



January 11, 2023

Haoma Mining Special Shareholder Report

To all Shareholders,

Haoma is pleased to provide shareholders with an update on its test work and important recent results.

Over the last year test work on gold recovery from Pilbara ores has continued at **Bamboo Creek using the Elazac Process**. Ores tested include Mt Webber ore and waste, Spear Hill pegmatites and granites near Spear Hill, Bamboo Creek Tailings and tailings from the Calidus Resources Limited Warrawoona Gold Project processing plant which commenced operations in 2022. See Figure 1 below.

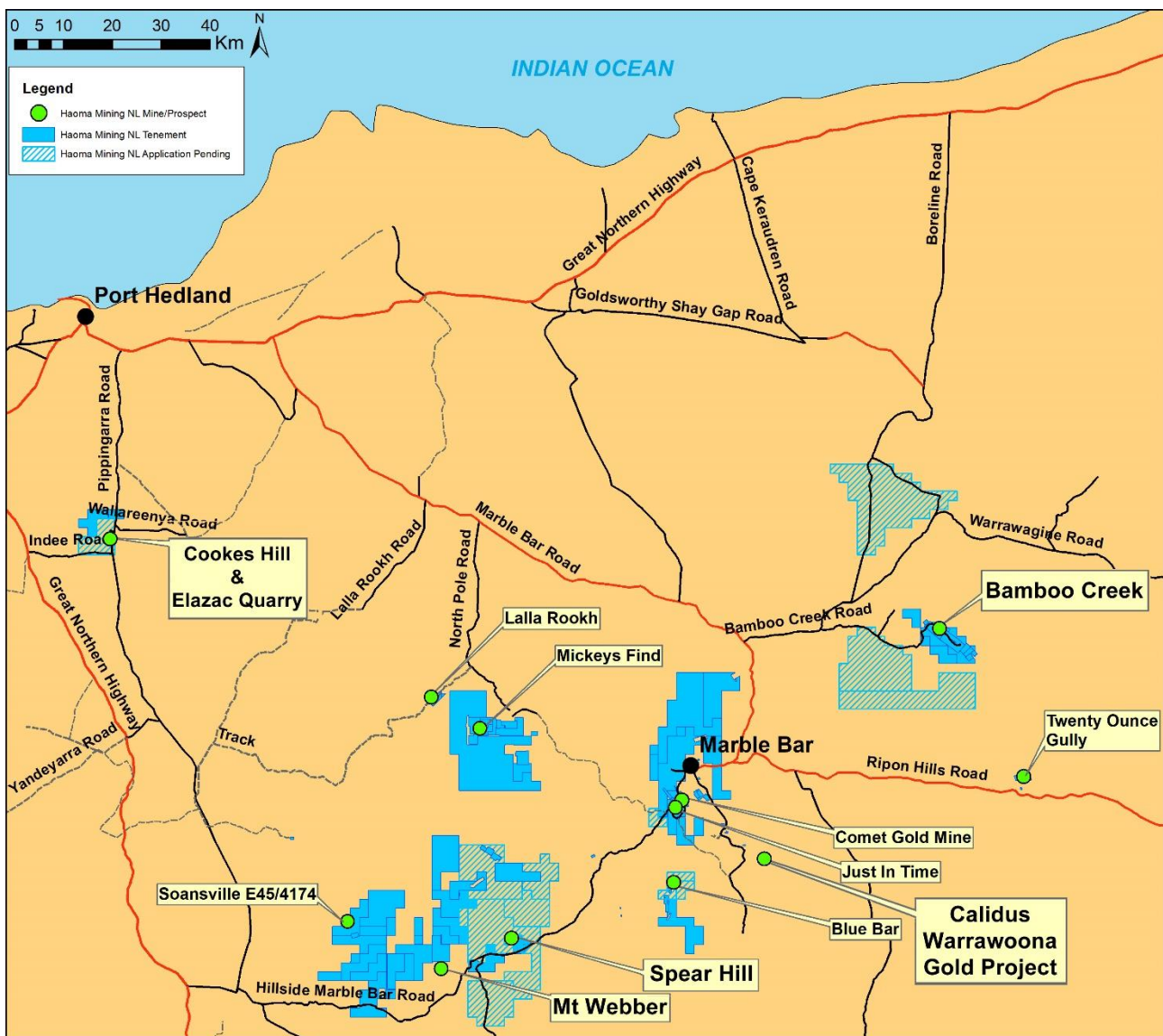


Figure 1: Location map of Haoma Mining's Pilbara exploration and mining tenements and locations of Pilbara ores used in Haoma's test work.

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1) Mt Webber and surrounding tenements held 100% by Haoma

In the last week Haoma has processed an 809.6g sample of *'fines <0.85mm'* from waste material from Atlas Iron's Mt Webber Mine and recovered a **gold bullion concentrate containing 37.95% gold (measured by XRF)**.

The waste material was from a 72.168kg bulk sample produced at Mt Webber by Atlas Iron when mining iron ore. Assays from ALS showed 36.8% Fe in the **bulk sample** including **28.6% Fe** in the *'fines <0.85mm'*.

The calculated gold grade of *'fines <0.85mm'* is approximately **27g/t gold** and the calculated gold grade of the **Mt Webber waste material** is **4.1g/t gold**.

This latest Elazac Process test on a sample of **Mt Webber waste material** produced **similar results** to previous tests on samples of Mt Webber ore conducted in September 2021, but **importantly used a modified process which is much more economic**.

Haoma's earlier tests on Mt Webber ore that produced similar results were reported to shareholders as XRF gold grades from samples of Mt Webber iron ore on September 15, 2021 (See Appendix 1, Point 1, below):

"The gold grade in each sample varied. The average gold grade was 21.16g/t based on gold dore recovered from each of the three samples of 'fines <0.85mm' – obviously a significant result."

To assist in interpreting these previous results please note *'fines <0.85mm' represent approximately 15% of the ore, so the calculated gold grade back to ore is 4.7g/t, which is similar to the 4.1g/t calculated in the latest test.*

Based on the success of the latest test results, a final **Elazac Process** is now being optimised for **processing Mt Webber waste and ore** with the intention of establishing a Pilot Plant expected to process 40 tonnes per hour, starting with **Mt Webber waste material then followed by low-grade Mt Webber iron ore** to recover **about 4g/t gold**.

Atlas Iron has advised Haoma there is **more than 5 million tonnes of Mt Webber waste material** at Mt Webber which Haoma can process.

Additional ore from Mt Webber is also available for Haoma to process as Atlas has advised Haoma that over the next 3 years they have **not budgeted to mine any more Direct Shipping Iron Ore (DSO) from the Mt Webber M45/1197 lease** where Haoma holds rights to mine all metals other than iron ore provided there is no interruption to Atlas activities.

Haoma's consultants believe the value of gold in the iron ore being shipped by Atlas Iron from Mt Webber is of much greater than the iron ore value.

At the same time as processing waste material from Mt Webber, Haoma plans to measure the amount of gold bullion which can be recovered from 19 drill holes samples to about 40 metres north of the Mt Webber Mine. These drill hole samples were previously provided to Haoma by Atlas. The expectation is by the time Haoma has processed the 5+million tonnes of Mt Webber waste Haoma will have a JORC compliant resource in the area just north of the existing Mt Webber Iron Ore Mine.

2) Other Mineral Tenements from Soansville to Mt Webber held 100% by Haoma

Haoma holds many mineral tenements from Soansville to Mt Webber which are prospective for Direct Shipping Iron Ore (DSO). Sampling by Atlas Iron (and previously Giralda Resources – now a subsidiary of Atlas Iron) indicate significant tonnes of magnetite, goethite, and hematite iron ore.

Initial shallow drilling on E45/2922 completed by Haoma in 2022 has indicated drilling targets for both magnetite iron ore and goethite iron ore. Test work shows quantities of magnetite iron ore and goethite iron ore are **locked within the silica fraction. This iron ore is difficult to measure by XRF, and difficult to recover.**

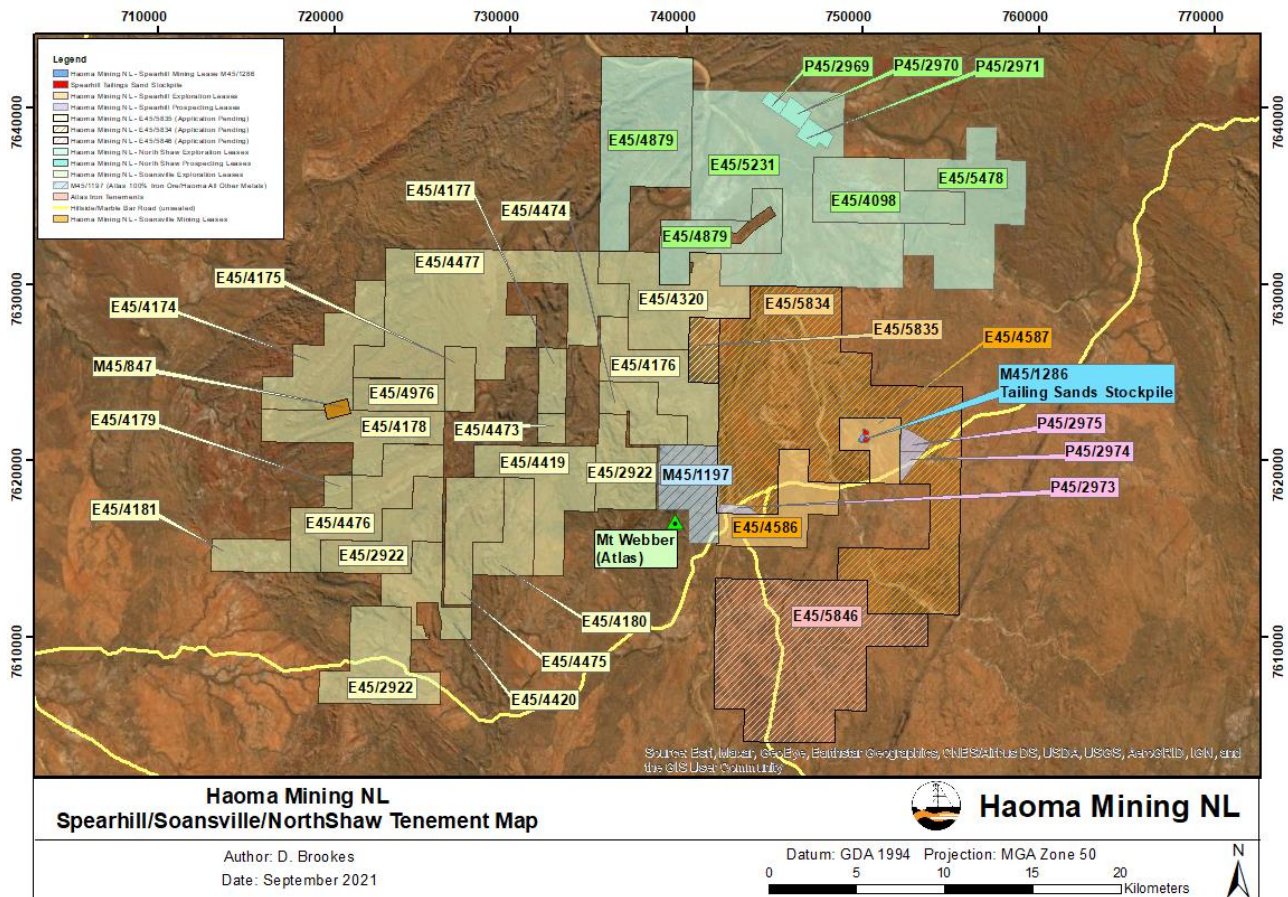


Figure 2: Haoma Mining tenements held and applied for in the East Pilbara Region that adjoin or are near the Atlas Iron Mt Webber iron ore mine on M45/1197, including:

- Mt Webber – E45/2922
- Soansville/Hillside Project Tenement Group (C283/1997) - E45/4174, E45/4175, E45/4176, E45/4177, E45/4178, E45/4179, E45/4181, E45/4320, E45/4419, E45/4420, E45/4473, E45/4474, E45/4475, E45/4476, E45/4477, E45/4976, M45/847 and P45/3140
- Spear Hill Tenement Group (C145/2016) - M45/1286 (under application), E45/4586, E45/4587, E45/5834 (under application), E45/5835 (under application), and E45/5846 (under application).

Haoma is at present negotiating with various parties who have shown interest in buying or farming into Haoma’s Soansville to Mt Webber tenements.

3) Calidus Resources Ltd Declaration of Commercial Production at Warrawoona Gold Project

Calidus Resources yesterday advised their shareholders that Commercial Production was now operating at their Warrawoona Gold Project near Marble Bar, with the plant operating at its nameplate capacity of 2.4mt per annum.

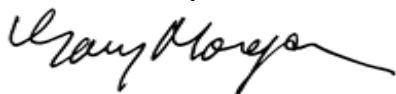
[Declaration of Commercial Production at Warrawoona Gold Project](#)

The Calidus report stated that a total of 191,000t @ 0.85g/t was processed in December for 5,053 ounces of gold produced, which averaged 235 ounces of gold recovered per day for the last third of December.

Haoma is entitled to recover **all metals which remain in the tailings** produced from the Calidus Warrawoona Plant. Elazac Process tests to recover metals from these tailings are currently being conducted at Bamboo Creek.

Haoma holds 1.46 million Calidus shares.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Gary Morgan', with a stylized flourish at the end.

Gary C. Morgan
Chairman

Appendix 1

Results from Test work at Bamboo Creek using the Elazac Process:

Significant test work at Haoma's Bamboo Creek laboratory and pilot plant using the Elazac Process resulted in Haoma being able to process Pilbara ores and recover low gold concentrate measured by XRF.

Shareholder Update, October 13, 2021– Section 3

Elazac Process test work on bulk samples of Mt Webber Iron Ore

- 1) *On September 15, 2021, shareholders were advised that test work was conducted on **three separate bulk samples of 'goethite ore'** collected from the Dalton's 'Northern Zone' (Daltons North and Daltons Ridge, known as 'Lookout Point') north of the current Mt Webber mine pit. (Haoma believes the current **iron ore resource in the 'Northern Zone'** is about 3+ million tonnes of lower grade 'goethite ore'.*

*Haoma's tests recovered **gold dore** from smelting the 'fines' fraction (<0.85mm) separated after crushing the three bulk samples to 10mm. The quantity of the '**fines <0.85mm**' fraction recovered varied for each of the three samples depending on the % Fe in each sample and whether the sample contained mainly 'large rocks' or 'fines' – in total about 3.4% of the bulk samples collected were <0.85mm fines.*

*The gold grade in each sample varied. The average gold grade was **21.16g/t based on gold dore recovered from each of the three samples of 'fines <0.85mm'** – obviously a significant result.*

- 2) *In December 2021 a **29.7kg sample** was selected from the **95 tonnes of Mt Webber 'low grade iron ore' on the Bamboo Creek pad**. The 29.7kg sample was crushed to 10mm, mixed in water and the <0.85mm 'fines' fraction extracted (10.835kg, 36.38% of the 29.7kg sample).*

*The Bamboo Creek test-work resulted in the recovery of a **Precious Metal Concentrate** (from the extracted '**fines <0.85mm**' fraction from Mt Webber iron ore) **without smelting** – analyses by XRF measured:*

- 33.73% iron,
- 2.02% gold, and
- 6.59% PGM (Platinum Group Metals).

*The 'back calculated' gold grade of the '**fines <0.85mm**' fraction was **28.48g/t gold**.*

Chairman's Address to Annual General Meeting, March 16, 2022 – Section 1.2

Elazac Process test work on bulk samples of Bamboo Creek Tailings and Spear Hill Tailings

*Since October 13, 2021, similar tests as conducted on '**fines <0.85mm**' fraction from Mt Webber 'low grade iron ore' were conducted in the Bamboo Creek Laboratory on samples of:*

- 1.47kg of **Bamboo Creek Tailings**, and
- 16.8kg of **Spear Hill Tailings**. (See Haoma Mining Shareholder Report, June 15, 2021 and Update, September 15, 2021.)

*Precious metal concentrates were recovered ('fines <0.75 mm') **without smelting**, the following XRF grades were measured in each concentrate sample recovered:*

1. Bamboo Creek Tailings ‘fines <0.75 mm’, concentrate recovered:

- 11.3% iron,
- 0.69% gold, and
- 9.21% PGM (Platinum Group Metals).

The ‘back calculated’ gold grade of the Bamboo Creek Tailings was 13.86g/t gold.

2. Spear Hill Tailings, ‘fines <0.75 mm’ concentrate recovered:

- 43.57% iron,
- 2.89% gold,
- 6.50% PGM (Platinum Group Metals), and
- 0.58% Rubidium, and
- 10.4% Rare Earths.

The ‘back calculated’ gold grade of Spear Hill Tailings was 80.72g/t gold.