



# Haoma Mining NL

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## **Haoma Mining's comments in response to expected completion of Hancock Prospecting takeover of Atlas Iron**

Fortescue Metals Group announced on 28 September that it had agreed to sell its 11 per cent stake in Atlas Iron to Gina Rinehart's Hancock Prospecting. The announcement by the Andrew Forrest-controlled Fortescue means that Hancock Prospecting now has an 88 per cent stake in Atlas Iron, just short of being able to move to compulsory acquisition.

Haoma Mining's Directors are pleased that the Atlas Iron takeover will be completed, as up until now the present Atlas management has restricted their dealings with Haoma.

The directors of Haoma are hopeful that they will have a good working relationship with Hancock Prospecting with regard to the Mt Webber Mining Lease M45/1197.

Haoma sold its Mt Webber Dalton iron ore rights to Atlas in 2012. The Sale Agreement included a 'Reserve Uplift Payment' entitlement. The payment entitlement is triggered whenever reserve development work on the tenements which were subject to the Sale Agreement result in an announcement to the ASX of a JORC compliant iron ore reserve in excess of 24 million tonnes inclusive of any iron ore tonnes previously mined. Refer to Section 4 of the [Haoma Mining Chairman's Address to the February 28, 2018 General Meeting of Shareholders](#).

<https://arc-haoma.s3.amazonaws.com/uploads/2018/02/Haoma-Chairmans-Address-to-Shareholders-General-Meeting-by-Gary-Morgan-February-28-2018.pdf>

The uplift payment per 'Excess Reserve' is \$1.38 per tonne. That amount is indexed by CPI from March 23, 2012. (Today the uplift payment is about \$1.50 per tonne.)

The sale agreement also gives Haoma the right to access and explore for "other minerals" within Mining Lease M45/1197.

If Haoma subsequently identifies a JORC Compliant Resource of a mineral other than iron within the Designated Area and Haoma proposes a development of the resource then the parties to the Agreement must confer to discuss whether development of the resource can be achieved without any adverse impact on the iron ore activities.