



# MARKET RELEASE

5 February 2018

## Haoma Mining NL

### REASONS FOR REMOVAL FROM THE ASX OFFICIAL LIST

Earlier today ASX Limited (“ASX”) announced that Haoma Mining NL (“HAO”) had been removed from the ASX official list, effective from 5.00pm AEDT on Friday 2 February 2018, in accordance with Listing Rule 17.12. ASX said in the announcement that it would publish its reasons for doing so.

Set out below are those reasons.

1. On the following dates, HAO provided to ASX for release to the market:
  - 16 October 2017 – an announcement entitled “*Haoma Mining recovers ‘flat – watermelon seed-like’ nuggets from conglomerates at the Comet Mine near Marble Bar*”;
  - 18 October 2017 – an announcement also entitled “*Haoma Mining recovers ‘flat – watermelon seed-like’ nuggets from conglomerates at the Comet Mine near Marble Bar*”;
  - 1 November 2017 – its September 2017 quarterly activities report;
  - 3 November 2017 – its annual report for the year ended 30 June 2017; and
  - 13 November 2017 – an announcement entitled “*Release - One tonne bulk sample of Comet Mine ‘C2’ conglomerate produces 2.2g of gold*”,

(together, the “non-compliant announcements”). Each document included information about the discovery of gold nuggets near Marble Bar, Western Australia.

2. ASX withheld the 16 October 2017 announcement from release to the market for non-compliance with the Listing Rules (see paragraph 3 below) and insisted that HAO request a trading halt so as to prevent uninformed trading in its shares. ASX sent an email to HAO’s company secretary later on 16 October 2017 explaining the reasons for not releasing the announcement and highlighting the areas that needed to be addressed to comply with the Listing Rules. HAO effectively lodged the 18 October 2017 announcement to replace the 16 October 2017 announcement but with minor amendments that purported to address ASX’s concerns. The amendments did not address those concerns and so ASX also withheld the 18 October 2017 announcement from release to the market. With the 16 October 2017 trading halt having expired at the close of trading on 17 October 2017, ASX placed HAO’s shares into suspension before market open on 18 October 2017, again to prevent uninformed trading in its shares. HAO’s shares remained in suspension until its removal from the ASX official list last Friday.

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3. On each occasion HAO attempted to lodge a non-compliant announcement with ASX for release to the market, ASX advised HAO to the effect that:

- Information HAO was seeking to release in the non-compliant announcement constituted “explorations results”, as defined in the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (“JORC Code”) and the Listing Rules.
- Listing Rule 5.6 requires a public report by an entity that includes a statement of exploration results to be prepared in accordance with the JORC Code. If the announcement relates to a material mining project, it must also include the information required under Listing Rule 5.7.
- Among other things, these rules require the production of a JORC Code ‘Table 1’ addressing each of the criteria in sections 1 and 2 of that Table on an ‘if not why not’ basis and various other information about the discovery (including sampling techniques, logging, location of data points, discussion of geological context and planned further work). The Table 1 must be based on and fairly reflect the work of a named ‘competent person’, defined in clause 11 of the JORC Code to mean:

*“a minerals industry professional who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists, or of a ‘Recognised Professional Organisation’ (RPO), as included in a list available on the JORC and ASX websites...”*

*A Competent Person must have a minimum of five years relevant experience in the style of mineralisation or type of deposit under consideration and in the activity which that person is undertaking.*

*If the Competent Person is preparing documentation on Exploration Results, the relevant experience must be in exploration...”*

The competent person must also provide a written consent to the inclusion of their work in the announcement as to the form and context in which it appears.

- The non-compliant announcements breached these requirements and, accordingly, were not in a form suitable for release to the market. ASX therefore informed HAO that it had declined to release them to the market.

4. Despite the advice mentioned in paragraph 3 above, HAO released the non-compliant announcements on its website. In doing so, HAO breached Listing Rule 15.7, which provides:

*“An entity must not release information that is for release to the market to any person until it has given the information to ASX and has received an acknowledgement that ASX has released the information to the market.”*

5. ASX sent a detailed query letter to HAO on 26 October 2017 about the attempted 16 and 18 October announcements, asking questions to address the areas of potential non-compliance with the Listing Rules. ASX asked for a response by no later than 9.30am on 3 November 2017. In ASX’s view that was ample time for HAO to respond. Despite this, HAO refused to provide answers to a number of questions asked by ASX in the query letter. This constituted a breach by HAO of Listing Rule 18.7, which provides:

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*“An entity must give ASX any information, document or explanation that ASX asks for to enable it to be satisfied that the entity is, and has been, complying with the listing rules. The entity must do so within the time specified by ASX.”*

6. In its query letter dated 26 October 2017, ASX gave directions to HAO to remove the 16 and 18 October announcements from its website and to lodge compliant announcements with ASX for release to the market. HAO initially complied with the direction to remove the announcements from its website but then reinstated them to its website. This constituted a breach by HAO of Listing Rule 18.8, which provides:

*“An entity must comply with any requirement ASX imposes on it in order to ensure compliance with the listing rules.”*

7. After considerable correspondence with HAO and with HAO still being in breach of all of the Listing Rules mentioned above, ASX informed HAO by letter dated 20 November 2017 that ASX could not allow a situation where a listed company repeatedly breached the Listing Rules in this way and that:

*“Listing Rule 17.12 provides that ASX may at any time remove an entity from the official list if, in ASX’s opinion, the entity is unable or unwilling to comply with, or breaks, a Listing Rule.*

*ASX gives HAO notice that if HAO has not taken the action described above to correct all of the breaches of the Listing Rules identified in this letter by the close of business on Wednesday 31 January 2018, ASX will remove HAO from the official list under Listing Rule 17.12.*

*ASX considers that the 31 January 2018 deadline should give HAO more than ample time to complete the necessary corrective action. However, if HAO believes that it may need more time to complete the corrective action, please let ASX know and, provided ASX is satisfied that HAO genuinely intends to correct its breaches, ASX will consider extending this deadline.”*

The letter included a clear statement of the steps that HAO then needed to take to bring itself into compliance with the Listing Rules and the JORC Code, in terms of replacing or retracting the non-compliant announcements.

8. On 30 November 2017, HAO lodged with ASX for review a draft announcement entitled *“Haoma Mining recovers ‘flat – watermelon seed-like’ nuggets from conglomerates at the Just in Time Prospect near Marble Bar”* (the “30 November 2017 announcement”) and the address to be made by HAO’s chairman to the HAO 2017 annual general meeting later that morning (the “2017 Chairman’s address”). The 30 November 2017 announcement purported to include a JORC Table 1 and a competent person sign-off by a geologist employed by HAO and a person qualified to be a ‘competent person’ under the JORC Code. ASX advised HAO that the Table 1 in the 30 November 2017 announcement was incomplete and did not comply with aspects of the JORC Code and therefore the 30 November 2017 announcement could not be released in that form. The 2017 Chairman’s address attached copies of the 30 November 2017 announcement and the earlier non-complaint announcements and, for that reason, ASX advised that the 2017 Chairman’s address also could not be released to the market in that form.



9. After considerable further correspondence with HAO, on 16, 24 and 25 January 2018, ASX proposed to HAO some alternative options that it could take to bring itself into compliance with the Listing Rules and the JORC Code. HAO did not accept any of these proposals.
10. Early in the morning of 31 January 2018 ASX offered HAO an extension of the 31 January deadline to 28 February 2018, on condition that HAO give an undertaking to work in good faith with ASX to implement one or other of two of the options referred to in paragraph 9. HAO declined to give that undertaking and so the extension was not granted.
11. In the afternoon on 31 January 2018, HAO lodged for review by ASX its December 2017 quarterly activities report and replacement documents for each of the 5 non-compliant announcements, the 30 November 2017 announcement and the 2017 Chairman's address (together "the new documents"), stating these covered "all concerns the ASX has had with all of Haoma's ASX releases since October 16, 2017". Each of the new documents purported to include a 'competent person' sign-off, as required by Listing Rule 5.6 and the JORC Code, by the competent person referred to paragraph 8 above.
12. Having detected differences between the competent person sign-off in the new documents and the prescribed form of competent person sign-off in the JORC Code, in the evening on 31 January 2018 ASX asked HAO to clarify the extent of the competent person's sign-off and to provide a copy of the signed consent forms that he had given under appendix 2 of the JORC Code for the new documents.
13. In the afternoon on 1 February 2018 HAO provided to ASX materials that revealed that:
- the competent person had only provided a sign-off for the 30 November 2017 announcement and had not provided a sign-off for the other 7 new documents (contrary to what was stated in those documents); and
  - the competent person also had materially different views to HAO on aspects of the exploration results reported in those other 7 documents.

HAO then effectively conceded that it was not in a position to provide to ASX versions of these 7 new documents that would comply with the Listing Rules and the JORC Code. HAO asked ASX to reconsider its position and release all 8 new documents to the market in the form lodged with ASX the preceding day.

14. ASX subsequently advised HAO on 1 February 2018 that, in view of the matters referred to in paragraph 13 above, ASX could not release the new documents to the market and that the only way forward was for HAO to retract the original non-compliant announcements, 30 November 2017 announcement and 2017 Chairman's address. ASX therefore required HAO to provide by 5 pm on 2 February 2018 an unconditional written undertaking as follows, or else it would be removed from the official list forthwith:
1. *HAO will publish as soon as practicable and in any event by no later than 5pm on Tuesday 6 February 2018 an announcement to the market that is acceptable to ASX:*
    - a. *setting out the terms of this undertaking;*
    - b. *acknowledging that:*
      - *HAO's announcements dated 16 and 18 October and 13 and 30 November 2017;*
      - *HAO's September 2017 quarterly activities report;*



- *the sections of HAO's 2017 Annual Report and chairman's address referencing the discovery of gold nuggets near Marble Bar, (together the "non-compliant announcements") previously published by HAO on its website did not comply with the ASX Listing Rules or the JORC Code;*
  - c. *stating that HAO unconditionally withdraws the non-compliant announcements and advises investors who have read them to disregard them; and*
  - d. *stating that, in accordance with the Listing Rules, HAO's shares will remain suspended from trading until its outstanding September and December 2017 quarterly activities report have been released to the market.*
2. *HAO will not make any further announcements to the market regarding the discovery of gold nuggets on its tenements that do not comply fully with ASX Listing Rules and the JORC Code.*
  3. *HAO will not publish on its website any materials intended for release to the market without first complying with Listing Rule 15.7.*
  4. *HAO will as soon as practicable and in any event by no later than 4pm on Wednesday 28 February 2018 appoint an independent expert acceptable to ASX, to review and recommend changes to HAO's practices, policies, procedures and resources for complying with its obligations under the ASX Listing Rules and the JORC Code.*
  5. *HAO will announce in due course both: (a) the appointment of the expert; and (b) the results of the expert's review and the steps HAO intends to implement to give effect to the expert's recommendations.*
15. HAO declined to give this undertaking, leaving ASX with no choice in the circumstances but to remove HAO from the official list.

ASX regrets having to take the decision to remove HAO from the official list. It would have much preferred an outcome where HAO had rectified its non-compliance with the Listing Rules, enabling ASX to reinstate its shares to trading.

ASX has a statutory obligation to monitor and enforce compliance with its Listing Rules. The two primary mechanisms ASX has to fulfil this obligation are its powers to suspend a listed entity that does not comply and, if that does not cause it to comply, to terminate its listing. HAO committed numerous serious breaches of the Listing Rules. It was suspended for more than 3 months without rectifying those breaches. ASX gave HAO ample opportunity, guidance and a clear timeline to bring itself into compliance with the Listing Rules. As late as 5pm on 2 February 2018, HAO could have avoided its removal from the official list by giving the undertaking set out in paragraph 14 above, but it chose not to do so.

As a listed entity, HAO had a legal obligation to comply with the Listing Rules. It failed to do so. It must therefore take responsibility for this regrettable outcome.

Kevin Lewis  
**CHIEF COMPLIANCE OFFICER AND GROUP EXECUTIVE**  
**ASX LIMITED**