant to a royalty agreement dated June 3, 2016 (the "Royalty Agreement") between Hannan Ireland and Lundin, Lundin retained a 2% net smelter return royalty (the "'NSR") on all sales of mineral products extracted from the area of land subject to the Licences, subject to a 0.5% buy back right of Hannan Ireland for US $5,000,000, which must be exercised within one year from the date of commercial production (the "Buy-Back Option").

On January 9, 2017 the Company closed the Acquisition and the Company acquired a 100% interest in the Licences and the Company assumed all obligations of Hannan BC and Hannan Ireland.

Property Update

Clare Project

The Clare zinc-silver-lead-copper property (the "Clare Project") consists of ten prospecting licences ("PLs") granted and issued by the Exploration and Mining Division ("EMD") of the Department of Communications, Climate Action and Environment in County Clare, Ireland. The western edge of the prospect area is 1.5 km east of the town of Ennis. All prospecting licences of the Clare Project are 100% owned by Hannan Ireland.

The Irish base metal ore field is considered one of the world's best mineralized zinc provinces and is considered highly prospective for new zinc discoveries. In 2015 Ireland was the world's 10th largest zinc producing nation with 230,000 tonnes produced.

The Clare Project is underlain by Upper Devonian (sandstones) to Lower Carboniferous (sandstones and limestones) rocks. The stratigraphy appears simple; beds are the right way up and most of the major units are consistent in thickness across the property, however syn-rift and/or later structures appear to complicate the geological framework. The stratigraphic succession of the Irish Lower Carboniferous is well constrained throughout, with the exception of the uppermost units. The axis of an open syncline runs southwest-northeast through the centre of the Clare Project. Beds dip at between 10 and 15 degrees towards the centre of the syncline. The Lower Carboniferous sequence includes the Waulsortian Limestone, which hosts most of Ireland's important zinc-lead sulphide deposits, such as the Lisheen (pre-mining resource 18.9 Mt @ 15.0% Zn+Pb) and Galmoy (pre-mining resource of 6.2 Mt @ 12.4% Zn+Pb) deposits. This data has been sourced from the Irish Exploration, Mining Division website http://www.mineralsireland.ie/. The Company has been unable to independently verify the information and states that the information is not necessarily indicative of the mineralization on the Clare Project that is the subject of the technical report.

The Clare Project has a rich history of small scale 19th century mining. Modern exploration efforts from the early-1960's, by Irish Base Metals, Rio-Finex, Central Mining Finance, Billiton and Belmore Resources Ltd followed up some of these earlier historic mines.

There are two known Waulsortian-hosted zinc-lead deposits on the property, the flagship Kilbricken prospect (see below) and the smaller Milltown prospect, where Belmore Resources Ltd ("Belmore") intersected 13.3m @ 5.8% Pb and 10.5% Zn from 45.4 metres in drill hole 3788/19 in 1994. The lowest part of the sequence is also prospective for copper-silver mineralization and contains numerous copper showings, most notable at Ballyvergin where Irish Base Metals drilled hole BV11 which intersected 31.5m @ 1.0% Cu from 51.7 metres in the 1960s. Given the general flat lying and stratabound nature of mineralization and steep angles of all drillholes mentioned, the true thickness of the mineralized intervals quoted is interpreted to be approximately 95% of the sampled thickness.

Significant historic exploration on the Clare Project has concentrated on three project areas and on identifying other areas of the Clare Project which have the potential to warrant similar investigation. The project areas are:

- Kilbricken
- Ballyvergin
- Kilmurry

In 2008, Belmore, a private Irish company, drill tested the base of the Waulsortian Limestone beneath near-surface sulphidic and calcite veined shelf carbonates at the historic Kilbricken lead mine. The discovery drillhole at Kilbricken, DH04, intersected 10m @ 13.8% Zn, 5.5% Pb, 0.08% Cu, and 62.8g/t Ag from 448.1 metres at the targeted base of Waulsortian Limestone. Given the general flat lying and stratabound nature of mineralization and steep angles of all drillholes mentioned, the true thickness of the mineralized intervals quoted is interpreted to be approximately 95% of the sampled thickness.

After this initial discovery, Lundin joint ventured Kilbricken and the wider tenure package from Belmore. In 2011, Lundin purchased 100% of Belmore. Drilling by Lundin from 2009 to 2012 continued to intersect sulphide mineralization in the hanging wall of the Main Kilbricken fault. Significant intersections from Lundin's drilling programs are shown in Table 1.

Table 1: Kilbricken Better Mineralized Drill Intersections.

Hole ID	Mineralized Intersection
DH46	20.5m @ 7.5% Zn, 9.9% Pb, 0.07% Cu, 74.6g/t Ag from 415.3m
DH06	21.3m @ 11% Zn, 4.8% Pb, 0.06% Cu, 94.4g/t Ag from 441.9m
DH50	11.8m @ 9.8% Zn, 5.7% Pb, 0.07% Cu, 178.2g/t Ag from 484.6m
DH43	9.4m @ 4.1% Zn, 12% Pb, 0.52% Cu, 242.8g/t Ag from 442.1m
DH04	10.0m @ 13.8% Zn, 5.5% Pb, 0.08% Cu, 62.8g/t Ag from 448.1m
DH52	19.3m @ 7.2% Zn, 1.2% Pb, 0.18% Cu, 64.6g/t Ag from 425.7m
DH44	17.2m @ 2.9% Zn, 4.4% Pb, 0.11% Cu, 83.5g/t Ag from 447.9m
DH167	4.5m @ 0.8% Zn, 2.6% Pb, 18.91% Cu, 867.6g/t Ag from 616.5m
DH161	10.4m @ 8.4% Zn, 3.9% Pb, 0.09% Cu, 26.5g/t Ag from 607m
DH206	10.0m @ 0.9% Zn, 8.7% Pb, 0.16% Cu, 90.7g/t Ag from 619m
DH111	4.1m @ 21.5% Zn, 5.7% Pb, 0.1% Cu, 95.4g/t Ag from 447.6m

An initial National Instrument 43-101 Mineral Resource estimate for the Kilbricken Project was reported during the quarter and is listed in Tables 1-3. The calculation was calculated by Mr. Geoff Reed, MAUSIMM (CP), of Reed Leyton Consulting Pty Ltd ("Reed Leyton") from Sydney, Australia. The resource has an effective date of July 10, 2017. The Mineral Resource estimates conform to Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves dated May 10, 2014 (CIM definitions).

The maiden resource estimate calculated for Hannan's 100%-owned Kilbricken zinc-lead-silver-copper deposit includes:

- Total indicated mineral resource of 2.7 million tonnes at 8.8% zinc equivalent ("ZnEq"), including 1.4 millions tonnes at 10.8% ZnEq;
- Total inferred mineral resource of 1.7 million tonnes at 8.2% ZnEq, including 0.6 million tonnes at 10.4% ZnEq;

Tables 2, 3 and 4 below outline global indicated and inferred resources for each mineralized body as well as a breakdown of resources by location for various lower cut off grades.

Table 2: Kilbricken Deposit Indicated Mineral Resources Base Case 5% ZnEq Lower Cut Off Grade

Zone	Category	Cutoff ZnEq %	Tonnes	Zn %	Pb %	Ag g/t	Cu %	ZnEq %	SG
Chimney	Indicated	5	1,369,000	5.6	4.2	66	0.1	10.8	3.5
Fort	Indicated	5	1,287,000	3.7	1.4	34	0.5	6.7	3.0
Total	**Indicated**	**5**	**2,656,000**	**4.7**	**2.9**	**50**	**0.3**	**8.8**	**3.2**

Table 3: Kilbricken Deposit Inferred Mineral Resources Base Case 5% ZnEq Lower Cut Off Grade

Zone	Category	Cutoff ZnEq %	Tonnes	Zn %	Pb %	Ag g/t	Cu %	ZnEq %	SG
Chimney	Indicated	5	635,000	5.9	3.6	61	0.1	10.4	3.4
Fort	Indicated	5	1,046,000	3.4	2.5	30	0.3	6.8	3.0
Total	**Indicated**	**5**	**1,681,000**	**4.4**	**2.9**	**41**	**0.2**	**8.2**	**3.1**

Table 4: Kilbricken Deposit Indicated and Inferred Mineral Resources for the Chimney and Fort Zones at Various ZnEq Lower Cut Off Grades. The 5% ZnEq base case is highlighted.

Zone	Category	Cutoff	*Tonnes*	Zn %	Pb %	Ag g/t	Cu %	ZnEq %	SG
Chimney	Indicated	4	1,444,000	5.4	4.1	64	0.1	10.4	3.4
Fort	Indicated	4	1,452,000	3.6	1.4	33	0.5	6.5	2.9
Chimney	Inferred	4	682,000	5.7	3.5	58	0.1	10.0	3.3
Fort	Inferred	4	1,194,000	3.2	2.4	30	0.3	6.5	3.0
Chimney	Indicated	5	1,369,000	5.6	4.2	66	0.1	10.8	3.5
Fort	Indicated	5	1,287,000	3.7	1.4	34	0.5	6.7	3.0
Chimney	Inferred	5	635,000	5.9	3.6	61	0.1	10.4	3.4
Fort	Inferred	5	1,046,000	3.4	2.5	30	0.3	6.8	3.0
Chimney	Indicated	6	1,291,000	5.8	4.4	67	0.1	11.1	3.5
Fort	Indicated	6	790,000	4.4	1.5	34	0.5	7.5	3.0
Chimney	Inferred	6	586,000	6.1	3.8	63	0.1	10.8	3.4
Fort	Inferred	6	876,000	3.5	2.7	31	0.3	7.0	3.0
Chimney	Indicated	7	1,173,000	6.0	4.5	70	0.1	11.5	3.5
Fort	Indicated	7	407,000	4.8	1.3	43	0.8	8.5	3.0
Chimney	Inferred	7	536,000	6.3	3.9	66	0.1	11.2	3.4
Fort	Inferred	7	267,000	4.2	2.6	44	0.5	8.3	3.0

Note: The zinc equivalent (ZnEq) value was calculated using the following formula: ZnEq% = Zn % + (Cu% * 2.102) + Pb% * 0.815) + (Ag g/t * 0.023) with assumed prices of Zn $2587/t; Cu $5437/t; Pb $2108/t and Ag $18.44/oz.

Technical Summary

Two styles of mineralization are evident at Kilbricken. The upper Chimney zone demonstrates the classic high-grade (>10% ZnEq) Irish stratabound mineralization targeted by Hannan. This body has been drilled within an area of 750 metres by 200 metres and averages 12 metres thickness. The lower Fort Zone was found later than the Chimney zone and has been tested with fewer drill holes. It is structurally hosted, lower grade, but thicker, averaging 40 metres, and drilled within a 400 metre by 200 metres area.

The initial resource is expandable at all scales, from near resource to prospect scale. The Company has already commenced a drill resource expansion program with a three-fold objective:

1. To further delineate the underground potential around the current resource area. To date two holes have been completed, and one hole is in progress, for 1,986 metres.
2. To test conceptual and advanced exploration targets within 1-5 kilometres defined by recent structural and stratigraphic interpretation of re-processed 2D and 3D seismic data, lithogeochemistry and soil geochemistry.
3. Test for first order mineralization within the 40 kilometre under-tested Waulsortian host horizon that exists within the Company's 100% owned 32,223 hectares of granted prospecting licences.

Lundin completed significant work on the property. A total of 278 drill holes for 134,000 m of diamond drilling was completed over the entire project. A total of 222 drill holes for 118,000 metres were drilled at the Kilbricken area. Lundin also undertook regional exploration in the remainder of the Clare Project, largely focussed on other Waulsortian-hosted zinc-lead prospects. Lundin carried out 616 metres of drilling at the Ballyvergin prospect with the objective of discovering additional zones of copper-silver mineralization. Lundin drilled a total of 2,370 metres on the Kilmurry Project, located within the Clare project area, 9 kilometres south-east of Kilbricken. In addition, significant surface geochemical and multiple geophysical surveys have been undertaken by Lundin and previous operators on the Clare Project area. Of note are a 3D seismic survey over the main Kilbricken mineralization in 2011, and 2D seismic survey conducted in 2012 that consisted of 8 traverses (each 3-3.5 km long) over a total 10 kilometre strike length, spaced between 1-2 kilometres across the Kilbricken trend.

Massive sulphide mineralization at Kilbricken most commonly consists of early massive-textured, fine-grained pyrite, galena and sphalerite cross-cut by coarse-grained sphalerite and galena, resembling sulphides found in the overlying veins. It differs from most other Irish zinc/lead prospects in that it is rich in silver, where the silver is generally associated with galena-rich zones.

Readers are encouraged to review the NI 43-101 Technical Report for the Clare Project, August 22, 2017, on The Mineral Resource Estimate for the Kilbricken Zinc-Silver-Lead-Copper Project Co. Clare, Ireland For Hannan Metals Ltd in support of the Company's news release dated July 10, 2017. The report is available on the on the SEDAR website at www.sedar.com or the Company's website at www.hannanmetals.com. The NI 43-101 Technical Report was authored by Mr. Geoff Reed of Reed Leyton Consultants and Dr. John Colthurst who are independent "qualified persons" as defined by National Instrument 43-101.

Drill Results

The Company's first diamond drill hole at Kilbricken, DH 17-3679-217 ("DH217"), was released in July 2017 and is one of the most mineralized ever drilled at the property. Highlights include:

- 8.0 metres @ 4.1% Zn, 33.7% Pb and 174 g/t Ag (37.9% Zn+Pb) from 528 metres, including 3.2 metres @ 8.4% Zn, 72.8% Pb and 388 g/t Ag (81.2% Zn+Pb) from 528 metres;
- 3.4 metres @ 5.2% Zn, 4.3% Pb and 33 g/t Ag (9.5% Zn+Pb) from 570 metres;
- 26.6 metres @ 7.5% Zn, 0.9% Pb and 14 g/t Ag(8.4% Zn+Pb) from 588 metres, including18.8 metres @ 8.8% Zn, 1.1% Pb, 19 g/t Ag(9.9% Zn+Pb) from 588 metres;

A 2.2 metre interval from 528 metres assayed 86% lead which approximates pure galena. DH217 was completed at 714 metres into the Fort Zone at Kilbricken. Base metal mineralization was intersected over a total downhole length of 128 metres with multiple intervals exceeding the grade and thickness cut-off for the mineral resource area. DH217 was a 20 metre step out from drill hole DH167 which intersected a lower zone of mineralization that returned 4.5m @ 0.8% Zn, 2.6% Pb, 18.91% Cu, 867.6g/t Ag from 616.5m.

The second hole and the first diamond drill hole to test outside the Kilbricken resource, DH 17-3679-218 ("DH218"), was released in September 2017 and intersected massive sulphide mineralization within a down hole thickness of 55 metres, including:

- 4.0 metres @ 0.7% Zn, 8.9% Pb and 31 g/t Ag (8.6% ZnEQ) from 526 metres, including 1.4 metres @ 1.6% Zn, 15.2% Pb and 53 g/t Ag from 526 metres and 1.0 metres @ 0.4% Zn, 13.8% Pb and 46 g/t Ag from 529 metres;
- 6.0 metres @ 2.5% Zn, 1.8% Pb and 13 g/t Ag (4.4% ZnEQ) from 544 metres, including 2.1 metres @ 5.0% Zn, 3.7% Pb and 25 g/t Ag from 548 metres;
- 6.4 metres @ 4.8% Zn, 1.3% Pb and 15 g/t Ag (6.3% ZnEQ) from 558 metres, including 1.1 metres @ 13.3% Zn, 3.1% Pb, 34 g/t Ag from 558 metres;
- 10.0 metres @ 3.4% Zn, 1.0% Pb and 13 g/t Ag (4.7% ZnEQ) from 571 metres;

DH218 was a 50 metre updip step out and showed good laterally continuity of mineralization from adjacent holes, including drill hole DH167 which intersected a lower zone of mineralization of 4.5 metres @ 0.8% Zn, 2.6% Pb, 18.91% Cu, 867.6g/t Ag from 616.5m; and a 70 metre updip step out from drill hole DH217 which intersected 8.0 metres @ 4.1% Zn, 33.7% Pb and 174 g/t Ag from 528 metres and 26.6 metres @ 7.5% Zn, 0.9% Pb and 14 g/t Ag from 588 metres. Mineralization remains open up-dip from DH218 with further expansion potential. This hole is a strong start to the resource expansion drill program.

Metallurgy

On March 30, 2017, the Company announced the results of a gap analysis on mineralogical investigations on the Kilbricken project, Ireland by Dr. Kurt Forrester of Arn Perspective Ltd. Based on this study and the available information, it is likely a conventional lead-zinc flotation circuit at Kilbricken would be able to achieve saleable mineral concentrates. It is anticipated that there should be no penalties due to the presence of deleterious elements (arsenic, manganese, cadmium, selenium), subject to confirmation from the assessment of bulk element deportment during lead-zinc flotation. A primary grind of between 100µm to 150µm is anticipated to achieve satisfactory liberation and there are no red flags with the modal mineralogical analysis with respect to mineral processing and beneficiation. Based on the information available, it is anticipated that Kilbricken should be able to achieve high recoveries of both zinc and lead concentrates. Results from limited grade recovery analysis indicated the following recoveries probable using a conventional flowsheet:

- Targeting a sphalerite grade of 85% in the zinc concentrate would result in recoveries in excess of 85%.
- Targeting a galena grade of 70% in the lead concentrate would result in recoveries in excess of 75%.

Recommendations include conducting metallurgical test work across the deposit as part of an ongoing exploration and development program. To this end, the Company plans to start drilling at Kilbricken during May 2017. The first two drill holes will collect metallurgical samples for locked cycle flotation testwork.

The findings were based on a gap analysis performed by Dr. Kurt Forrester of Arn Persepective Ltd, based on a report by SGS Mineral Services, Lakefield Facility, dated September 2010 and titled: "An Investigation by High Definition Mineralogy into the mineralogical characteristics of Fourteen Rock Samples from A Carbonate Hosted Base Metal Deposit, Ireland, prepared for Lundin Mining Exploration". The study examined fourteen mineralized samples from Kilbricken and was carried out with X-ray diffraction (XRD), $\text{QEMSCAN}_{\text{TM}}$, electron microprobe and chemical analysis. The purpose of the mineralogical appraisal test program was to determine the overall mineral assemblage and textural characteristics in each sample, and the liberation characteristics. Material employed in these analyses were taken from zones across a number of mineralogical domains identified in 2010 during historical exploration undertaken by Lundin and there is no guarantee that the samples analyzed will form part of any future resource area.

Future Developments

Over the next three months an active work program is planned in Ireland and will consist of:

- A 13 drill hole, 8,500 metre resource expansion drill program is ongoing at the Kilbricken zinc project in County Clare, Ireland.
- Two rigs are now drilling at site. Two holes have been completed by the Company at Kilbricken, and one in progress for a total of 1,986 metres. Drilling will continue through to Q1 2018.
- A 40 kilometre 2D regional seismic program has been permitted and a contract awarded, with surveying to start in October 2017. The seismic survey aims to delineate the key mineralizing structures that lie within Hannan's 32,223 hectare Clare project;
- Six hundred soil samples around Kilbricken have been collected and assays are awaited. An additional 500 samples are currently being collected from various prospect areas;
- Metallurgical locked cycle testwork is underway on the Kilbricken mineralization;

Since acquiring the Clare Project in September 2016, Hannan Ireland has focussed on advancing the technical understanding of the Kilbricken project to develop a rigorous geological model to guide future exploration. The Company has engaged a specialist group of geological experts in rift tectonics, structural geology of Irish Zn-Pb deposits and local geology of the project area to re-interpret the structural controls on mineralization at Kilbricken, and the regional structures that controlled development of the Clare rift basin and subsequent Zn-Pb mineralization. In addition, 28-line kilometres of 2D seismic and four square kilometres of 3D seismic data have been re-processed; three airborne magnetic data surveys have been "de-cultured" and had spectral depth filtering applied; gravity data has been reprocessed; and >30,000 soil samples have been re-levelled and combined with geophysical data to define drill targets.

The Company has also commenced a formal technical collaboration with iCRAG at the University College Dublin, an EU and industry funded research centre with experts in Irish mineral deposits.

Qualified Person

The qualified person for the Company's projects, Mr. Michael Hudson, the Company's Chairman and CEO, a Fellow of the Australasian Institute of Mining and Metallurgy, has reviewed and verified the contents of this document.

Selected Financial Data

The following selected financial information is derived from the audited annual consolidated financial statements of the Company.

	Years Ended May 31,		
	2017 $	**2016 $**	**2015 $**
Operations:			
Revenues	Nil	Nil	Nil
Expenses	(671,296)	(122,966)	(105,960)
Other items	(8,646)	(27,450)	(94,151)
Net income (loss)	(679,942)	(150,416)	(200,111)
Basic and diluted income (loss) per share	(0.04)	(0.01)	(0.03)
Statement of Financial Position:			
Working capital (deficiency)	(146,446)	(110,527)	(18,786)
Total assets	2,846,191	43,773	84,738
Total long-term liabilities	301,893	528,970	512,593

The following selected quarterly financial information is derived from the unaudited condensed interim financial statements of the Company and prepared using IFRS.

	Fiscal 2017				Fiscal 2016			
Three Months Ended	**May 31/17 $**	**Feb 28/17 $**	**Nov 30/16 $**	**Aug 31/16 $**	**May 31/16 $**	**Feb 29/16 $**	**Nov 30/15 $**	**Aug 31/15 $**
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(273,491)	(235,591)	(129,868)	(32,346)	(17,705)	(47,399)	(25,269)	(32,593)
Other Items	(7,201)	12,052	(6,588)	(6,909)	(6,879)	(6,790)	(6,837)	(6,944)
Net loss	(280,692)	(223,539)	(136,456)	(39,255)	(24,584)	(54,189)	(32,106)	(39,537)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)
Statement of Financial Position:								
Working capital (deficiency)	(146,446)	776,408	(23,003)	(142,782)	(110,527)	(92,924)	(72,244)	(51,146)
Total assets	2,846,191	3,034,767	178,786	36,926	43,773	50,176	58,982	71,950
Total long-term liabilities	301,893	837,911	492,754	535,970	528,970	521,989	515,078	519,770

Results of Operations

Three Months Ended May 31, 2017 Compared to Three Months Ended May 31, 2016

During the three months ended May 31, 2017 (“Q4/2017”) the Company reported a net loss of $280,692 compared to a net loss of $24,584 for the three months ended May 31, 2016 (“Q4/2016”), an increase in loss of $256,108, reflecting the increased corporate activities and costs incurred subsequent to the Company’s acquisition of the Clare Prospect. Specific expenses of note during Q4/2017 are as follows:

(i) incurred $63,728 (Q4/2016 - $13,650) for compensation to management and directors of the Company. The increase of $50,078 was due to the impact of the addition of Mr. Hudson as the CEO and Mr. Dahlenborg, as the Company’s Vice-President of Exploration. Mr. Hudson is paid $8,000 per month and Mr. Dahlenberg bills the Company based on his time spent on Company business. See also “Related Party Transactions and Balances”;

(ii) incurred $68,998 for corporate development for participation in website sponsorship, media and advertising and marketing programs. During Q4/2016 the Company did not participate in these programs;

(iii) incurred $9,000 (2016 - $2,300) with Chase Management Ltd. (“Chase”) a private corporation owned by Mr. Nick DeMare, the President of the Company, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare. In addition, during Q4/2017 the Company was also billed $8,368 for accounting services provided by a third party accounting firm for ongoing accounting for Hannan Ireland;

(iv) incurred a total of $28,711 (Q4/2016 - $nil) for Company geologists' wages allocated to general exploration, costs and travel expenses incurred for general due diligence, reviews incurred prior to the acquisition of Hannan BC and travel related to the Clare Project; and
(v) recorded share based compensation of $20,472 (Q4/2016 - $nil) on the granting of share options to purchase 65,000 (Q4/2016)- nil) common shares.

Year Ended May 31, 2076 Compared to Year Ended May 31, 2016

During the year ended May 31, 2017 ("fiscal 2017") the Company reported a net loss of $679,942 ($0.04 per share) compared to a net loss of $150,416 ($0.01 per share) for the year ended May 31, 2016 ("fiscal 2016"), an increase in loss of $529,526, reflecting the increase in corporate activities and incremental costs incurred and additions to management due to the Company's acquisition of the Clare Project.

Expenses increased by $548,330, from $122,966 during fiscal 2016 to $671,296 during fiscal 2017. Specific expenses of note during fiscal 2017 are as follows:

(i) recorded share-based compensation of $150,727 (2016 - $26,598) on the granting of share options to purchase 1,261,000 (2016 - 642,500) common shares;
(ii) incurred $27,250 (2016 - $14,600) with Chase Management Ltd. ("Chase") a private corporation owned by Mr. Nick DeMare, the President and former CEO of the Company, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare. In addition, during fiscal 2017 the Company was also billed $11,660 (2016 - $nil) for accounting services provided by a third party accounting firm for ongoing accounting for Hannan Ireland;
(iii) incurred $150,020 (2016 - $54,600) for management and director compensation for services provided by current and former officers and directors of the Company. The $95,420 increase was attributed to the incremental remuneration paid to Messrs. Hudson and Dahlenborg;
(iv) incurred $9,500 (2016 - $10,710) for audit fees, reflecting the reduced scope for the audit of the fiscal 2016 year-end financial statements compared to fiscal 2015;
(v) an increase of $39,202 in legal, regulatory and transfer agent fees, from $14,035 during fiscal 2016 to $53,237 during fiscal 2017, relating to additional services provided and costs incurred for the Company's share consolidation of its share capital and name change and incremental costs due to financings conducted during fiscal 2017;
(vi) incurred $15,280 (2016 - $nil) for professional services for the preparation and review of the Technical Report and to provide corporate and financial advisory services;
(vii) incurred a total of $115,142 (2016 - $nil) for Company geologists' wages allocated to general exploration, travel expenses incurred mainly for general due diligence incurred prior to the acquisition of Hannan BC and review and travel relating to the Clare Project; and
(viii) incurred a total of $71,341 (2016 - $nil) in corporate development for website sponsorship, media and advertising and marketing programs. The Company did not participate in any of these programs during fiscal 2016.

The Company had previously received ongoing loans form DNG Capital Corp. ("DNG") a private company owned by Nick DeMare. During fiscal 2017 the Company recorded $15,012 (2016 - $28,077) of interest expense. During fiscal 2017 the Company repaid DNG the principal balance of $462,848 and outstanding accrued interest of $81,134.

Hannan BC had issued promissory notes totaling $290,100 for advances provided to fund Hannan's Ireland activities incurred prior to the Acquisition, including incorporation costs, completion of the Asset Purchase Agreement and exploration activities prior to the Acquisition. These promissory notes are due and payable on December 31, 2018.

Cash Flows

During fiscal 2017 the Company completed non-brokered private placements of:

(i) 10,486,000 common shares, at a price of $0.075 per share for gross proceeds of $786,450; and
(ii) 5,800,000 units, at a price of $0.26 per unit for gross proceeds of $1,508,000.

In addition the Company issued 612,500 common shares for $61,250 on the exercise of share options and issued 37,500 common shares for $3,750 on the exercise of warrants.

These funds are being used to finance exploration expenditures at the Kilbricken project in Ireland, as well as for general working capital and corporate purposes

During fiscal 2016 the Company issued 157,000 common shares for $15,700 on the exercise of warrants.

Financial Condition / Capital Resources

As at May 31, 2017 the Company had working capital deficiency in the amount of $146,446. To date the Company has not earned significant revenues and is considered to be in the exploration stage. The Company's operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. Although management considers that the Company has adequate resources to maintain its core operations, conduct planned exploration programs on its existing exploration and evaluation assets and retire its property acquisition obligation as it becomes due in the next twelve months, the Company recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future.

Subsequent to May 31, 2017 the Company:

(i) completed a non-brokered private placement of 12,804,713 units for gross proceeds of $3,329,225; and
(ii) made a US $425,000 cash payment on account of the property acquisition obligation.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

Critical Judgments and Sources of Estimation Uncertainty

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

(i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

(ii) Management is required to assess the functional currency of each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

(iii) Management is required to assess impairment in respect of intangible exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods.

(iv) The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimate of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized to the extent of the amount expected to be utilized. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

(v) Determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset requires the Company to make certain judgments as to whether or not the assets acquired and liabilities assumed include the inputs, processes and outputs necessary to constitute a business as defined in IFRS 3 - *Business Combinations*. If an acquired set of assets and liabilities includes goodwill, the set is presumed to be a business. Based on an assessment of the relevant facts and circumstances, the Company concluded that the Acquisition was acquisition of assets. The allocation of the purchase price to the net assets in the Acquisition are based on numerous estimates and judgements including discount rates and timing of future payments.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(i) The cost estimates are updated periodically during the life of a mine to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. As at May 31, 2017 there were no decommissioning liabilities.

(ii) Determining the fair value of warrants and stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity (deficiency).

(iii) The assessment of any impairment of exploration and evaluation assets, and property, plant and equipment is dependent upon estimates of the recoverable amount that take into account factors such as reserves, economic and market conditions and the useful lives of assets. Management has concluded there were no impairment indicators with respect to exploration and evaluation assets in fiscal 2017.

(iv) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

A detailed summary of all the Company's significant accounting policies is included in Note 3 to the May 31, 2017 audited annual financial statements.

Changes in Accounting Policies

There have been no changes in accounting policies. However, as a result of the completion of the acquisition of Hannan BC the Company adopted a number of accounting policies. For accounting policies and standards adopted during fiscal 2017 and for accounting standards and interpretations issued but not yet effective, refer to Note 3 in the May 31, 2017 audited annual financial statements.

Transactions with Related Parties

(a) *Transactions with Key Management Personnel*

The Company has determined that key management personnel consists of the executive members of the Company. During fiscal 2017 and 2016 the following amounts were incurred with respect to the Company's CEO (Mr. Hudson), President and former CEO (Mr. DeMare), VP Exploration (Mr. Dahlenborg) and the CFO (Mr. Lim):

	2017 **$**	**2016** **$**
Professional fees - Mr. Hudson[(1)]	40,000	-
Professional fees - Mr. DeMare	19,200	19,200
Professional fees - Mr. Dahlenborg[(2)]	56,130	-
Professional fees - Mr. Lim	12,000	13,200
Share-based compensation - Mr. DeMare	10,619	5,175
Share-based compensation - Mr. Lim	5,309	4,657
	143,258	42,232

(1) Appointed January 9, 2017
(2) Appointed January 17, 2017

During fiscal 2017 the Company expensed $112,920 (2016 - $32,400) to management and director compensation and $15,928 (2016 - $9,832) for share-based compensation. In addition the Company capitalized $14,410 (2016 - $nil) to exploration and evaluation assets.

As at May 31, 2017, $136,867 (2016 - $97,200) remained unpaid relating to the professional fees.

(b) *Transactions with Other Related Parties*

(i) During fiscal 2017 and 2016 the following amounts were incurred with respect to non-management directors (Messrs. Henstridge and Iannacone and Ms. Carnegie) and the Corporate Secretary (Ms. Bermudez) of the Company:

	2017 **$**	**2016** **$**
Professional fees - Mr. Henstridge	13,200	13,200
Professional fees - Mr. Iannacone	9,000	9,000
Professional fees - Ms.Carnegie[(3)]	1,200	-
Share-based compensation - Mr. Henstridge	10,619	5,175
Share-based compensation - Mr. Iannacone	4,424	4,140
Share-based compensation - Ms. Bermudez	5,752	1,242
	44,195	32,757

(3) Appointed March 28, 2017

As at May 31, 2017, $70,000 (2016 - $56,600) remained unpaid relating to the professional fees.

(ii) During fiscal 2017 the Company incurred a total of $27,250 (2016 - $14,600) to Chase, a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare. As at May 31, 2017, $7,700 (2016 - $300) remained unpaid.

(c) The Company shares personnel with Mawson Resources Limited ("Mawson"), a public company. Messrs. Hudson, DeMare and Henstridge are also directors of Mawson. During fiscal 2017 the Company was charged $13,700 (2016 - $nil) for an allocation of services provided by the Company's Corporate Secretary, which has been included in management and director compensation. As at May 31, 2017, $3,625 remained unpaid.

(d) The Company had previously received loans from DNG Capital Corp. ("DNG") a private company owned by Mr. DeMare. The loans bore interest at a rate of 6% per annum and during fiscal 2017 the Company recorded $15,012 (2016 - $28,077) of interest expense. The Company repaid the principal balance of $462,848 and the outstanding accrued interest of $81,134 during fiscal 2017.

(e) During fiscal 2017 the Company issued $290,100 in promissory notes. The promissory notes bear interest at 7% per annum. The principal amounts and accrued interest are due and payable on December 31, 2018. During fiscal 2017 the Company recorded $7,898 of interest expense. The promissory notes are held by an individual shareholder and two private corporations that are shareholders of the Company.

Risks and Uncertainties

An investment in the Company's common shares is highly speculative and subject to a number of risks and uncertainties. Only those persons who can bear the risk of the entire loss of their investment should consider investing in the Company's common shares.

The Company competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral concessions, claims and other interests, as well as for the recruitment and retention of qualified employees.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at September 27, 2017, there were 40,263,702 issued and outstanding common shares, 10,923,185 warrants outstanding at exercise prices ranging from $0.10 to $0.40 per share and 1,716,000 share options outstanding at exercise prices ranging from $0.10 to $0.45 per share.