



Haoma Mining NL

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CHAIRMAN'S ADDRESS TO SHAREHOLDERS By Gary Morgan, Wednesday December 18, 2019



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

Welcome to all Haoma Mining shareholders.

Today I am going to present information on Haoma's activities covering recent Test Work at Bamboo Creek and Haoma's other activities.

Shareholders should be well aware that **Bamboo Creek Tailings** are fairly **homogeneous** as they have been previously milled and when assayed by conventional aqua regia or fire assay method never read more than **0.3g/t** gold.

1. On **November 28, 2019** test work at Bamboo Creek showed Haoma can recover **29.32g/t** gold from the million tonnes of Bamboo Creek Tailings.
2. On **December 12, 2019** Haoma advised in the **Haoma 2019 Annual Report** an 'interim result' using the existing Bamboo Creek Plant and a 'low cost' method recovered **10.168g of gold bullion (75% gold by XRF)** from the 2.025 dry tonnes of **Bamboo Creek Tailings**. Gold recovered equated to **3.77 g/t** from **Bamboo Creek Tailings**.
3. A Bamboo Creek Tailings **repeat gold assay on the remaining Bamboo Creek Tailings** using the Elazac Assay Method measured **26.57g/t**, which when added to physical gold recovered, **3.77g/t = 29.34g/t** – a similar result to the **29.32g/t gold result reported to shareholders on November 28, 2019**.
4. Haoma expects to recover **29.32g/t** gold from Bamboo Creek Tailings when **construction of new 'special equipment' is completed and operating**.
5. Gold assays using the Elazac Assay Method conducted on **three additional 'fine ore' samples** produced the following 'calculated' gold grades based on **physical gold** recovered.
 - 1) **The Elazac Quarry fines** near Port Hedland (315.1g from 1,000.3g washed out fines from waste dumps): **Gold grade 9.68g/t**,
 - 2) **Mt Webber low grade iron ore** (500.9g from 1,700g washed out fines from low grade iron ore): **Gold grade 9.41g/t**, and
 - 3) **Copper Knob oxidised ore** from Haoma's Ravenswood (Qld) tenement (500g from 3,616.5g, all oxide ore): **Gold grade 21.83g/t**.
6. Over the last 7 days a **Vat Leach Trial** processed a sample of **1.425 tonnes of '+180 microns to -3mm' Kitchener Low Grade Ore** using the **Elazac Leach Process**. (This '+180 microns to -3mm' ore is not the same as Bamboo Creek Tailings). The 'calculated' gold grade of the crushed **Kitchener Low Grade Ore** sized '+180 microns to -3mm' (based on the Elazac Assay Method) measured: **37.39 g/t** gold.
7. In September 2019 numerous quantities of valuable **Rare Earths** including **Terbium or Tb (65), Thulium or Tm (69) and Europium or Eu (63)** were **measured by XRF at the University of Melbourne** in samples of Bamboo Creek Tailings; and a Bamboo Creek Tailings Concentrate (about 6.33% of the Bamboo Creek Tailings).

1) **Rare Earths** measured in **Bamboo Creek Tailings** were as follows:

- **0.73% Terbium or Tb (65); and**
- **0.32% Europium or Eu (63)**

2) **Rare Earth** measured in **Bamboo Creek Tailings Concentrate** was as follows:

- **0.27% Thulium or Tm (69)**

Recent test work has shown grades of Rare Earths in concentrates produced are higher than those reported previously. Full details will be released when available.

8. **Hancock Prospecting** has provided Haoma with **Mt Webber** drill-hole assay data and will provide access to some drill-hole samples.
9. During the Year Ended June 30, 2019, Haoma sold 139,421 tonnes of 'hard rock' to **Brookdale Contractors** from 'waste' stockpiles at **Haoma's Elazac Quarry** located at **Cookes Hill**. These sales provided revenue of **\$697,105**.
10. Haoma's **Top Camp Road House, Ravenswood, Queensland** facility upgrades (implemented during 2017 and 2018) have resulted in a significant **increase in utilisation of Top Camp and an increase in revenue**.

1. Recent Test Work at Bamboo Creek



Figure 2: Bamboo Creek Processing Plant, Pilbara WA

Over the last 4 weeks Haoma has advised the following to shareholders:

- 1) **On November 28, 2019 test work at Bamboo Creek showed Haoma can recover 29.32g/t gold from the million tonnes of Bamboo Creek Tailings.** This result was obtained from initially processing a 3.299kg 'concentrate sub-sample' which was recovered and smelted from 2.025 dry tonnes of **Bamboo Creek Tailings**. (Test work details reported on November 28, 2019 are shown as Appendix A below.)

- 2) On **December 12, 2019** Haoma advised in the **Haoma 2019 Annual Report** an ‘interim result’ using the existing Bamboo Creek Plant and a ‘low cost’ method recovered **10.168g of gold bullion (75% gold by XRF)** from the 2.025 dry tonnes of **Bamboo Creek Tailings**. **Gold recovered equated to 3.77 g/t from Bamboo Creek Tailings.** (See Point B below.)
- 3) A Bamboo Creek Tailings **repeat gold assay on the remaining Bamboo Creek Tailings** using the Elazac Assay Method measured **26.57g/t**, which when added to physical gold recovered, **3.77g/t = 29.34g/t** – a similar result to the **29.32g/t gold result reported to shareholders on November 28, 2019.** (See Point 1) above.)
- 4) Processing of the 2.025 dry tonne bulk sample of Bamboo Creek Tailings continued while Haoma’s consultants designed and began constructing ‘special equipment’ to recover **29.32g/t** gold.(See Figure 3, below.)



Figure 3:Part of Haoma’s ‘special equipment’ designed and being constructed to recover 29.32g/t gold.

- 5) Haoma expects to recover **29.32g/t** gold from Bamboo Creek Tailings when **construction of the new ‘special equipment’ is completed and operating.** (See Point B below, results from a repeat test.)
- 6) As also reported on November 28, 2019 over the “next 4 weeks” the Bamboo Creek Plant will be modified to process **Bamboo Creek Tailings** initially at about 50 tonnes per day before being increased to about 100 tonnes per day. (More details on future ore processing covered in Point C below: **Bamboo Creek Vat Leach Trial**, see **Point C and Figures 4&5** below.)

Results from latest Bamboo Creek Tests:

A) Gold assays using the Elazac Assay Method conducted on ‘fine ore’ samples

During the last 7 days gold assays using the Elazac Assay Method were conducted at the Bamboo Creek Laboratory on **three additional ‘fine ore’ samples** from:

- 1) **The Elazac Quarry fines** near Port Hedland (315.1g from 1,000.3g washed out fines from waste dumps),
- 2) **Mt Webber low grade iron ore** (500.9g from 1,700g ‘washed out’ fines from low grade iron ore), and
- 3) **Copper Knob oxidised ore** from Haoma’s Ravenswood (Qld) tenement (500g from 3,616.5g, all oxide ore).

The samples used were recovered after the larger samples shown above were wet screened at 850 microns. Only the ‘less than 850 microns’ were assayed by the Elazac Assay Method.

The calculation of the gold grades below is based on **physical gold** recovered.

- 1) **The Elazac Quarry fines** near Port Hedland (315.1g from 1,000.3g washed out fines from waste dumps): **Gold grade 9.68g/t**,
- 2) **Mt Webber low grade iron ore** (500.9g from 1,700g washed out fines from low grade iron ore): **Gold grade 9.41g/t**, and
- 3) **Copper Knob oxidised ore** from Haoma’s Ravenswood (Qld) tenement (500g from 3,616.5g, all oxide ore): **Gold grade 21.83g/t**.

B) Bamboo Creek Tailings Test

In addition to the gold measured in the above three ‘ore’ samples a **repeat test** was also conducted on **Bamboo Creek Tailings** after 10.168g of gold bullion (75% gold by XRF) was recovered from the 2.025 dry tonnes of **Bamboo Creek Tailings**. (Gold recovered equated to **3.77g/t** from **Bamboo Creek Tailings**, see Point 2) above.)

The **Bamboo Creek Tailings repeat gold assay** using the Elazac Assay Method measured **26.57g/t**, which when added to the **3.77g/t = 29.34g/t** – a similar result to the **29.32g/t gold result reported to shareholders on November 28, 2019**. (See Point 3) above.)

C) Bamboo Creek Vat Leach Trial

At present the **Bamboo Creek Vat** contains 28,000 tonnes of crushed **Kitchener Low Grade ore sized ‘+180 microns to -3mm’**. In 2010 Haoma spent significant funds ‘carting’ **Kitchener Low Grade Ore** from ‘ore dumps’, crushing the Kitchener Low Grade Ore to -3mm, then ‘washing and wet screening’ the material to produce ore sized ‘+180 microns to -3mm’. (Vat photo Fig. 4 below.)



Figure 4: Bamboo Creek Processing Plant including Bamboo Creek Vat in the foreground containing 28,000 tonnes of crushed Kitchener Low Grade Ore sized '+180 microns to -3mm'



Figure 5: Vat Leach Trial processing 1.425t of '+180 microns to -3mm' ore from Bamboo Creek Vat

The '+180 microns to -3mm' ore fraction was then loaded into the Bamboo Creek Vat. Unfortunately in 2010 several different leach methods, including standard cyanide leaching, recovered little gold.

Over the last 7 days a **Vat Leach Trial** processed a sample of **1.425t** of '+180 microns to -3mm' ore using the **Elazac Leach Process**. (This '+180 microns to -3mm' ore is not the same as Bamboo Creek Tailings).

The 'calculated' gold grade of the crushed **Kitchener Low Grade Ore** sized '+180 microns to -3mm' (based on the Elazac Assay Method) measured: **37.39 g/t** gold.

Appendix A: Haoma Test Work Results Reported November 28, 2019 and December 12, 2019

Test work results reported November 28, 2019

As reported on September 20, 2019 the Bamboo Creek Plant has been reconfigured to recover gold into cyanide solution. (See Appendix A, September 20, 2019 Shareholder Report.)

Haoma has continued using the Bamboo Creek Plant to process bulk samples of:

- *Bamboo Creek Scree (Concentrates), and*
- *Bamboo Creek Tailings.*

*The **Bamboo Creek Scree Concentrates** are produced from processing Bamboo Creek Scree through the Bamboo Creek Plant. The quantity of gold recovered from processing **Bamboo Creek Scree Concentrates** is dependent on the different scree samples processed.*

***Bamboo Creek Tailings** are fairly homogeneous as they have been previously milled and when assayed by conventional aqua regia or fire assay method never read more than 0.3g/t gold.*

*Over the last 3 weeks the Elazac Process was used to process 2.025 dry tonnes of **Bamboo Creek Tailings**. After initial processing, a 3.299kg 'concentrate sub-sample' was recovered and smelted.*

*A total **0.67141g** of bullion was recovered measuring **84.21% gold**. This equates to a 'back calculated' gold grade of **Bamboo Creek Tailings** of **29.32g/t**.*

*This result is significantly higher than aqua regia or fire assays of 0.3g/t gold; and also higher than the 1.47g/t gold grade 'back calculated' to the **Bamboo Creek Scree** bulk sample processed. (See Appendix A, September 20, 2019 Shareholder Report.)*

*Haoma's Consultants believe the gold grade recovered from the latest **Bamboo Creek Tailings** trial could be higher once the final Elazac Leaching Process and Elazac Bullion Recovery Process are optimized.*

*Over the next 4 weeks the Bamboo Creek Plant will be modified to process **Bamboo Creek Tailings** initially at about 50 tonnes per day before being increased to about 100 tonnes per day.*



Appendix B: Bamboo Creek Tailings December 12, 2019

Haoma Mining NL - Bamboo Creek Laboratory
XRF Analysis

Sample ID: 1276571

Sample Weight: 10.168g From 12.12g

Sample Type: BULLETIN FROM PRINTING OF Ag Cu Fe METAL

Auto Select 1			Auto Select 2			Position 3			Position 4		
Note			Note			Note			Note		
Time	<u>PM</u>		Time			Time			Time		
MQ	<u>142.56</u>		MQ			MQ			MQ		
File	<u>2.9</u>		File			File			File		
	<u>1276571</u>										
El	%	ppm	El	%	ppm	El	%	ppm	El	%	ppm
Au	<u>75.00</u>	<u>750014</u>		<u>= 3.77</u>	<u>314</u>	<u>BCT</u>			Au		
Ag	<u>17.96</u>					Pb			Pb		
Cu	<u>6.12</u>					Fe			Fe		
Yb	<u>0.36</u>					S			S		
Fe	<u>0.27</u>					Ni			Ni		
Ni	<u>0.28</u>					Co			Co		

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Figure 8: Bamboo Creek Tailings Dam with Bamboo Creek Processing Plant in background

2. Rare Earths Test Work

Haoma Mining in conjunction with consultants at the University of Melbourne School of Engineering, is continuing to assess the presence and extent of Rare Earths on its Pilbara tenements located at Bamboo Creek, Mt Webber and surrounding areas with a view to assessing the viability of extracting Rare Earths for commercial sale.

In September 2019 numerous quantities of valuable Rare Earths including **Terbium or Tb (65)**, **Thulium or Tm (69)** and **Europium or Eu (63)** were measured by XRF at the University of Melbourne in samples of Bamboo Creek Tailings; and a Bamboo Creek Tailings Concentrate (about 6.33% of the Bamboo Creek Tailings).

3) Rare Earths measured in **Bamboo Creek Tailings** were as follows:

- **0.73% Terbium or Tb (65); and**
- **0.32% Europium or Eu (63)**

4) Rare Earth measured in **Bamboo Creek Tailings Concentrate** was as follows:

- **0.27% Thulium or Tm (69)**

This test work was a follow up to test work conducted in April 2019 and reported to shareholders on May 8 when XRF analysis at the University of Melbourne of subsamples of concentrates and treated concentrates from the processing of **Nuggetty Gully Scree** identified a number of Rare Earth and other elements. The grades identified were not based on the sample grade and are not reflected to 'Head Grade' although the concentrates represent more than 0.5% of the ore. Some of the elements are reported with a higher level of certainty than others.

Recent test work has shown grades of Rare Earths in concentrates produced are higher than those reported previously. Full details will be released when available.

3. Hancock Prospecting has provided Haoma with Mt Webber drill-hole assay data and will provide access to some drill-hole samples

In August 2019 Atlas Iron advised that a 'life of mine' extension to of the Mt Webber mining services contract with BGC Contracting had been finalised. This means that BGC Contracting will continue to provide mining services at Mt Webber until at least 2022

As advised on December 12, 2019 Haoma is pleased that Hancock Prospecting has recently provided Haoma with drill-hole assay data from Mt Webber (M45/1197) and has arranged for drill-hole sample pulps to be split which will be made available to Haoma when requested.

Haoma will use the samples to measure the quantity of metals (including gold, PGM and Rare Earths) in samples in addition to the iron content. Under Haoma's Agreement with Atlas Iron Ltd (Hancock Prospecting subsidiary and holder of Mt Webber Mining Lease M45/1197), all iron from M45/1197 is the property of Hancock Prospecting.

4. Sales of Dolerite & other rock from Elazac Quarry, Cookes Hill (M45/1186)

From 2007 to 2017 Haoma's Elazac Quarry located approximately 50km south of Port Hedland was operated by BGC Contracting to supply dolerite for infrastructure construction projects in the Pilbara. In February 2015 BGC Contracting placed the Quarry on 'care and maintenance' and subsequently did not renew the contract to operate the Elazac Quarry when it expired in 2017.

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

During the Year Ended June 30, 2019, Haoma sold 139,421 tonnes of 'hard rock' to **Brookdale Contractors** from 'waste' stockpiles at its Elazac Quarry located at Cookes Hill. **These sales provided revenue of \$697,105.**

In the 5 months to November 30, 2019 Haoma sold 53,015 tonnes of 'hard rock' from the Elazac Quarry to Brookdale Contractors which resulted in revenue of \$265,075.

Brookdale is a significant supplier of 'hard rock' to infrastructure projects in the Pilbara and sources 'hard rock' and other materials from Haoma.

5. Haoma's Tenements at Ravenswood, Queensland

In 2019 a number of Haoma's Ravenswood tenement holdings were renewed for terms varying between three to five years. Tenement ML10275 is pending approval which is expected to be granted in Quarter 1 of 2020.

A summary of the current status of Haoma's Queensland tenements is shown in Table 3 below.

Table 3: Ravenswood Tenement Status

<i>TENEMENT</i>	<i>PROJECT</i>	<i>STATUS</i>	<i>EXPIRY</i>
EPM 8771	Barrabas	Renewal Granted	04.05.2022
EPM 14038	Robe Range	Renewal Granted	09.06.2022
EPM 17832	Robe Range East	Renewal Granted	30.05.2021
ML 1325	Budgerie	Renewal Granted	31.08.2021
ML 1326	Old Man	Renewal Granted	31.12.2021
ML 1330	Copper Knob	Renewal Granted	30.04.2022
ML 1415	Wellington Springs	Renewal Granted	31.07.2024
ML 1483	Wellington Springs #2	Renewal Granted	31.07.2024
ML 1529	Waterloo	Renewal Granted	31.10.2021
ML 10275	Elphinstone One	Renewal Pending	31.07.2018
ML 10315	Podosky's	Renewal Granted	31.07.2023

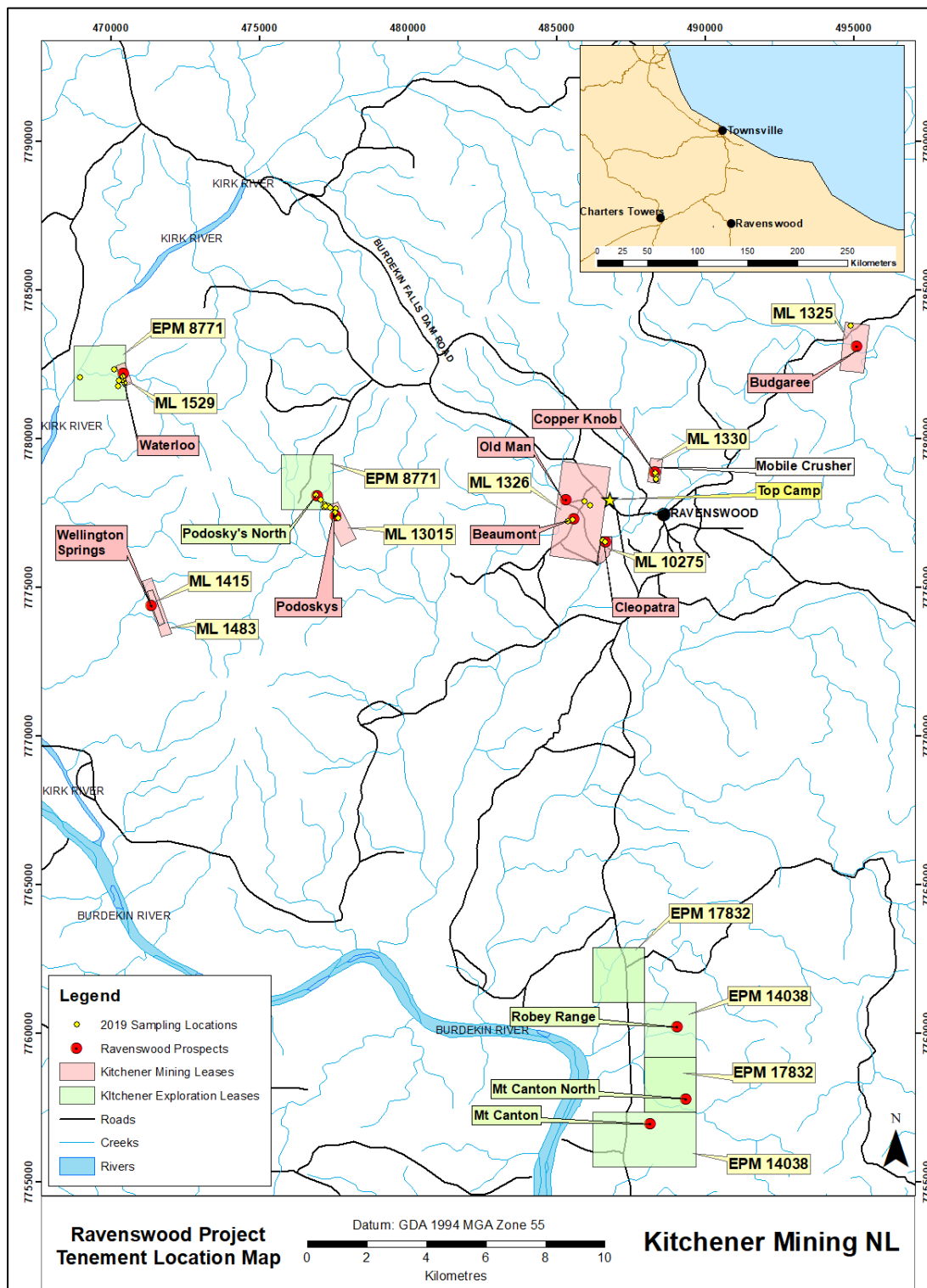


Figure 9: Locations of samples from Ravenswood tenements

6. Trading at Haoma's Top Camp Road House, Ravenswood, Queensland

The facility upgrades implemented during 2017 and 2018 at the 'Top Camp' accommodation and Road House located at Ravenswood, Queensland have resulted in a significant increase in utilisation of Top Camp and an increase in revenue. Top Camp is now a preferred accommodation facility with many businesses conducting contracting work in the Ravenswood area and the new 'camp kitchen' built in 2018 has been a popular addition with the travelling 'Grey

Nomad' community and other visitors to the area. The Directors thank Sue Kennedy and her support team at Top Camp for the revitalisation of Top Camp and its accommodation which is now a valuable Haoma asset.



Figures 10(a) & 10(b): Entrance to Top Camp Road House, Ravenswood and Café area



Figure 11(a): Refurbished accommodation cabins at Top Camp

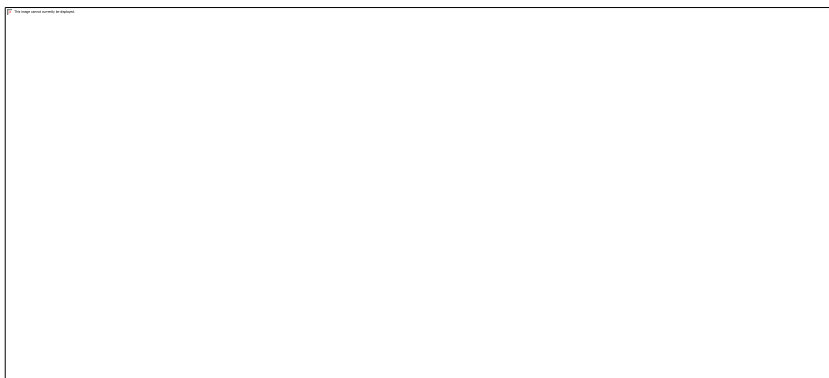


Figure 11(b): Refurbished accommodation cabins at Top Camp

6. Acknowledgements:

The Directors wish to acknowledge and express their appreciation to all those who during the last year have contributed to the company's activities in the Pilbara and Ravenswood districts.

In particular, the Board's thanks go to Mr. Peter Cole, Prof. Peter Scales, Mr. Hugh Morgan and other consultants who have contributed to help **Haoma solve the gold, silver and Platinum Group Metals (PGM) assay problem associated with Pilbara ores; and the extraction of gold, silver, PGM and other metals from Pilbara ores.**

The Board also acknowledges the significant efforts of those personnel working at the remote Pilbara and Ravenswood operations. These people include Tristin Cole, Steven Wilson and geologist Darren Brookes at Bamboo Creek, Gerard Poot at the Comet Gold Mine and Tourist Centre, Geoffrey Myers at the Normay Gold Mine, and Sue Kennedy and Tiana Sanders at Top Camp, Ravenswood.



Gary C. Morgan
Chairman

December 18, 2019