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Australian Stock Exchange  
Level 4, North Tower, Rialto  
525 Collins Street,  
**MELBOURNE, VIC 3000**

July 13, 2017

Dear Sir,

**Significant Gold and Platinum grades measured in dore recovered from:  
Bamboo Creek Tailings, and  
'Slimes fraction' of Mt Webber Low Grade Iron Ore**

**1. Additional results from Test Work Trials on Bamboo Creek Tailings<sup>1</sup>**

Test work has continued at Bamboo Creek since the Haoma Mining March Quarterly Report was released to the ASX April 30, 2017.

Bulk Bamboo Creek Tailing samples (up to 2 tonnes) were processed using the Elazac Process.

The tests have concentrated on optimising different **combinations of ore concentrations, acids, heat and smelting fluxes**. Smelting of concentrates recovered **polymetallic dore** containing significant quantities of precious metals when measured by XRF.

**In the Haoma March 2017 Quarterly Report shareholders were advised physical gold produced calculated back to a Bamboo Creek Tailings sample 'head grade' of 462 g/t gold.** Note: This is **not** the 'gold grade' of the Concentrate produced during the test but the 'gold grade' of the sample of Bamboo Creek Tailings. Test work is focusing on the Bamboo Creek Tailings as there are significant quantities of tailings to be processed if the process can be implemented. (See Appendix 1 for previously reported test details.)

**Figure 1: Bamboo Creek Tailings – gold bullion from concentrate fraction, Sample 118159B**



The Elazac Process assay method used to achieve the above result has now been **repeated 4 times** (each sample 300g of concentrate).

<sup>1</sup> The 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 is not prepared in compliance with the JORC Code and is not intended to be used in the calculation of any estimate of a mineralised resource or reserve calculation. 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 15 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 and Extraction Methods. Mr. Cole has consented to the inclusion in this report of the information and data in the form and context in which it appears.

The tests produced **polymetallic dore** which contained significant gold (Au) and platinum (Pt) grades when measured by XRF.

Below are the gold and platinum grades measured after being **calculated back to a Bamboo Creek Tailings ‘head grade’**. (Platinum has now also been measured by XRF in the **polymetallic dore** recovered from the first test.)

**Table 1:**

| <b>Test Number</b> | <b>Gold grade</b> | <b>Platinum grade</b> |
|--------------------|-------------------|-----------------------|
| 1                  | 462 g/t           | 61 g/t                |
| 2                  | 209 g/t           | 62 g/t                |
| 3                  | 664 g/t           | 7 g/t                 |
| 4                  | 46 g/t            | 44 g/t                |
| 5                  | 214 g/t           | -                     |
| <b>Average</b>     | <b>319 g/t</b>    | <b>35 g/t</b>         |

In addition to the above five tests, two additional tests were conducted on a 4 kg sample of Bamboo Creek Tailings using a **‘modified’ Elazac Process**.

Two 300g sub-samples produced **polymetallic dore** with the grades of gold and platinum (Pt) measured by XRF.

Below are the gold and platinum grades measured after being **calculated back to a Bamboo Creek Tailings ‘head grade’**. As can be seen in Table 2 the ‘modified’ Elazac Process recovered more Platinum than the Elazac Process shown in Table 1.

**Table 2:**

| <b>Test Number</b> | <b>Gold grade</b> | <b>Platinum grade</b> |
|--------------------|-------------------|-----------------------|
| 6                  | 163 g/t           | 61 g/t                |
| 7                  | 131 g/t           | 201 g/t               |
| <b>Average</b>     | <b>147 g/t</b>    | <b>131 g/t</b>        |

## 2. Current Test Work Trials on Bamboo Creek Tailings

A two tonne bulk sample of Bamboo Creek Tailings has now being processed using the Elazac Process.

Sub-samples of 20kg (a commercial quantity) are now being processed using different **combinations of ore concentrations, acids, heat and smelting fluxes**. Shareholders will be advised of the results when the tests have been completed.

## 3. Results from Test Work Trials on Mt Webber Iron Ore ‘Slimes fraction’

During the last 2 weeks a 12 kg sample of low grade Mt Webber iron ore (54.85% Fe)<sup>2</sup> was beneficiated using a ‘water wash’ process. (See Appendix 2 for previous Haoma results when a ‘water wash’ process was used to beneficiate low grade Mt Webber iron ore (54.85% Fe).)

In addition to the upgraded ‘iron ore fraction’, a 2.4kg ‘slimes fraction’ was recovered representing 19.85% of the Mt Webber low grade iron ore.

Four 300g sub-samples were taken from the 2.4 kg ‘slimes fraction’ and assayed by the Elazac Process used to assay Bamboo Creek Tailing Samples 1-5 above.

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<sup>2</sup> The sample was provided to Haoma Mining by Atlas Iron from Atlas’ M45/1209 lease where Atlas is now mining at Mt Webber. M45/1209 is adjacent to M45/1197 where Haoma has a **royalty entitlement** and a **right to access and explore**. (See Appendix 3).

The tests produced **polymetallic dore** with the percentage of gold and platinum in the **polymetallic dore** measured by XRF.

The average gold grade over the 4 samples was **117g/t** and the average platinum grade was **151 g/t**.

**Table 3:**

|                             | Gold grade     | Platinum grade |
|-----------------------------|----------------|----------------|
| <b>Average of 4 samples</b> | <b>117 g/t</b> | <b>151 g/t</b> |

Haoma's latest result confirms and up-grades the results presented at [Haoma's Annual General Meeting, February 14, 2017](#).

Yours sincerely,



**Gary C Morgan,**  
CHAIRMAN

## APPENDIX 1:

### Gold bullion recovered physically (gravimetrically):

In the [Haoma March 2017 Quarterly Report](#) shareholders were advised physical gold produced calculated back to a Bamboo Creek Tailings 'head grade' of **462 g/t gold**. (Note: This is **not** the gold grade of the Concentrate produced during the test but the gold grade of the sample of Bamboo Creek Tailings.)

The physical gold was recovered from a 1.595kg sub-sample from 200kg of Bamboo Creek Tailings.

**Figure 1:** Bamboo Creek Tailings – gold bullion from concentrate fraction, Sample 118159B



Gold bullion recovered physically (gravimetrically) measured 95% gold by XRF.

## APPENDIX 2:

### Beneficiation of Low Grade Mt Webber Iron Ore (<55% Fe)

In the Haoma Mining June 2016 Quarterly Report released to the ASX July 31, 2016 <http://haoma.com.au/wp-content/uploads/2016/08/HaomaQtrlyQ4Jun2016.pdf> Haoma shareholders were advised that initially a 945.46g sample of low grade (<55% Fe) Mt Webber iron ore was 'wet' beneficiated to produce two fractions:

- (i) An 'Upgraded iron ore fraction' (78.5% of sample). The iron grade of the 'Upgraded ore fraction' was about **58% Fe**, and
- (ii) A lower iron ore grade 'Slimes fraction' (21.5% of sample).

The results reported in Haoma's June 2016 Quarterly Report showed low grade iron ore (<55% Fe) from Mt Webber and the surrounding tenements held by Atlas and Haoma could, at a relatively low cost, be upgraded to higher 'percentage' iron ore with the extraction of the 'Slimes fraction'. In June 2016 about 9g/t of commercially accessible gold was recovered.

Today's result shows significantly higher precious metal grades were measured than previously in **polymetallic dore** produced from the 'Slimes fraction' of low grade Mt Webber iron ore: **Gold 117g/t and Platinum 151g/t**.

**'Wet' beneficiation of low grade (<55% Fe) iron ore could potentially increase the value of both the iron ore exported from Mt Webber and the value of all mineralised deposits in the Mt Webber Province; and at the same time enable the production of a significant quantity of gold and platinum from the iron ore 'Slimes fraction'.**

### **APPENDIX 3:**

#### **Haoma's Mt Webber (M45/1197) Royalty Payment Entitlement**

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.

The payment entitlement is triggered whenever reserve development work on the tenements which were subject to the Sale Agreement (E45/2186 and M45/1197) 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 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.