

# Haoma Mining NL

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## Haoma Mining Shareholder Update

To all shareholders,

### 1. Processing of 1,094 tonnes of Just-In-Time ore completed

Haoma's Directors are pleased to advise that processing of 1,094 tonnes of ore trucked from the **Just-In-Time Mine** south of Marble Bar and near the historical Comet Gold Mine has been completed. To date **1,315.68g (1.2g/t) of gold from just nuggets and fine gold** has been produced. The nuggets were collected from the **Plant 'jig'** and **Knelson concentrator**. (See photos 1 and 2 which show physical gold in Figures 1-4 below.)

**To date only limited quantities** of 'very fine' gold have been recovered from Concentrates produced from the Knelson concentrator, Spiral concentrator or Falcon concentrator. (See photos 3 and 4 below)

After these Concentrates have been 'cleaned' the gold recovery from the **Just-In-Time** ore is expected to be in excess of 3g/t.



**Figures 1-4: Just-in-Time gravity gold recovered from the Knelson concentrator**

## **2. Additional Ores Processed through the Bamboo Creek Plant**

After making initial modifications to the Bamboo Creek Plant ore can now be processed at a rate of 150–200 tonnes per day.

### **2.1 Bamboo Creek stockpiled ‘Kitchener’ low grade ore**

In late August approximately 400 tonnes of Bamboo Creek stockpiled ‘Kitchener’ low grade ore was processed through the Bamboo Creek Plant. Gravity separation resulted in Concentrates being recovered by the Knelson concentrator, Spiral concentrator and Falcon concentrator. Gold will be recovered from the Concentrates over the next 3 weeks.

### **2.2 Bamboo Creek ‘Alluvial ore’**

In late August approximately 1,000 tonnes of **Bamboo Creek ‘Alluvial ore’** was processed through the Bamboo Creek Plant. Gravity separation resulted in Concentrates being recovered by the Knelson concentrator, Spiral concentrator and Falcon concentrator. Gold will be recovered from the Concentrates over the next 5 weeks.

### **2.3 Bamboo Creek stockpiled ‘Bamboo Queen Pit’ low grade ore**

In early September approximately 500 tonnes of a 2,000 tonne ‘**Bamboo Queen Pit’ stockpiled low grade ore** was processed through the Bamboo Creek Plant. Gravity separation resulted in Concentrates being recovered by the Knelson concentrator, Spiral concentrator and Falcon concentrator. The remaining 1,500 tonne of stockpiled is being processed and gold will be recovered from the Concentrates over the next 3 weeks.

### **2.4 Processing additional tonnes of ores stockpiled at Bamboo Creek**

Over the next 2 months numerous additional Bamboo Creek ores stockpiles will be processed through the Bamboo Creek Plant.

## **3. Cookes Hill Elazac Quarry Hard Rock Sales (M45/1186)**

Since April 2020 Haoma’s revenue from sales of hard rock by Brookdale Contracting, the operator of the Elazac Quarry, is down 21% compared with the same time period in 2019. (See Table 1 below)

**Table 1: Elazac Quarry revenue from rock sales - comparison 2019 vs 2020**

	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>
Rock sales	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
2019	75,350	310,130	60,752	50,200	74,487
2020	30,804	99,666	172,935	67,528	80,635

#### 4. Cookes Hill and Elazac Quarry - Recent Activities (M45/1186, E45/4116 and E45/5213)

Haoma holds Mining Lease M45/1186 (containing the Elazac Quarry) and exploration tenements E45/4116 and E45/5213 (under application) within the Cookes Hill project area located approximately 50 kilometres south of Port Hedland. (Figure 5)

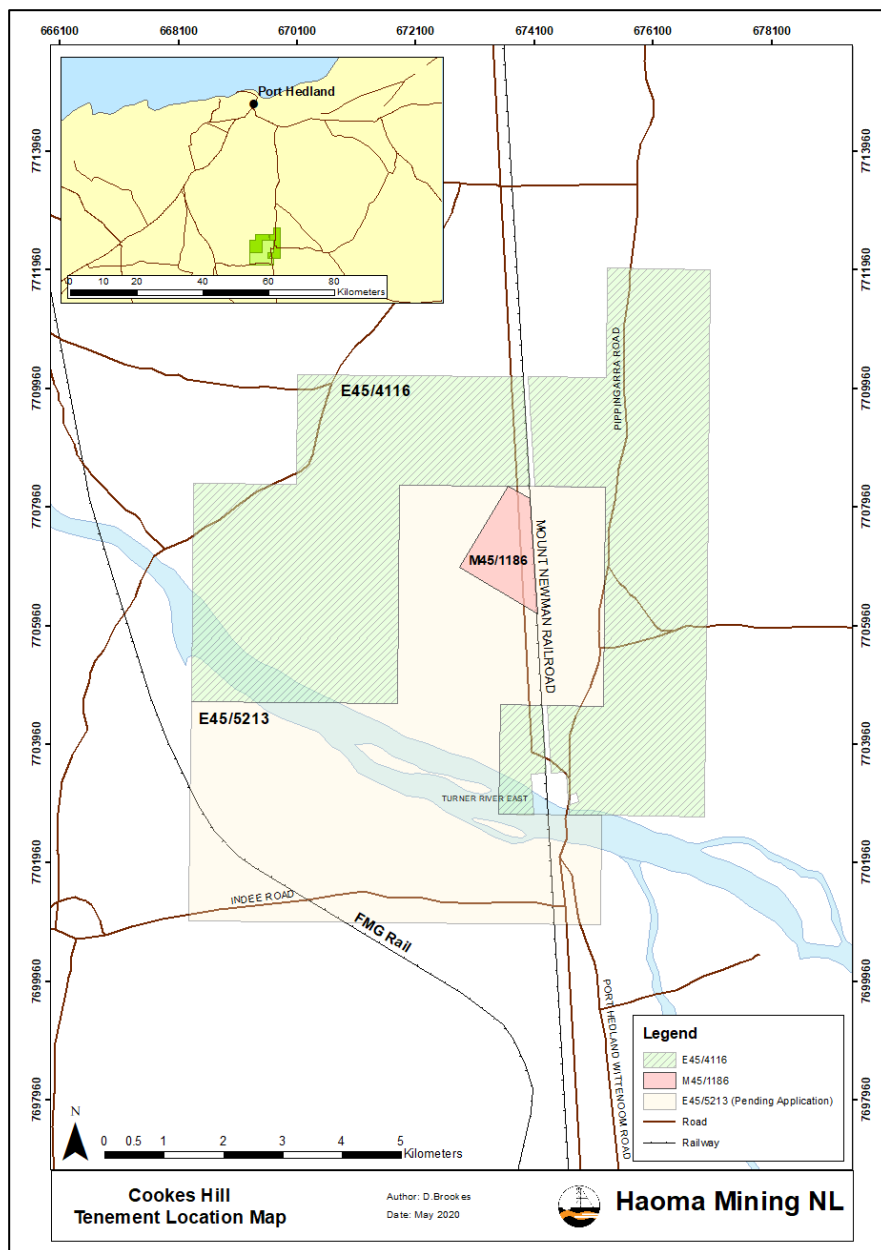
Haoma's June 2, 2020 Shareholder Update provided information on activities at the Elazac Quarry (M45/1186) and in the surrounding exploration tenements (E45/4116 and E45/5213).

Haoma Mining has a dual exploration focus within its Cookes Hill tenements:

- 1) gold/silver/platinum group mineralisation, and
- 2) dolerite.

Prospective areas targeting both resources have been identified.

Results from analysis of recent **dolerite samples** have been received and included with data released on June 2, 2020 to provide an updated report. (See Section 4.3 below)



**Figure 5: Haoma Mining Wallaringa-Cookes Hill tenements**

## 4.1 Elzac Quarry ‘Crusher fines’ processed in the Bamboo Creek Laboratory

For more than 10 years dolerite from Haoma’s Elzac Quarry at Cookes Hill has been mined and sold to numerous owners of railway lines, airstrips and other mining infrastructure in the region plus the WA Main Roads Board. Haoma has earned a royalty (Table 1).

In early September 2020 a 1,629.76g sample of ‘-3mm’ Elzac Quarry ‘Crusher Fines’ from crushed dolerite was processed at the Bamboo Creek Laboratory.

A 484.4g ‘-1mm’ sub-sample was separated from the ‘-3mm’ Elzac Quarry ‘Crusher Fines’. When assayed by Haoma’s Elzac Process the physical silver recovered equated to **306g/t silver in the 484.4g ‘-1mm’ fraction**. A Concentrate containing ‘very fine’ gold was also recovered and will be ‘refined’ at The University of Melbourne.

## 4.2 Cookes Hill Gold deposit within M45/4116

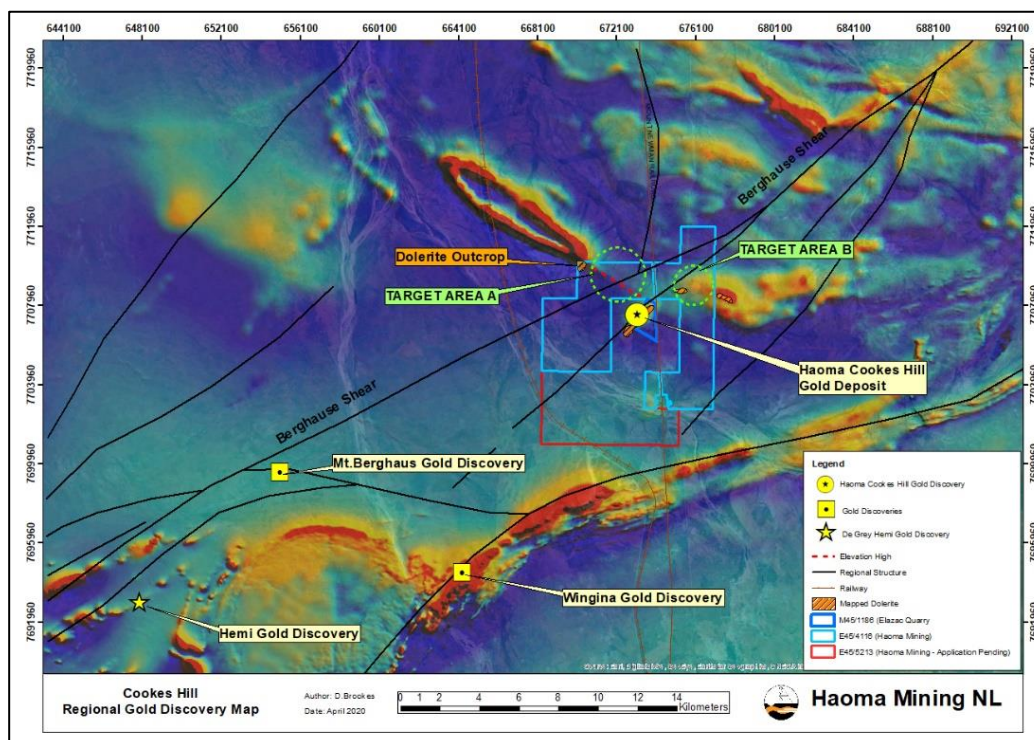
In 1999 and 2001 Haoma completed an extensive drilling program in the primary prospective zone, referred to as the ‘Cokes Hill Prospect’. Based on the shallow drilling program low grade gold mineralisation was estimated to contain 1.3g/t gold resulting in approximately 50,000 to 60,000 ounces of gold (assays by traditional methods).

Over the next 4 weeks samples from the 1999 and 2001 shallow drilling program will be re-assayed in the Bamboo Creek Laboratory using Haoma’s Elzac Process.

Several other locations in E45/4116 are prospective for gold (Au), silver (Ag) and Platinum Group Metals (PGM) mineralization

Over the last few months De Grey Mining has announced a large gold discovery at ‘Hemi’ and more recently at nearby ‘Falcon’ (about 30km to the south west of Haoma’s Cookes Hill tenements). The ‘Hemi’ discovery has resulted in considerable renewed interest in gold exploration within the area. DeGrey has today advised that they have successfully placed shares and raised \$100m capital; and funds to be used for ongoing exploration work at the ‘Hemi’ discovery, regional exploration, enhanced infrastructure and de-risking studies.

The ‘Hemi’ discovery is within localised Shears similar to those in Haoma’s Cookes Hill tenements. Regional mapping shows the large ‘Berghaus Shear Zone’ extends from the ‘Hemi’ discovery in the south-west towards and through Haoma’s E45/4116 tenement to the north-east (Figure 6 below).



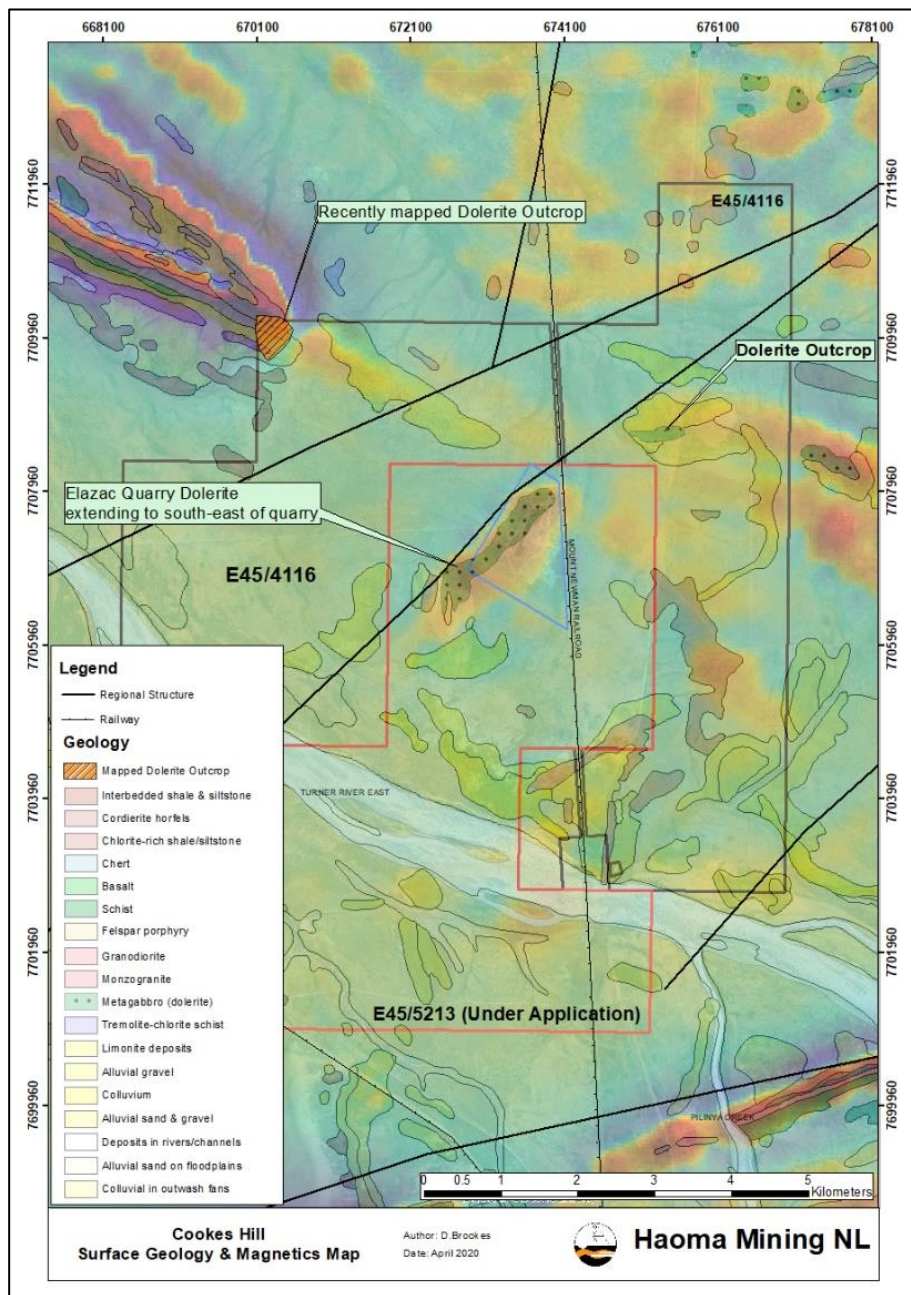
**Figure 6: Regional gold discoveries in relation to Haoma’s Cookes Hill deposit**

A recent interpretation of Haoma's Cookes Hill tenements shows a **Shear Zone** constrains both the **Cookes Hill dolerite deposit** and **Cookes Hill gold discovery**; and then intersects a continuation of the **Berghaus Shear north of E45/4116**. This interpretation has provided Haoma with additional target areas for potential gold mineralisation within Haoma's Cookes Hill exploration area. A targeted sampling program in this area is planned to be conducted throughout 2020 to identify targets for follow-up drilling.

### 4.3 Cookes Hill Dolerite Exploration (Reported to Haoma shareholders June 2, 2020)

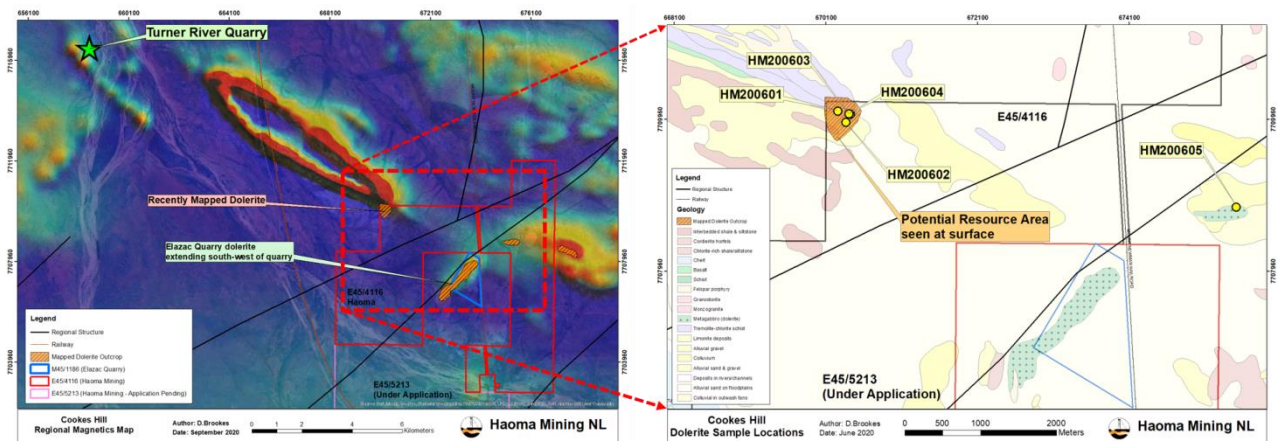
The Elazac Quarry located within M45/1186 is operated under licence by Brookdale Contractors which supplies material including **dolerite** which is used as **construction material** by various civil contractors and mining companies in the Pilbara region.

The dolerite currently produced from the Elazac Quarry extends south-west into E45/5213. Additional dolerite outcrops have been mapped to the east within E45/4116 and recently to the north-west within the western boundary of E45/4116. (Figure 7)



**Figure 7: Wallaringa-Cookes Hill Mapped Dolerite**

Recent **surface samples** from **dolerite outcrops in the north-west corner and eastern side of E45/4116** were sent for **petrophysical analysis**. Results confirm the **Cookes Hill dolerite** is suitable for use as construction material. Sample locations are shown in Figure 8 below.



**Figure 8: Dolerite outcrop sample locations**

The **petrophysical results** confirmed **all 5 samples (from both outcrops)** were classified as **durable and suitable** to be used for:

- **concrete aggregate,**
- **road base, asphalt/sealing aggregate and rail ballast, and**
- **rip rap and marine armour rock.**

The results indicate it is likely additional dolerite exists within E45/4116 between the **Elazac Quarry** and the **recently mapped outcrops**.

Regionally the outcrop to the north-west lies on trend between the **Elazac Quarry** and to the north-east of the **Turner River Quarry** with a subtle high elevation intersecting the regional **Mt. Berghaus Shear**. (See Figure 8 above)

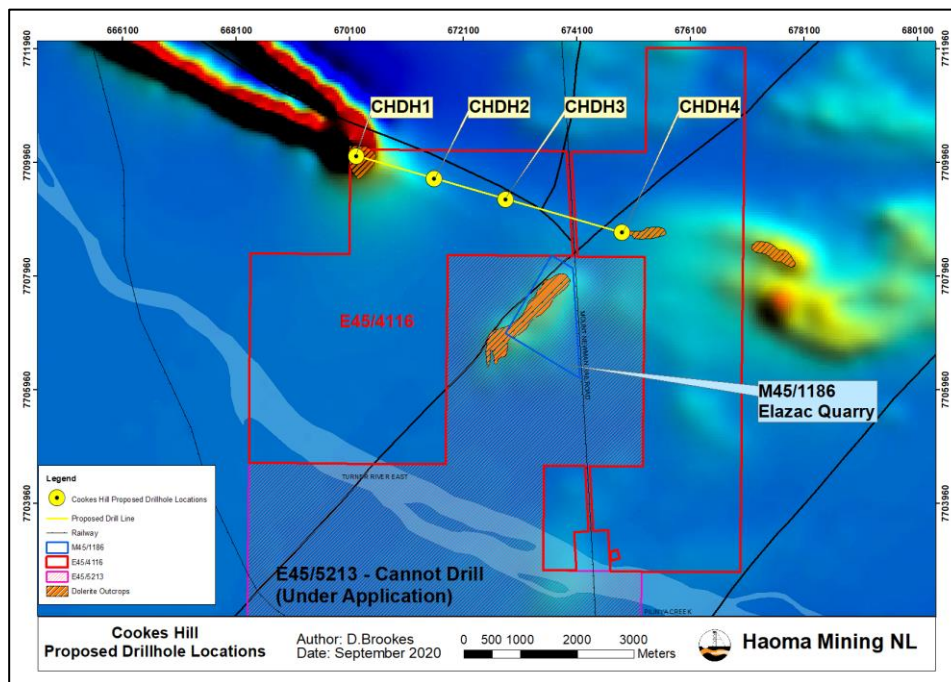
Although no larger outcrops have been mapped at the surface a potential target zone (Figure 6 - Target Zone A) exists within this elevation high.

A second dolerite outcrop located to the east of the tenement (Figure 6 - Target Zone B) sits on a subtle magnetic high structurally bound by the same **Shear** that constrains the **Cookes Hill gold discovery** and **Cookes Hill dolerite deposits** to the south west.

#### **4.4 Air core drilling program in E45/4116 - 4 holes planned for Q4 2020**

An air core drilling program comprising 4 holes is currently in planning. The program to be undertaken in Quarter 4, 2020 is located in the north of E45/4116. The aim of the program is to identify potential extension of dolerite at depth from the known outcrop which was sampled during 2020 towards the Elazac Quarry on a drill-line running in a north-west to easterly direction. (Figure 10)

- It is anticipated hole depths will range from 25m-30m. Final depths will depend on the water table depth and thickness of alluvial cover.
- If this drilling campaign intersects harder rock then a further campaign of deeper RC drilling and/or costeaning would be required.



**Figure 9: Proposed E45/4116 Drill hole locations to be completed in Q4, 2020**

## **5. Impact on Haoma Mining of Calidus Resources updated Warrawoona Project Pre-feasibility Study**

In November 2017 Haoma sold seven mining tenements in the Warrawoona district near Marble Bar to Calidus Resources Limited.

Under the sale agreement Haoma retained a full free and exclusive license to treat any Alluvial or Scree Resources and the Tailings and Waste dumps arising from Calidus mining their Klondyke Project Tenements. The Calidus Klondyke Project Tenements include the Tenements subject to the sale and all ‘other tenements’ of which Calidus is the registered holder that are located within 25 kilometres of any of the Tenements.

In June 2020 Calidus Resources Managing Director Dave Reeves advised their shareholders that Calidus has projected an 8 year mine life for the proposed Warrawoona mining program with production scheduled to commence in the first Quarter of 2022. Calidus anticipates production of 16 million tonnes over the 8 years.

Yours sincerely

**Gary C. Morgan**  
Chairman