

**ASX Announcement  
16 November 2017**

**Kalia Limited**

is an exploration company focused on base, precious and energy metals

**Directors**

Non-Executive Chairman  
*The Hon David Johnston*  
Managing Director  
*Mr Terry Larkan*  
Executive Director  
*Mr Nick Burn*

**Operations**

Chief Financial Officer  
*Ms Anna MacKintosh*

**Issued Capital**

Ordinary Shares  
1,940,847,391  
Unlisted Options  
58,000,000

**Share Price**

**15 November 2017**  
\$0.015

**ASX Code**

KLH

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## **Granting of Exploration Licences**

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Kalia Limited (ASX: KLH) is pleased to announce the granting of Exploration Licences (EL03 and EL04) on Applications 007 and 008 by the Autonomous Bougainville Government in the Tore region of Bougainville Island in the Autonomous Region of Bougainville, Papua New Guinea on 15 November 2017.

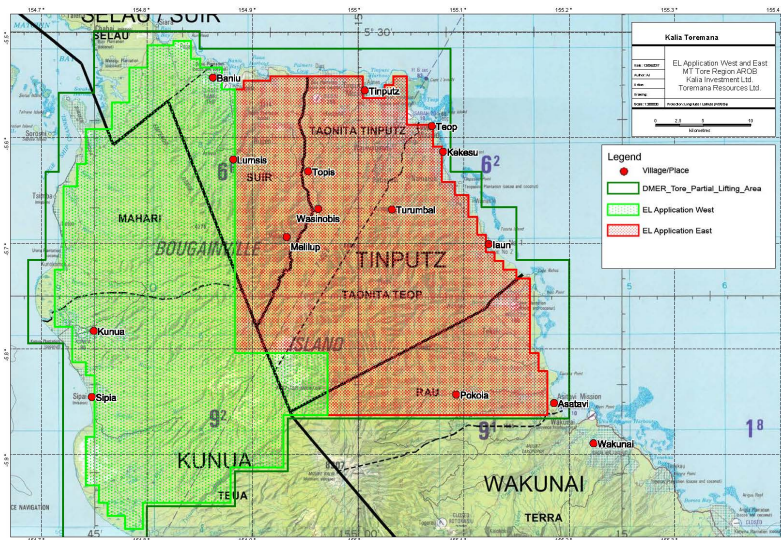
The President of the Autonomous Region of Bougainville in Papua New Guinea, The Hon. Dr. John Momis MHR announced the granting of the Exploration Licences stating "I am proud to say that the licences have been awarded to joint venture companies between the landowners of these areas and their foreign partners. I believe this is a unique opportunity because for the first time our landowners are involved in large mineral exploration activities in PNG and in Bougainville. Our mining law in Bougainville recognises the rights of the traditional landowners over their minerals and it is only fair that they are involved in the exploration and development of these mineral resources from the start".

Bougainville remains largely unexplored with a moratorium on mining, exploration and development preventing all resource related activity since 1971. In August 2015 Bougainville passed a new Mining Act and subsequent Regulations (2016).

The Exploration Licences were issued under the new Mining Act to Kalia Investment Limited (75% interest) and Toremana Resources Limited (25% interest). Toremana Resources Limited represents the interests of the landowners and has no funding requirement through to production.

The Exploration Licences are valid for 3 years and are renewable in 2 year periods requiring the holders to release 20% of the Exploration Licence area at each renewal.

Exploration Licence Application 007 covers an area of 865.3 km<sup>2</sup> on the east side of the Tore region and Exploration Licence Application 008 838.7 km<sup>2</sup> on the west side.



The exploration licences provide the rights to explore, with the consent of the landowners represented by the joint venture partner, Toremana Resources Limited, for minerals in North Bougainville, Papua New Guinea which is highly prospective for gold, copper and other minerals.

Kalia would like to record its thanks the customary landowners, their Paramount Chiefs, Chief Meris, Chiefs and Clansmen as well as the esteemed members of the Autonomous Bougainville Government, Ministers, Members of Parliament, Departmental Officers and Toremana Resources Limited for their advice and guidance over the past 20 months to reach this point where fieldwork can commence.

Terry Larkan, Managing Director of Kalia, said: “The granting of the first Exploration Licences to be processed under Bougainville law is historic. Kalia is proud to be part of this significant event with the Autonomous Bougainville Government and the people of the Autonomous Region of Bougainville. The prospecting spirit that the mining industry is built on is clearly demonstrated by all those involved in getting to this point. Our partners, the landowners of Toremana Resources Limited and Toremana Resource Owners Association, are as excited as we are to start exploration activities on the ground in this highly prospective region.”

**Further Information**

Bougainville is in the same geological region as “The Ring of Fire” chain of deposits. The Panguna Mine, is on the island of Bougainville, approximately 60 kilometres southeast of the Kalia Exploration Licence areas.

When operating the Panguna Mine was considered among the richest in the world. Panguna’s last year of production (1989) mill throughput was ~48 Mt at a grade of 0.41 % copper ("Cu") and 0.41 grams per tonne gold ("g/t Au") producing 550,000 tonnes of concentrate grading 30% Cu and 25g/t Au that contained ~170,000 tonnes of copper and ~450,000 ounces of gold - (Clark, G.H., 1990. Panguna copper old deposit, in Geology of the Mineral Deposits of Australia and Papua New Guinea (Ed- F.E. Hughes) pp1807-1816 (The Australasian Institute of Mining and Metallurgy: Melbourne)).

Operations ceased at Panguna due to the “Bougainville Crisis” and the orebody remains with a JORC 2012 resource of 1.83 billion tonnes at 0.30% Copper and 0.34g/t gold (as published by Bougainville Copper Limited – ASX: BOC in the 2016 Annual Report published 31 March 2017).

Kalia has commenced data collection and exploration modelling based on geology, geochemistry and geophysics taken from previous studies. Access to the raw data collected during heliborne geophysical studies (Technical Cooperation Project No. 83.2090.5 Federal Institute for Geosciences and Natural Resources, Federal Republic of Germany, Geological Survey of Papua New Guinea) has allowed Kalia to reprocess the data using modern algorithms. This geophysics covers approximately 20% of the Exploration Licence area, has been re-analysed and assessed to specifically identify discrete anomalies for Magnetic highs (sulphide or metal), Potassium highs (alteration from mineralisation) and discrete Topographic lows (sunken rims of volcanic vents). Kalia has identified numerous target areas from this re-processing that will form the basis for initial exploration activities.

Kalia’s initial programmes will be designed to search for potential epithermal mineralisation including, but not confined to, volcanic massive sulphides, porphyry intrusives and veining.

#### **Competent Person Statement**

The information in this presentation that relates to Exploration Results is based on information reviewed by Mr Peter Batten who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and is a consultant to Kalia. Mr Batten has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Batten consents to the inclusion of the information in the form and context in which it appears.