

**ASX Announcement
19 December 2019**

Kalia Limited is exploring for copper and gold in the Mt Tore region on Bougainville Island.

Directors

Chairman

Hon. David Johnston

**Executive Director,
Corporate
Development and
Strategy**

Mr. Michael Johnston

Non-Executive Director

Mr Sean O'Brien

Non-Executive Director

Mr. Jonathan Reynolds

Operations

Joint Company

Secretary

*Ms Melissa Chapman
and Ms Catherine Grant-
Edwards*

Issued Capital

Ordinary Shares

25,143,552

Unlisted Options

1,000,000

**Share Price – \$0.10
cents. 16 December
2019**

ASX Code

KLH

Further Contact:

Kalia Limited

Tel: 08 6424 8524

www.kaliagroup.com

Further update regarding recent work site incident and suspension of geological field activities

Kalia Limited (“Kalia” or “the Company”) provides a further update regarding the fatal injuries received by national geologist, Mr Terry Kilya on the Company’s Mt Tore tenements on the 12th December 2019 in the light of several press reports which have been published in the past week.

The Company re-iterates its sincere condolences to Mr Kilya’s family and friends. It also re-iterates its gratitude to its personnel for their work in this difficult time.

The Company advises that:

- Company personnel had stopped all field work during the early part of the Bougainville referendum.
- Company personnel had re-entered land owned by Chief Kumis Hagi’s Anakai clan, at the request of the landowners.
- Company personnel had the appropriate approval to be on the land and several landowners were part of the survey team at the time of the incident.
- The Company also had Community Liaison Officers on the ground at the time, as well as local security for its camp and survey teams.
- The Company had been assured by the landowners and the relevant authorities that it was safe for Company personnel to be in the area prior to the Company’s teams re-entering the land.
- The Company places a high level of focus on staff safety and welfare and on Corporate Social Responsibility.

At the time of the incident, Mr Kilya was leading a geology survey team. Based on information provided to the Company by firsthand witnesses, the team was attacked by an outside group leading to Mr Kilya experiencing fatal injuries from a fall. Seven other personnel suffered various stab wounds, lacerations, and soft tissue injuries.

Since the incident the Company has been focused on recovering Mr Kilya’s body and returning him home to his village in accordance with custom.

The Company has committed to make a significant compensation payment to the family, in line with “Belkol” custom.

Since the incident, the Company has been working with the Department of Mineral and Energy Resources (**DoMER**) and the Police as they complete their investigations into the incident, and to help see the prompt arrest and charging of the perpetrators.

The Company notes that late on the afternoon of 17th December 2019 DoMER served the Company with a notice requiring it to suspend

exploration expeditions/ geological field work within its two Exploration Permits. The notice requires the Company to:

- *“repatriate Mr Kilya’s body to his family”*. As noted above, this has been the Company’s primary focus since the incident and is well underway.
- *“assist the Bougainville Police Service to apprehend the perpetrators as soon as possible”*. As noted above, the Company is, and will continue to comply with this requirement.
- *“to engage with the landowners of Exploration Licences 03 and 04 and resolve all outstanding social issues including the land access fee payments”*. The Company is working with relevant authorities to achieve this.
- *“retract [the] initial media statement release on the date of the incident with a factual statement of the incident”*. The Company believes that all communications it has made to date have been accurate and based on information available to it at the time, and within the confines of an active Police investigation. The Company will continue to liaise with authorities on this matter and provide additional information as and if required.

The Company will continue to co-operate with Bougainville authorities and landowners, and will endeavour to have the suspension lifted as soon as possible, to enable it to continue with its business activities.

The Company will provide further updates when circumstances warrant.

Authorised for issue by the Board of Directors.

For further information contact:

Mr Michael Johnston
Executive Director

About the Bougainville Exploration Licences

The Company, through Tore Joint Venture Limited, manages two exploration licences on the island of Bougainville, Autonomous Region of Bougainville, Papua New Guinea,

Tore Joint Venture Limited is 75% owned by Kalia Limited, with the remaining 25% being held by Toremana Resources Limited, a registered landowner association.

The two exploration licences, EL03 and EL04 were issued in November 2017, for a period of three years, and cover a combined area of 1,704 km².

The Company has previously disclosed details of historical reports, mapping and sampling which highlight the potential for intrusion related porphyry Cu/Au, and epithermal veining (including polymetallic veins and Au) within the licences.

The companies recently completed helimag survey has outline the likely intrusive centres and defined several target areas requiring ground truthing and follow up.

Access to various target areas is currently being negotiated with affected landowners by the company’s community relations staff.