Haoma Mining NL

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November 1, 2018

Haoma Mining Activities Report to Shareholders – Three Months Ended September 30, 2018, and

Notice of Annual General Meeting, 10.00am Thursday November 29, 2018, at Tonic House, 386 Flinders Lane, Melbourne

- Haoma Mining's consolidated financial result for the 3 months ended September 30, 2018 was a loss of $1.49 million after charges for interest $0.54m, depreciation and provisions $0.06m and test work $0.61m. Operating revenues for the 3 months were $0.09m and cash costs $0.85m (including Bamboo Creek operating costs of $0.43m).
- Over the last 5 weeks Haoma's consultants in both Melbourne and Bamboo Creek have been successful in **recovering physical gold bullion after smelting samples of**:
  - **'low grade' Mt Webber iron ore (sample 10kg),** and
  - **the fine fraction of that low grade ore (a '<100 micron fraction' screened from a 5.746 tonne sample of 'low grade' Mt Webber iron ore) – the fine fraction ('<100 micron fraction') was 24% of the 'low grade' Mt Webber iron ore processed**.

  'Precious Metal Concentrates' were recovered and then smelted at the **Bamboo Creek Laboratory** and **Siltech PMR Pty Ltd** (a precious metal refinery located in Melbourne with over 30 years of refining experience) to produce precious metal bullion.

  Below are the 'results to date' – **none of the tests are finished**, i.e. more physical gold is expected to be recovered:

  1) **Bamboo Creek Laboratory** recovered precious metal bullion (**99.26% gold by XRF at Bamboo Creek**, see sample shown in Table 1a following) from **'low grade' Mt Webber iron ore** which equated to a **'head grade' of 2.79 g/t gold recovered from 'low grade' Mt Webber iron ore so far processed.**

  2) **Siltech** recovered precious metal bullion (**76.60% gold by XRF, 82.01% gold by XRF at Bamboo Creek** see sample shown in Table 1b following) from **Mt Webber '<100 micron fraction'.** This equated to a **'head grade' of 6.73 g/t gold in the '<100 micron fraction' from 'low grade' Mt Webber iron ore so far processed,** and

  3) **Siltech conducted a repeat test with some refinement** which recovered a **much larger quantity of precious metal bullion from Test 2**. Gold grades were fairly similar (**80.65% gold by XRF, 90.96% gold by XRF at Bamboo Creek** – average of two samples shown in Tables 1c & 1d following) from **Mt Webber '<100 micron fraction'.** This equated to a **'head grade' of 97.77 g/t gold in the '<100 micron fraction' from 'low grade' Mt Webber iron ore so far processed.**

  Over the next few weeks Haoma's consultants will complete 'fine tuning' the Elazac Process used to recover the above significant quantities of physical gold from low grade Mt Webber iron ore. The Elazac Process will then be used to process Pilbara ores and produce gold on a commercial basis. There are many millions of tonnes of low grade iron ore and other Pilbara ores available on Haoma's Pilbara mining tenements which can be economically processed.

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Figure 1: Location map of Haoma Mining NL Pilbara mining tenements.

1. Group Consolidated Result – 3 Months to September 30, 2018

Haoma Mining NL **Consolidated Profit & Loss**	2017/18 3 Months Ended 30/09/2017 ($m)	2017/18 Full Year ($m)	**2018/19** **3 Months** **Ended** **30/09/2018** **($m)**
Operating Revenue:			
Gold & Silver Sales	-	0.01	**-**
Rock Sales	-	0.32	**0.04**
Royalties	-	0.04	**-**
Retail Sales & Misc.	0.04	0.28	**0.05**
Operating Revenue	0.04	0.64	**0.09**
Other Income – profit on sale of assets	-	1.90	**0.01**
Total Revenue	0.04	2.54	**0.10**
Operating profit (loss) before interest, depreciation, amortisation, exploration & development costs:	(0.36)	1.03	**(0.28)**
Interest	(0.47)	(1.96)	**(0.54)**
Depreciation, amortisation & provisions	(0.05)	(1.06)	**(0.06)**
Exploration, development & test work	(0.62)	(1.91)	**(0.61)**
Operating (loss) before tax	(1.50)	(3.90)	**(1.49)**

1.1 Haoma's Group Consolidated Result

Haoma Mining's consolidated financial result for the 3 months ended September 30, 2018 was a loss of $1.49 million after charges for interest $0.54m, depreciation and provisions $0.06m and test work $0.61m. Operating revenues for the 3 months was $0.09m and cash costs $0.85m (including Bamboo Creek operating costs of $0.43m).

1.2 Funding of Operations

Haoma presently earns revenue from rock sales, retail sales and mineralogical test work activities. **It is anticipated that future earnings from precious metal production will soon provide significant income.** Revenue derived from business operations may be supplemented by one-off sales of assets or other commercial arrangements in relation to asset holdings. To the extent that these combined activities do not provide sufficient funds for operations, funding for the consolidated group is provided by The Roy Morgan Research Centre Pty Ltd, a company owned and controlled by Haoma's Chairman, Gary Morgan.

The Roy Morgan Research Centre Pty Ltd has given an assurance that repayment of accumulated debt will not be required until Haoma's annualised EDITDA exceeds $15 million per annum and that debt repayments would not be required to exceed 50% of Haoma's EBITDA in any year. Notwithstanding that there is no immediate requirement for repayment of the loan, the Directors regularly review the level of debt.

In the event that Haoma at that time has a cash surplus in excess of short term funding requirements the Directors may elect to make a voluntary repayment of funds to The Roy Morgan Research Centre Pty Ltd.

At September 30, 2018 the principal debt to The Roy Morgan Research Centre Pty Ltd was $40.6 million. Interest accrued for the 3 months to September 30, 2018 was $527,426. Total interest accrued and unpaid to September 30, 2018 is $32.4 million. Interest on debt to Roy Morgan Research Centre accrues at the 30 day commercial bill rate plus a 1% facility margin.

2. Haoma's Activities in the Pilbara, Western Australia

2.1 Test Work at Bamboo Creek Pilot Plant (Latest results in red, previous in blue)

a) On August 8, 2018 Haoma shareholders were advised that during June/July 2018[1] the Bamboo Creek Plant facilities was used to process different bulk samples (about 10kg each) of **Bamboo Creek Tailings and 'low grade' Mt Webber iron ore** (using the Elazac Process). A **'Precious Metal Concentrate'** was then consistently recovered which was between **2.5% & 5%** of the sample processed.

In March 2018 Atlas delivered to Bamboo Creek 100 tonnes of **'low grade' Mt Webber iron ore.**

In September 2018 the Bamboo Creek Plant was used to process a further bulk sample of **21.312 kg** of **'low grade' Mt Webber iron ore**. In March 2018 Atlas delivered to Bamboo Creek 100 tonnes of **'low grade' Mt Webber iron ore.** The **'<1mm fraction'** was recovered which was **34.5% of the sample processed**. A **'concentrate'** representing **8.66% of the '<1mm fraction'** was recovered which was higher than previously reported, namely between **2.5% & 5%**. (Reported to Haoma shareholders August 8, 2018 – see following Appendix 3 & 4.)

Three samples were then taken from the **'concentrate'** (representing **8.66% of the '<1mm fraction'**) and further processed to produce **'Precious Metal Concentrates'**.

XRF analysis of the three **'Precious Metal Concentrates'** showed the metal to contain between **4% & 6% gold and platinum** (previously between **3% & 5% gold and platinum**). (See previous results reported in following Appendix 3 & 4, released to Haoma shareholders May 28, 2018 & August 8, 2018)

Applying the % 'Precious Metal Concentrate' XRF grades to the '**<1mm fines' screened from 'low grade' Mt Webber iron ore** processed shows the 'calculated' 'Precious metal Head Grades' were significant, namely: **122.39g/t, 213.33g/t & 135.24g/t gold, and 97.97g/t, 181.56g/t, 210.91g/t platinum**.

b) In mid-September a **bulk sample of 5.746 tonnes of 'low grade Mt Webber iron ore'** was processed through the Bamboo Creek Plant. The **'<100 micron fraction'** (24%) was recovered for further processing.

c) Initial tests on samples of the **<100 micron fraction** produced 'Precious Metal Concentrate' quantities and grades (measured by XRF) similar to 'Precious Metal Concentrates' produced in previous tests on the '**<1mm fines'(35.5%) screened from 'low grade' Mt Webber iron ore, they a**re shown in **red** and **blue** above.

d) **Measuring gold recovered in aqua regia solution:** On August 8, 2018 Haoma shareholders were advised an Elazac laboratory 'assay' method had been developed using aqua regia. Based on two separate aqua regia assays of **'low grade' Mt Webber iron ore**, the gold grade measured was **14.5g/t gold**. (See Appendix 4)

The aqua regia result is the average of 2 aqua regia solution samples which measured **14.2g/t** and **14.8g/t** gold by AAS - 'calculated back' to the **'low grade' Mt Webber iron ore** sample.

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[1] Information & data in this report as it relates to Metallurgical Results is based on information compiled by Mr. Peter Cole who is an expert in regard to this type of metallurgical test work. The results relate to testing the effectiveness of a new method of assaying for gold and other mineral content (the Refined Elazac *Assay* Method) and a new method for extraction of gold and other minerals from the ore (the Refined Elazac *Extraction* Method). These methods are together referred to as the Elazac Process. The information reported relates solely to ongoing test work in relation to bringing the Elazac Process to commercial realisation. Mr. Cole has worked in the mining industry for over 30 years and has been associated with the development of the Elazac Process over a long period (approximately 20 years). Mr. Cole is one of only a few people with sufficient relevant knowledge and experience to report results in relation to test work on the Refined Elazac *Assay* Method and Refined Elazac *Extraction* Method. Mr. Cole has consented to the inclusion in this report of the information and data in the form and context in which it appears.

e) **Measuring gold grade using physical gold recovered**: Over the last 5 weeks Haoma's consultants in both Melbourne and Bamboo Creek have been successful in **recovering physical gold bullion after smelting samples of**:

- **'low grade' Mt Webber iron ore (sample 10kg),** and
- **the fine fraction of that low grade ore (a '<100 micron fraction' screened from a 5.746 tonne sample of 'low grade' Mt Webber iron ore) – the fine fraction ('<100 micron fraction') was 24% of the 'low grade' Mt Webber iron ore processed**.

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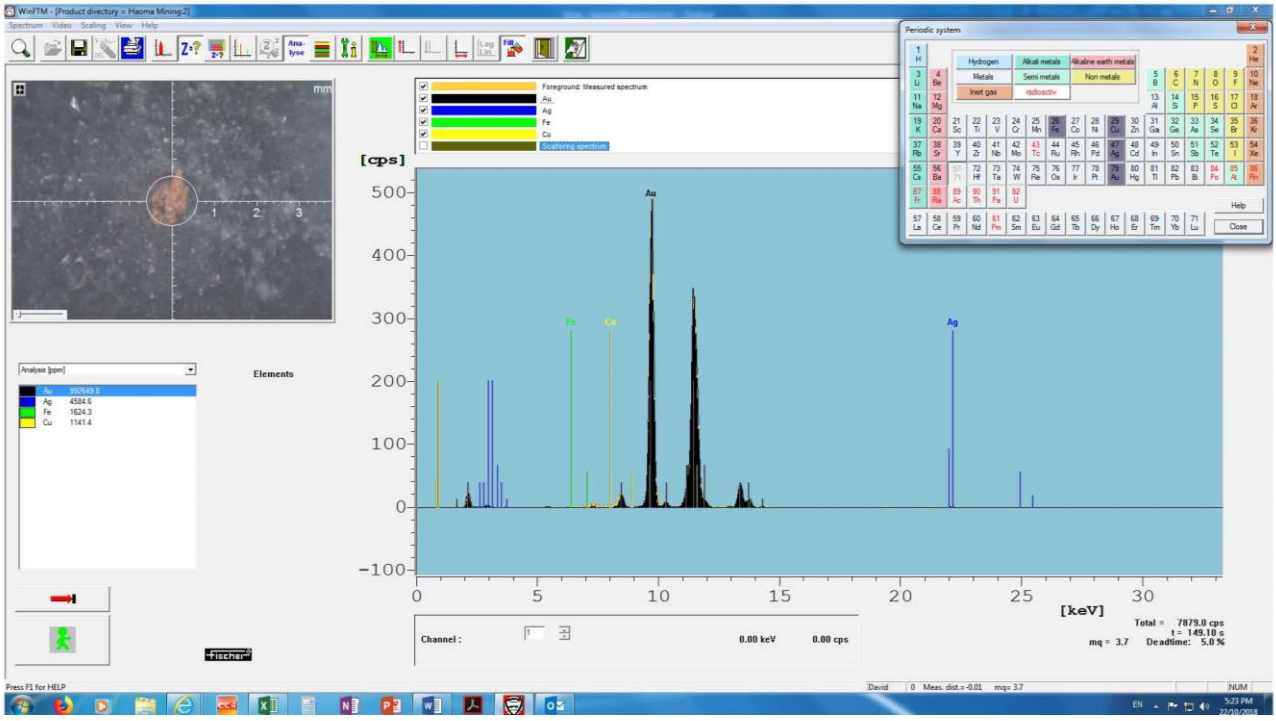


Table 1a: Sample 123442 – 99.26% gold, 0.46% silver, 0.16% iron & 0.11% copper.

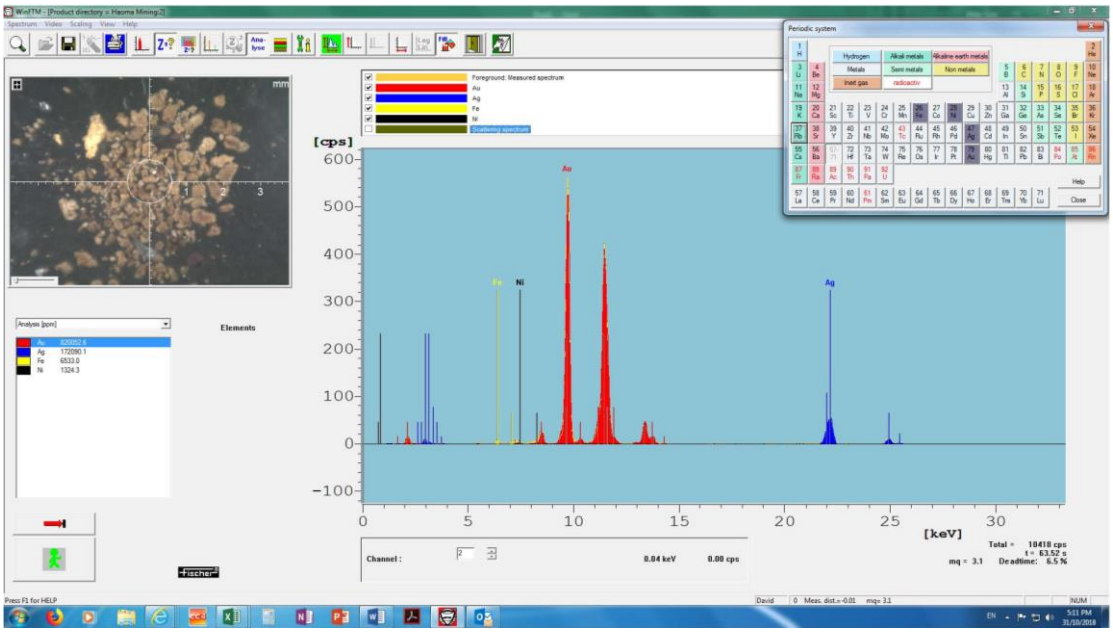


Table 1b: Sample 1232114 – 82.01% gold, 17.21% silver, 0.65% iron & 0.13% nickel.

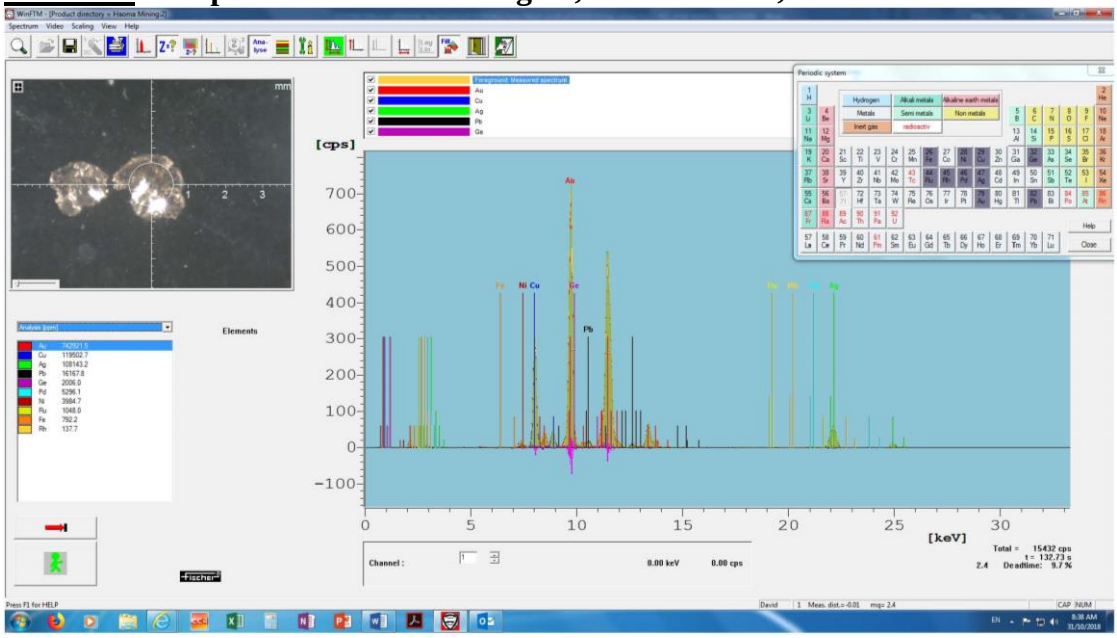


Table 1c: Sample 1232108, total weight 0.01274g – 74.29% gold, 10.81% silver, 11.95% copper, 0.08 % iron, 1.62% lead.

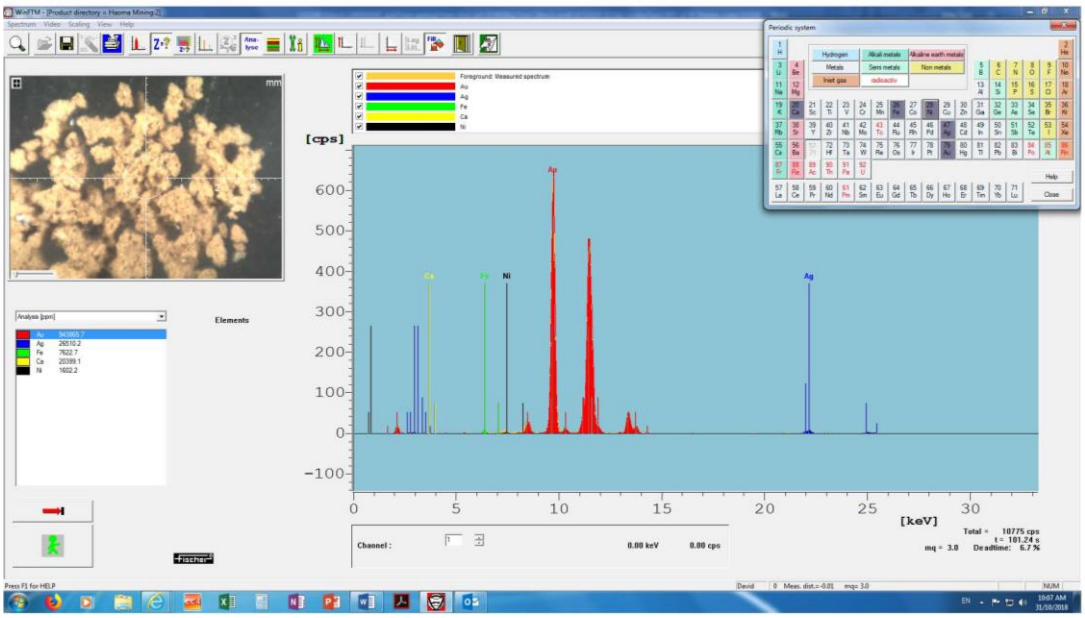


Table 1d: Sample 1232109, total weight 0.06186g – 94.39% gold, 2.65% silver, 0.76 % iron, 0.16% nickel.

2.2 Hancock Prospecting Pty Ltd takeover of Atlas Iron Ltd

Haoma's Directors are pleased Hancock Prospecting Pty Ltd will soon own 100% of Atlas Iron Limited.

From 2002 to April 2012 Haoma and Giralia Resources worked together with the Daltons JV. Since April 2012 Haoma and Atlas continued the **Daltons JV** and the **Atlas & Haoma Tenement and Royalty Agreement** covering both the Mt Webber Mining Lease 45/1197 and nearby tenements including E45/2922. Details are shown in Figure 2 & 3 below.

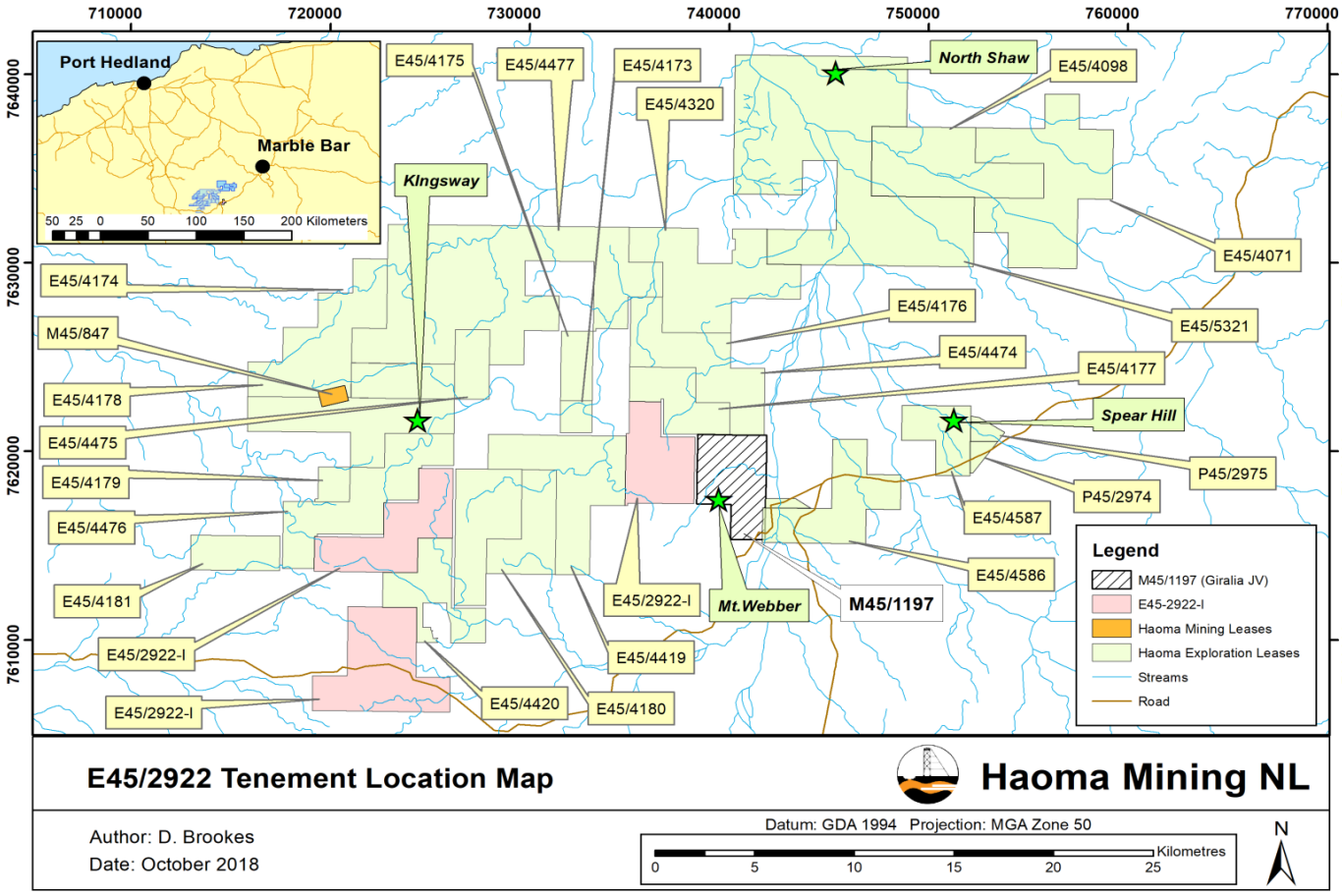


Figure 2: Haoma Exploration tenement E45/2922, other Haoma tenements near Soansville and Atlas' Mt Webber mining lease M45/1197

In the last few years Atlas had financial problems. During this period Atlas Directors and Management did not advise Haoma of all geological data and assay results from Giralia JV tenements or M45/1197 as would normally be expected.

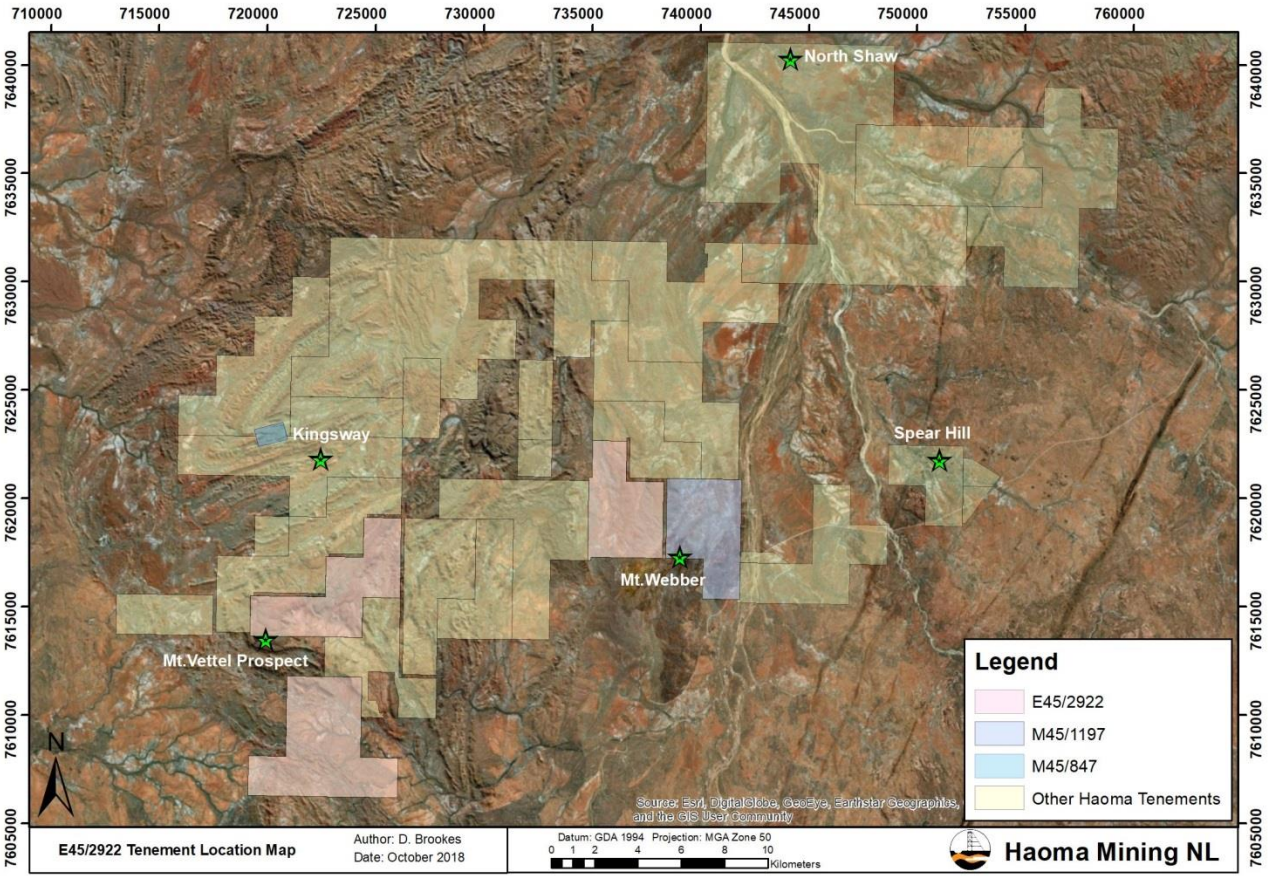
Haoma's Directors now see real and beneficial opportunities for both Haoma and Atlas (now owned by Hancock) involving the Mt Webber mining lease M45/1197 and the surrounding tenements including E45/2922. (See above Figures 1 & 2).

Haoma's future focus is to define low to medium grade iron ore deposits. Then Haoma will use the **Elazac Process to measure and then extract significant quantities of precious metals (gold & platinum group metals, PGM) from these deposits.**

2.3 End of Atlas/Giralia Joint Venture with Haoma

Since 2002 extensive exploration was conducted within Exploration Licence 45/2922 by the Giralia JV (initially Giralia/Haoma, from April 2012 Atlas/Haoma).

On Wednesday July 4, 2018 M & M Walter Consulting (M & M), Haoma's tenement advisor, advised Haoma that Atlas/Giralia intended to immediately surrender E45/2922 which would end the Giralia JV (Atlas 75%/Haoma 25%). (See Figure 3 below)



<u>Figure 3:</u> Haoma exploration tenements near Soansville & other areas near Mt. Webber

Included with the advice was a Form 12 Surrender for execution by Haoma, and if Haoma agreed to the surrender have the Form 12 signed and returned to Atlas by no later than Friday July 6, 2018.

M & M Walter Consulting (M & M) advised Haoma that failure to provide information or documentation as and when requested by Department of Mines, Industry Regulation & Safety may lead to forfeiture, expiry or possible non compliance with legislation and or conditions of tenure and that Department of Mines, Industry Regulation & Safety cannot and will not be held responsible.

On July 4, 2018 Haoma immediately advised Atlas that Haoma did not wish to surrender E45/2922 and requested from Atlas all geological data and other information relating exploration by the Giralia JV be sent to Haoma, see following:

> *"Haoma Mining NL wish to retain this tenement and will now have to submit an extension of term on E45/2922 at short notice on the last day of the tenement expiry.*
> ***Can you and/or Leigh Slomp please arrange to have all exploration data (assays and locations of all drilling, rock and soil sampling) plus annual reports pertaining to E45/2922 emailed to myself** (haoma2@bigpond.com) and Darren Brookes (haoma5@bigpond.com) first thing in the morning so that the extension of term can be lodged."*

The Mt Webber Mine on lease M45/1197 was officially opened by Atlas on July 15, 2014 after mining had commenced in December 2013. (See Figure 4)

On July 5, 2018 Atlas sent Haoma a copy of a draft Extension of Term ('EOT') application Atlas had prepared for the Mineral Titles Division, Department of Mines, Industry Regulation & Safety, Perth. The draft EOT was never completed or sent by Atlas.

The Atlas July 5, 2018 draft EOT included some information on exploration conducted by Atlas during 2013 & 2014 which **Haoma was not made aware of before July 5, 2018**.

Haoma **was aware** that Atlas had been granted a 5 year extension for E45/2922 (granted on September 5, 2013) and during 2013-2014 had drilled some RC holes on E45/2922 resulting in relatively low iron ore grades. (See Table 2 below)

However Haoma was **not aware** that in total 132 angled RC drill holes were drilled including 123 RC holes on Atlas's nearby Mt Webber iron ore Mine Lease M45/1197.

In total nine (9) RC holes for 794m were drilled in the north eastern section of Licence E45/2922. (See Figure 4) Highest iron ore grade measured was 59.15% Fe (MWRC1249) (See Table 1). **Whilst not known to Haoma until October 5, 2018 Atlas during 2014 drilled an additional 123 RC holes on M45/1197**.

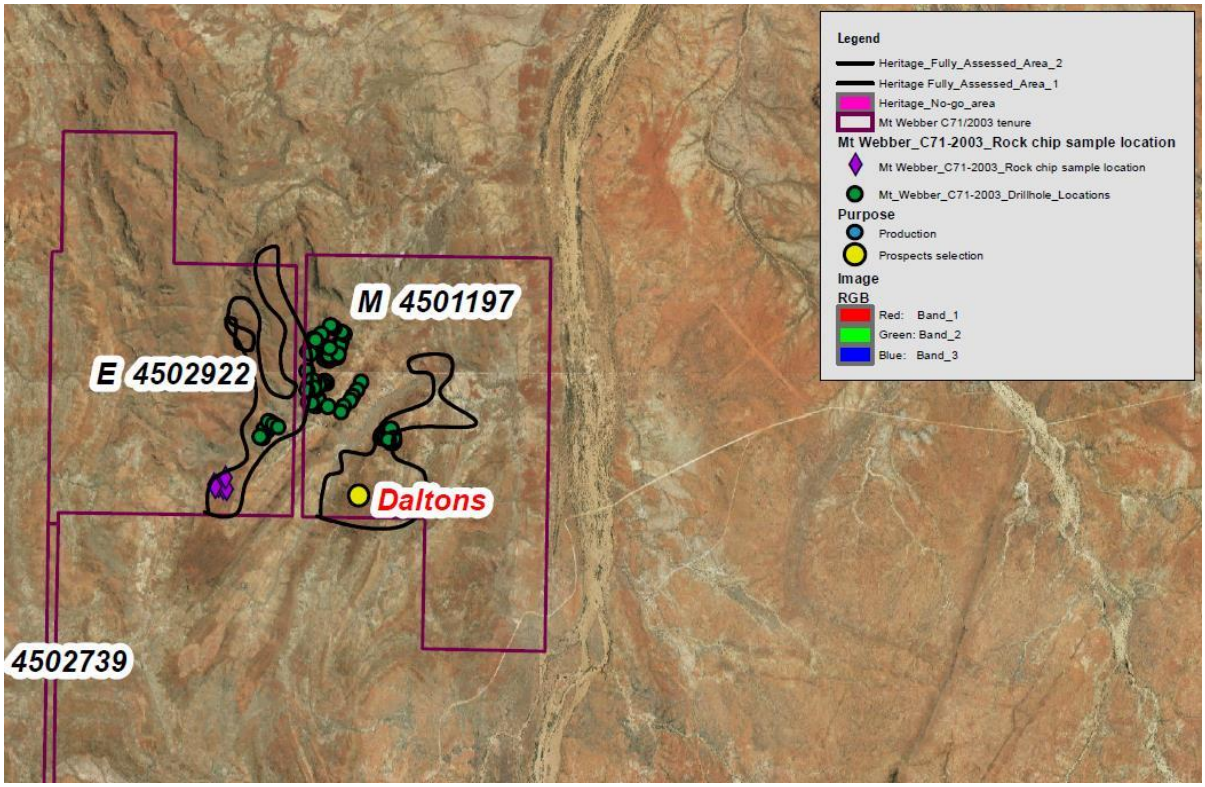


Figure 4: Drill hole and sample locations on E45/2922 & M45/1197

Hole ID	Elevation	Easting	Northing	Depth	Max Fe %
MWRC1245	408.17	737924.53	7618527.89	118	50.77
MWRC1246	401.71	737993.42	7618488.46	98	58.89
MWRC1247	405.71	737864.40	7618423.73	64	39.05
MWRC1248	410.85	737833.53	7618446.56	88	54.97
MWRC1249	392.27	737803.79	7618321.29	84	59.15
MWRC1250	394.19	737775.66	7618339.40	64	51.47
MWRC1251	410.59	737888.19	7618549.10	82	41.84
MWRC1252	404.93	737957.30	7618508.92	94	56.7
MWRC1253	396.94	738027.74	7618469.25	102	53.65

Table 2: E45/2922 May/June 2014 Atlas RC drilling results

In addition not until July 5, 2018 was Haoma made aware of other information relating to exploration and other activities by Atlas involving E45/2922 (Atlas 75%/Haoma25%) and nearby Mt Webber mining lease M45/1197. (Haoma is today entitled to a royalty of about

$1.50/tonne when the Mt Webber JORC compliant iron ore reserve is in excess of 24 million tonnes inclusive of any iron ore tonnes previously mined mined from M45/1197. (See Appendix 1 & 2)

Included with the information received from Atlas on July 5, 2018 and later (last data received October 4, 2018) were results from a large number of 'rock chip' samples Atlas collected during 2013 & 2014 on E45/2922 & M45/1197.

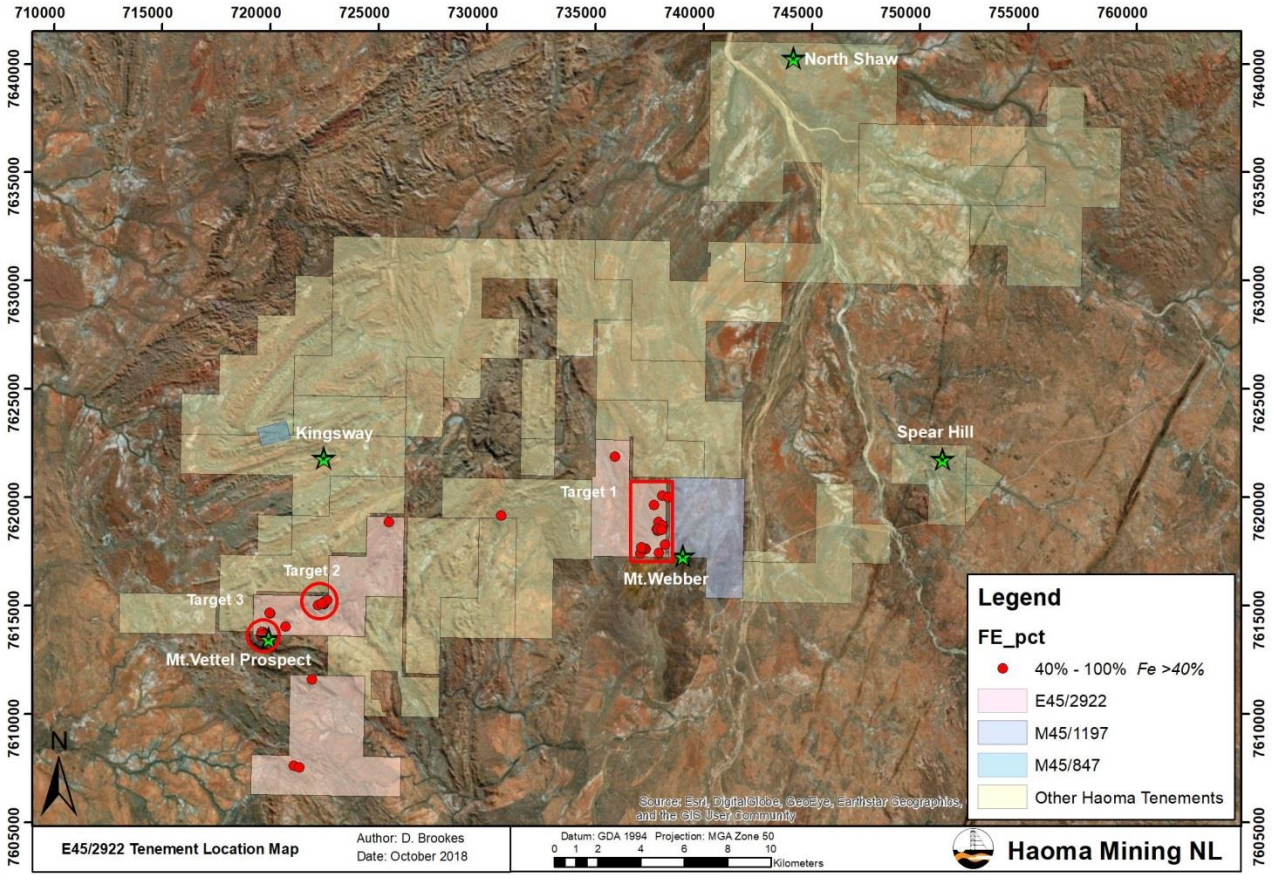
Of importance, samples collected by Atlas obtained similar high grade iron ore results (over 40% Fe) as those collected previously by Giralia and confirmed the identity of three prospective iron ore targets near the Mt Webber Mine. (See Figure 5 – Target 1, 2 & 3)

During 2013 to 2014 reporting period Atlas conducted a helicopter assisted **site avoidance survey** across eight (8) nominated proposed exploration areas, including the area of the Licence E45/2922. The ethnographic assessment aimed to identify sites of cultural importance and to record them to **site avoidance level. Importantly no new ethnographic sites of importance were located during this survey.**

On February 19, 2014 POW 46009 was approved, which included the approval to clear tracks of 2,200m x 4.5m wide, allowing access for a drilling campaign located in M45/1197. In April 2014 two further POWs were approved for the Licence (47331 and 47861), to assist with excess tonnage as a result of the access works being undertaken.

Geological mapping was undertaken over M45/1197 as well as the Licence E45/2922. Mapping identified surface mineralisation **within the outcropping Pincunah Hill BIF to the north part of M45/1197** (**Mt Webber North)** including a small area of the Licence E45/2922.

Mapping showed the area of mapped mineralisation at Mt Webber North in relation to the existing deposits. The red polygons show the surface locations of strong and moderate/weak iron mineralisation respectively.



<u>Figure 5:</u> Map indicating sampling with resulting Fe>40% shown and 3 exploration targets

Mapping showed the mineralisation to be located on the southeast dipping limb of a synform considered to be the same structure which hosts the Ibanez mineralisation approximately 3km to the southwest of the Mt Webber Mine, M45/1197. (Haoma's Directors are surprised Atlas shareholders at the time were not advised of this fact!)

Heritage surveys were conducted on M45/1197 from May 13, 2014 to May 15, 2014, including over the Ibanez North prospect located on Licence E45/2922, in support of proposed drilling activities. All areas were archaeologically and ethnographically cleared for works to proceed.

In May 2014, rock chip sampling was conducted across Licence E45/2922 and other locations on M45/1197. Fourteen (14) samples were collected (seven (7) from the Licence) predominantly from BIF outcrops. Two (2) samples recorded values greater than 50% Fe, being on the Licence E45/2922 (ARK2396 and ARK2397). (See Appendix 5)

2.4 Haoma's concerns regarding Atlas & Mt Webber as covered in correspondence and meetings with Atlas executives

On August 2, 2018 Haoma's Directors Gary Morgan and Michele Levine met with Atlas Managing Director, Cliff Lawrenson, and Executives Mark Hancock and Bronwyn Kerr.

The following information was included in a letter from Gary Morgan to Cliff Lawrenson which raised Haoma's concerns regarding Mt Webber's reserves (details in Appendix 2) and details from 123 RC drill holes conducted in 2014 on M45/1197 – "*we have no information for the results obtained for M45/1197;"*:

"As you stated, Atlas is in 'caretaker mode' and because of this you believe there is little you can do at present regarding working with Haoma in the future.

When appropriate, please arrange for us to meet with those people who will be involved in planning the future mining of Mt Webber.

The following is a summary of the concerns we mentioned at our meeting.

1) *We went over in some detail why the Mt Webber drill hole information supplied to Haoma in 2017 did not justify the Atlas 2012 decision to significantly lower the Mt Webber Main Southern Resource estimate below 28.9mt.*

   To date Haoma has not received Atlas detailed drill hole information which supports the Atlas 2014 decision that the Daltons Mt Webber reserves are below 24mt.

   Please send Haoma the Atlas 2011, 2012 and 2013 detailed drill hole information. (See 2014 Gibson – Daltons Deposit Mineral Report, Table 5.2, which Haoma received in late 2017).

   This information is important as we pointed out some Atlas (See 2014 Gibson – Daltons Deposit Mineral Report, Table 1.1 'Logging') and Giralia (See Haoma Aug 18, 2009 & October 31 2010 ASX Reports, RC Holes 22, 44, 55 & 56) drill holes ended in iron ore so the drilling information couldn't be used to define the complete Mt Webber iron ore body size. This is important as the defined Mt Webber deposit is 'way above' the water table. (The average length of the 169 Atlas 2011 & 2012 drill holes was 67.4m while the average length of the 72 Giralia 2009 & 2010 all replaced drill holes was 80.9m!)

   While we have received the 2014 drill hole information for E45/2922 (see below) we have no information for the results obtained for M45/1197. This information is crucial for us to determine whether or not there are additional 'inferred resources' or 'reserves' in the Joint Venture area. Until receiving your July 5, 2018 letter we had not been informed that drilling on M45/1197 had ever been conducted!

2) *We mentioned at our meeting that we believe there is no justification in Atlas not including in any Mt Webber Resource information (presented to Atlas Shareholders) the 'inferred resource'. Based on Giralia drilling there is at least an additional 6mt of Mt Webber*

'inferred resource'. The 'inferred resource' may, in fact, be even greater, depending on the results of the 2014 drilling referred to above (for M45/1197).

Peter Cole requested additional information in his letter of July 4, 2018 to Carla Librizzi. (I mentioned we want to keep all areas containing goethite.)

'Haoma Mining NL wish to retain this tenement and will now have to submit an extension of term on E45/2922 at short notice on the last day of the tenement expiry.

***Can you and/or Leigh Slomp please arrange to have all exploration data (assays and locations of all drilling, rock and soil sampling) plus annual reports pertaining to E45/2922 emailed to myself** (haoma2@bigpond.com) and Darren Brookes (haoma5@bigpond.com) first thing in the morning so that the extension of term can be lodged.'"*

So there was no misunderstanding, Gary Morgan on September 18, 2018 sent the following email to Cliff Lawrenson, Managing Director of Atlas:

"This note is further to my email of August 4, 2018 below (shown above).

When can we expect to receive details on drill holes drilled on M45/1197?

'While we have received the 2014 drill hole information for E45/2922 (see below) we have no information for the results obtained for M45/1197. This information is crucial for us to determine whether or not there are additional 'inferred resources' or 'reserves' in the Joint Venture area. Until receiving your July 5, 2018 letter we had not been informed that drilling on M45/1197 had ever been conducted!'"

2.5 Mt Webber Region and Soansville Regions (including E45/2922) Exploration Summary & Future

Haoma believes **magnetic anomalies located in** E45/2922 and M45/1197 contain highly prospective areas containing 'low grade' iron rich deposits that are highly likely to contain other mineralisation, specifically gold and Platinum Group Metals (PGM). (See Figures 5 & 6)

As reported under Section 2.1 'Test Work at Bamboo Creek' recent bulk sample and laboratory tests by Haoma on Mt Webber 'low grade' iron ore has shown Haoma using the Elazac Process can measure in aqua regia and recover a 'precious metal concentrates' which contains significant quantities of gold and PGM using the Elazac Process.

Over the next year Haoma will collect bulk ore samples from defined **Targets 1, 2 & 3** (See Figures 5 above and Figure 6 & 7 below) and determine the quantity of precious metals that can be recovered using the **Elazac Process** with the view to mining iron ore and associated precious metals – gold and PGM.

Target 1 located west of Mt Webber and an extension of the Mt Webber Mine

The **Target 1** main area of iron prospectively was identified along the eastern tenement boundary of E45/2922 near adjoining M45/1197.

Lithologies encountered from north to south included cherty banded iron formations, felsic sediments, shales and massive cherts. **The host rocks were observed to be clay rich and potentially associated with a mafic or iron coming off a nearby fault structure.** A rock chip sample program by Atlas was taken in order to confirm the lithology. (See Figure 6)

Despite the lack of strong surface iron enrichment, the prospective area in Target 1 is prioritised as a highly prospective conceptual target area that requires immediate follow up for the following reasons:

- The locality contains a significant thickness of iron formations occurring in the Pincunah Hill Formation; the host rock for the nearby Mt Webber deposits, and

- The packages of banded iron formations are bounded by faults that have potentially provided fluid pathways for removal of silica during the enrichment process. Similar "blind" iron deposits have been discovered elsewhere in the Pilbara region.

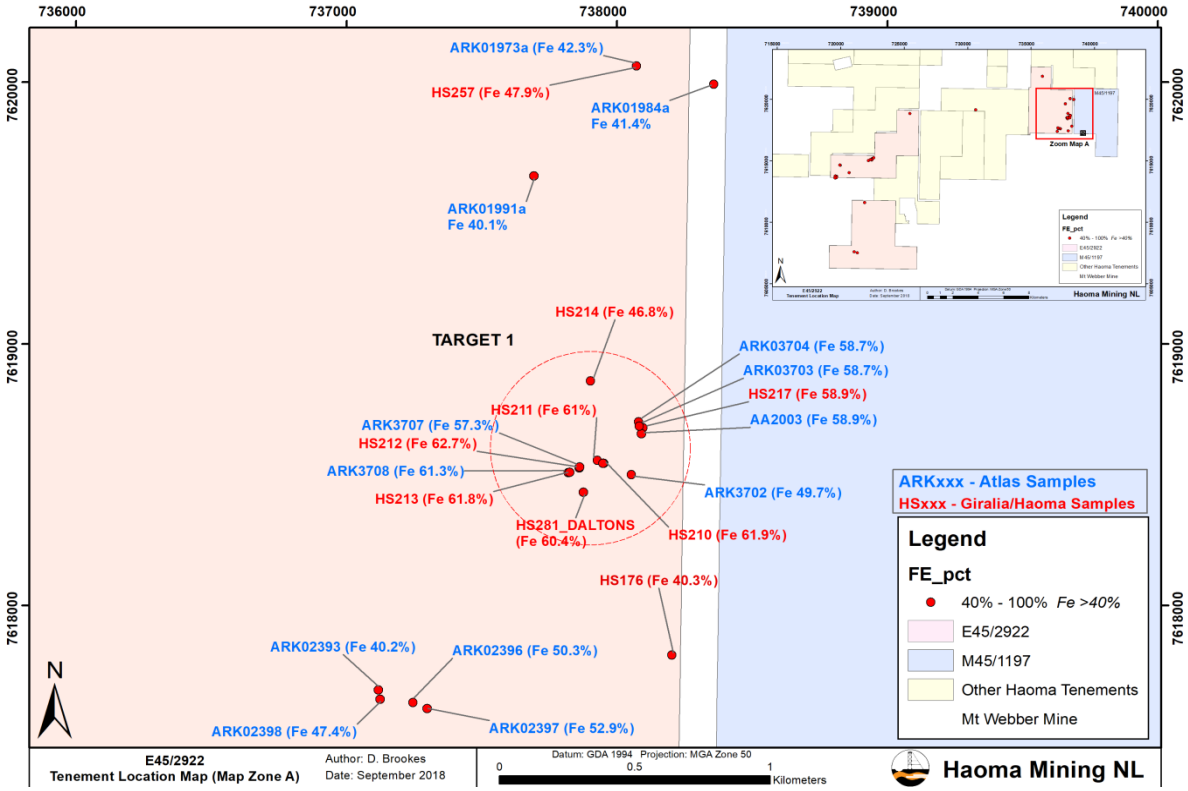


Figure 6: **Target 1 rock chip samples locations with Fe > 40% collected by Atlas Iron (Blue) and Giralia JV (Red)**

Target 2 and Target 3 located further west of Mt Webber, north of the Mt Vettel Prospect & south of Soansville

Target 2 and Target 3 surface geology consists of a package of banded iron formations with lesser amounts of chert, felsic and shales belonging to the prospective Pincunah Hill Formation.

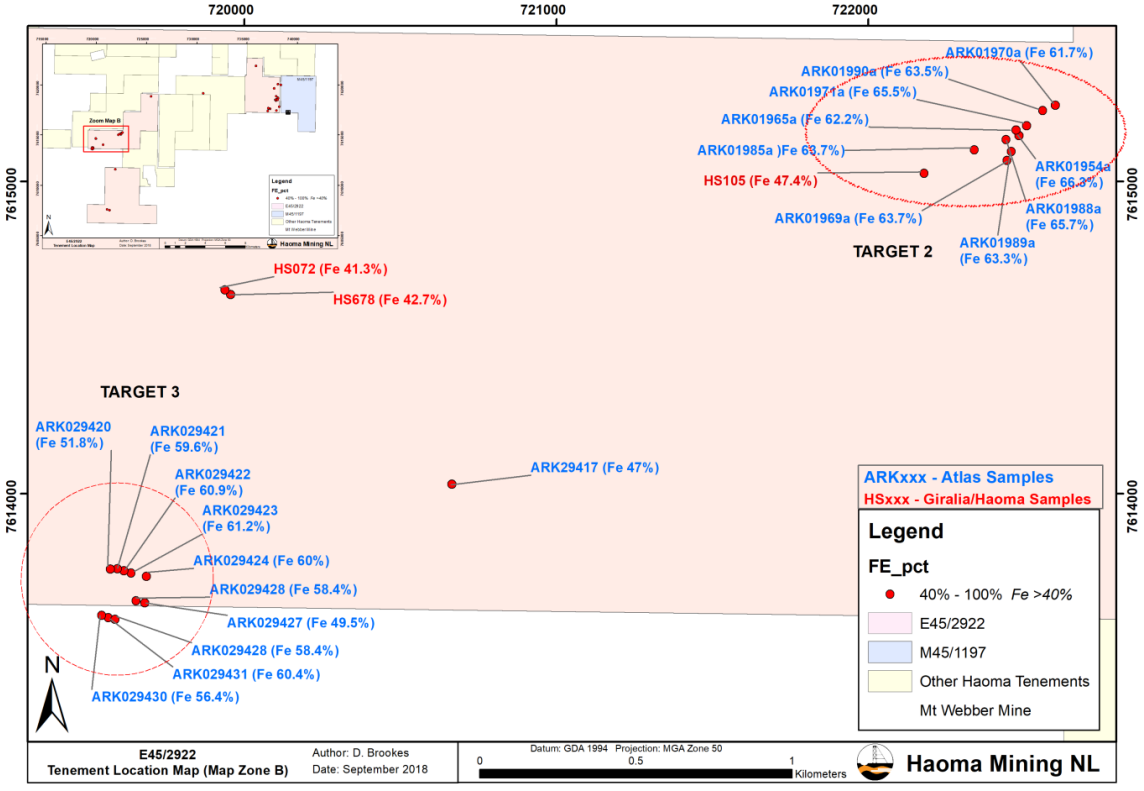


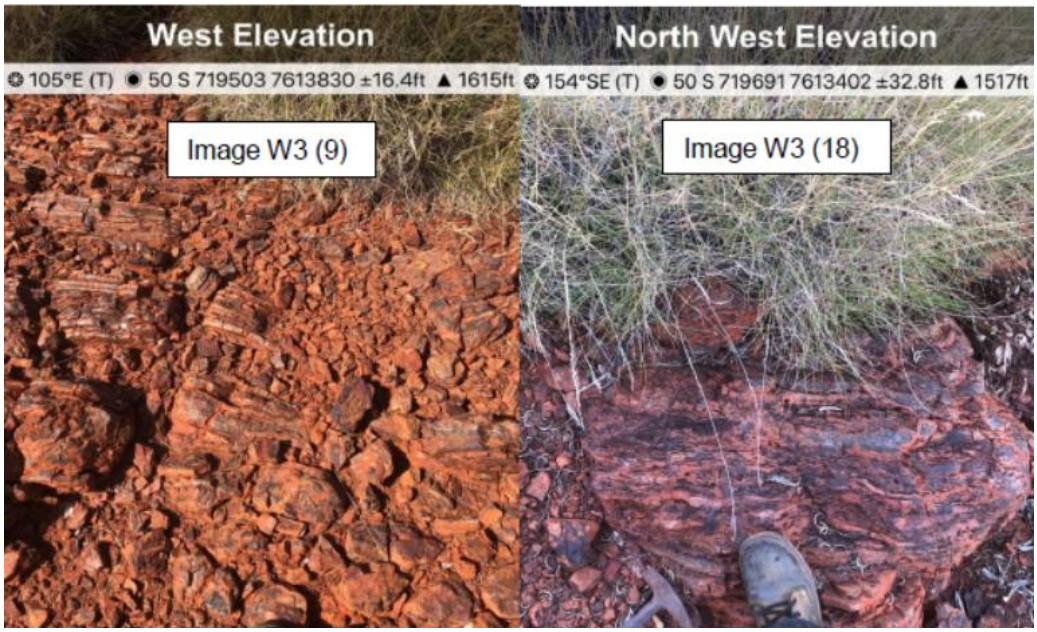
Figure 7: **Target 2 and Target 3 rock chip samples locations with Fe > 40% collected by Atlas Iron (Blue) and Giralia JV (Red)**

Target 2 lies north-west of the known Mt. Vettel iron ore deposit but although located within the same stratigraphy it is located on a separate topographic high range with a steep valley separating it from the Mt Vettel deposit. Figure 7 shows an image of Target 2 banded-iron formations within the host rocks.

<u>Figure 8:</u> Target 2 enriched laterites (left) and cherts (right)

Ten rock chip samples were collected by Atlas in Target 2 area in order to estimate grade. Based on observations and chip sample assays with a higher range of iron ore content between 47% and 68%, indications are a 'potential' iron tonnage estimated to be up to 1.38 million tonnes. (See Target 2, Figure 8)

In **Target 3** ground mapping and investigation identified a roughly 420m x 130m area of hematite iron mineralisation within 'shaley' banded iron formations. To the north of the target is an iron rich redeposited laterite with rock chip samples returning high iron ore content ranging from 41% to the highest value of 62%. Figure 9 shows images of Target 3 banded-iron formations within the host rocks.



<u>Figure 9:</u> Target 3 Cherty Banded Iron Formations (left), silica rich jaspolite Banded Iron Formations – BIF (right)

Clear contacts with bedded chert and cherty banded iron formations can be seen on the western and southern boundaries. To the southwest, the cherty banded iron formations appear too overly to an estimated 10m in depth with potential to increase given the observed synformal structure. (See Target 3, Figure 9)

Given the positive signs and features of iron deposits present at Target 2 and Target 3, it is proposed that the iron enrichment be recognised as future targets to be bulk sampled within the upcoming Quarter. It is important to note that due to the relative isolation of these targets and the rugged nature of the terrain, earthworks will be required.

2.6 Pilbara Conglomerate mining and exploration

2.6.1 In October 2017 Haoma advised shareholders that 'flat – watermelon seed-like' nuggets had been discovered at Conglomerate Formations at the Comet Mine near Marble Bar

On October 5, 2017 Haoma advised shareholders that Haoma tenements held at Bamboo Creek and Comet Mine, near Marble Bar, (Figure 10) contained conglomerate materials in the Hardey Sandstone Formations, within the Fortescue Group.

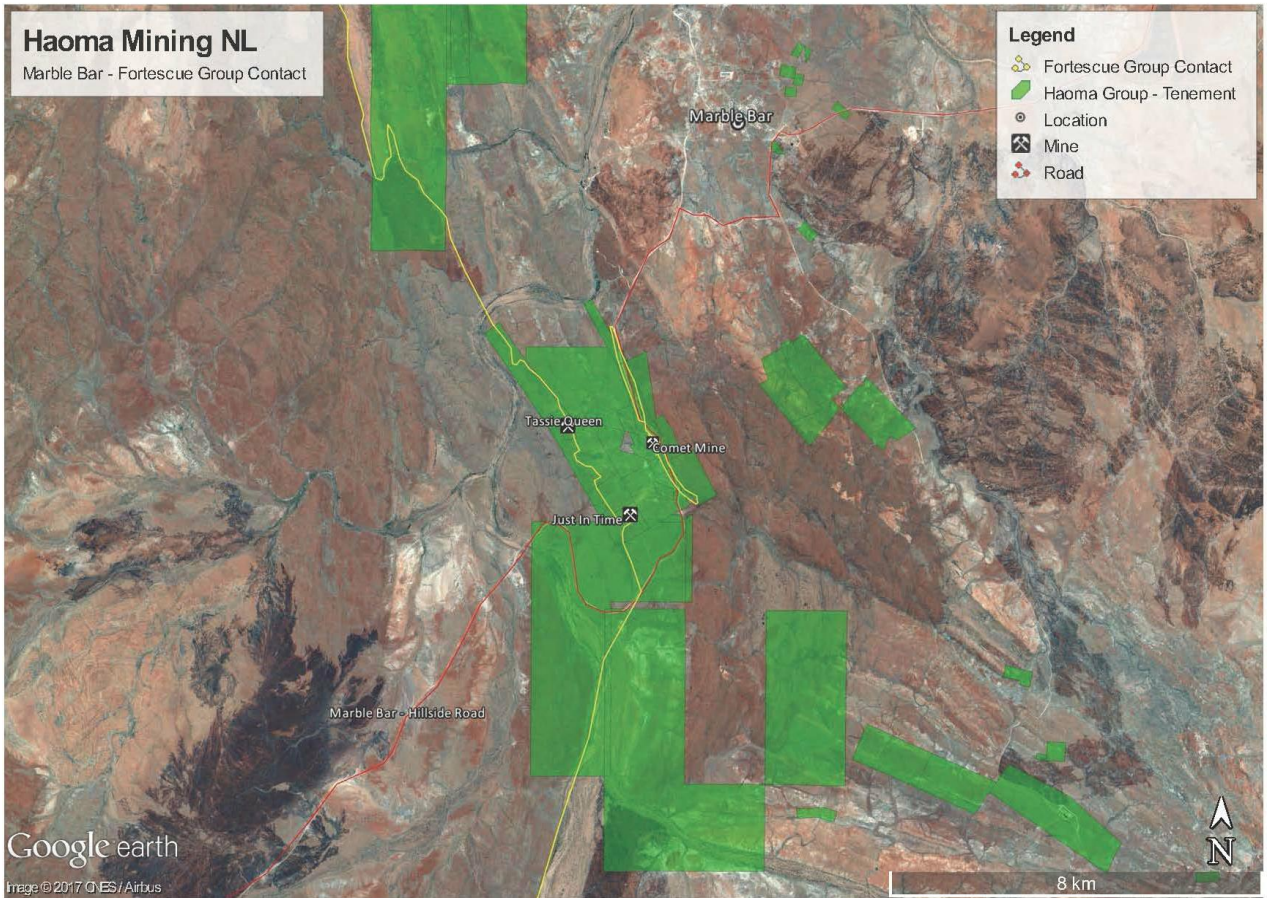


Figure 10: Haoma Mining, Google earth – Comet Mine near Marble Bar tenements and Fortescue Group contact.

Subsequently on **October 16, 2017** shareholders were advised that 'Flat' gold nuggets (Figure 11(a)) and 'fine' gold (Figure 11(b)) were collected from the conglomerate outcrop at the Just-in-Time Prospect located at to the South West of the Comet Mine near Marble Bar. Other gold nuggets were also collected from conglomerate outcrop at the Tassie Queen Prospect located to the North West of the Comet Mine.

Figure 11(a): **Nuggets collected from the Just-in-Time Prospect to the South West of the Comet Mine, total weight of nuggets 33.167 grams**

Figure 11(b): **Fine gold collected at the Tassie Queen Prospect to the South West of the Comet Mine, total sample weight 0.183 grams**

Figure 11(c): **Channel sampling – Just-in-Time Prospect, Marble Bar.**

Nuggets were collected just below the surface of the conglomerate outcrop on a bulldozed bench prepared for the sampling. The bulk sampling was conducted along a 3.5m trench cut along the strike of the conglomerate and consequently is probably not indicative of the conglomerate bed gold content.

2.6.2 Negotiations with New Frontier Exploration (NFX) Pty Ltd

Haoma has agreed with New Frontier Exploration (NFX) Pty Ltd that Haoma will process though its Bamboo Creek Plant trial bulk ore parcels of Pilbara conglomerate ores using the crushing and gravity circuit.

New Frontier Exploration will contribute to toward the Bamboo Creek Plant start-up costs and pay Haoma's operating cost of processing New Frontier Exploration bulk ore parcels.

Haoma and New Frontier Exploration propose to work towards the development of a partnership or joint venture covering exploration, mining and processing of Pilbara conglomerate ores from both New Frontier Exploration tenements and Haoma's tenements.

In early 2019 Haoma and New Frontier Exploration expect to commence trial bulk ore sampling from targeted high grade outcropping Pilbara conglomerates and processing of those samples through the Bamboo Creek Plant to produce precious metals; with a view to increasing trial bulk sampling and processing progressively to a commercial scale.

2.6.3 Callina Creek Conglomerate (P45/2986)

Callina Creek is situated about 40kms south west of Marble Bar and lies between Haoma's Comet Mine near Marble Bar and Soansville tenements. Tenement P45/2986 covers several older mining leases which have no recorded production.

It has previously been reported that fine gold and course gold has been recovered from Callina Creek conglomerate outcrop under the base of Hardy Sandstone Formation, see Figure 12 and 13 below.

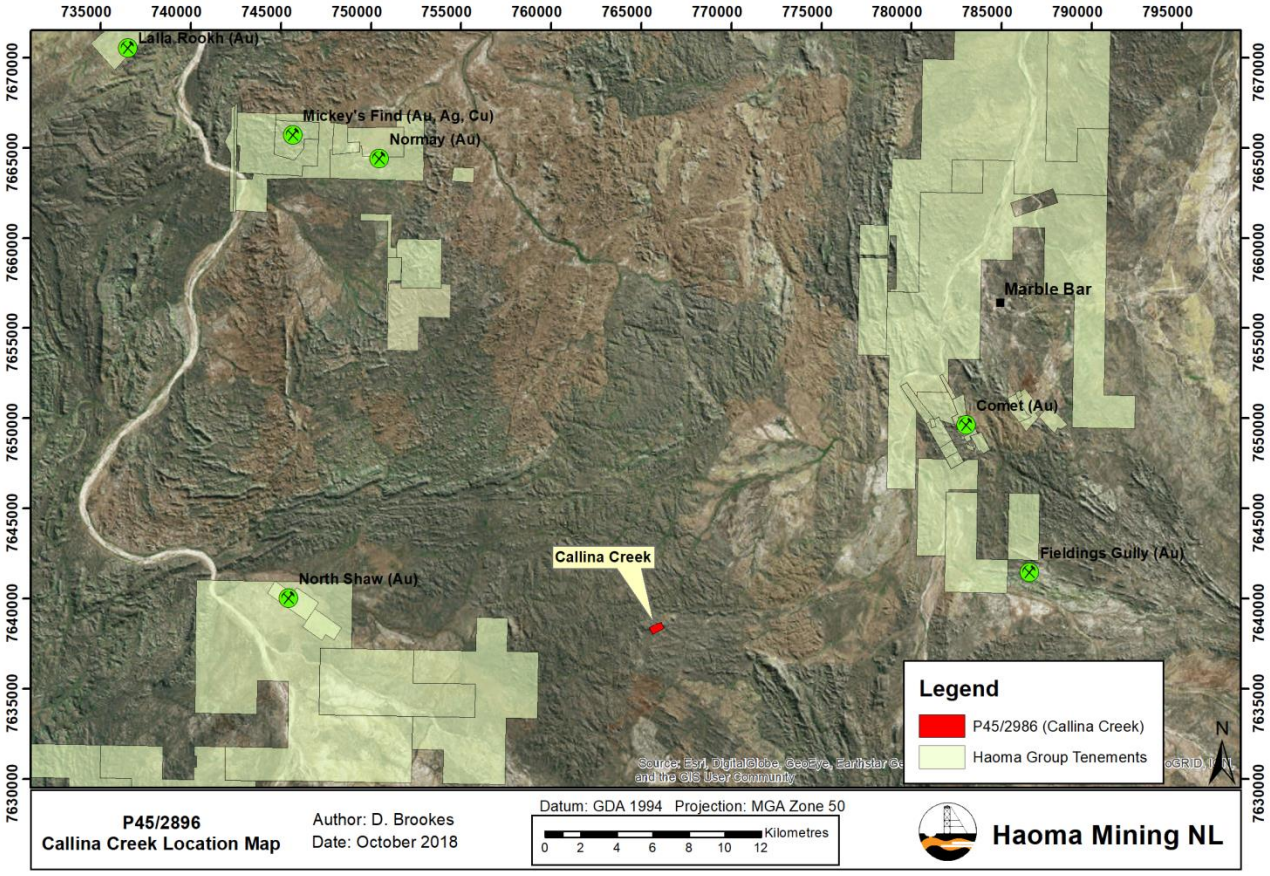


Figure 12: Callina Creek (P45/2986) prospect location map

<u>Figure 13:</u> Cross-Section of Callina Creek conglomerate overlaid by Hardy Sandstone Formation

The Callina Creek conglomerate is about 3m-10m thick, examples are shown below in Figure 14.

The conglomerate matrix potentially contains significant quantities of sulphides and associated gold ranging in size from fine to very coarse. The fine-grained gold is believed to be within the fine grained quartz and banded iron formations with the coarse grained gold occurring in conglomerates typically only recovered by bulk samples.

A detailed mapping and focused bulk sampling program is planned in the next 6 months to evaluate the conglomerate gold potential.

<u>Figure 14</u>: Conglomerate at Callina Creek

3. Dolerite & other rock sales from Elazac Quarry, Cookes Hill (M45/1186)

For 10 years from 2007 **Haoma's Elazac Quarry located about 50km south of Port Hedland** was operated by BGC Contracting Pty Ltd to supply dolerite for Pilbara infrastructure construction including new airstrips, railway lines and roads.

In February 2015 BGC Contracting put the Quarry on 'care and maintenance'. The BGC contract with Haoma expired in 2017 and BGC did not renew their contract to operate the Elazac Quarry.

Haoma now controls the Elazac Quarry and at present is working with Brookdale Contractors to 'rehabilitate' M45/1186.

During the September Quarter 8,000 tonnes of Dolerite and other 'hard rock' were removed from M45/1186 and sold. This provided Haoma with revenue of $40,064.

In October Haoma expects to receive $25,000 revenue from Dolerite and other 'hard rock' sales then approximately $100,000 a month for the remainder of the financial year.

Because of the recent increase in Pilbara activities Haoma has received enquiries for significant quantities (up to 500,000t) of dolerite from the Elazac Quarry which has low silica content. Haoma Directors expect considerable sales of dolerite from the Elazac Quarry over the next few years.

4. Haoma's Activities in the Ravenswood District, Queensland

4.1 Copper Knob (ML 1330) and Wellington Springs (ML 1415)

During the September Quarter Haoma's mobile crushing plant was installed and commissioned. Test bulk samples from Haoma's Ravenswood Copper Knob lease were processed. Crushing and sizing of test parcels from Haoma's Copper Knob lease **ML 1330** was conducted.

In addition extensive sampling was conducted at Wellington Spring and from the Wellington Spring Tailings Dam.

All samples are at Bamboo Creek and will be assayed during the current Quarter.

Figure 15: Haoma's Ravenswood Mobile Crusher being tested during commissioning at Copper Knob (ML1330)

It is planned that during the next six months, bulk ore samples will be recovered from Haoma's other Ravenswood leases (see below) then crushed and screened by size for confirmation that ore gold grades can be successfully upgraded when sorted by 'ore size'.

ML 1325 – Eight Mile, Budgerie
ML 1326 – Old Man
ML 1415 – Wellington Springs
ML 1483 – Wellington Springs No 2
ML 10275 – Elphinstone One
ML 1529 – Waterloo
ML 10315 – Podosky's
EPM 14038 – Robe Range
EPM 17832 – Robe Range East
EPM 8771 – Barrabas

5. Annual General Meeting

The 2018 Annual General Meeting of Haoma Mining NL will be held at Tonic House, 386 Flinders Lane Melbourne on Thursday November 29, 2018 commencing at 10.00am.

All shareholders are encouraged to attend. Further information may be obtained from the Company Secretary, Jim Wallace on 03 92245142 or by email to haoma@roymorgan.com.

Yours sincerely,

Gary C Morgan,
Chairman

APPENDIX 1 – Haoma Mining's Mt Webber Agreement with Atlas Iron

The April 2012 Tenement Sale Agreement under which Haoma sold its Mt Webber iron ore rights to Atlas Iron Limited includes a 'Reserve Uplift Payment' entitlement. (Details of Haoma's dispute with Atlas over the Tenement Sale Agreement outlined by Haoma's Chairman with his Address to Shareholders, February 28, 2018 – see Appendix 2 below.)

The payment entitlement is triggered whenever reserve development work on the tenements which were subject to the Sale Agreement result in Atlas Iron releasing 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.

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.)

Under the Tenement Sale Agreement, Haoma was granted 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.

If the parties are not able to reach agreement as to how potential conflict of activities may be resolved then the conflict will be resolved in favour of the activity with the higher Assessed Economic Value.

During the last few years Atlas has had financial problems, during this period the Haoma Atlas relationship has had some difficulties.

Haoma's Directors now see real, beneficial opportunities for both Haoma and Atlas at Mt Webber and the surrounding area.

Appendix 2 – Haoma's dispute with Atlas over the April 2012 Tenement Sale Agreement outlined by Haoma's Chairman with his Address to Shareholders, February 28, 2018

In August 23, 2010 Haoma shareholders were advised the 'indicated' and 'inferred' reserve estimate prepared by Giralia Mineral Resource for the Mt Webber deposit.

The information provided showed **28,900,000 tonnes** were the 'indicated' reserves for the Mt Webber main 'Southern Zone'. Also shown were the 'inferred' reserves of **4,300,000 tonnes** for 'Lower Zone' and **1,900,000 tonnes** for the Northern Zone'.

Table 3: Mineral Resource Estimate – Mt Webber Dalton Deposit, Aug. 23, 2010

Area	Category	Vol (m^3)	Tonnes	Fe%	P%	SiO2%	Al2O3%	LOI%	CaFe%
Main Southern	Indicated	10,300,000	28,900,000	57.9	0.097	6.69	1.49	8.17	63.05
Lower Zone	Inferred	1,500,000	4,300,000	53.7	0.046	15.29	0.81	6.50	57.43
Northern Zone	Inferred	700,000	1,900,000	55.0	0.070	8.10	3.24	8.52	60.12
TOTAL		**12,500,000**	**35,100,000**	**57.2**	**0.089**	**7.81**	**1.50**	**7.99**	**62.16**

Note: *The above CSA Mineral Resource was estimated within wireframe solids based on a nominal lower cut-off grade of 50% Fe. The resource is quoted from blocks above the specified Fe % cut-off grade. Differences may occur due to rounding.*

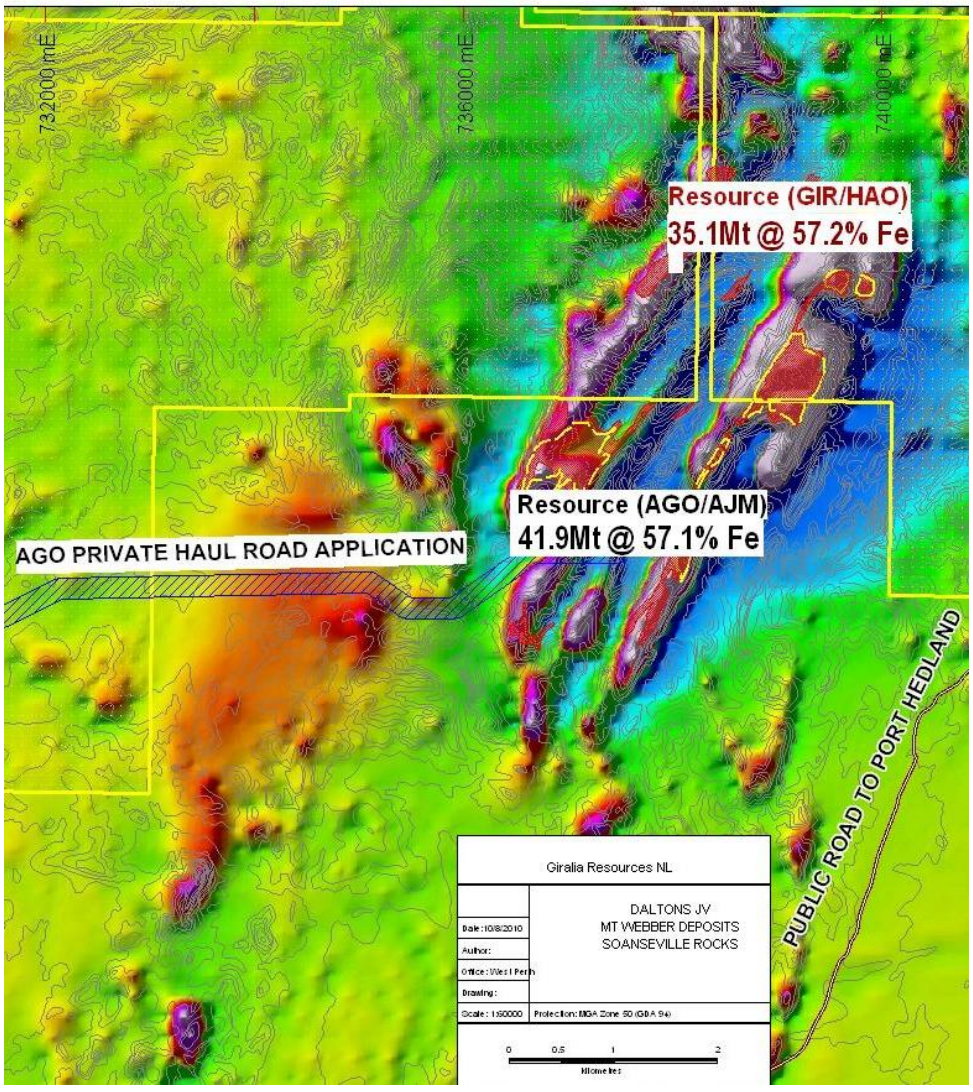


Figure 16: Mt Webber Mineral Resource Image – as at August 23, 2010

In April 2012 Haoma sold its Mt Webber Dalton iron ore rights to Atlas Iron Limited. The Sale Agreement covered **24 million tonnes** of iron ore with Haoma's entitlement under the agreement for a royalty today of approximately $1.50 for each additional tonne as a 'Dalton Reserve Uplift Payment'[2].

The payment entitlement is 'triggered' when Mt Webber Dalton reserves are upgraded to be above 24 million tonnes. That is, reserve 'development work' on the Mt Webber tenements, which were subject to the Sale Agreement (E45/2186 and M45/1197), results in Atlas Iron releasing 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.

To date the Atlas Mt Webber reserve estimate covers only the upper Main Southern Zone of the Mt Webber deposit.

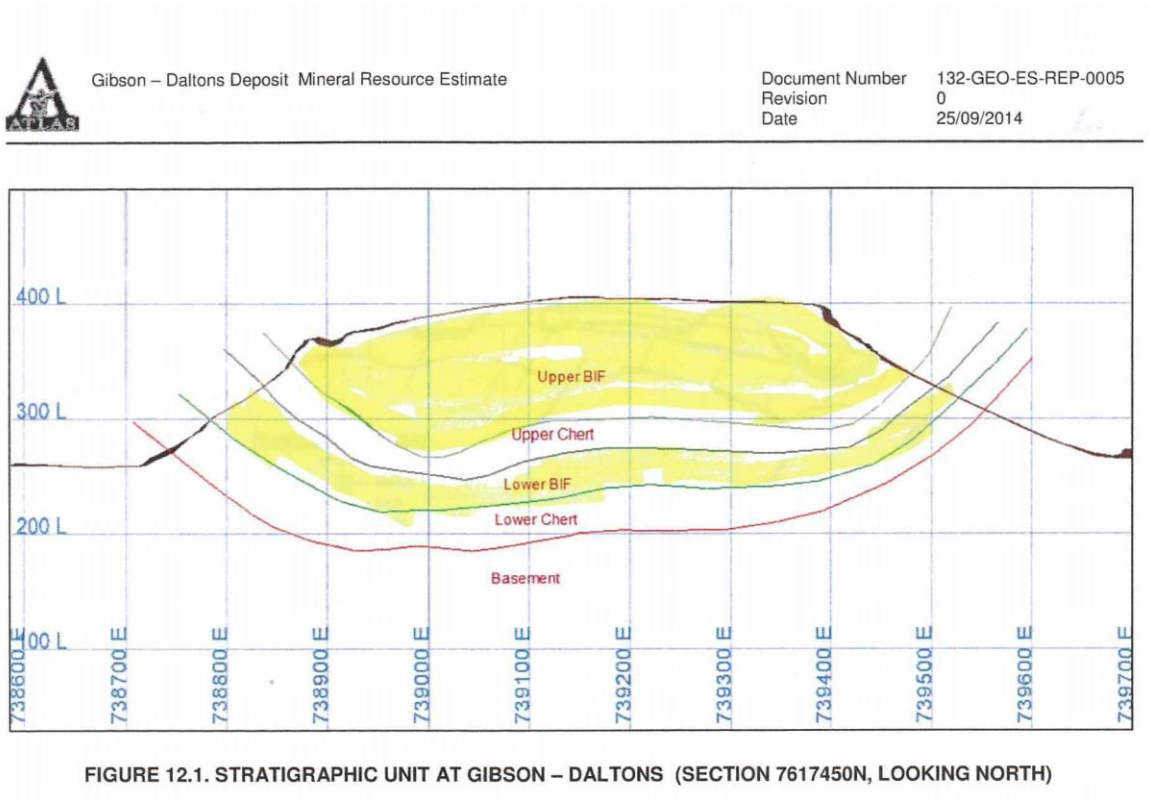


Figure 17: Atlas Iron Cross Section of Mt Webber (looking north)

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

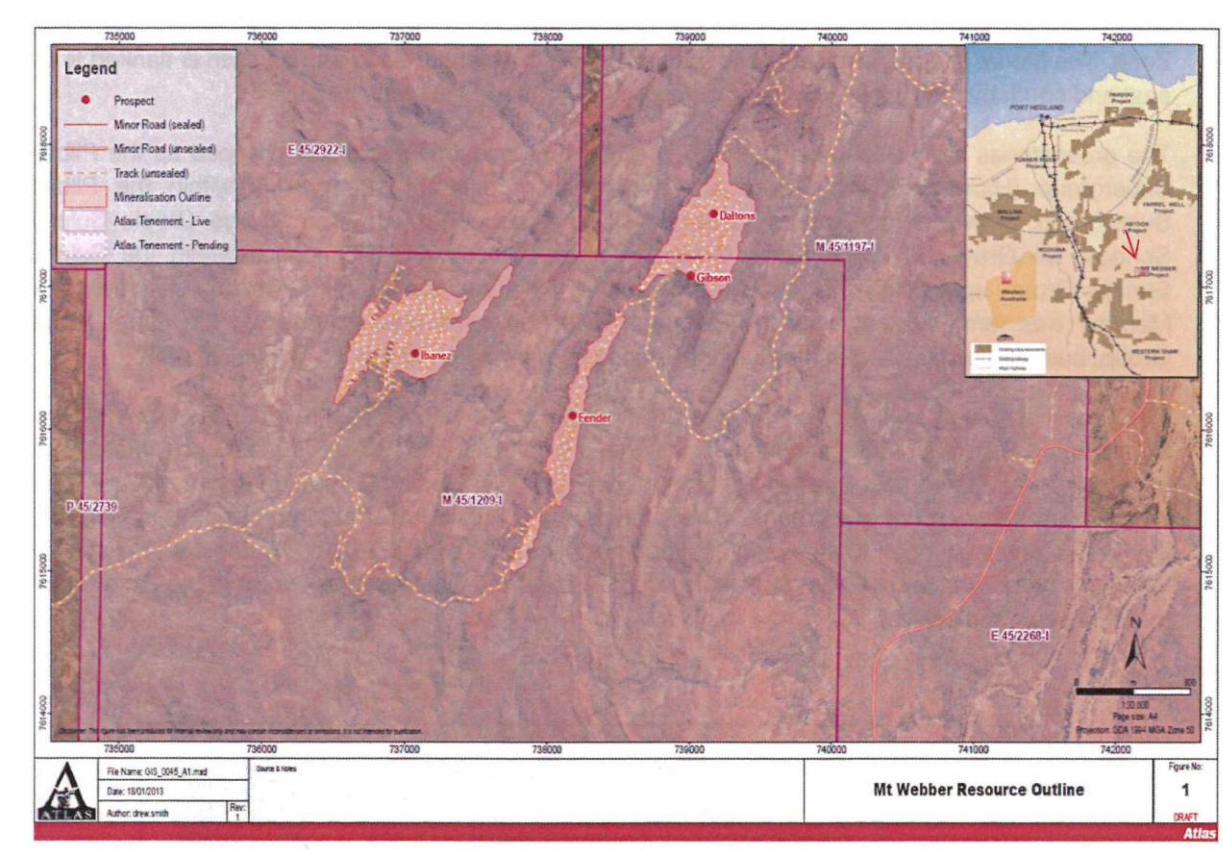


Figure 18: M45/1209 areas currently being mined by Atlas Iron

Under the Dalton's Tenement Sale Agreement, Haoma was granted 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 development of this 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.

If the parties are not able to reach agreement as to how potential conflict of activities may be resolved then the conflict will be resolved in favour of the activity with the higher Assessed Economic Value.

The information provided above creates an interesting opportunity for Haoma.

APPENDIX 3 – Details of latest Bamboo Creek Test Results on a bulk sample of '<1mm fines' screened from 'low grade' Mt Webber iron ore – latest in red, previous in blue

Using the Bamboo Creek Plant facilities to process a **7.35 kg(*) 9.84kg(*)** sample of '**<1mm fines' screened from 'low grade' Mt Webber iron ore** (using the Elazac Process) **three/a** 'Metal concentrate' **were/was** recovered which represented **0.55%, 0.58% & 0.68% of the 7.35kg 0.95% of the 9.84kg** '**<1mm fines' screened from 'low grade' Mt Webber iron ore** sample processed.

XRF analysis of the 'Metal concentrate' measured the following 'Precious metal' grades:

- **2.22%, 3.67% & 1.99% gold, and** **0.66% gold, and**
- **1.78%, 3.12% & 3.11% platinum** **1.00% platinum.**

Applying the above % 'Precious metal' grades to the '**<1mm fines' screened from 'low grade' Mt Webber iron ore** showed the 'calculated' 'Precious metal Head Grade' of '**<1mm fines' screened from 'low grade' Mt Webber iron ore** was:

- **122.39g/t, 213.33 g/t & 135.24g/t gold, and** **62g/t gold, and**
- **97.97g/t, 181.56g/t, 210.91g/t platinum** **95g/t platinum.**

(*) The '**<1mm fines' fraction** was **34.5% 30%** of the **'low grade' Mt Webber iron ore.**

APPENDIX 4 – Test Work at Bamboo Creek Pilot Plant (Reported to Haoma shareholders August 8, 2018)

During June/July 2018 the Bamboo Creek Plant facilities have been used to process different bulk samples (about 10kg each) of **Bamboo Creek Tailings and 'low grade' Mt Webber iron ore** (using the Elazac Process). A 'Precious Metal Concentrate' can now be consistently recovered which is between **2.5% & 5%** of the sample processed. This latest % recovery of concentrate is considerably higher than previous recoveries of concentrates **– 0.34%, 0.60%, 1.19% & 0.95%** – reported to Haoma shareholders May 28, 2018. See above Appendix 3.

XRF analysis of the 'Precious Metal Concentrate' showed the metal to contain **3% to 5% gold and platinum.** This result is similar to results previously reported. (See previous results reported in above Appendix 3 released May 28, 2018).

Applying the % 'Precious Metal Concentrate' grade to the **'low grade' Mt Webber iron ore** processed shows the 'calculated' 'Precious metal Head Grade' is significant.

In the next few weeks Haoma's consultants from the University of Melbourne will report on the complete 'composition' of the 'Precious Metal Concentrates' which by XRF measured **3% to 5%** gold and platinum.

The Directors are pleased to advise Haoma shareholders an assay method has now been developed using aqua regia. Based on two separate aqua regia assays of **'low grade' Mt Webber iron ore**, the gold grade measured was: **14.5g/t gold**

The above result is the average of 2 aqua regia solution samples which measured **14.2g/t & 14.8g/t** gold by AAS - 'calculated back' to the **'low grade' Mt Webber iron ore sample.**

APPENDIX 5 – Target 2 and Target 3 rock chip samples locations with Fe > 40%

Sample ID	Easting	Northing	Company	Date Sampled	Fe %
HS105	722340	7615102	GIRALIA	3-Jul-08	47.5
HS119	725450	7618850	GIRALIA	3-Jul-08	44.5
HS078	719956	7614638	GIRALIA	3-Jul-08	42.8
HS072	719938	7614653	GIRALIA	3-Jul-08	41.4
HS176	738203	7617811	GIRALIA	3-Jul-08	40.3
HS212	737860	7618526	GIRALIA	8-Sep-09	62.8
HS210	737950	7618544	GIRALIA	8-Sep-09	62.0
HS213	737819	7618508	GIRALIA	8-Sep-09	61.9
HS211	737928	7618555	GIRALIA	8-Sep-09	61.0
HS217	738080	7618702	GIRALIA	8-Sep-09	58.9
HS274	730632	7619154	GIRALIA	8-Sep-09	56.8
HS206	737057	7617392	GIRALIA	8-Sep-09	48.1
HS257	738073	7620063	GIRALIA	8-Sep-09	48.0
HS209	737925	7617436	GIRALIA	8-Sep-09	47.9
HS214	737902	7618859	GIRALIA	8-Sep-09	46.9
HS281	737875	7618433	GIRALIA	13-Oct-09	60.5
ARK03708	737825	7618509	ATLAS	7-May-12	61.4
ARK03705	737948	7618543	ATLAS	7-May-12	59.4
ARK03703	738090	7618657	ATLAS	7-May-12	58.8
ARK03704	738083	7618686	ATLAS	7-May-12	58.7
ARK03707	737862	7618530	ATLAS	7-May-12	57.4
ARK03702	738053	7618500	ATLAS	7-May-12	49.7
ARK01954a	722483	7615147	ATLAS	6-Feb-13	66.3
ARK01988a	722458	7615096	ATLAS	6-Feb-13	65.7
ARK01971a	722507	7615179	ATLAS	6-Feb-13	65.6
ARK01981a	722473	7615165	ATLAS	6-Feb-13	64.9
ARK01985a	722441	7615134	ATLAS	6-Feb-13	63.8
ARK01969a	722445	7615068	ATLAS	6-Feb-13	63.7
ARK01990a	722559	7615227	ATLAS	6-Feb-13	63.6
ARK01989a	722458	7615096	ATLAS	6-Feb-13	63.4
ARK01965a	722179	7615026	ATLAS	6-Feb-13	62.3
ARK01970a	722599	7615244	ATLAS	6-Feb-13	61.7
ARK01967a	735891	7621883	ATLAS	6-Feb-13	52.2
ARK01973a	738072	7620063	ATLAS	6-Feb-13	42.3
ARK01984a	738358	7619993	ATLAS	6-Feb-13	41.4
ARK01991a	737692	7619643	ATLAS	6-Feb-13	40.1
ARK02397	737297	7617606	ATLAS	15-May-14	52.9
ARK02396	737245	7617629	ATLAS	15-May-14	50.3
ARK02398	737124	7617642	ATLAS	15-May-14	47.4
ARK02393	737117	7617677	ATLAS	15-May-14	40.2
ARK29423	719637	7613745	ATLAS	11-May-18	61.3
ARK29422	719614	7613753	ATLAS	11-May-18	61.0
ARK29431	719564	7613603	ATLAS	11-May-18	60.5
ARK29424	719686	7613735	ATLAS	11-May-18	60.0
ARK29421	719593	7613759	ATLAS	11-May-18	59.6
ARK29428	719653	7613656	ATLAS	11-May-18	58.5
ARK29430	719585	7613597	ATLAS	11-May-18	56.5
ARK29420	719570	7613758	ATLAS	11-May-18	51.8
ARK29427	719680	7613650	ATLAS	11-May-18	49.6
ARK29417	720665	7614031	ATLAS	11-May-18	45.0
ARK29432	719543	7613610	ATLAS	11-May-18	43.8