



Haoma Mining NL

Special Haoma Shareholder Report – October 23, 2023

To all Shareholders,

Haoma Mining sells 30% shareholding in Pirra Lithium to global lithium producer SQM

Haoma's Directors are pleased to advise shareholders that Haoma has executed a Share Sale Agreement with global lithium producer SQM for SQM Australia Pty Ltd to acquire half of Haoma's shareholding in Pirra Lithium Pty Ltd. This transaction will initially give SQM a 30% stake in Pirra Lithium Pty Ltd with Haoma Mining 30% and Calidus Resources 40%.

The consideration to be paid by SQM to Haoma for 15 million shares in Pirra Lithium is \$2,500,000 cash.

At the same time as entering into the Share Sale Agreement, Haoma has agreed to sell the lithium rights for Additional Tenements to Pirra Lithium. The Additional Tenements are located at Haoma's Soansville exploration group. Refer to 'New Project Tenure' location to the west of Spear Hill in Figure 1. The addition of these tenements adds a further 348km² of lithium rights to Pirra Lithium for a total exploration portfolio over 1,411km² in the Pilbara region.

As consideration for the lithium rights in the Additional Tenements Pirra Lithium has committed to:

- Pirra spend a minimum \$500,000 exploration expenditure on the Additional Tenements over 18 months and to pay all rents and rates during this period out of this amount; and
- Pirra Lithium issue 7,500,000 performance rights to Haoma which are convertible into Pirra shares on a 1:1 basis should a JORC Mineral Resource of >20mt @ >1.0% Li₂O be delineated on the Additional Tenements within 3 years following completion of the Additional Tenements Term Sheet.

Following completion of the share sale between SQM and Haoma, SQM has committed to fund Pirra Lithium via a share issue of 15 million Pirra Lithium shares to raise \$3 million. Calidus Resources has committed to fund Pirra Lithium via a share issue of 10 million Pirra Lithium shares to raise an additional \$2 million.

Following completion of all transactions for the Share Sale Agreement and the new issues of Pirra Lithium securities the final holdings in Pirra Lithium will be:

Calidus Resources Ltd	40%.
SQM Australia Pty Ltd	40%
Haoma Mining NL	20%

Haoma's Directors consider SQM's investment in Pirra Lithium is a strong endorsement of Pirra and the significant potential of its WA lithium portfolio.

It also means that Pirra Lithium is now funded to rapidly progress exploration across all its lithium exploration targets. SQM will assist Pirra's exploration campaign by being part of a technical committee that will have oversight of the proposed exploration programme and budgets including 8km of the Tabba Tabba shear. Pirra has commenced mapping and sampling of priority lithium

targets along strike from Wildcat Resources’ recently-announced major new lithium discovery (refer ASX announcement [here](#)).

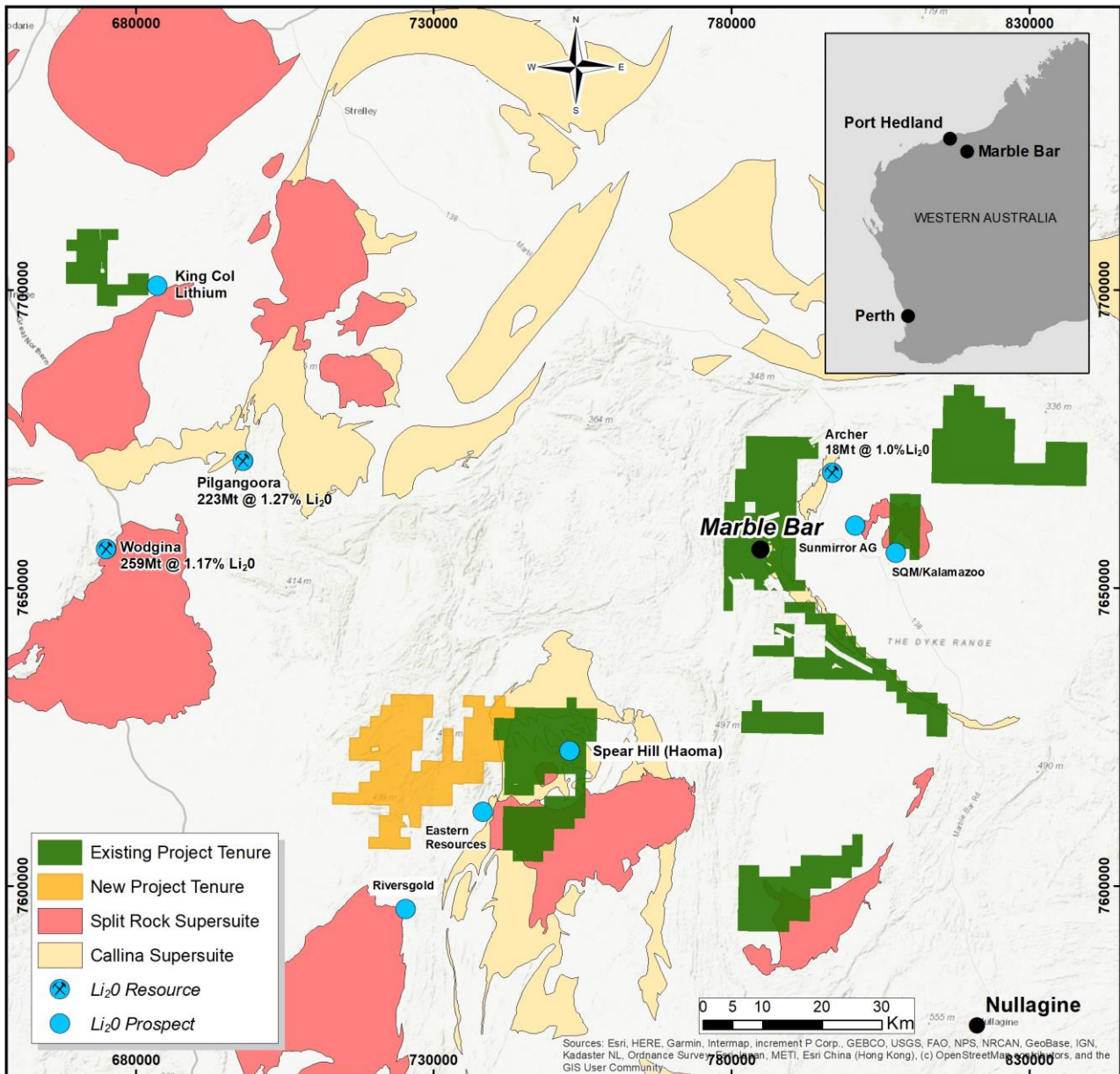


Figure 1: Location of Pirra Lithium Pilbara Exploration Tenements

The ‘**New Project Tenure**’ comprise 348km² of contiguous ground straddling at least two greenstone belts in the east Pilbara region. The tenement package is centred about 65km SW of Marble Bar. The area is one of considerable structural complexity that includes several major shear zones with large-scale folds and tectonically interleaved greenstone units. Most of the area is underlain by the 3223–3165 Ma Soansville Group and mafic–ultramafic intrusive rocks of the 3185 Ma Dalton Suite. The Soansville Group comprises metamorphosed siliciclastic sedimentary rocks, iron formation and shale, and mafic volcanic rocks (Hickman, AH 2022, Soansville Group (A-SO-xs-ca): Geological Survey of Western Australia, WA Geology Online, Explanatory Notes extract, viewed 11 October 2023). The group unconformably overlies metamorphosed basalt, komatiitic basalt, and serpentinised peridotite of the 3350–3315 Ma Kelly Group (Hickman, AH 2021, Kelly Group (A-KE-xb-f): Geological Survey of Western Australia, WA Geology Online, Explanatory Notes extract, viewed 11 October 2023), mainly in the southern part of the tenement package. In the eastern part of the area comprising the Additional Tenements, the greenstones are unconformably overlain by low-grade sedimentary rocks of the 2988–2931 Ma Lalla Rookh Sandstone and units of the Fortescue Group.

Initial Exploration

Exploration has now re-commenced across the Pirra portfolio with an initial focus on the highly prospective Tabba Tabba Shear and data acquisition across the Additional Tenements.

The Tabba Tabba Shear hosts a recent discovery of extensive lithium pegmatites by Wildcat Resources Limited (refer ASX announcement

<https://www.investi.com.au/api/announcements/wc8/bd9e13dc-76f.pdf> and a known lithium pegmatite 400m from the boundary of the Pirra tenement (refer ASX announcement <https://degreymining.com.au/wp-content/uploads/2016/07/20181115-DEG-King-Col-diamond-results-lodgment.pdf>), and a reportedly identified lithium Mineral Resource on Fortescue Metals Group Ltd ground. These lithium deposits highlight the potential of Pirra's Tabba Tabba South tenement, which straddles nearly 8km of strike length of the Tabba Tabba Shear and is a priority target for Pirra. Due to alluvial cover, Pirra will commence a mapping programme to identify which areas are initially amenable to soil sampling and which areas of thicker cover will require augering and drilling.

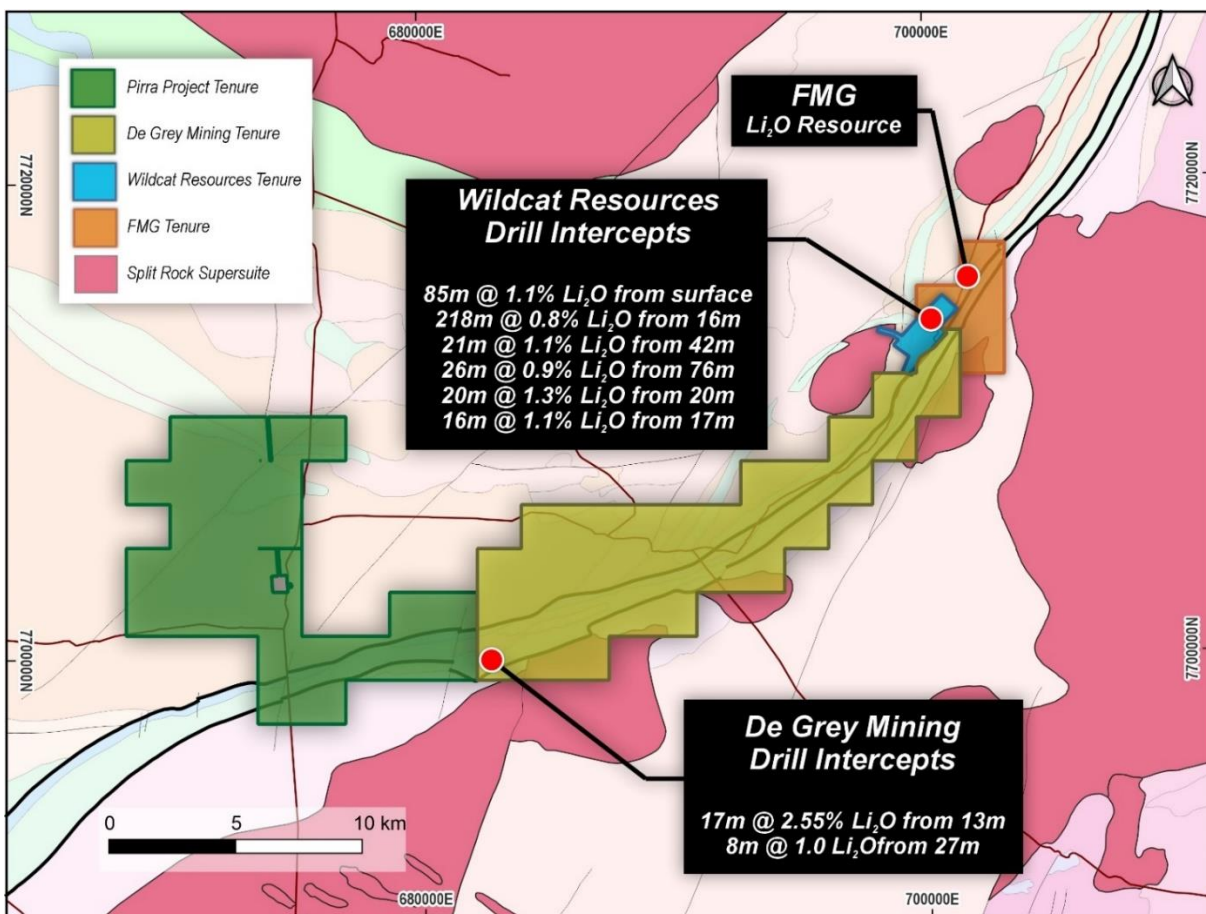


Figure 2: Tabba Tabba South Project Location

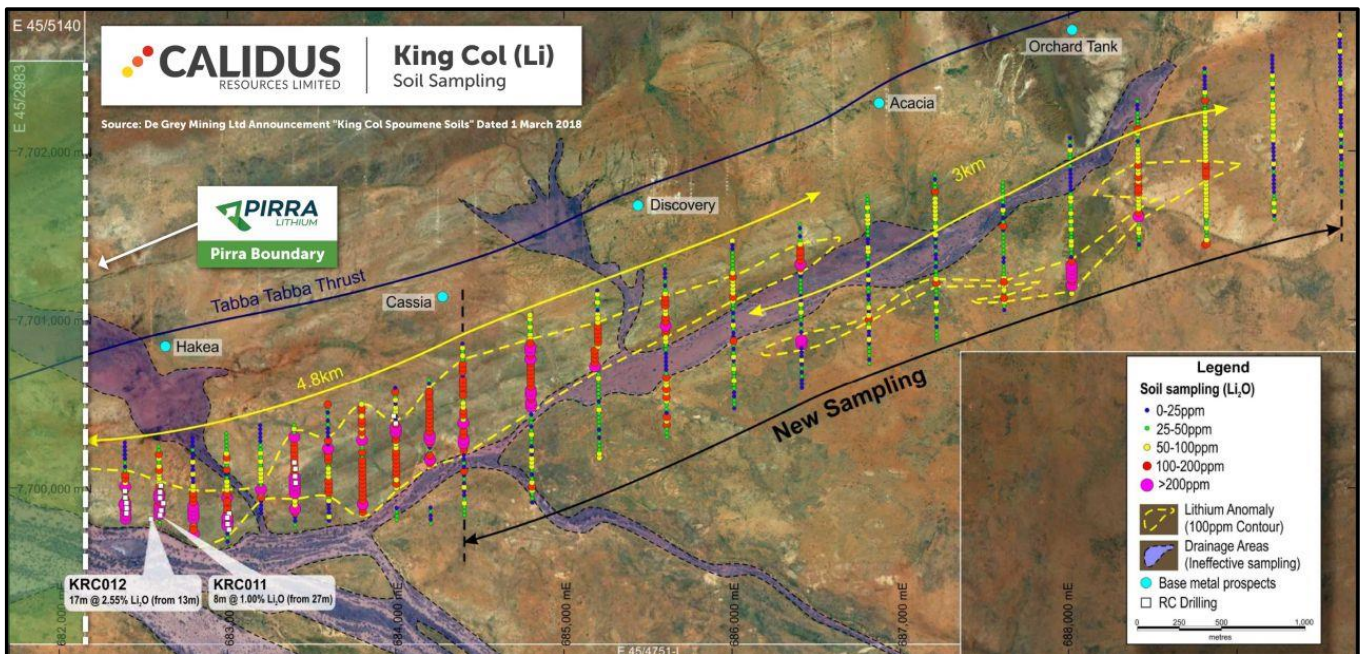


Figure 3: De Grey soil samples on adjacent Tenement

The Additional Tenements SW of Marble Bar (**'New Project Tenure'** – Figure 1) are characterised by rugged topography and, for the most part, a lack of vehicular access. The area covered by the Additional Tenements have been explored for iron ore, gold, and base metals but not lithium. Existing soil and stream sediment coverage is very patchy and element suites did not extend to lithium or lithium pathfinder elements. The initial focus will be on remotely sensed datasets to assist with the identification of pegmatites or alteration associated with structures that could have acted as pegmatitic melt pathways.

SQM Participation and Funding of Pirra Lithium

SQM SSA and shareholder arrangements

SQM and Haoma have entered into a binding share sale agreement (**SQM SSA**) pursuant to which SQM has agreed to purchase 30% of Pirra's issued capital from Haoma. Completion of the SQM SSA is expected to occur on or around 3 November 2023.

Following the acquisition, SQM will assist Pirra target its exploration by joining a technical committee to be formed by Pirra that will have oversight of the proposed exploration programme and budgets. SQM will also have the right to nominate a director to the board of Pirra. Calidus will continue to manage the on-ground exploration on behalf of Pirra but will employ dedicated geologists to undertake this so as not to dilute the exploration activities of Calidus itself.

SQM has agreed to be bound by the Joint Venture and Shareholders Agreement in respect of Pirra. The SQM SSA otherwise contains terms and conditions considered standard for an agreement of this nature.

SQM and Calidus Commitment Letter

Contemporaneously with the entry into the SQM SSA, SQM has entered into a commitment letter with Pirra (**SQM Commitment Letter**), pursuant to which SQM has agreed, in the period following completion of the SQM SSA, to subscribe for \$3,000,000 of Pirra shares at an issue price of \$0.20 per share, being 15,000,000 shares (such that SQM's aggregate shareholding in Pirra will ultimately be increased to 40% following the issue).

The proceeds of the SQM Commitment Letter will be used to fund exploration expenditure on Pirra's projects and for Pirra's general working capital.

Calidus has also entered into a commitment letter with Pirra (**Calidus Commitment Letter**), pursuant to which Calidus has agreed, in the period following completion of the SQM SSA, to subscribe for \$2,000,000 of Pirra shares at an issue price of \$0.20 per share, being 10,000,000 shares (such that Calidus' shareholding interest in Pirra shall ultimately remain at 40%).

The subscriptions under the commitment letters is expected to occur within two months after completion of the SQM SSA.

The SQM Commitment Letter and Calidus Commitment Letter contain terms and conditions considered standard for an agreement of this nature.

Pirra Capital Structure

Following completion of the transactions set out above, the capital structure of Pirra Lithium will be as follows:

Pirra Shareholders	Shares	%	Performance Rights
Calidus	30,000,000	40%	0
Haoma	15,000,000	20%	7,500,000
SQM	30,000,000	40%	0

In connection with the transactions above, Haoma will use proceeds from the sale of shares to SQM Australia to pay Calidus Resources for Haoma's required contribution to Pirra exploration costs to date (approximately \$170,000 including drilling and assays) and will subscribe for 2,357,143 ordinary shares in Calidus Resources at a price of \$0.14 per share for a total cost of \$330,000.

Yours sincerely



Gary C. Morgan
Chairman