



HAOMA MINING NL

ANNUAL REPORT

JUNE 30, 2018

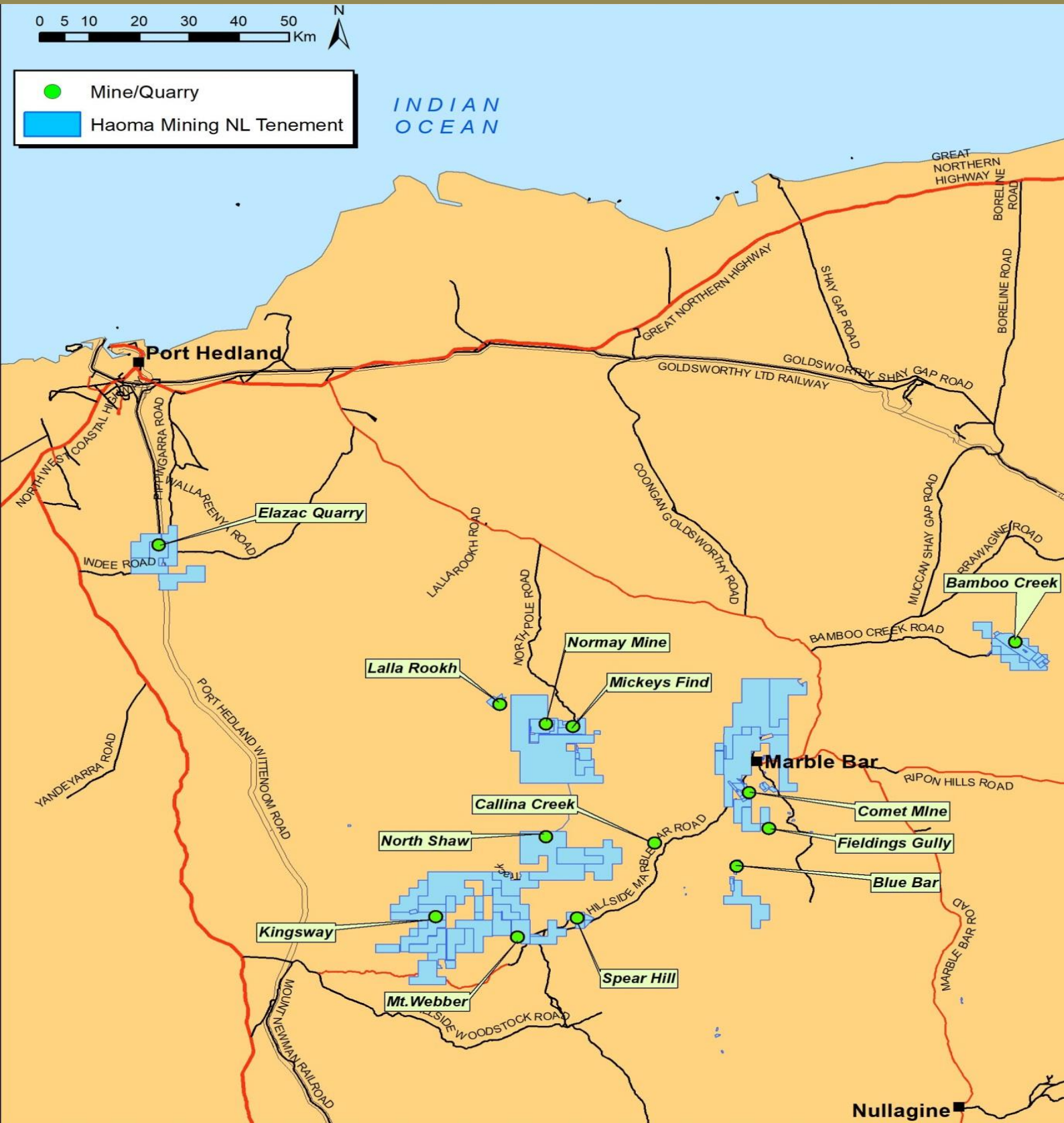


Figure 1: Location map of Haoma Mining NL Pilbara mining tenements

Directors

Gary Cordell Morgan, B.Comm (Chairman)
Michele Levine, B.Sc (Hons), Env.St.
W. Timothy Carr Ingram

Secretary

James A Wallace, CA

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Ravenswood, Queensland 4816

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Principal Bankers

Westpac Banking Corporation

Share Registry

PrimaryLedgers
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179 Elizabeth Street,
Sydney NSW Australia 2000

Auditors

BDO
Collins Square, Tower Four
Level 18
727 Collins Street
Melbourne, Victoria 3008

Solicitors

William Murray
Level 11, 379 Collins Street
Melbourne, Victoria 3000

MISSION STATEMENT

The mission of Haoma Mining is to establish a highly profitable mining company with sustainable growth in shareholder value.

In pursuit of this mission, Haoma will acquire quality tenements, explore for gold and other minerals, utilise the most effective exploration and recovery techniques to extract minerals in the most efficient way with a strong commitment to health, safety and the environment.

Haoma's strategic approach can be characterised as both innovative and practical.

Haoma is dedicated to developing a leading edge gold mining province in the Pilbara (WA) and Ravenswood/ Charters Towers region (QLD) by linking research with modern technology and new ways of thinking.

Haoma operates with a flat management structure, which allows all company personnel to be hands-on, practical and single-minded about improving the bottom line performance.

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ANNUAL GENERAL MEETING

The Annual General Meeting of the members of Haoma Mining NL is to be held at:

Tonic House

Basement

386 Flinders Lane

Melbourne, Australia.

Thursday November 29, 2018

Commencing at 10.00am.

All shareholders are encouraged to attend. Light refreshments will be available to members and guests following the meeting. A Notice of Meeting and proxy form will be mailed to shareholders.

CHAIRMAN'S REVIEW & REPORT ON OPERATIONS

1. Financial results

The financial statements for the Year to June 30, 2018 show that Haoma Mining recorded a consolidated loss of \$3.90 million. The result is after expensing interest charges of \$1.96 million and writing off \$1.34 million of costs associated with research and test work.

My family investment company has continued to provide the funding needed for Haoma to conduct its research and development activities. The Haoma financial reports show the costs to date have been extensive and the revenues limited which has resulted in the current deficiency in net assets. At June 30, 2018 my family's total cash commitment to Haoma was recorded at \$39.72 million. This does not include my family's equity investment or any interest on the funds.

2. Haoma's activities in Western Australia

2.1 Test Work at Bamboo Creek Pilot Plant (Latest results in red, previous in blue)

- a) On August 8, 2018 Haoma shareholders were advised that during June/July 2018¹ the Bamboo Creek Plant facilities was used to process different bulk samples (about 10kg each) of **Bamboo Creek Tailings and 'low grade' Mt Webber iron ore** (using the Elazac Process). A '**Precious Metal Concentrate**' was then consistently recovered which was between **2.5% & 5%** of the sample processed.

In March 2018 Atlas delivered to Bamboo Creek 100 tonnes of **'low grade' Mt Webber iron ore**.

In September 2018 the Bamboo Creek Plant was used to process a further bulk sample of **21.312 kg** of **'low grade' Mt Webber iron ore**. In March 2018 Atlas delivered to Bamboo Creek 100 tonnes of **'low grade' Mt Webber iron ore**. The **'<1mm fraction'** was recovered which was **34.5% of the sample processed**. A **'concentrate'** representing **8.66% of the '<1mm fraction'** was recovered which was higher than previously reported, namely between **2.5% & 5%**. (Reported to Haoma shareholders August 8, 2018 – refer to Appendices 3 and 4 attached to the Haoma Mining Activities Report for the Quarter Ended September 30, 2018).

Three samples were then taken from the **'concentrate'** (representing **8.66% of the '<1mm fraction'**) and further processed to produce '**Precious Metal Concentrates**'.

XRF analysis of the three '**Precious Metal Concentrates**' showed the metal to contain between **4% & 6% gold and platinum** (previously between **3% & 5% gold and platinum**). (Refer to Appendix 3 & 4 attached to the Haoma Mining Activities Report for the Quarter Ended September 30, 2018, released to Haoma shareholders May 28, 2018 & August 8, 2018).

Applying the % '**Precious Metal Concentrate**' XRF grades to the **'<1mm fines' screened from 'low grade' Mt Webber iron ore** processed shows the **'calculated' 'Precious metal Head Grades'** were significant, namely: **122.39g/t, 213.33g/t & 135.24g/t gold, and 97.97g/t, 181.56g/t, 210.91g/t platinum**.

¹ Information & data in this report as it relates to Metallurgical Results is based on information compiled by Mr. Peter Cole who is an expert in regard to this type of metallurgical test work. The results relate to testing the effectiveness of a new method of assaying for gold and other mineral content (the Refined Elazac Assay Method) and a new method for extraction of gold and other minerals from the ore (the Refined Elazac Extraction Method). These methods are together referred to as the Elazac Process. The information reported relates solely to ongoing test work in relation to bringing the Elazac Process to commercial realisation. Mr. Cole has worked in the mining industry for over 30 years and has been associated with the development of the Elazac Process over a long period (approximately 20 years). Mr. Cole is one of only a few people with sufficient relevant knowledge and experience to report results in relation to test work on the Refined Elazac Assay Method and Refined Elazac Extraction Method. Mr. Cole has consented to the inclusion in this report of the information and data in the form and context in which it appears.

- b) In mid-September a **bulk sample of 5.746 tonnes of ‘low grade Mt Webber iron ore’** was processed through the Bamboo Creek Plant. The **‘<100 micron fraction’ (24%)** was recovered for further processing.
- c) Initial tests on samples of the **<100 micron fraction** produced ‘Precious Metal Concentrate’ quantities and grades (measured by XRF) similar to ‘Precious Metal Concentrates’ produced in previous tests on the **‘<1mm fines’(35.5%) screened from ‘low grade’ Mt Webber iron ore, they are shown in red and blue** above.
- d) **Measuring gold recovered in aqua regia solution:** On August 8, 2018 Haoma shareholders were advised an Elazac laboratory ‘assay’ method had been developed using aqua regia. Based on two separate aqua regia assays of **‘low grade’ Mt Webber iron ore**, the gold grade measured was **14.5g/t gold**. (Refer to Appendix 4 attached to the Haoma Mining Activities Report for the Quarter Ended September 30, 2018)

The aqua regia result is the average of 2 aqua regia solution samples which measured **14.2g/t** and **14.8g/t** gold by AAS - 'calculated back' to the **‘low grade’ Mt Webber iron ore** sample.

- e) **Measuring gold grade using physical gold recovered:** Over the last 5 weeks Haoma’s consultants in both Melbourne and Bamboo Creek have been successful in **recovering physical gold bullion after smelting samples of:**
- **‘low grade’ Mt Webber iron ore (sample 10kg), and**
 - **the fine fraction of that low grade ore (a ‘<100 micron fraction’ screened from a 5.746 tonne sample of ‘low grade’ Mt Webber iron ore) – the fine fraction (‘<100 micron fraction’) was 24% of the ‘low grade’ Mt Webber iron ore processed.**

‘Precious Metal Concentrates’ were recovered and then smelted at the **Bamboo Creek Laboratory and Siltech PMR Pty Ltd** (a precious metal refinery located in Melbourne with over 30 years of refining experience) to produce precious metal bullion.

Below are the ‘results to date’ – **none of the tests are finished**, i.e. more physical gold is expected to be recovered:

- 1) **Bamboo Creek Laboratory** recovered precious metal bullion (**99.26% gold by XRF at Bamboo Creek**, see sample shown in Table 1a following) from **‘low grade’ Mt Webber iron ore** which equated to a **‘head grade’ of 2.79 g/t gold** recovered from **‘low grade’ Mt Webber iron ore so far processed.**
- 2) **Siltech** recovered precious metal bullion (**76.60% gold by XRF, 82.01% gold by XRF at Bamboo Creek** see sample shown in Table 1b following) from **Mt Webber ‘<100 micron fraction’**. This equated to a **‘head grade’ of 6.73 g/t gold** in the **‘<100 micron fraction’** from **‘low grade’ Mt Webber iron ore so far processed, and**
- 3) **Siltech conducted a repeat test with some refinement which** recovered a **much larger quantity of precious metal bullion from Test 2**. Gold grades were fairly similar (**80.65% gold by XRF, 90.96% gold by XRF at Bamboo Creek** – average of two samples shown in Tables 1c & 1d following) from **Mt Webber ‘<100 micron fraction’**. This equated to a **‘head grade’ of 97.77 g/t gold** in the **‘<100 micron fraction’** from **‘low grade’ Mt Webber iron ore so far processed.**

Over the next few weeks Haoma’s consultants will complete **‘fine tuning’** the Elazac Process used to recover the above significant quantities of physical gold from low grade Mt Webber iron ore. The Elazac Process will then be used to process other Pilbara ores and produce gold on a commercial basis. There are many millions of tonnes of low grade iron ore and other Pilbara ores available on Haoma’s Pilbara mining tenements which can be economically processed.

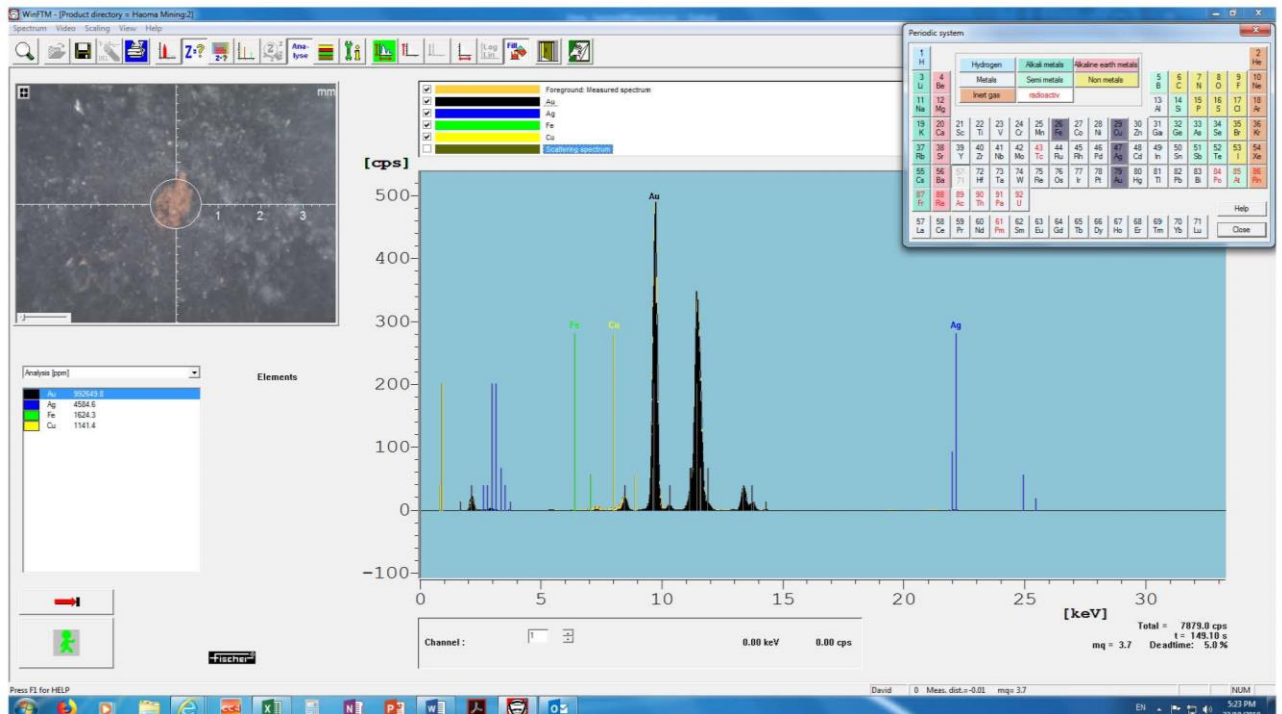


Table 1a: Sample 123442 – 99.26% gold, 0.46% silver, 0.16% iron & 0.11% copper.

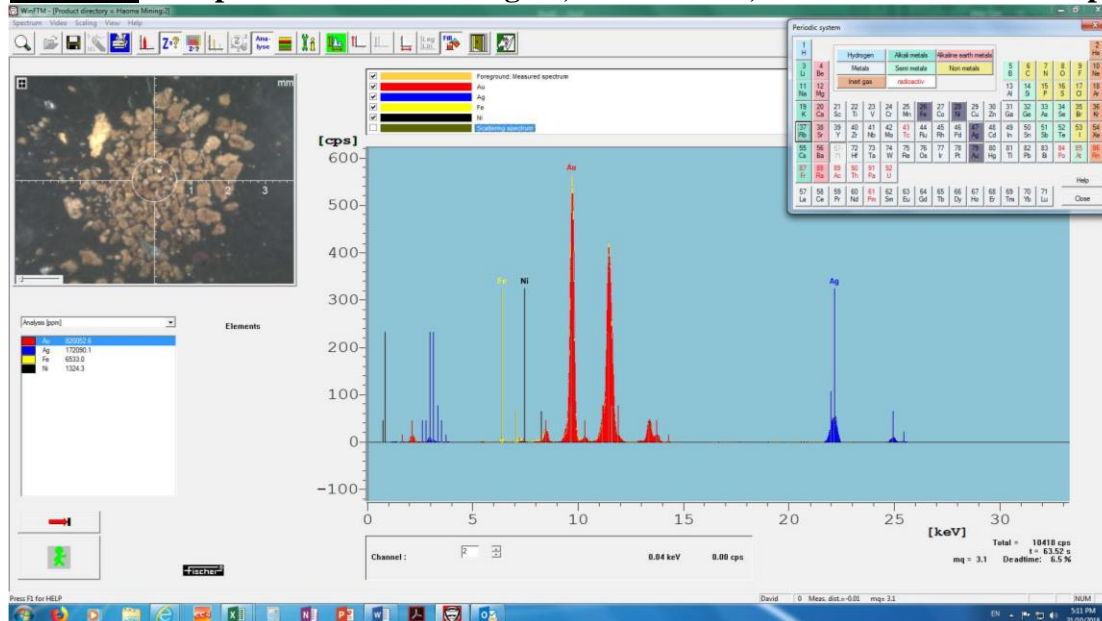


Table 1b: Sample 1232114 – 82.01% gold, 17.21% silver, 0.65% iron & 0.13% nickel.

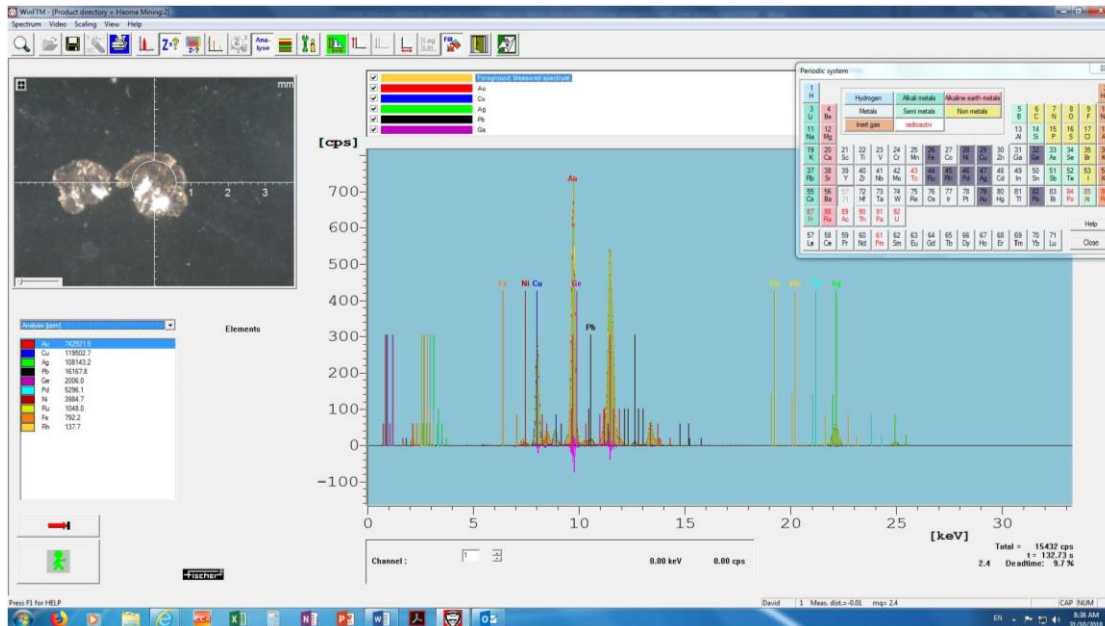


Table 1c: Sample 1232108, total weight 0.01274g – 74.29% gold, 10.81% silver, 11.95% copper, 0.08 % iron, 1.62% lead.

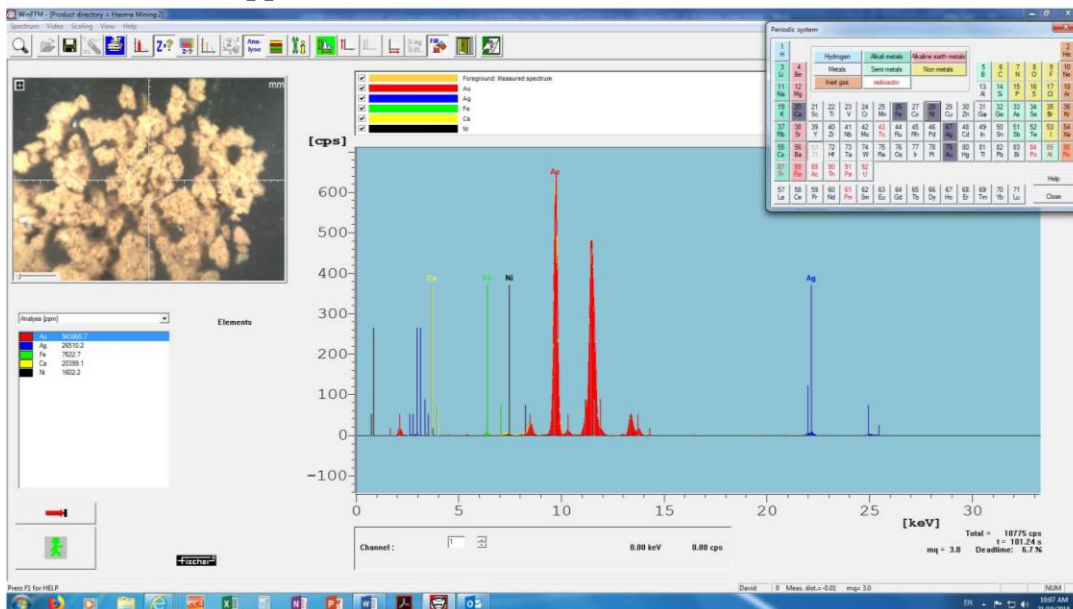


Table 1d: Sample 1232109, total weight 0.06186g – 94.39% gold, 2.65% silver, 0.76 % iron, 0.16% nickel.

2.2 Hancock Prospecting Pty Ltd takeover of Atlas Iron Ltd

Haoma’s Directors are pleased Hancock Prospecting Pty Ltd now owns 100% of Atlas Iron Limited.

From 2002 to April 2012 Haoma and Giralia Resources worked together with the Daltons JV. Since April 2012 Haoma and Atlas continued the **Daltons JV** and the **Atlas & Haoma Tenement and Royalty Agreement** covering both the Mt Webber Mining Lease 45/1197 and nearby tenements including E45/2922. Details are shown in Figure 2 & 3 below.

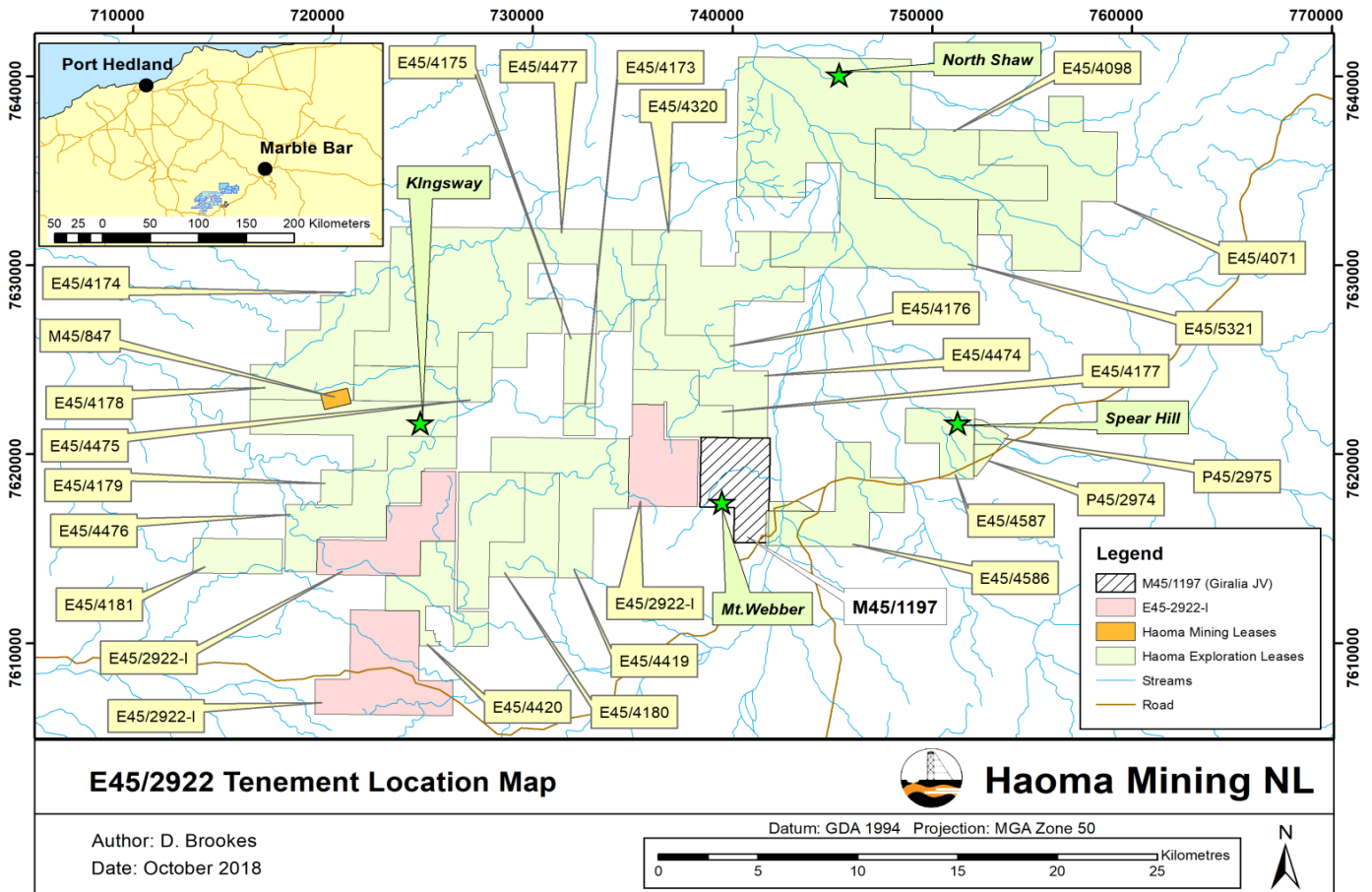


Figure 2: Haoma Exploration tenement E45/2922, other Haoma tenements near Soansville and Atlas’ Mt Webber mining lease M45/1197

In the last few years Atlas had financial problems. During this period Atlas Directors and Management did not advise Haoma of all geological data and assay results from Giralia JV tenements or M45/1197 as would normally be expected.

Haoma’s Directors now see real and beneficial opportunities for both Haoma and Atlas (now owned by Hancock) involving the Mt Webber mining lease M45/1197 and the surrounding tenements including E45/2922. (See above Figures 1 & 2).

Haoma's future focus is to define low to medium grade iron ore deposits. Then Haoma will use the **Elazac Process to measure and then extract significant quantities of precious metals (gold & platinum group metals, PGM) from these deposits.**

2.3 End of Atlas/Giralia Joint Venture with Haoma

Since 2002 extensive exploration was conducted within Exploration Licence 45/2922 by the Giralia JV (initially Giralia/Haoma, from April 2012 Atlas/Haoma).

On Wednesday July 4, 2018 M & M Walter Consulting (M & M), Haoma's tenement advisor, advised Haoma that Atlas/Giralia intended to immediately surrender E45/2922 which would end the Giralia JV (Atlas 75%/Haoma 25%). (See Figure 3 below)

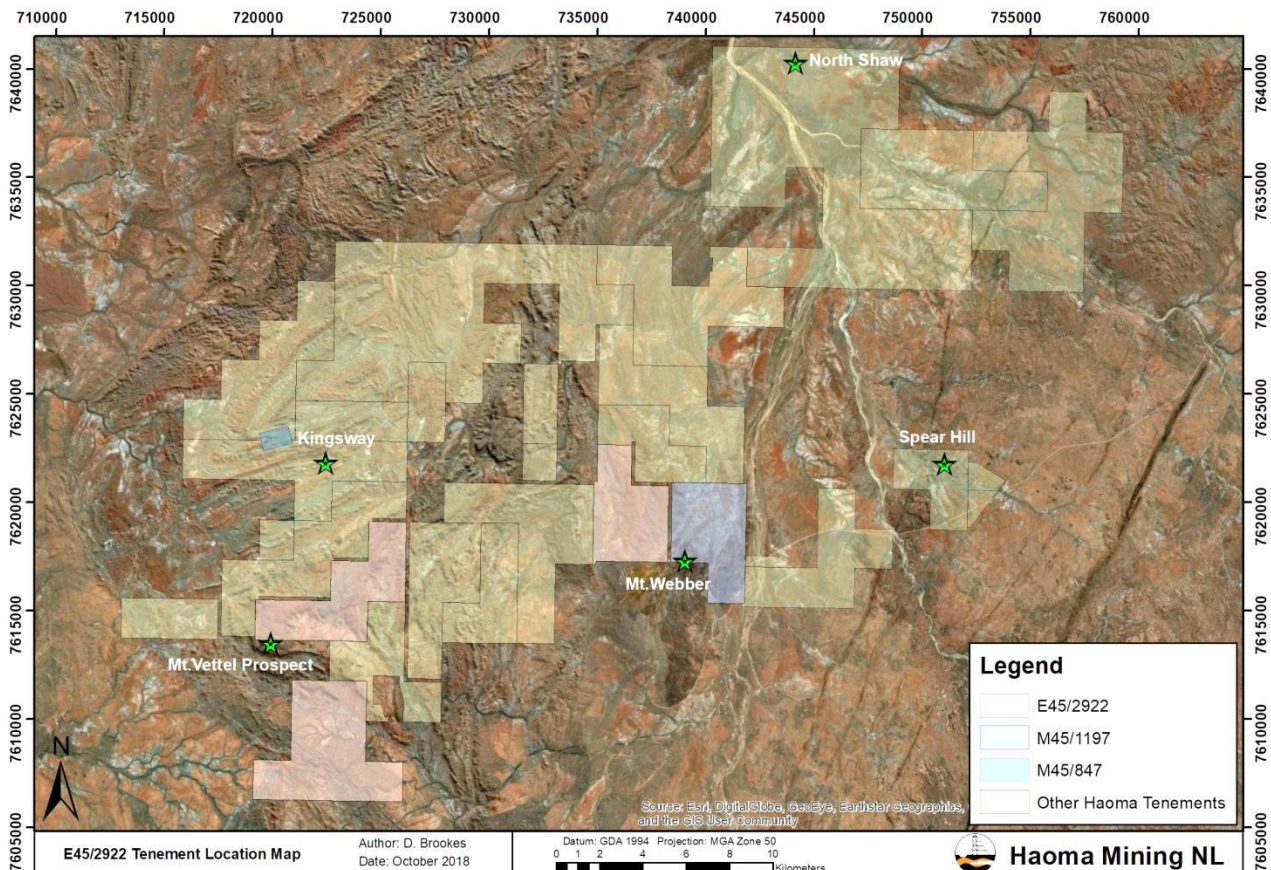


Figure 3: Haoma exploration tenements near Soansville & other areas near Mt. Webber

Included with the advice was a Form 12 Surrender for execution by Haoma, and if Haoma agreed to the surrender have the Form 12 signed and returned to Atlas by no later than Friday July 6, 2018.

M & M Walter Consulting (M & M) advised Haoma that failure to provide information or documentation as and when requested by Department of Mines, Industry Regulation & Safety may lead to forfeiture, expiry or possible non compliance with legislation and or conditions of tenure and that Department of Mines, Industry Regulation & Safety cannot and will not be held responsible.

On July 4, 2018 Haoma immediately advised Atlas that Haoma did not wish to surrender E45/2922 and requested from Atlas all geological data and other information relating exploration by the Giralia JV be sent to Haoma, see following:

“Haoma Mining NL wish to retain this tenement and will now have to submit an extension of term on E45/2922 at short notice on the last day of the tenement expiry.

Can you and/or Leigh Slomp please arrange to have all exploration data (assays and locations of all drilling, rock and soil sampling) plus annual reports pertaining to E45/2922 emailed to myself (haoma2@bigpond.com) and Darren Brookes (haoma5@bigpond.com) first thing in the morning so that the extension of term can be lodged.”

The Mt Webber Mine on lease M45/1197 was officially opened by Atlas on July 15, 2014 after mining had commenced in December 2013. (See Figure 4)

On July 5, 2018 Atlas sent Haoma a copy of a draft Extension of Term (‘EOT’) application Atlas had prepared for the Mineral Titles Division, Department of Mines, Industry Regulation & Safety, Perth. The draft EOT was never completed or sent by Atlas.

The Atlas July 5, 2018 draft EOT included some information on exploration conducted by Atlas during 2013 & 2014 which **Haoma was not made aware of before July 5, 2018**.

Haoma **was aware** that Atlas had been granted a 5 year extension for E45/2922 (granted on September 5, 2013) and during 2013-2014 had drilled some RC holes on E45/2922 resulting in relatively low iron ore grades. (See Table 2 below)

However Haoma was **not aware** that in total 132 angled RC drill holes were drilled including 123 RC holes on Atlas’s nearby Mt Webber iron ore Mine Lease M45/1197.

In total nine (9) RC holes for 794m were drilled in the north eastern section of Licence E45/2922. (See Figure 4) Highest iron ore grade measured was 59.15% Fe (MWRC1249) (See Table 1). **Whilst not known to Haoma until October 5, 2018 Atlas during 2014 drilled an additional 123 RC holes on M45/1197.**

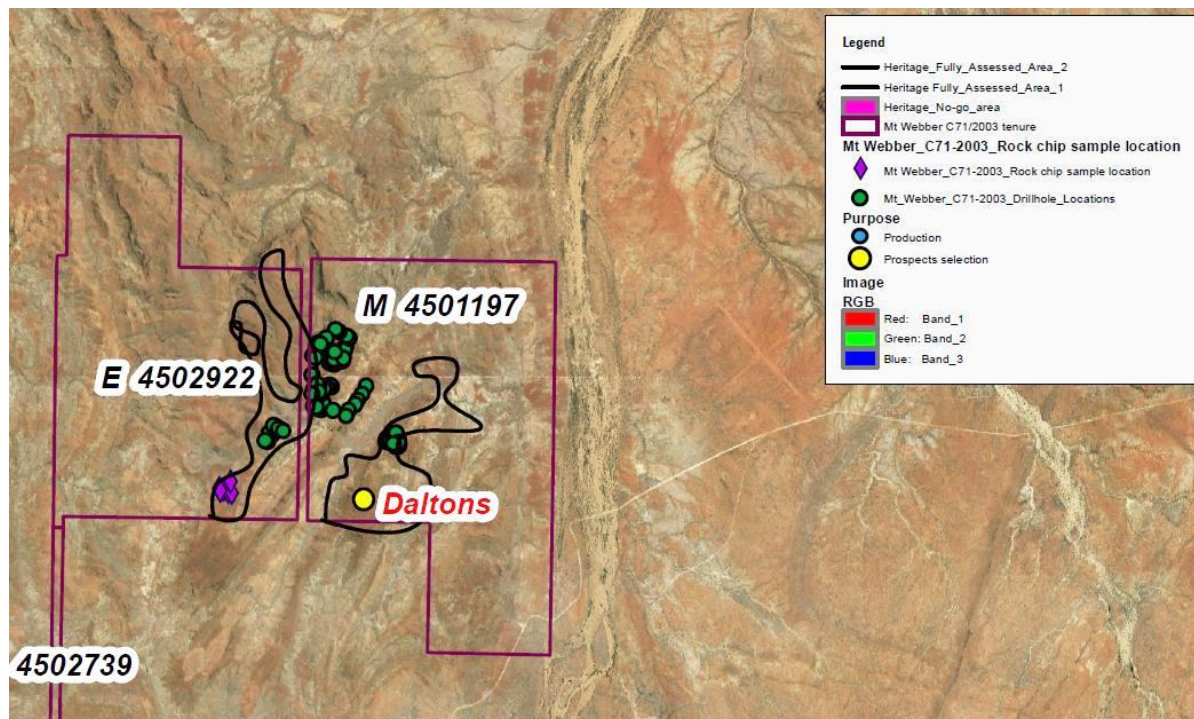


Figure 4: Drill hole and sample locations on E45/2922 & M45/1197

Hole ID	Elevation	Easting	Northing	Depth	Max Fe %
MWRC1245	408.17	737924.53	7618527.89	118	50.77
MWRC1246	401.71	737993.42	7618488.46	98	58.89
MWRC1247	405.71	737864.40	7618423.73	64	39.05
MWRC1248	410.85	737833.53	7618446.56	88	54.97
MWRC1249	392.27	737803.79	7618321.29	84	59.15
MWRC1250	394.19	737775.66	7618339.40	64	51.47
MWRC1251	410.59	737888.19	7618549.10	82	41.84
MWRC1252	404.93	737957.30	7618508.92	94	56.7
MWRC1253	396.94	738027.74	7618469.25	102	53.65

Table 2: E45/2922 May/June 2014 Atlas RC drilling results

In addition not until July 5, 2018 was Haoma made aware of other information relating to exploration and other activities by Atlas involving E45/2922 (Atlas 75%/Haoma25%) and nearby Mt Webber mining lease M45/1197. Haoma is today entitled to a royalty of about \$1.50/tonne when the Mt Webber JORC compliant iron ore reserve is in excess of 24 million tonnes inclusive of any iron ore tonnes previously mined from M45/1197. (Refer to Appendix 1 & 2 attached to the Haoma Mining Activities Report for the Quarter Ended September 30, 2018

https://arc-haoma.s3.amazonaws.com/uploads/2018/11/Haoma-Mining-NL-Activities-Report-to-Shareholders-3-Months-Ended-September-2018.-November-1-2018_-1.pdf

Included with the information received from Atlas on July 5, 2018 and later (last data received October 4, 2018) were results from a large number of ‘rock chip’ samples Atlas collected during 2013 & 2014 on E45/2922 & M45/1197.

Of importance, samples collected by Atlas obtained similar high grade iron ore results (over 40% Fe) as those collected previously by Giralia and confirmed the identity of three prospective iron ore targets near the Mt Webber Mine. (See Figure 5 – Target 1, 2 & 3)

During 2013 to 2014 reporting period Atlas conducted a helicopter assisted **site avoidance survey** across eight (8) nominated proposed exploration areas, including the area of the Licence E45/2922. The ethnographic assessment aimed to identify sites of cultural importance and to record them to **site avoidance level. Importantly no new ethnographic sites of importance were located during this survey.**

On February 19, 2014 POW 46009 was approved, which included the approval to clear tracks of 2,200m x 4.5m wide, allowing access for a drilling campaign located in M45/1197. In April 2014 two further POWs were approved for the Licence (47331 and 47861), to assist with excess tonnage as a result of the access works being undertaken.

Geological mapping was undertaken over M45/1197 as well as the Licence E45/2922. Mapping identified surface mineralisation **within the outcropping Pincunah Hill BIF to the north part of M45/1197 (Mt Webber North)** including a small area of the Licence E45/2922.

Mapping showed the area of mapped mineralisation at Mt Webber North in relation to the existing deposits. The red polygons show the surface locations of strong and moderate/weak iron mineralisation respectively.

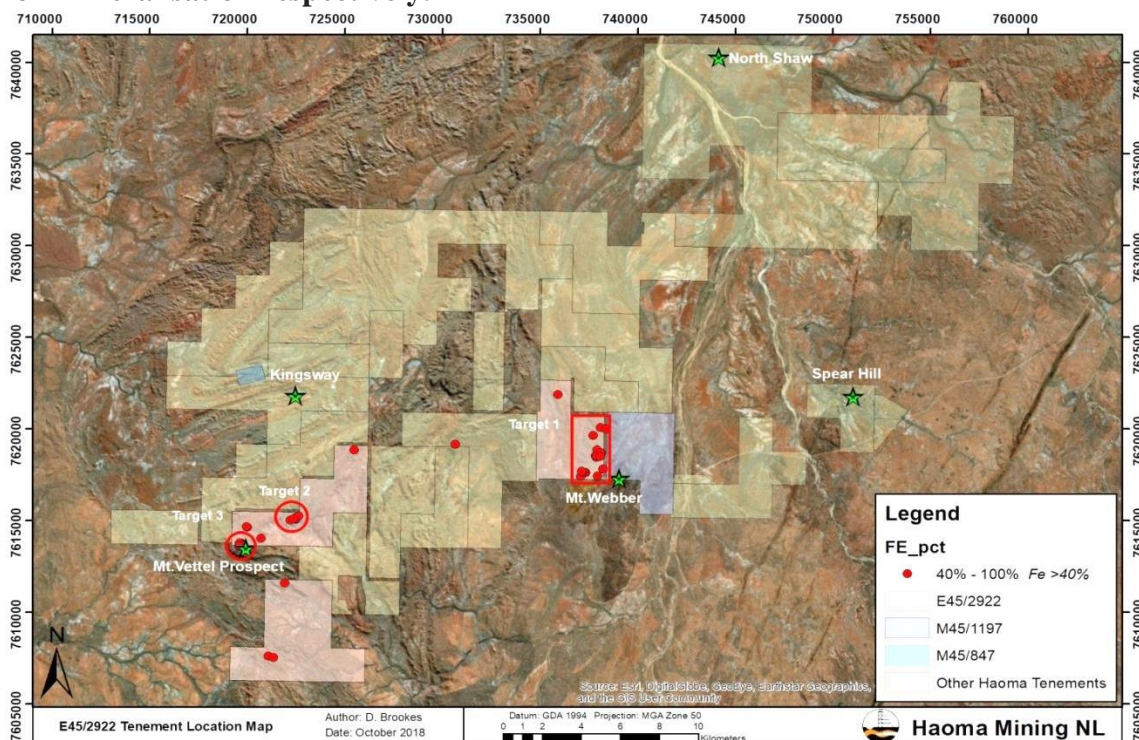


Figure 5: Map indicating sampling with resulting Fe>40% shown and 3 exploration targets

Mapping showed the mineralisation to be located on the southeast dipping limb of a synform considered to be the same structure which hosts the Ibanez mineralisation approximately 3km to the southwest of the Mt Webber Mine, M45/1197. **(Haoma's Directors are surprised Atlas shareholders at the time were not advised of this fact!)**

Heritage surveys were conducted on M45/1197 from May 13, 2014 to May 15, 2014, including over the Ibanez North prospect located on Licence E45/2922, in support of proposed drilling activities. All areas were archaeologically and ethnographically cleared for works to proceed.

In May 2014, rock chip sampling was conducted across Licence E45/2922 and other locations on M45/1197. Fourteen (14) samples were collected (seven (7) from the Licence) predominantly from BIF outcrops. Two (2) samples recorded values greater than 50% Fe, being on the Licence E45/2922 (ARK2396 and ARK2397). (Refer to Appendix 5 attached to the Haoma Mining Activities Report for the Quarter Ended September 30, 2018

https://arc-haoma.s3.amazonaws.com/uploads/2018/11/Haoma-Mining-NL-Activities-Report-to-Shareholders-3-Months-Ended-September-2018.-November-1-2018_-1.pdf)

2.4 Haoma's concerns regarding Atlas & Mt Webber as covered in correspondence and meetings with Atlas executives

On August 2, 2018 Haoma's Directors Gary Morgan and Michele Levine met with Atlas Managing Director, Cliff Lawrenson, and Executives Mark Hancock and Bronwyn Kerr.

The following information was included in a letter from Gary Morgan to Cliff Lawrenson which raised Haoma's concerns regarding Mt Webber's reserves (Refer to Appendix 2 attached to the Haoma Mining Activities Report for the Quarter Ended September 30, 2018) and details from 123 RC drill holes conducted in 2014 on M45/1197 – *"we have no information for the results obtained for M45/1197;"*:

"As you stated, Atlas is in 'caretaker mode' and because of this you believe there is little you can do at present regarding working with Haoma in the future.

When appropriate, please arrange for us to meet with those people who will be involved in planning the future mining of Mt Webber.

The following is a summary of the concerns we mentioned at our meeting.

- 1) *We went over in some detail why the Mt Webber drill hole information supplied to Haoma in 2017 did not justify the Atlas 2012 decision to significantly lower the Mt Webber Main Southern Resource estimate below 28.9mt.*

To date Haoma has not received Atlas detailed drill hole information which supports the Atlas 2014 decision that the Daltons Mt Webber reserves are below 24mt.

Please send Haoma the Atlas 2011, 2012 and 2013 detailed drill hole information. (See 2014 Gibson – Daltons Deposit Mineral Report, Table 5.2, which Haoma received in late 2017).

This information is important as we pointed out some Atlas (See 2014 Gibson – Daltons Deposit Mineral Report, Table 1.1 'Logging') and Giralia (See Haoma Aug 18, 2009 & October 31 2010 ASX Reports, RC Holes 22, 44, 55 & 56) drill holes ended in iron ore so the drilling information couldn't be used to define the complete Mt Webber iron ore body size. This is important as the defined Mt Webber deposit is 'way above' the water table. (The average length of the 169 Atlas 2011 & 2012 drill holes was 67.4m while the average length of the 72 Giralia 2009 & 2010 all replaced drill holes was 80.9m!)

While we have received the 2014 drill hole information for E45/2922 (see below) we have no information for the results obtained for M45/1197. This information is crucial for us to determine whether or not there are additional 'inferred resources' or 'reserves' in the Joint Venture

area. Until receiving your July 5, 2018 letter we had not been informed that drilling on M45/1197 had ever been conducted!

- 2) We mentioned at our meeting that we believe there is no justification in Atlas not including in any Mt Webber Resource information (presented to Atlas Shareholders) the 'inferred resource'. Based on Giralia drilling there is at least an additional 6mt of Mt Webber 'inferred resource'. The 'inferred resource' may, in fact, be even greater, depending on the results of the 2014 drilling referred to above (for M45/1197).

Peter Cole requested additional information in his letter of July 4, 2018 to Carla Librizzi. (I mentioned we want to keep all areas containing goethite.)

'Haoma Mining NL wish to retain this tenement and will now have to submit an extension of term on E45/2922 at short notice on the last day of the tenement expiry.

Can you and/or Leigh Slomp please arrange to have all exploration data (assays and locations of all drilling, rock and soil sampling) plus annual reports pertaining to E45/2922 emailed to myself (haoma2@bigpond.com) and Darren Brookes (haoma5@bigpond.com) first thing in the morning so that the extension of term can be lodged.'

So there was no misunderstanding, Gary Morgan on September 18, 2018 sent the following email to Cliff Lawrenson, Managing Director of Atlas:

"This note is further to my email of August 4, 2018 below (shown above).

When can we expect to receive details on drill holes drilled on M45/1197?

'While we have received the 2014 drill hole information for E45/2922 (see below) we have no information for the results obtained for M45/1197. This information is crucial for us to determine whether or not there are additional 'inferred resources' or 'reserves' in the Joint Venture area. Until receiving your July 5, 2018 letter we had not been informed that drilling on M45/1197 had ever been conducted!'"

2.5 **Mt Webber Region and Soansville Regions (including E45/2922) Exploration Summary & Future**

Haoma believes **magnetic anomalies located in** E45/2922 and M45/1197 contain highly prospective areas containing 'low grade' iron rich deposits that are highly likely to contain other mineralisation, specifically gold and Platinum Group Metals (PGM). (See Figures 5 & 6)

As reported under Section 2.1 'Test Work at Bamboo Creek' recent bulk sample and laboratory tests by Haoma on Mt Webber 'low grade' iron ore has shown Haoma using the Elazac Process can measure in aqua regia and recover a 'precious metal concentrates' which contains significant quantities of gold and PGM using the Elazac Process.

Over the next year Haoma will collect bulk ore samples from defined **Targets 1, 2 & 3** (See Figures 5 above and Figure 6 & 7 below) and determine the quantity of precious metals that can be recovered using the **Elazac Process** with the view to mining iron ore and associated precious metals – gold and PGM.

Target 1 is located west of Mt Webber and an extension of the Mt Webber Mine

The **Target 1** main area of iron prospectively was identified along the eastern tenement boundary of E45/2922 near adjoining M45/1197.

Lithologies encountered from north to south included cherty banded iron formations, felsic sediments, shales and massive cherts. **The host rocks were observed to be clay rich and potentially associated with a mafic or iron coming off a nearby fault structure.** A rock chip sample program by Atlas was taken in order to confirm the lithology. (See Figure 6)

Despite the lack of strong surface iron enrichment, the prospective area in Target 1 is prioritised as a highly prospective conceptual target area that requires immediate follow up for the following reasons:

- The locality contains a significant thickness of iron formations occurring in the Pincunah Hill Formation; the host rock for the nearby Mt Webber deposits, and
- The packages of banded iron formations are bounded by faults that have potentially provided fluid pathways for removal of silica during the enrichment process. Similar “blind” iron deposits have been discovered elsewhere in the Pilbara region.

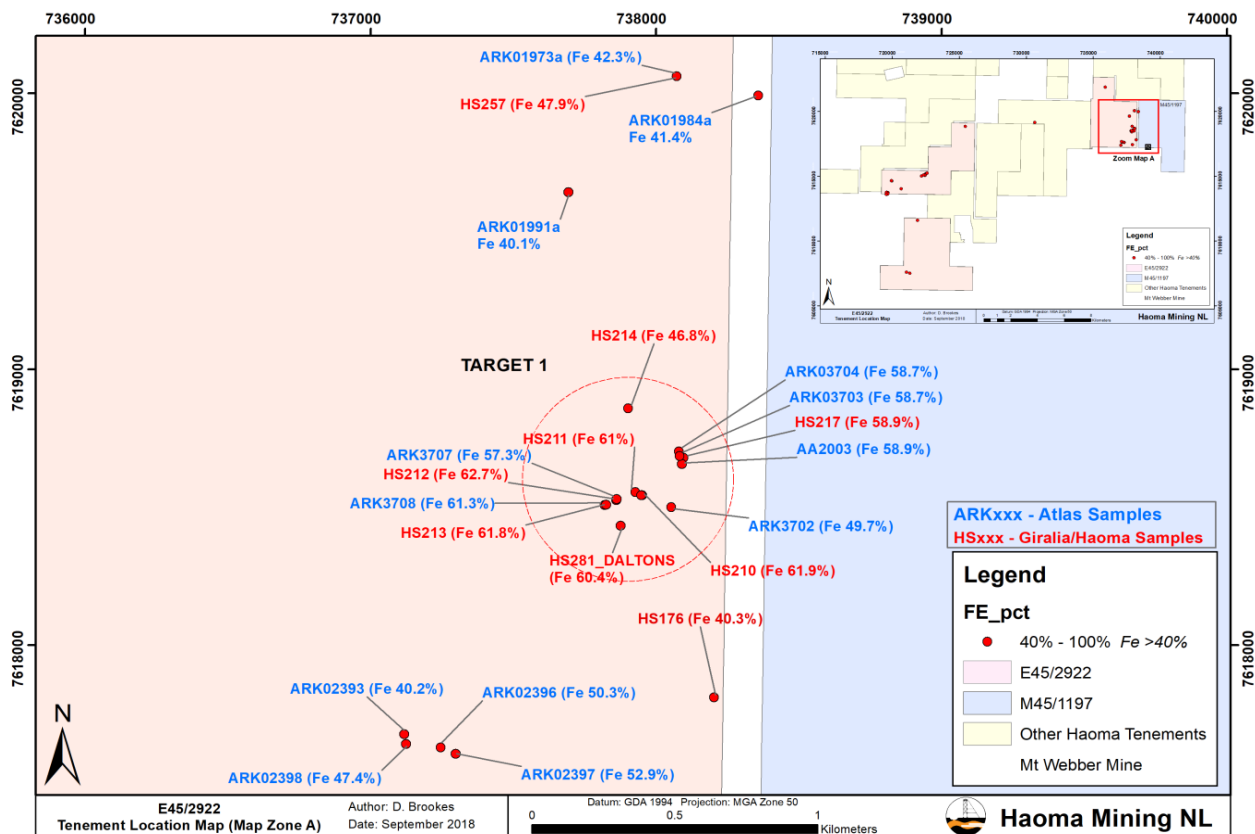


Figure 6: Target 1 rock chip samples locations with Fe > 40% collected by Atlas Iron (Blue) and Giralia JV (Red)

Target 2 and Target 3 located further west of Mt Webber, north of the Mt Vettel Prospect & south of Soansville

Target 2 and Target 3 surface geology consists of a package of banded iron formations with lesser amounts of chert, felsic and shales belonging to the prospective Pincunah Hill Formation.

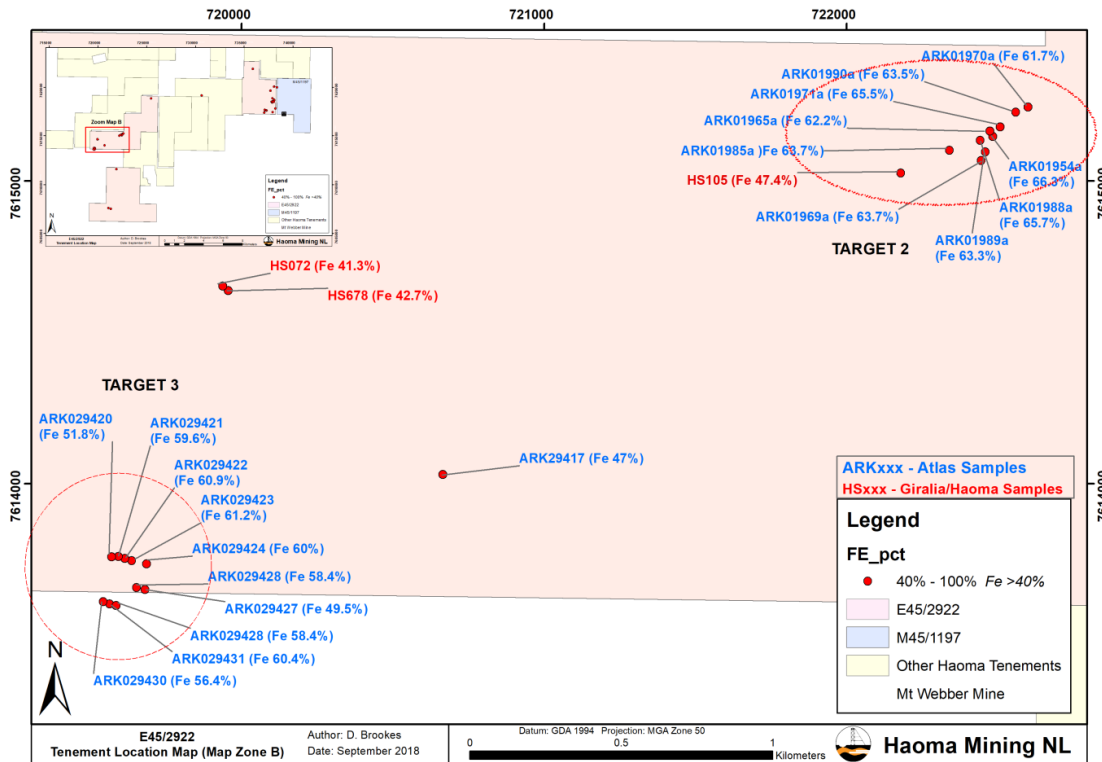


Figure 7: Target 2 and Target 3 rock chip samples locations with Fe > 40% collected by Atlas Iron (Blue) and Giralia JV (Red)

Target 2 lies north-west of the known Mt. Vettel iron ore deposit but although located within the same stratigraphy it is located on a separate topographic high range with a steep valley separating it from the Mt Vettel deposit. Figure 7 shows an image of Target 2 banded-iron formations within the host rocks.



Figure 8: Target 2 enriched laterites (left) and cherts (right)

Ten rock chip samples were collected by Atlas in Target 2 area in order to estimate grade. Based on observations and chip sample assays with a higher range of iron ore content between 47% and 68%, indications are a 'potential' iron tonnage estimated to be up to 1.38 million tonnes. (See Target 2, Figure 8)

In **Target 3** ground mapping and investigation identified a roughly 420m x 130m area of hematite iron mineralisation within 'shaley' banded iron formations. To the north of the target is an iron rich redeposited laterite with rock chip samples returning high iron ore content ranging from 41% to the highest value of 62%. Figure 9 shows images of Target 3 banded-iron formations within the host rocks.

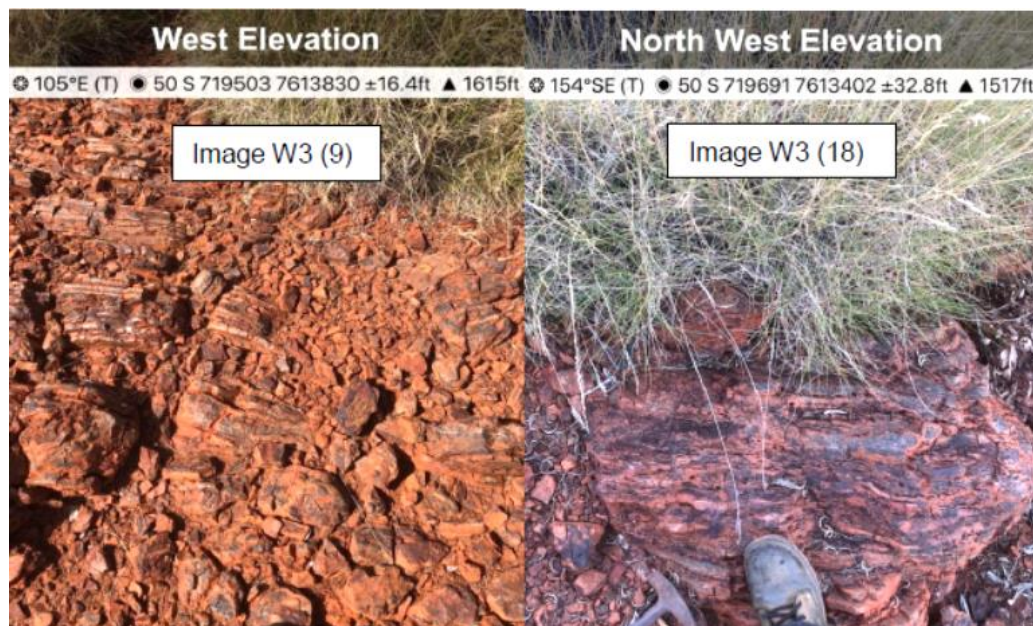


Figure 9: Target 3 Cherty Banded Iron Formations (left), silica rich jaspolite Banded Iron Formations – BIF (right)

Clear contacts with bedded chert and cherty banded iron formations can be seen on the western and southern boundaries. To the southwest, the cherty banded iron formations appear too overly to an estimated 10m in depth with potential to increase given the observed synformal structure. (See Target 3, Figure 9)

Given the positive signs and features of iron deposits present at Target 2 and Target 3, it is proposed that the iron enrichment be recognised as future targets to be bulk sampled within the upcoming Quarter. It is important to note that due to the relative isolation of these targets and the rugged nature of the terrain, earthworks will be required.

2.6 Pilbara Conglomerate mining and exploration

2.6.1 In October 2017 Haoma advised shareholders that 'flat – watermelon seed-like' nuggets had been discovered at Conglomerate Formations at the Comet Mine near Marble Bar

On October 5, 2017 Haoma advised shareholders that Haoma tenements held at Bamboo Creek and Comet Mine, near Marble Bar, (Figure 10) contained conglomerate materials in the Hardey Sandstone Formations, within the Fortescue Group.

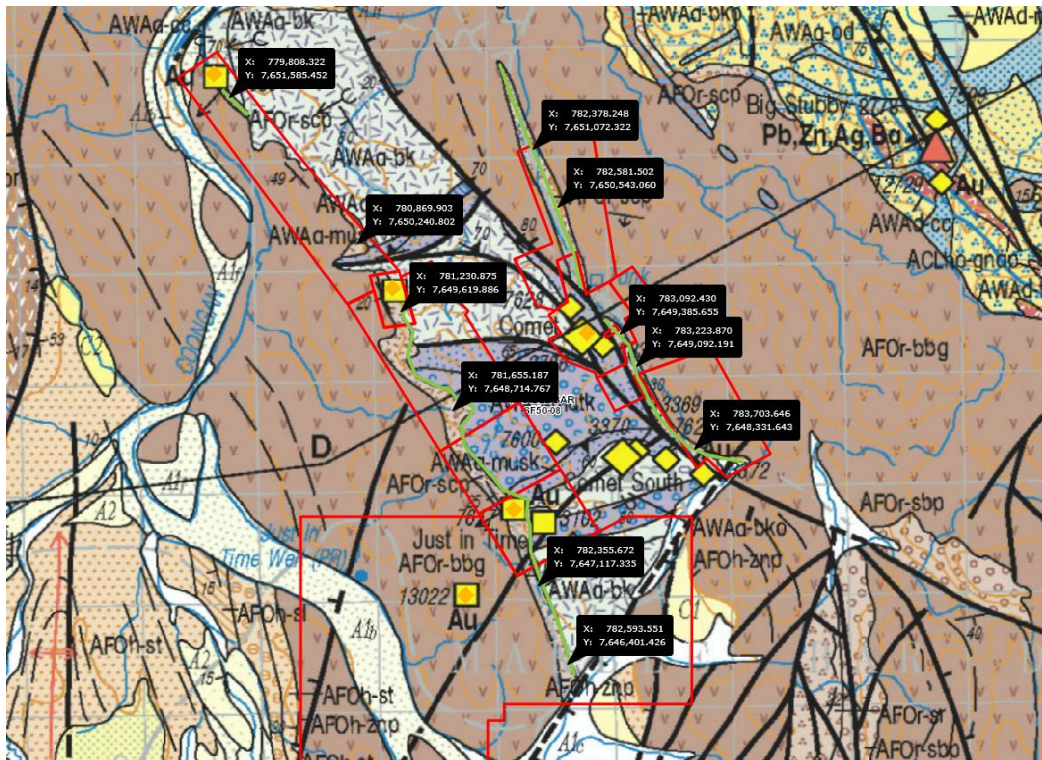


Figure 10(a): Haoma Mining, Earth geology – Comet Mine near Marble Bar tenements.

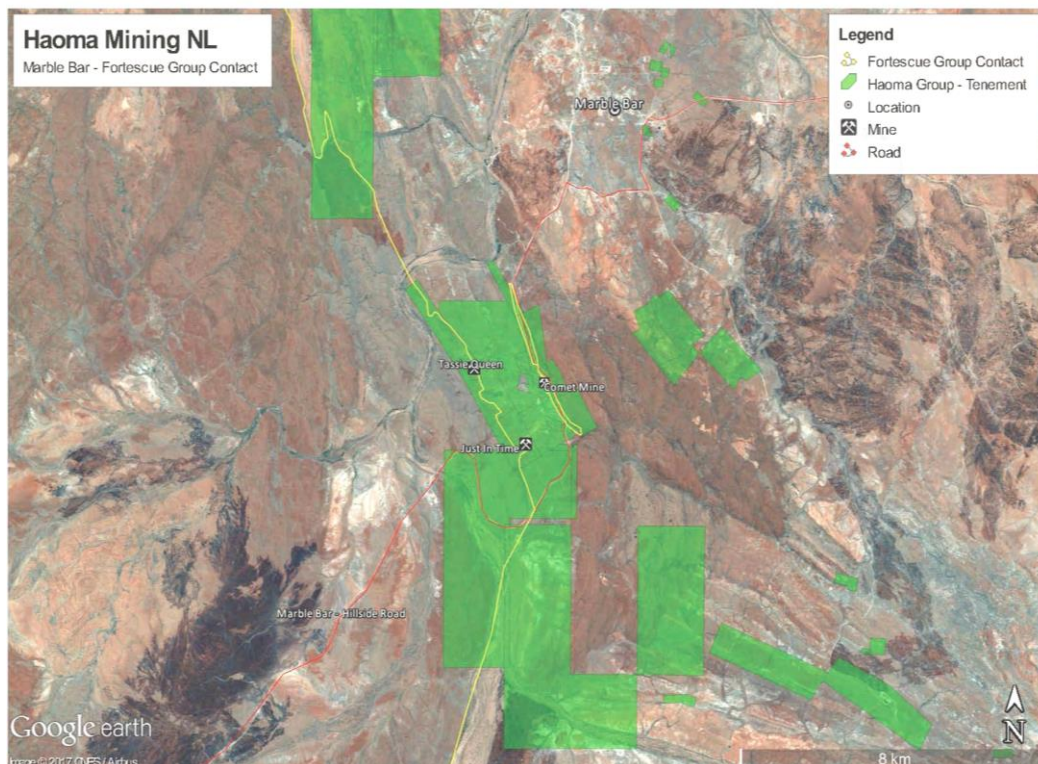


Figure 10 (b): Haoma Mining, Google earth – Comet Mine near Marble Bar tenements and Fortescue Group contact.

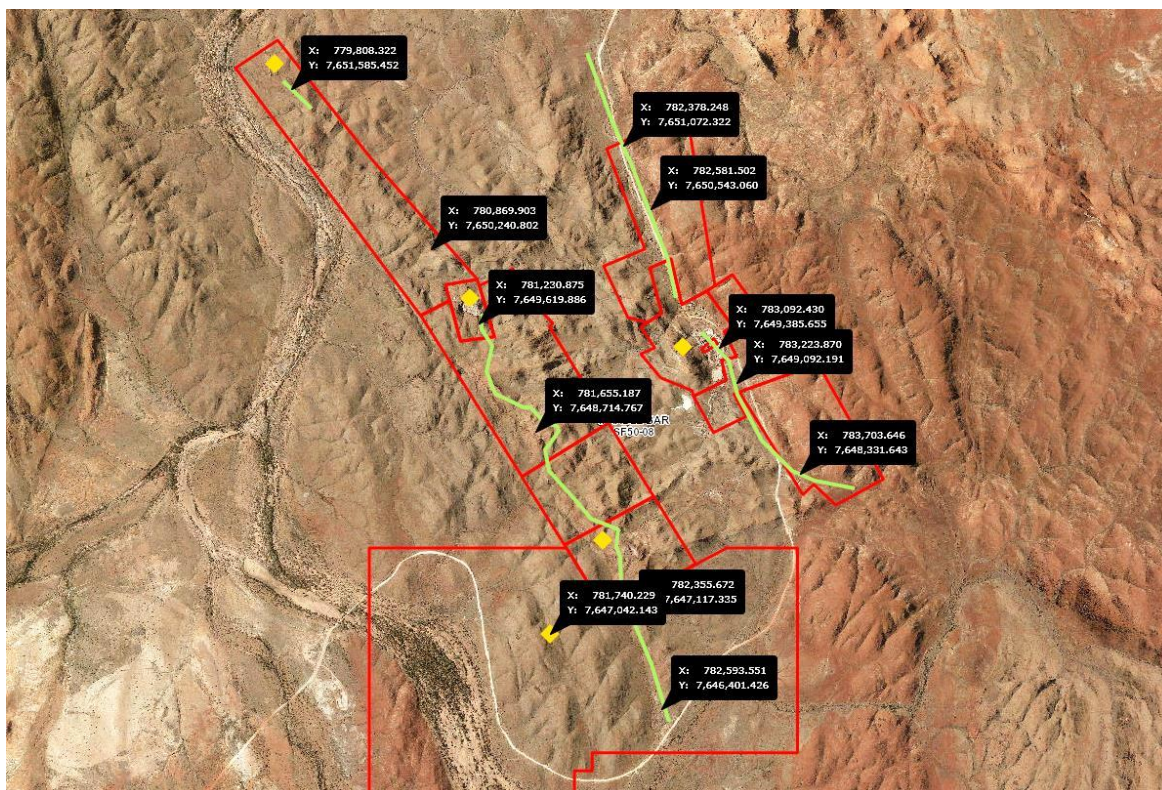


Figure 10(c): Haoma Mining, Google earth – Comet Mine near Marble Bar tenements that contain Conglomerate Materials in the Hardey Sandstone Formations.

Subsequently on **October 16, 2017** shareholders were advised that ‘Flat’ gold nuggets (Figure 11(a)) and ‘fine’ gold (Figure 11(b)) were collected from the conglomerate outcrop at the Just-in-Time Prospect located at to the South West of the Comet Mine near Marble Bar. Other gold nuggets were also collected from conglomerate outcrop at the Tassie Queen Prospect located to the North West of the Comet Mine.



Figure 11(a): Nuggets collected from the Just-in-Time Prospect to the South West of the Comet Mine, total weight of nuggets 33.167 grams



Figure 11(b): Fine gold collected at the Tassie Queen Prospect to the South West of the Comet Mine, total sample weight 0.183 grams



Figure 11(c): Channel sampling – Just-in-Time Prospect, Marble Bar.

Nuggets were collected just below the surface of the conglomerate outcrop on a bulldozed bench prepared for the sampling. The bulk sampling was conducted along a 3.5m trench cut along the strike of the conglomerate and consequently is probably not indicative of the conglomerate bed gold content.

2.6.2 Negotiations with New Frontier Exploration (NFX) Pty Ltd

Haoma has agreed with New Frontier Exploration (NFX) Pty Ltd that Haoma will process through its Bamboo Creek Plant trial bulk ore parcels of Pilbara conglomerate ores using the crushing and gravity circuit.

New Frontier Exploration will contribute to toward the Bamboo Creek Plant start-up costs and pay Haoma's operating cost of processing New Frontier Exploration bulk ore parcels.

Haoma and New Frontier Exploration propose to work towards the development of a partnership or joint venture covering exploration, mining and processing of Pilbara conglomerate ores from both New Frontier Exploration tenements and Haoma's tenements.

In early 2019 Haoma and New Frontier Exploration expect to commence trial bulk ore sampling from targeted high grade outcropping Pilbara conglomerates and processing of those samples through the Bamboo Creek Plant to produce precious metals; with a view to increasing trial bulk sampling and processing progressively to a commercial scale.

2.6.3 Callina Creek Conglomerate (P45/2986)

Callina Creek is situated about 40kms south west of Marble Bar and lies between Haoma's Comet Mine near Marble Bar and Soansville tenements. Tenement P45/2986 covers several older mining leases which have no recorded production.

It has previously been reported that fine gold and course gold has been recovered from Callina Creek conglomerate outcrop under the base of Hardy Sandstone Formation, see Figure 12 and 13 below.

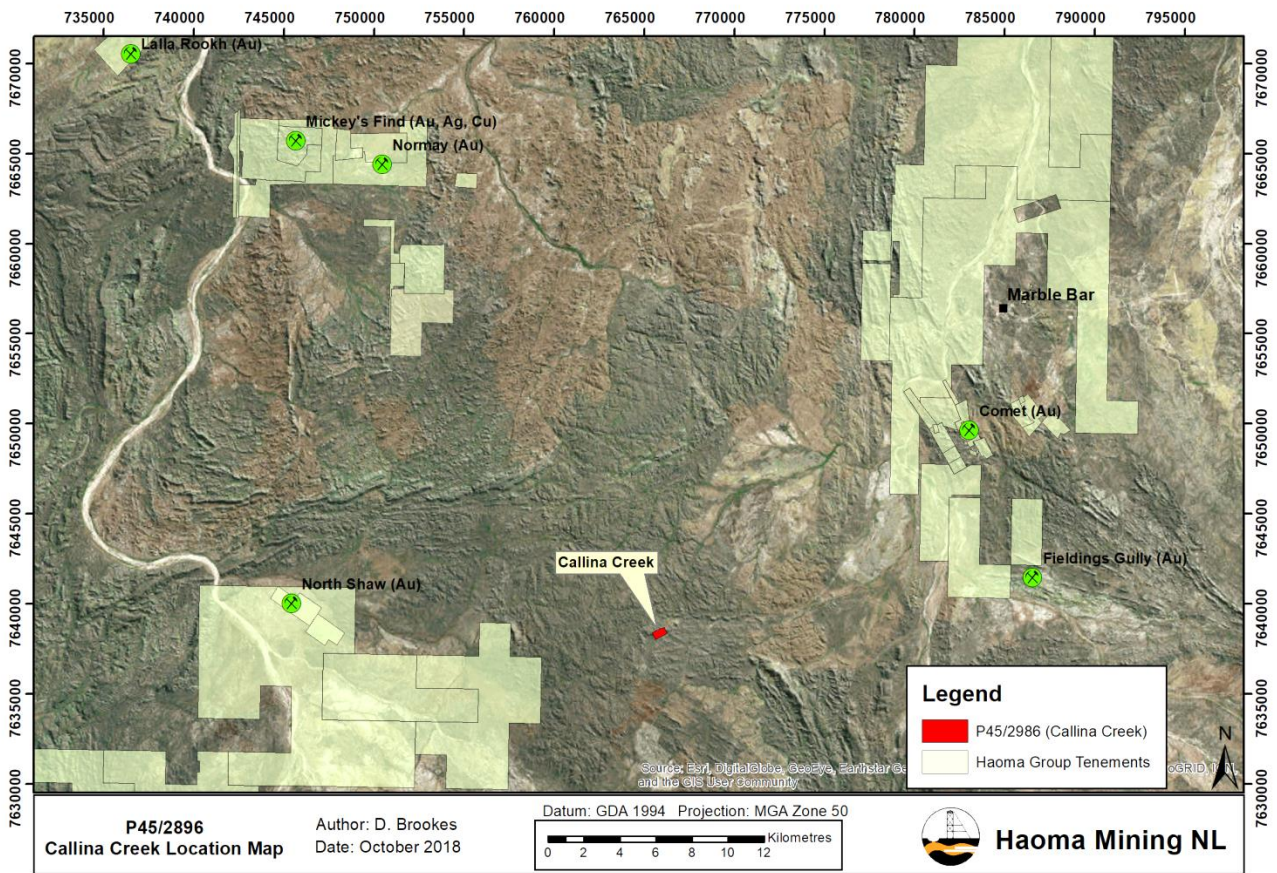


Figure 12: Callina Creek (P45/2986) prospect location map



Figure 13: Cross-Section of Callina Creek conglomerate overlaid by Hardy Sandstone Formation

The Callina Creek conglomerate is about 3m-10m thick, examples are shown below in Figure 14.

The conglomerate matrix potentially contains significant quantities of sulphides and associated gold ranging in size from fine to very coarse. The fine-grained gold is believed to be within the fine grained quartz and banded iron formations with the coarse grained gold occurring in conglomerates typically only recovered by bulk samples.

A detailed mapping and focused bulk sampling program is planned in the next 6 months to evaluate the conglomerate gold potential.



Figure 14: Conglomerate at Callina Creek

3. Haoma's Activities in the Ravenswood District, Queensland

Copper Knob (ML 1330) and Wellington Springs (ML 1415)

During the September Quarter Haoma's mobile crushing plant was installed and commissioned. Test bulk samples from Haoma's Ravenswood Copper Knob lease were processed. Crushing and sizing of test parcels from Haoma's Copper Knob lease **ML 1330** was conducted.

In addition extensive sampling was conducted at Wellington Spring and from the Wellington Spring Tailings Dam.

All samples are at Bamboo Creek and will be assayed during the current Quarter.



Figure 15: Haoma's Ravenswood Mobile Crusher being tested during commissioning at Copper Knob (ML1330)

It is planned that during the next six months, bulk ore samples will be recovered from Haoma's other Ravenswood leases (see below) then crushed and screened by size for confirmation that ore gold grades can be successfully upgraded when sorted by 'ore size'.

ML 1325 – Eight Mile, Budgerie

ML 1326 – Old Man

ML 1415 – Wellington Springs

ML 1483 – Wellington Springs No 2

ML 10275 – Elphinstone One

ML 1529 – Waterloo

ML 10315 – Podosky's

EPM 14038 – Robe Range

EPM 17832 – Robe Range East

EPM 8771 – Barrabas

4. Haoma's other activities

4.1 Dolerite & other rock sales from Elazac Quarry, Cookes Hill (M45/1186)

For 10 years from 2007 Haoma's Elazac Quarry located about 50km south of Port Hedland was operated by BGC Contracting Pty Ltd to supply dolerite for Pilbara infrastructure construction including new airstrips, railway lines and roads.

In February 2015 BGC Contracting put the Quarry on 'care and maintenance'. The BGC contract with Haoma expired in 2017 and BGC did not renew their contract to operate the Elazac Quarry.

Haoma now controls the Elazac Quarry and at present is working with Brookdale Contractors to 'rehabilitate' M45/1186.

Total sales of dolerite at \$5 per tonne and other 'hard rock' for the year ended June 30, 2018 was \$323,571. During the September 2018 Quarter 8,000 tonnes of Dolerite and other 'hard rock' were removed from M45/1186 and sold. This provided Haoma with revenue of \$40,064.

Haoma expects to receive \$75,000 revenue from Dolerite and other 'hard rock' sales in the current Quarter and then approximately \$100,000 a month for the remainder of the financial year.

Because of the recent increase in Pilbara activities Haoma has received enquiries for significant quantities (up to 500,000t) of dolerite from the Elazac Quarry which has low silica content. Haoma Directors expect considerable sales of dolerite from the Elazac Quarry over the next few years.

4.2 Trading at Haoma's Top Camp Road House, Ravenswood, Queensland

At the 'Top Camp' accommodation and Road House located at Ravenswood, Queensland the facility refurbishments undertaken during 2017 have resulted in a significant increase in the occupancy rate and increase in revenue. The Directors thank Sue Kennedy and her support team at Top Camp for the revitalisation of Top Camp and its accommodation which is now a valuable Haoma asset.

5. Acknowledgements

The Directors wish to acknowledge and express their appreciation to all those who during the last year have contributed to the company's activities in the Pilbara and Ravenswood districts. In particular, the Board's thanks go to Mr. Peter Cole, Prof. Peter Scales, Mr. Hugh Morgan and other consultants who have contributed to help **Haoma solve the gold, silver and Platinum Group Metals (PGM) assay problem associated with Pilbara ores; and the extraction of gold, silver, PGM and other metals from Pilbara ores.**

The Board also acknowledges the significant efforts of those personnel working at the remote Pilbara and Ravenswood operations. These people include Tristin Cole, Steven Wilson and geologist Darren Brookes at Bamboo Creek, Gerard Poot at the Comet Gold Mine and Tourist Centre, Geoffrey Myers at the Normay Gold Mine, and Sue Kennedy, Tatiana Sanders, Cheree Widger and Jodie Mason at Ravenswood.



Gary C. Morgan
Chairman

November 19, 2018



Figure 16: Comet Gold Mine Tourist Centre looking north east, Conglomerate Formations are clearly shown on the right.

HAOMA MINING NL
FINANCIAL STATEMENTS & REPORTS
FOR THE YEAR ENDED
JUNE 30, 2018

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

The Directors of Haoma Mining NL present their report on the company and its consolidated entities (referred to hereafter as the Group, Haoma or the Economic Entity) for the financial year ended June 30, 2018.

DIRECTORS

The following persons held office as Directors from the start of the financial year to the date of this report, unless otherwise stated:

Gary Cordell Morgan (Chairman)
Michele Levine
Wilton Timothy Carr Ingram

COMPANY SECRETARY

The following person held the position of Company Secretary at the end of the financial year:

James A. Wallace CA

PRINCIPAL ACTIVITIES

Haoma's continuing principal activities during the financial year were mineral exploration, the analysis of mineral deposits and the advancement of ore processing and extraction technology. There was no significant change in the nature of the principal activities during the year.

OPERATING AND FINANCIAL REVIEW

The Annual Operating and Financial Review should be read in conjunction with the financial statements for the year ended June 30, 2018. During the year Haoma's core operations continued to be focused on mineral exploration and research and development at its primary area of interest in the Pilbara district of Western Australia and in the Ravenswood district in North Queensland. As in previous years activities at Haoma's Bamboo Creek Pilot Plant conducted in conjunction with The University of Melbourne were focused on developing new commercially viable processes for the assaying and extraction of gold and other precious metals when processing Bamboo Creek Tailings Concentrate and mineral ores from various Pilbara locations including Mt Webber.

Haoma's Activities Reports over the last year have further advised shareholders of the significant gold and other precious metal grades measured in both Bamboo Creek Tailings and Mt Webber ore samples using the Elazac Process.

The most recent update to shareholders was provided in Haoma's [Activities Report for the Quarter Ended September 30, 2018](#) released on November 1, 2018. Section 2 from that report advised shareholders of progress in relation to test work at Bamboo Creek. Earlier results from test work trials conducted at Bamboo Creek on Bamboo Creek Tailings and Mt Webber ore were released in the [Half Year Ended June 30, 2018 Activities Report to shareholders](#) on August 8, 2018.

Shareholders were advised that during June/July 2018 the Bamboo Creek Plant facilities was used to process different bulk samples (about 10kg each) of Bamboo Creek Tailings and 'low grade' Mt Webber iron ore (using the Elazac Process). A 'Precious Metal Concentrate' was then consistently recovered which was between 2.5% & 5% of the sample processed.

Operating Results and Financial Position

The consolidated loss of the Group for the year ended June 30, 2018 was \$3,899,541. This compares with the loss for the year ended June 30, 2017 of \$4,691,860. The net comprehensive loss for the period attributable to members was \$3,450,646 (2017: loss \$4,691,860).

The consolidated Statement of Financial Position at June 30, 2018 shows a deficiency of net assets of \$73,359,495 (2017: deficiency \$69,905,323). As detailed in Note 2(b) to the financial statements, almost all funding for Haoma's operations is provided by The Roy Morgan Research Centre Pty Ltd, a company owned and controlled by Haoma's Chairman, Gary Morgan. The Independent Auditor's Report for the year to June 30, 2018 includes an 'Emphasis of Matter' statement in relation to Going Concern and the reliance of Haoma on ongoing financial support provided by The Roy Morgan Research Centre Pty Ltd.

The Roy Morgan Research Centre Pty Ltd has provided an assurance to the Board that it will continue to ensure funds are available to the company to fund operations for a period of at least 12 months from the date of this report.

At June 30, 2018 the debt to The Roy Morgan Research Centre Pty Ltd was \$39.724 million (2017: \$39.225 million). Haoma has approved payment of interest on the debt calculated monthly at the average 30 day commercial bill rate plus a facility margin of 1%. Although interest is calculated monthly, it will accrue until Haoma has attained a financial position represented by a positive net asset ratio and the Board determines that the company is in a financial

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

position to commence interest payments. Total interest accrued and unpaid to June 30, 2018 is \$31.914 million (2017: \$29.986 million).

Future Developments, Prospects and Business Strategies

Haoma's test work program in relation to the Elazac Process and how it may be commercially exploited in relation to various Pilbara ores is ongoing.

Haoma publishes relevant information in relation to likely developments in operations via Shareholders Activities updates released quarterly on its website at www.haoma.com.au and via email and direct mail to shareholders and interested persons. Copies of previous information releases are also available from Haoma's website.

DIVIDENDS

No dividends have been paid or declared during or since the end of the financial year (2017: Nil).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Apart from matters already described above, there were no significant changes in the state of affairs of Haoma during the year to June 30, 2018.

EVENTS SUBSEQUENT TO THE REPORTING DATE

There has not been any matter or circumstance that has arisen since the reporting date that has significantly affected or may significantly affect the operations of the Economic Entity, the results of those operations or the state of affairs of the Economic Entity.

ENVIRONMENTAL ISSUES

The gold mining, exploration and mining development activities of Haoma Mining NL are subject to significant environmental regulation. Environmental legislation under which the company conducts its activities is principally Australian State Government legislation and includes in Western Australia the *Mining Act 1978 (WA)*, the *Environmental Protection Act 1986 (WA)* and the *Aboriginal Heritage Act 1980 (WA)*; and in Queensland the *Mineral Resources Act 1989 (Qld)* and the *Environmental Protection Act 1994 (Qld)*.

The company has complied with environmental protection and rehabilitation requirements and has management and reporting systems for all of the areas in which it has interests. Regular reviews are conducted with regard to environmental compliance matters. The environmental impact of the operation of the company's processing plants at Normay and at Bamboo Creek, Western Australia is subject to continuous assessment. There were no significant matters in regard to environmental control or management that arose during the year. The company will continue to monitor its performance in relation to the environment. That process will include the ongoing assessment of the environmental impact of each of the company's operations and the development of additional reporting and communications systems to ensure compliance and identify items for specific action.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

ACKNOWLEDGEMENTS

The Board wishes to acknowledge and express its appreciation to all those who during the last year have contributed to the company's activities in the Pilbara and Ravenswood districts. In particular, the Board's thanks go to Mr. Peter Cole, Prof. Peter Scales, Mr. Hugh Morgan and other consultants who have contributed to helping solve the gold assay problem with Pilbara ores; and the extraction of gold and other metals from Pilbara ores.

The Board also acknowledges the significant efforts of those personnel working at the remote Bamboo Creek and Ravenswood operations.

INFORMATION ABOUT DIRECTORS AND OFFICERS

Gary Cordell MORGAN, B.Comm

Appointment Date:

Experience:

Interest in Shares and Options:

Directorships held in other listed entities:

Special Responsibilities:

Chairman

May 10, 1991

Executive Chairman of Roy Morgan Research Ltd. Is a member of a number of research and marketing organisations.

Indirect and beneficial interest in 128,182,961 Haoma Mining shares via directorships and interests in Leaveland Pty Ltd and Elazac Pty Ltd.

Holds no interest in any options to acquire shares.

Nil

Audit Committee

Michele LEVINE, B.Sc (Hons), Env. St

Appointment Date:

Experience:

Directorships held in other listed entities:

Interest in Shares and Options:

Non-Executive Director

August 8, 1994

Director and CEO of Roy Morgan Research Ltd.

Nil

Indirect and beneficial interest in 3,150,000 Haoma Mining shares via interest in the Levine Family Trust. Direct interest in 16,194 shares.

Total interests: 3,166,194 shares

Holds no interest in any options to acquire shares.

Nil

Special Responsibilities:

Wilton Timothy Carr INGRAM

Appointment Date:

Experience:

Directorships held in other listed entities:

Interest in Shares and Options:

Non-Executive Director

November 10, 2015

Mr Ingram has operated his own businesses in Australia and Hong Kong engaged in various fields including finance, corporate advice and marketing.

Mr Ingram has extensive skills in planning, communication and business development analysis to complement his broad base financial skills.

Nil

Indirect interest in 1,084,166 Haoma Mining shares via shareholding and directorships in Criterion Properties Pty Ltd and Loftus Group Ltd.

Total interests: 1,084,166 shares.

Holds no interest in any options to acquire shares.

Nil

Special Responsibilities:

James WALLACE B.Ec, CA

Appointment Date:

Experience:

Directorships held in other listed entities:

Interest in Shares and Options:

Company Secretary

November 21, 1997

Chartered Accountant and Commercial Manager.

Nil

Indirect interest in 100,000 Haoma Mining shares via membership of a self-managed superannuation fund.

Audit Committee Secretary

Special Responsibilities:

No Director, during or since the end of the financial year, has received or become entitled to receive a benefit by reason of a contract made by the Company or a related body corporate with the Director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest other than as shown in Note 20 (Related Party Information) to the financial statements.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

REMUNERATION REPORT – (AUDITED) *Continued*

2017	Name	Period of responsibility	Short-term Benefits		Post Employment Benefits	Long-term Benefits	Total	Performance Related
			Salary & Director Fees	Non-Cash Benefits	Super	Long Service Leave		
			\$	\$	\$	\$	\$	%
Executive Director								
Gary Morgan (*)	Full year	40,000	-	3,800	-	43,800	-	
Non-Executive Directors								
Michele Levine (*)	Full year	40,000	-	3,800	-	43,800	-	
Tim Ingram (*)	234 days	20,000	-	1,900	-	21,900	-	
General Manager								
Peter Cole	Full Year	148,800	-	-	-	148,800	-	
Total		248,800	-	9,500	-	258,300	-	

(*) Directors' fees and superannuation contributions thereon have not been paid. The Board of Directors has deferred payment of Director's fees until it is determined that the company is in a financial position to re-commence payments.

The number of shares in the Consolidated Entity held during the financial year by each Officer of the Consolidated Entity and Haoma Mining, including their personally related parties, are set out below. There were no shares granted during the period as compensation.

2018	Balance at start of the year	Received as compensation	Options exercised	Net change other (*)	Balance at end of the year
Gary Morgan	128,182,961	-	-	-	128,182,961
Michelle Levine	3,166,194	-	-	-	3,166,194
Tim Ingram	1,054,166	-	-	30,000	1,084,166
	132,403,321	-	-	30,000	132,433,321
2017					
Gary Morgan	128,182,961	-	-	-	128,182,961
Michelle Levine	3,166,194	-	-	-	3,166,194
Tim Ingram	827,130	-	-	227,036	1,054,166
	132,176,285	-	-	227,036	132,403,321

(*) T. Ingram - Net change resulting from acquisitions within the year.

Service agreements

Remuneration and other terms of employment for the Directors and other Key Management Personnel may be formalised in service agreements.

The services of Haoma's General Manager, Peter Cole, is charged at a daily consulting rate. The agreement may be cancelled by either party upon giving two months notice.

Voting and Comments made at the 2017 Annual General Meeting

The Remuneration Report for the 2017 financial year received positive shareholder support at the 2017 AGM with 100.00% of votes in favour. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This is the end of the remuneration report which has been audited.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

DIRECTORS' MEETINGS

During the financial year there were three full meetings of the Board of Directors and one meeting of the Audit Committee. The number of meetings attended by each of the Directors is:

	Full meetings of Directors	Meetings of Audit Committee
Number of meetings held:	3	1
Number of meetings attended by:		
Mr. G C Morgan	3	1
Ms. M Levine	3	-
Mr. T Ingram	2	-

The Board of Directors' comprises 3 persons each of whom are in regular contact with each other and meet informally approximately once per week. In addition the Board is in daily contact by telephone and email communication. These regular and efficient forms of contact enable all of the Directors to keep abreast of company business and to ensure informed and timely decisions are reached. Where urgent matters arise that require formal adoption of resolutions by the Board, circulated resolutions are executed to effect decisions.

SHARES UNDER OPTION

There are no shares under option as at the date of this report.

INDEMNIFICATION OF OFFICERS AND AUDITORS

The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

PROCEEDINGS ON BEHALF OF ENTITY

No person has applied for leave of Court to bring proceedings on behalf of the company or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included at page 8.

NON-AUDIT SERVICES

There were no non-audit services provided by the auditor or by another person or firm on the auditor's behalf during the financial year.

This report is signed in accordance with a resolution of the Directors.



Gary C. Morgan
Chairman

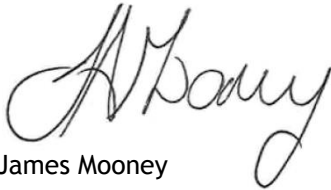
Melbourne,
November 27, 2018

DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF HAOMA MINING NL

As lead auditor of Haoma Mining NL for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Haoma Mining NL and the entities it controlled during the period.



James Mooney
Partner

BDO East Coast Partnership

Melbourne, 27 November 2018

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

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HAOMA MINING NL AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

	Note	CONSOLIDATED	
		2018	2017
		\$	\$
Continuing Operations			
Sale of gold and silver		11,559	-
Retail sales		275,156	118,256
Royalty income		37,298	80,017
Revenue from test work		-	100,000
Revenue		324,013	298,273
Other income	3(a)	2,219,991	290,000
Cost of sales	3(b)	(457,653)	(347,368)
Test work and plant configuration expenditure		(1,337,200)	(1,536,687)
Exploration and tenement costs expensed		(572,873)	(602,727)
Administration and compliance expense	3(c)	(1,056,146)	(866,344)
Finance costs	3(d)	(1,958,961)	(1,795,536)
Depreciation and amortisation costs	3(e)	(187,847)	(193,606)
Movement in Rehabilitation Provision.....		(872,865)	62,135
Loss before income tax		(3,899,541)	(4,691,860)
Income tax expense	4	-	-
Loss for the year after tax		(3,899,541)	(4,691,860)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit and loss</i>			
Gain /(Loss) on revaluation of financial assets		448,895	-
Total comprehensive income for the year attributable to members of Haoma Mining NL, net of tax		(3,450,646)	(4,691,860)
Earnings per share (cents per share)			
- Basic loss per share for the year attributable to ordinary equity holders of the parent	5	(2.05)	(2.47)
- Diluted loss per share for the year attributable to ordinary equity holders of the parent	5	(2.05)	(2.47)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

		CONSOLIDATED	
	Note	2018	2017
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	7	6,911	9,455
Trade and other receivables	8	89,857	106,610
Inventories	9	170,752	156,844
Total Current Assets		<u>267,520</u>	<u>272,909</u>
Non-current Assets			
Property, plant and equipment	11	730,778	816,791
Exploration and evaluation	12	5,461,150	5,655,230
Total Non-Current Assets		<u>6,191,928</u>	<u>6,472,021</u>
TOTAL ASSETS		<u>6,459,448</u>	<u>6,744,930</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	13	2,200,285	2,203,719
Interest bearing loans and borrowings	14	74,423,930	71,985,685
Provisions	15	134,730	248,996
Total Current Liabilities		<u>76,758,945</u>	<u>74,438,400</u>
Non-Current Liabilities			
Provisions	15	3,059,998	2,211,853
Total Non-Current Liabilities		<u>3,059,998</u>	<u>2,211,853</u>
TOTAL LIABILITIES		<u>79,818,943</u>	<u>76,650,253</u>
NET LIABILITIES		<u>(73,359,495)</u>	<u>(69,905,323)</u>
EQUITY			
Contributed equity	16	60,604,835	60,608,361
Accumulated losses		(133,964,330)	(130,513,684)
TOTAL SHAREHOLDERS' EQUITY DEFICIENCY		<u>(73,359,495)</u>	<u>(69,905,323)</u>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2018

CONSOLIDATED	Share Capital	Financial Assets Fair Value Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at July 1, 2016	60,608,361	-	(125,821,824)	(65,213,463)
Loss after income tax for the year	-	-	(4,691,860)	(4,691,860)
<i>Total comprehensive income for the year</i>	-	-	(4,691,860)	(4,691,860)
Balance at June 30, 2017.....	60,608,361	-	(130,513,684)	(69,905,323)
Balance at July 1, 2017	60,608,361	-	(130,513,684)	(69,905,323)
Loss after income tax for the year	-	-	(3,899,541)	(3,899,541)
Other comprehensive income for the year, net of tax.....	-	448,895	-	448,895
<i>Total comprehensive income for the year</i>	-	448,895	(3,899,541)	(3,450,646)
to retained earnings.....	-	(448,895)	448,895	-
Transactions with owners in their capacity as owners:				
Share Capital Buy-back.....	(3,526)	-	-	(3,526)
Balance at June 30, 2018.....	60,604,835	-	(133,964,330)	(73,359,495)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

	Note	CONSOLIDATED	
		2018	2017
		\$	\$
Cash flows from operating activities			
Receipts from customers		312,624	281,254
Other income		275,565	290,000
Payments to suppliers and employees		(1,834,335)	(1,015,928)
Exploration and development expenditure		(1,669,719)	(1,869,987)
Interest paid		(20,225)	(15,621)
Net cash used in operating activities.....	7(b)	(2,936,090)	(2,330,282)
Cash flows from investing activities			
Purchase of property, plant and equipment		(101,834)	(69,215)
Purchase of investments and mining leases.....		(312,000)	(7,400)
Proceeds from sale of mining leases		500,000	-
Proceeds from sale of Investments in Degrey and Calidus.....		2,351,397	-
Net cash (used in)/provided by investing activities		2,437,563	(76,615)
Cash flows from financing activities			
Net movement in Loan funding from related parties		499,509	2,407,540
Payments to Shareholders - Haoma capital shares buy back		(3,526)	-
Net cash provided by financing activities		495,983	2,407,540
Net increase/(decrease) in cash held		(2,544)	643
Cash and cash equivalents at the beginning of the financial year		9,455	8,812
Cash and cash equivalents at the end of the financial year	7(a)	6,911	9,455

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1 CORPORATE INFORMATION

The financial report of Haoma Mining NL for the year ended June 30, 2018 was authorised for issue in accordance with a resolution of the Directors on November 23, 2018.

Haoma Mining is an unlisted public company, incorporated and domiciled in Australia. The company's registered office is Tonic House, 386 Flinders Lane, Melbourne. The principal activities of the Group during the financial year were mineral exploration, the analysis of mineral deposits and the advancement of ore processing and extraction technology.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report of a for profit entity which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards and Interpretations.

The financial report has been prepared on a historical cost basis, except for available-for-sale assets, which have been measured at fair value and provisions which have been carried at fair value. The financial report is presented in Australian dollars.

(b) Going Concern

The Consolidated Group produced a net loss of \$3,899,541 (2017: \$4,691,860) for the year ended 30 June 2018, had net current liabilities of \$76,491,425 (2017: \$74,165,491), had negative shareholders equity of \$73,359,495 (2017: \$69,905,323) and had negative cash flows from operating activities of \$2,936,090 (2017: \$2,330,282). The ability of the entity to continue as a going concern is dependent on the ongoing financial support from related parties, which indicates a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern.

To support the ongoing operations of the Group, The Roy Morgan Research Centre Pty Ltd (a company owned and controlled by Haoma's Chairman and majority shareholder, Mr. Gary Morgan) has provided an undertaking that it will make funds available to the consolidated entity to ensure that there is no shortfall of funding required for operations for a period of at least 12 months from the date of this report.

At June 30, 2018 the total debt owing in respect of funds provided to Haoma by related parties was \$40,065,044 (2017: \$39,565,535) along with accrued interest of \$34,358,886 (2017: \$32,420,150). The related parties have all confirmed that payment of monies owed by Haoma will not be required until such time as Haoma's Board of Directors determine that the company is able to commence repayments without adverse financial consequences to the consolidated entity. The Board of Directors is therefore satisfied that the going concern assumption is the appropriate basis for preparation of the financial report.

For the reasons detailed above, the financial statements have been prepared on the basis that the consolidated entity is a going concern, which contemplates the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business at the amounts stated in the financial statements.

If the consolidated entity is unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial report. The report does not include any adjustments relating to the recoverability and classification of recorded asset carrying amounts or the amounts and classification of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they become due and payable.

(c) Statement of Compliance

The financial report of Haoma complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

In the current year, the consolidated group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. Details of the impact of those changes are set out in the individual accounting policy notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

2 STATEMENT OF ACCOUNTING POLICIES (continued)

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised and amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted other than AASB 9 Financial Instruments (2014) which was adopted with effect from 1 July 2011.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2018. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

• **AASB 16 Leases**

(applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is not expected that the impact will be material.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

2

STATEMENT OF ACCOUNTING POLICIES (continued)

• **AASB 15 Revenue from Contracts with Customers**

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The standard will require contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue.

For goods, the performance obligation would be satisfied when the customer obtains control of the goods.

For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers.

For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is not expected to be material.

(d) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2018 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities (including special purpose entities) over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. They are de-consolidated from the date that control ceases. Controlled entities are detailed in Note 10.

In preparing the financial statements, the financial impact of all inter-company balances and transactions between entities in the Consolidated group during the year have been eliminated. Accounting policies of subsidiaries are consistent with the parent.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

2 STATEMENT OF ACCOUNTING POLICIES (continued)

(e) Significant judgements, estimates and assumptions used in applying accounting policies

Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements and estimations, which were they to change, would have the most significant effect on the amounts recognised in the financial statements in future years:

Exploration and Mining Lease Commitments

The Group holds various exploration and mining lease permits over areas of interest in Western Australia and Queensland. Annual minimum expenditure requirements exist in order to retain the exclusive right to explore and mine on these leases. In a number of cases, leases are located adjacent to or in close proximity to each other and activities often overlap a number of leases. With the approval of the relevant State Government Departments, certain expenditures which are known to be applicable to a broad area covering a number of leases are aggregated and applied to the affected leases using allocation estimates. The decision as to which leases should be aggregated for this purpose requires an exercise of judgement.

Exploration Assets and impairment

Accounting estimates are required for the impairment of exploration assets. See note 2(q).

Provision for Rehabilitation costs.

Accounting estimates have been used to calculate the carrying value of Provision for Rehabilitation of exploration assets. The Provision for Rehabilitation is based on Rehabilitation Liability Estimates (RLE) provided by the Department of Mines and Petroleum in Western Australia which is based on the ground / environmental disturbance data submitted by Haoma on an annual basis. The provision is the sum of all rehabilitation liability estimates for all of Haoma's tenements adjusted for inflation and its present carrying value. See note 2(u).

(f) Segment Reporting

Operating Segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for the allocation of resources and assessing performance of the operating segments.

(g) Revenue Recognition

When in production, the Group's primary source of revenue is from the sale of precious metals, specifically gold and silver. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue from the sale of precious metal is therefore recognised upon supply of refined metal to the customer or on delivery against forward sale contracts. Other sources of revenue are recognised on the following basis:

Interest is recognised as it accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate.

The Group operates retail outlets at Comet Mine Tourist Centre at Marble Bar WA and at its Top Camp facility at Ravenswood, Queensland. Revenue from retail operations is recognised when completed.

Revenue from the provision of consulting services is recognised upon the delivery of the service to the customer.

Haoma has negotiated royalty contracts with companies for materials mined from Haoma's tenements. Revenue is recognised upon confirmation that a royalty entitlement has been earned in accordance with the royalty agreement.

Revenue earned under 'Right to Mine' Agreements in respect to Group tenements is first applied against capitalised exploration costs in respect to those tenements. Revenue in excess of capitalised exploration is taken direct to income.

Revenue gains or losses from the sale of exploration and mining assets are recognised upon completion.

All revenue is stated net of goods and services tax (GST).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

2

STATEMENT OF ACCOUNTING POLICIES (continued)

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(i) Impairment of assets

At each reporting date the Group assesses whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at the revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(j) Income Tax

Haoma Mining NL and its wholly-owned Australian subsidiaries formed an income tax consolidated group on July 1, 2003. Haoma Mining NL is responsible for recognising the current and deferred tax assets and liabilities for the consolidated tax group. The consolidated tax group has entered a tax sharing agreement whereby each group company contributes to income tax payable in proportion to the net result before tax of the consolidated tax group.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to calculate taxation assets and liabilities are those that applied at year end balance date.

At the reporting date, deferred income tax is provided on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

2

STATEMENT OF ACCOUNTING POLICIES (continued)

Deferred income tax liabilities are recognised for all taxable temporary differences except when:

- the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, does not affect either accounting profit or taxable income; or
- the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward unused tax assets and unused tax losses, to the extent that it is probable that future taxable profits will be available to utilise the benefit of those deductible temporary differences, carry forward tax credits and tax losses, except when:

- the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, does not affect either accounting profit or taxable income; or
- the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that taxable income will be generated in the foreseeable future against which the temporary difference will reverse.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to utilise the deferred tax asset. Unrecognised deferred income tax assets are reassessed each balance date and are recognised to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, using tax rates that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and taxation authority.

(k) Borrowing Costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(l) Cash and cash equivalents

For the purposes of the Consolidated statement of cash flows, cash and cash equivalents includes:

- cash at bank, cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- investment in money market instruments with less than 14 days to maturity.

(m) Inventories

Inventories are measured and valued as follows:

- Purchased consumables and materials are counted and valued at the lower of cost and net realisable value,
- Inventories of Run of Mine ore stockpiles, work in process, heap leach material and gold bullion are physically measured or estimated and are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated further costs of production and the estimated costs of selling.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

2

STATEMENT OF ACCOUNTING POLICIES (continued)

(n) Trade and other receivables

Trade receivables, are recognised and carried at original invoice amount less an allowance for any component of the debt for which collection is considered doubtful. An allowance for a doubtful debt is made when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written off when identified.

(o) Investments and other financial assets

Classification and measurement

The Consolidated Group classifies its financial assets in the following measurement categories; those to be measured subsequently at fair value, and those be measured at amortised cost. The classification depends on the entities business model for managing the financial assets and contractual terms of the cash flows.

At initial recognition, the Consolidated Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

A gain or loss on a debt investment that is subsequently measured at fair value and is not part of a hedging relationship is recognised in profit or loss and presented net in the income statement within other income or other expenses in the period in which it arises.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the financial asset is derecognized or impaired and through the amortisation process using the effective interest rate method.

The group subsequently measures all equity investments at fair value. Where the Consolidated Group has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other revenue when the terms and condition has been satisfied.

(p) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any impairment in value.

Plant and equipment

Plant and equipment is shown at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the cost of replacement parts that are eligible for capitalisation. The subsequent carrying amount of plant and equipment is reviewed annually at financial year end by Directors to ensure it is not in excess of the recoverable amount of these assets. Recoverable amount is the greater of fair value less costs to sell and value in use determined by discounted net cash flows.

The cost of fixed assets constructed within the Economic Entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Depreciation

All fixed assets including building and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over their estimated useful lives to the economic entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The default depreciation rates used where specific useful life estimates are not available for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	4-25%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

2 STATEMENT OF ACCOUNTING POLICIES (continued)

(q) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of exploration interest. These costs are carried forward to the extent that they are expected to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

The Directors have determined in which instances it is appropriate to capitalise or expense costs spent on these areas in the year to June 30, 2018.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

(r) Interest in Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

(s) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(t) Employee Leave Benefits and Entitlements

Provision is made for the expected future liability for employee benefits and entitlements arising from services rendered by employees to the reporting date. A current liability is recognised in respect of benefits and entitlements expected to be paid within one year and a non current liability is recognised for benefits and entitlements expected to be paid later than one year.

Employee benefits together with entitlements arising in respect of wages and salaries, long service leave, annual leave and sick leave that are expected to be settled within one year are measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Long service leave and other entitlements expected to be payable later than one year are measured at the present value of the estimated future cash flows to be made for those benefits. In determining the extent of liability, consideration is given to expected future salary and wage levels, related on costs, experience of employee retention and expired periods of service.

Liabilities for employer superannuation contributions are expensed when incurred.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

2 STATEMENT OF ACCOUNTING POLICIES (continued)

(u) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for Rehabilitation Costs

Rehabilitation costs are costs that are expected to be incurred as a consequence of the Economic Group undertaking its exploration and mining activities. Ground disturbance and other works that impact upon topography, environment and habitat may occur to varying degrees during exploration, evaluation, development, construction or production phases of the Group's activities.

As a consequence, there is a need for restoration work to be carried out either progressively or upon the abandonment of activity in an area of interest. The provision is measured as the present value of the future expenditure. On an ongoing basis, the rehabilitation liability will be re-measured in line with the changes in the time value of money (recognised as an expense in the profit or loss and an increase in the provision).

In determining the restoration obligations, the entity assumes no significant changes will occur in relevant Federal and State legislation in relation to restoration of disturbed areas.

(v) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised. Interest on loans and borrowings is recognised as an expense as it accrues.

(w) Earnings per share

Basic earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares ;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(x) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the consolidated entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items, a Statement of Financial Position as at the beginning of the earliest comparative period will be disclosed.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	CONSOLIDATED	
	2018	2017
	\$	\$
3 REVENUE & EXPENSES		
Continuing Operations		
(a) Other Income		
Other Income (i).....	-	290,000
Net gain on sale of exploration and evaluation assets (ii).....	1,896,420	-
Proceeds from sale of rocks / scalps.....	323,571	-
	<u>2,219,991</u>	<u>290,000</u>
(b) Cost of Sales		
Consumables	138,196	80,238
Other cost of sales	319,457	267,130
	<u>457,653</u>	<u>347,368</u>
(c) Administration and compliance expense		
Corporate service costs	576,593	443,122
Legal and compliance costs	180,630	153,782
Management fees	298,923	269,440
	<u>1,056,146</u>	<u>866,344</u>
(d) Finance Costs		
Director related entities loans	1,938,735	1,776,943
Bank charges	14,468	15,621
Interest charges	5,758	2,972
	<u>1,958,961</u>	<u>1,795,536</u>
(e) Depreciation of non-current assets		
Property, plant and equipment.....	187,847	193,606
	<u>187,847</u>	<u>193,606</u>
(f) Employee benefits expense		
Wages and salaries	843,784	925,828
Superannuation	61,013	71,785
Annual leave	252	3,877
	<u>905,049</u>	<u>1,001,490</u>

(i) Non-refundable licence fee pursuant to a Right to Mine Agreement with DeGrey Mining Ltd.

(ii) Profit from sale of mining leases to Calidus Resources Ltd in relation to the Right to Mine Agreement with Option to Purchase.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	CONSOLIDATED	
	2018	2017
	\$	\$
4 INCOME TAX		
The amount provided in respect of income tax differs from the prima facie benefit on operating loss. The difference is reconciled as follows:		
Operating loss before income tax	<u>(3,899,541)</u>	<u>(4,691,860)</u>
Prima facie income tax expense/(benefit) calculated at 30%		
Economic entity	<u>(1,169,862)</u>	<u>(1,407,558)</u>
Tax effect of temporary differences:		
Deferred tax assets not recognised	<u>1,169,862</u>	<u>1,407,558</u>
Income tax expense	<u>-</u>	<u>-</u>
Net deferred tax assets which have not been brought to account comprise:		
Income tax losses and timing differences	12,625,718	12,462,976
Deferred income tax liability	<u>(1,638,345)</u>	<u>(1,696,569)</u>
	10,987,373	10,766,407

Deferred tax liabilities from exploration and evaluation assets of \$5,461,150 at 30% (2017: \$5,655,230 at 30%) that have arisen in the course of normal operations have been offset against unutilised deferred tax assets and as such have not been shown separately.

This benefit for tax losses will only be obtained if:

- the consolidated entity derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- the consolidated entity continues to comply with the conditions for deductibility imposed by Law; and
- no changes in tax legislation adversely affect the ability of the consolidated entity to realise these benefits.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	CONSOLIDATED	
	2018	2017
	\$	\$
5 EARNINGS PER SHARE		
Net loss attributable to ordinary equity holders or the parent from continuing operations	<u>(3,899,541)</u>	<u>(4,691,860)</u>
Weighted average number of ordinary shares for basic earnings per share	<u>190,143,033</u>	<u>190,143,665</u>
Weighted average number of ordinary shares adjusted for the effect of dilution.....	<u>190,143,033</u>	<u>190,143,665</u>
There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.		
Basic earnings per share (cents per share)	<u>(2.05)</u>	<u>(2.47)</u>
Diluted earnings per share (cents per share)	<u>(2.05)</u>	<u>(2.47)</u>

6 DIVIDENDS PAID AND PROPOSED

There were no dividends provided for or paid during the financial year.

Franking credit balance

The amount of franking credits available for the financial year are:

Franking account balance at July 1	685,523	685,523
Other movements	-	-
Franking account balance at June 30	<u>685,523</u>	<u>685,523</u>

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	\$	\$

7 CASH AND CASH EQUIVALENTS

(Current)

(a) Reconciliation to Statement of Cash Flows

Cash at the end of the financial year as shown in the Statement of Cash Flows reconciled to items in the Statement of Financial Position as follows

Cash and cash equivalents	6,911	9,455
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Cash at bank earns interest at floating rates based on daily bank deposit rates.

(b) Reconciliation of net loss after tax to cash flows from operations

Loss after income tax	(3,899,541)	(4,691,860)
Depreciation and amortisation expense	187,847	193,606
Net profit on sale of exploration assets	(1,896,420)	-
Accrued interest - director related entity	1,938,735	1,776,943
<i>Changes in assets and liabilities:</i>		
(Increase)/Decrease in trade debtors and other receivables	(59,394)	29,886
Decrease/(Increase) in prepayments	76,147	(75,240)
(Increase)/Decrease in inventories	(13,908)	94,491
Decrease in exploration and development costs.....	-	250,000
(Decrease)/Increase in trade creditors and other creditors	(3,435)	116,127
Increase/(Decrease) in provisions	733,879	(24,235)
Net cash used in operating activities	(2,936,090)	(2,330,282)

8 TRADE AND OTHER RECEIVABLES

(Current)

Trade and other receivables	83,057	23,663
Prepayments	6,800	82,947
	89,857	106,610

Trade and other receivables are non-interest bearing. Due to the short term nature of trade receivables amounts, the carrying value is assumed to approximate fair value. The average credit period on trade receivables is generally 30 day terms and no interest is charged on balances past due. The Group has a history of full collection of trade receivable amounts and having considered the current outstanding amount is satisfied no provision for impairment loss is required.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

CONSOLIDATED

2018
\$

2017
\$

9 INVENTORIES

(Current)

Stores of consumables and spare parts	<u>170,752</u>	<u>156,844</u>
	<u>170,752</u>	<u>156,844</u>

10 CONTROLLED ENTITIES

Investments in Controlled Entities	Country of Incorporation	Percentage owned 2018 %	Percentage owned 2017 %
Parent Entity			
Haoma Mining NL	Australia	-	-
North West Mining NL	Australia	100	100
Exploration Geophysics Pty Ltd	Australia	100	100
Kitchener Mining NL	Australia	100	100
Shares held by Kitchener Mining NL			
- Bamboo Creek Management Pty Ltd	Australia	100	100

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	CONSOLIDATED	
	2018	2017
	\$	\$

11 *PROPERTY, PLANT & EQUIPMENT*

(Non-current)

Property, Plant and Equipment at cost	10,502,443	10,400,609
Accumulated depreciation	<u>(9,771,665)</u>	<u>(9,583,818)</u>
Net carrying amount	<u>730,778</u>	<u>816,791</u>

Movements in carrying amounts

Movements in the carrying amounts of property, plant and equipment between the beginning and the end of the financial year:

Opening balance at July 1	816,791	941,182
Additions	101,834	69,215
Depreciation	<u>(187,847)</u>	<u>(193,606)</u>
Net Carrying Amount	<u>730,778</u>	<u>816,791</u>

12 *EXPLORATION & EVALUATION*

(Non-current)

Exploration and Evaluation expenditure

Net carrying amount	<u>5,461,150</u>	<u>5,655,230</u>
---------------------------	------------------	------------------

Movements in carrying amounts

Movements in the carrying amount of exploration and evaluation expenditure between the beginning and the end of the financial year:

Opening balances July 1	5,655,230	5,897,830
Additions	22,000	7,400
Sale of Klondyke and Warrawoona Group Tenements	(216,080)	-
Proceeds from the Right to Mine granted for Klondyke and Warrawoona Group	-	(250,000)
Net carrying amount	<u>5,461,150</u>	<u>5,655,230</u>

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	CONSOLIDATED	
	2018	2017
	\$	\$
13 TRADE AND OTHER PAYABLES		
(Current)		
Trade creditors and accruals	1,058,204	1,199,335
Other creditors	100,857	63,160
	1,159,061	1,262,495
Related party payables:		
Director's fees	1,027,174	927,174
Elazac Mining Pty Ltd	14,050	14,050
	1,041,224	941,224
	2,200,285	2,203,719

Due to the short term nature of trade creditors, their carrying value is assumed to approximate their fair value. The Group's payment policy is that creditors are paid within payment terms or as otherwise negotiated. As a consequence no discounts or penalty payments arise.

14 INTEREST BEARING LOANS AND BORROWINGS

(Current)

Amount due to Director related entity (Secured).....	(a)	39,724,044	39,224,535
Amount due to Director	(b)	341,000	341,000
Accrued interest - Director related entity	(a)	31,914,262	29,986,187
Accrued interest - Director loans	(c)	2,444,624	2,433,963
		74,423,930	71,985,685

(a) Funding for the company's ongoing operations is being provided by The Roy Morgan Research Centre Pty Ltd., a company owned and controlled by Haoma's Chairman and majority shareholder, Gary Morgan. The Roy Morgan Research Centre Pty Ltd has provided an assurance to the Board that it will continue to ensure funds are available to the company to fund operations for a period of at least 12 months from the date of this report.

(b) Amount due to Director is a loan from Michele Levine.

(c) Accrued interest of \$2,444,624 is comprised of \$62,027 relating to the loan from Michele Levine, the balance is accrued to Gary Morgan.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	CONSOLIDATED	
	2018	2017
	\$	\$
15 PROVISIONS		
(Current)		
Provision for employee benefits	134,730	248,996
(Non-current)		
Provision for rehabilitation		
Opening balances July 1	2,211,853	2,273,989
<i>Amounts charged to profit or loss</i>		
Change in Assumptions	51,242	363,084
Change in Liability	796,903	(425,220)
Closing balances June 30	3,059,998	2,211,853

Provision for rehabilitation recognises future costs expected to be incurred in the restoration of soil, environment and habitat as a result of undertaking exploration and mining activities. The provision is determined as the present value of the future expenditure and assumes that associated outflows will be evenly incurred over a period of 5 years.

16 CONTRIBUTED EQUITY & RESERVES

(a) Share Capital

Issued Shares - Ordinary shares fully paid	60,604,835	60,608,361
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(b) Movements in Ordinary Share Capital

	Number of Shares	\$
Contributed Equity		
July 1, 2016 Opening balance	190,143,665	60,608,361
June 30, 2017 Balance	190,143,665	60,608,361
July 1, 2017 Opening balance	190,143,665	60,608,361
Share Capital Buy-back	(14,692)	(3,526)
June 30, 2018 Balance	190,128,973	60,604,835

On May 28, 2018, Haoma Mining NL announced the establishment of the the trading hub (Ecosystem) with Primary Markets for the secondary trading of Haoma Mining shares. It was also announced that Haoma will match any sell offers placed in the trading hub at \$0.24 per share for share parcels of up to 5,000 shares and which comprise the entire holding of the registered shareholder/seller.

(c) Ordinary Shares

Fully paid ordinary shares entitle the holder to participate in dividends and to one vote per share at meetings of the Company. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	CONSOLIDATED	
	2018	2017
	\$	\$

16 CONTRIBUTED EQUITY & RESERVES (continued)

(d) Reserves

Financial Assets Fair Value Reserve

Opening balance	-	-
Revaluation during the year.....	448,895	-
Transfer to Accumulated Losses on Disposal of Investment	(448,895)	-
	<u>-</u>	<u>-</u>

The Financial Assets Fair Value Reserve reflects changes in the fair value of equity investments held for sale.

17 COMMITMENTS & CONTINGENCIES

(i) Exploration & expenditure commitments

In order to maintain current rights of tenure to exploration and mining tenements, the Consolidated Entity will be required to meet tenement lease rentals and minimum expenditure requirements of the respective State Departments of Minerals and Energy as follows:

Within one year	2,636,020	2,527,520
After one year but not more than five years	6,146,160	6,386,482
Longer than five years	12,044,042	13,159,278
	<u>20,826,222</u>	<u>22,073,280</u>

The Department of Mines & Petroleum (Western Australia) has agreed that, under the current circumstances, expenditure on testing Pilbara bulk ore samples using the Elazac Process at Kitchener Mining NL's Bamboo Creek mine site is eligible expenditure for the purpose of determining compliance with minimum expenditure requirements.

(ii) Financial support for controlled Entity

The Parent Entity has provided a "letter of support" to its controlled entity, Kitchener Mining NL, confirming that Haoma Mining NL will not call upon amounts due to it by Kitchener Mining NL unless Kitchener Mining NL has the capacity to pay. Total Kitchener Mining NL liabilities due at June 30, 2018 were \$ 6,131,975 (2017: \$6,062,274).

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

17 COMMITMENTS & CONTINGENCIES (continued)

Contingent Liabilities

Management Fee

Following a settlement with a former director, Kitchener Mining NL agreed to pay the director \$68,658. Payment will only be made when other directors' fees and management fees owing by Kitchener Mining NL for the period 1989 to 1993 are paid. The Directors' fees and management fees are only payable when Kitchener Mining NL has an operating profit in excess of \$500,000 in a financial year. A related party contingent liability exists to both The Roy Morgan Research Centre for a total \$1,000,000 and to the Directors' of Kitchener Mining for a total \$155,000 in respect to the financial years from 1 July 1989 to 30 June 1993.

Tenement Rehabilitation Bank Guarantees

State Governments may require that bank guarantees be provided to ensure that funds are available for ground and habitat rehabilitation in the event that a tenement holder does not complete restoration works upon cessation of exploration or mining activities.

At the reporting date, Haoma has provided bank guarantees to the Western Australia and Queensland State Governments totaling \$208,289. Security for the bank guarantees has been provided by Gary Morgan.

	2018	2017
	\$	\$

18 AUDITORS REMUNERATION

Remuneration of the auditor of the Economic Entity:

- auditing and reviewing the financial statements	68,750	67,000
	<u>68,750</u>	<u>67,000</u>

19 SEGMENT INFORMATION

The group has adopted AASB 8 Operating Segments whereby segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the board of directors

At regular intervals the board is provided management information at a group level for the group's cash position, the carrying values of mining tenements and a group cash forecast for the next twelve months of operation.

On this basis, no segment information is included in these financial statements.

All operating revenues have been derived in Australia. All exploration and evaluation assets are held in Australia.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

20 RELATED PARTY INFORMATION

Directors

Persons holding the position of Director of Haoma Mining NL during the financial year were Gary Cordell Morgan, Michele Levine and Wilton Timothy Carr Ingram.

Directors and Director-Related Entities

	Roy Morgan Research Ltd	The Roy Morgan Research Centre Pty Ltd	Elazac Mining Pty Ltd	Leaveland Pty Ltd	Elazac Pty Ltd
Mr. Gary Morgan	Director	Director	Director	Director	Director
Ms. Michele Levine	Director	-	-	-	-
Mr. Timothy Ingram			Director		

Other transactions with Directors and Director-Related Entities

During the year Roy Morgan Research Ltd provided administrative support and services to Haoma Mining NL. That support is continuing. Roy Morgan Research charged management fees of \$298,923 for those services (2017: \$269,440).

Funding for the company's ongoing operations is being provided by The Roy Morgan Research Centre Pty Ltd, a company owned and controlled by Haoma's Chairman and majority shareholder, Gary Morgan.

To June 30, 2018 the total funding provided by The Roy Morgan Research Centre Pty Ltd was \$39,724,044 (2017: \$39,224,535). The Board of Haoma has approved payment of interest on funds advanced by Mr. Morgan or entities associated with him at the 30 day commercial bill rate plus a 1% margin. Interest accrues but will not be paid until such time as Haoma has attained a financial position represented by a positive net asset ratio and the Board determines that the company is in a financial position to commence interest payments. During the year to June 30, 2018, interest accrued on the funds advanced by The Roy Morgan Research Centre Pty Ltd was \$1,928,075 (2017: \$1,766,647), with total accrued interest amount to \$31,914,262 (2017: \$29,986,187).

Other transactions with Senior Management

At year end a loan provided by Michele Levine to Haoma Mining NL amounting to \$341,000 (2017: \$341,000) is outstanding. It is repayable on demand but it has been agreed upon that payment of this debt is deferred until such time as Haoma is in a financial position to be able to make payments without adverse financial consequences to the company. During the year to June 30, 2018, interest on these funds were accrued using the 30 day commercial bill rate plus a 1% margin, the interest accrued was \$10,660 (2017: \$10,296).

The services of Mr. Peter Cole as General Manager for WA are provided to Haoma by Peter Cole and Associates Pty Ltd for which it received consulting fees of \$151,200 (2017: \$148,800).

Related Party Transactions – Economic Entity

On April 6, 1993 an agreement was reached between Kitchener Mining NL, Leaveland Pty Ltd and Elazac Mining Pty Ltd. The agreement acknowledges that all information obtained from test work undertaken by Kitchener Mining NL to resolve the metallurgical problems faced by the company is the property of Leaveland Pty Ltd, or its nominee Elazac Pty Ltd. On December 20, 1993 Elazac Pty Ltd sold the intellectual property to Elazac Mining Pty Ltd.

The reason information and intellectual property was owned by Leaveland Pty Ltd and Elazac Pty Ltd was that both companies paid consultant fees and other costs associated with the investigation and test work on Bamboo Creek and Normay ore at Bamboo Creek and other locations.

Kitchener Mining NL holds a licence to develop the process and both Kitchener Mining NL and Haoma Mining NL have the right to use the intellectual property for no fee.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

20 RELATED PARTY INFORMATION (continued)

The Roy Morgan Research Centre Pty Ltd is entitled to management fees from Kitchener Mining NL of \$1,000,000 for the financial years from 1 July, 1989, to 30 June, 1993. The management fees were treated as an accrued liability for the year ended June 30, 2004. However, due to the uncertainty of future profits, the liability has been reversed. For the year ended since June 30, 2015 this has been treated as a contingent liability. The amount is payable when Kitchener Mining NL resumes mining operations and has an operating profit in excess of \$500,000 pa. This debt is non-interest bearing.

Holding Company Transactions with Subsidiaries

No interest has been charged on the remaining balance. The balance receivable at June 30, 2018 and 2017 was \$4,406,808. A provision for impairment loss has been fully provided against this amount.

Receivables from controlled entities have no fixed repayment term. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired.

	CONSOLIDATED	
	2018	2017
	\$	\$

Key Management Personnel Compensation

The aggregate compensation of the Key Management Personnel is set out below:

Short term employee benefits	251,200	248,800
Post employment benefits	9,500	9,500
	<u>260,700</u>	<u>258,300</u>

21 FINANCIAL RISK MANAGEMENT AND POLICIES

Haoma's principal financial instruments comprise cash, receivables, payables and finance leases. The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk.

Although the Consolidated Group do not have documented policies and procedures, the Directors' manage the different types of risks to which it is exposed by considering the risk and monitoring the levels of exposure to interest rates and by being aware of market forecasts for interest rate and commodity prices.

Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk and liquidity risk, these are monitored through general budgets and forecasts.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

21 FINANCIAL RISK MANAGEMENT AND POLICIES

The Consolidated Group and Haoma hold the following financial instruments:

	CONSOLIDATED	
	2018	2017
	\$	\$
Financial Assets		
Cash and cash equivalents	6,911	9,455
Trade and other receivables	89,857	106,610
Total Financial Assets	96,768	116,065
Financial Liabilities		
Trade and other payables	2,200,284	2,203,719
Borrowings	74,423,931	71,985,685
Total financial liabilities	76,624,215	74,189,404

Risk Exposure and Responses

Interest Rate Risk

Assets

Haoma's exposure to the risk of changes in market interest rates primarily relates to movements in cash deposit and borrowing rates. Risk is managed by continuous monitoring of these movements.

The Group's cash at bank and on hand had a weighted average floating interest rate at year end of 0.01% (2017: 0.01%).

Liabilities

Haoma's exposure to market interest rates relates primarily to the on-going funding provided by The Roy Morgan Research Centre Pty Ltd. The weighted average floating interest rate at year end was 2.74% (2017: 2.63%).

The Consolidated Group presently does not engage in any hedging or derivative transactions to manage interest rate risk.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

21 FINANCIAL RISK MANAGEMENT AND POLICIES (continued)

Interest Rate Risk

The following sensitivity analysis is based on the interest rate risk exposure in existence at June 30, 2018.

At June 30, 2018, if interest rates had moved as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	CONSOLIDATED			
	Post tax loss		Equity	
	higher / (lower)		higher / (lower)	
	2018	2017	2018	2017
	\$	\$	\$	\$

Financial Liabilities

Borrowings

Consolidated

+ 0.75% (75 basis points)	558,179	539,893	(558,179)	(539,893)
- 0.75% (75 basis points)	(558,179)	(539,893)	558,179	539,893

The movements in loss are due to higher/lower interest costs from variable rate debt and cash balances.

The sensitivity in financial assets is higher/lower taking into account interest rate volatility.

The sensitivity in financial liabilities is relatively unchanged. Management believes the risk exposures as at the reporting date are representative of the risk exposure inherent in the financial liabilities. A movement of + / - 0.75% is selected because of review of recent interest rate movements and economic data suggests this range is reasonable

Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. Haoma's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure excluding the value of any collateral or other security is equal to the carrying amount of these instruments net of any allowance for doubtful debts as disclosed in the statement of financial position and notes to the financial report. There are no concentrations of credit risk within the Group.

Haoma trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Consolidated Group's policy to securitise its trade and other receivables.

It is the Consolidated Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Haoma does not have any significant customers and accordingly does not have any significant exposure to bad or doubtful debts.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

21 FINANCIAL RISK MANAGEMENT AND POLICIES (continued)

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Haoma's approach to managing liquidity is to ensure as far as possible that the Consolidated Group will always have sufficient liquidity to meet its liabilities when due. This objective is maintained through a balance between continuity of funding and flexibility through the use of bank overdrafts, bank and other loans, finance leases and committed available credit lines. Additionally, Haoma manages liquidity risk by monitoring cash flow and maturity profiles of financial assets and liabilities.

The contractual maturities of financial liabilities, including estimated interest payments are provided below. There are no netting arrangements in respect of financial liabilities.

CONSOLIDATED	< 6 months	6-12 months	1-5 years	> 5 years	Total
	\$	\$	\$	\$	\$
<u>Year Ended June 30, 2018</u>					
Financial Assets					
Cash and cash equivalents	6,911	-	-	-	6,911
Receivables and other receivables	89,857	-	-	-	89,857
	96,768	-	-	-	96,768
Financial Liabilities					
Trade and other payables	2,200,284	-	-	-	2,200,284
Interest bearing liabilities	74,423,931	-	-	-	74,423,931
	76,624,215	-	-	-	76,624,215
<u>Year Ended June 30, 2017</u>					
Financial Assets					
Cash and cash equivalents	9,455	-	-	-	9,455
Receivables and other receivables	106,610	-	-	-	106,610
	116,065	-	-	-	116,065
Financial Liabilities					
Trade and other payables	2,203,718	-	-	-	2,203,718
Interest bearing liabilities	71,985,685	-	-	-	71,985,685
	74,189,403	-	-	-	74,189,403

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

21 FINANCIAL RISK MANAGEMENT AND POLICIES (continued)

Commodity Price risk

Haoma is exposed to commodity price risk. These commodity prices can be volatile and are influenced by factors beyond the Consolidated Group's control. As the Group is currently engaged in exploration and development activities, no significant sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivate transactions have been used to manage commodity price risk. The group does not have a material commodity price exposure at this time.

Capital risk management

Haoma's objectives when managing capital is to safeguard Haoma's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Management of the Group and Haoma's capital is overseen by the Board.

Haoma is not exposed to any externally imposed capital requirements.

	CONSOLIDATED	
	2018	2017
	\$	\$
Financing Facilities Available		
At reporting date, the following financing facilities has been negotiated and were available:		
Total facilities		
- Business lending - bank guarantees	208,289	208,289
	<u>208,289</u>	<u>208,289</u>
Facilities used at reporting date		
- Business lending - bank guarantees	208,289	208,289
	<u>208,289</u>	<u>208,289</u>
Facilities unused at reporting date		
- Business lending - bank guarantees	-	-
	<u>-</u>	<u>-</u>
Total facilities	<u>208,289</u>	<u>208,289</u>

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

22 PARENT ENTITY FINANCIAL INFORMATION

(a) Summary Financial Information

Haoma Mining NL is the Parent Entity of the Consolidated Group. The individual financial statements for the parent entity show the following aggregate amounts:

	2018	2017
	\$	\$
Statement of Financial Position		
Current Assets	267,520	272,909
Non-current assets	5,191,928	5,472,021
Total assets	<u>5,459,448</u>	<u>5,744,930</u>
Current liabilities	76,232,089	73,955,343
Non-current liabilities	1,861,687	1,039,443
Total liabilities	<u>78,093,776</u>	<u>74,994,786</u>
Net Liabilities	<u>(72,634,328)</u>	<u>(69,249,856)</u>
Equity		
Contributed equity	60,604,835	60,608,361
Accumulated Losses	(133,239,163)	(129,858,218)
Total Shareholders' Deficiency	<u>(72,634,328)</u>	<u>(69,249,857)</u>
Loss for the year	(3,829,840)	(4,462,006)
Total comprehensive income	<u>(3,380,945)</u>	<u>(4,462,006)</u>

(b) Guarantees entered into by the parent entity.

Haoma Mining NL has provided guarantees, indemnities and financial support as follows:

- A 'letter of support' has been provided by Haoma Mining NL to its controlled entity, Kitchener Mining NL to the amount necessary to ensure it can meet its obligations when they fall due.

(c) Contingent liabilities of the parent entity.

Contractual commitments for exploration and expenditure costs exist for Haoma Mining NL. Minimum expenditure commitments of \$20,826,222 (2017: \$22,073,280) are necessary to maintain current rights of tenure to mining tenements. Refer to Note 17.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

23 INTEREST IN JOINT VENTURES

Joint Venture	Interest		Description of Tenements
	2018 %	2017 %	
Daltons Joint Venture	25%	25%	E45/2922

Assets and liabilities of the joint venture operations are included in the financial statements as follows:

	Note	CONSOLIDATED	
		2018 \$	2017 \$
Current Assets		-	-
Non-current Assets			
Exploration and evaluation assets	12	-	-
Current Liabilities			
Trade and other payables	13	-	-

Giralia Resources Pty Ltd (wholly owned subsidiary of Atlas Iron Ltd) has a 75% interest in the joint venture and is the Joint Venture Operator.

In March 2012 Haoma sold its 25 percent interest in the underlying tenements and iron ore rights at Mt Webber to Atlas Iron Ltd based on a ore reserve of 24 million tonnes. Atlas will make additional “reserve uplift” payments to Haoma for any additional iron ore reserves on the Daltons JV tenements in excess of 24 million tonnes. The uplift payment is \$1.38 per tonne (indexed for CPI). In addition, Haoma has the rights to all non-iron ore minerals on all of the Atlas and Haoma Daltons JV exploration and mining tenements including M45/1197.

Concurrent with the sale of Mt Webber iron ore rights the Daltons Joint venture agreement was amended. The principal terms of the Amended JV Agreement granted Haoma rights to all non-iron ore minerals (including Platinum Group Metals – PGM) on all of the Atlas and Haoma Daltons JV exploration tenements including M45/1197 and all other Daltons Joint Venture tenements.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

Directors' Declaration

The Directors' of Haoma Mining NL declare that:

1. In the directors' opinion the financial statements and notes on pages 10 to 40 and the remuneration disclosures set out on pages 5 to 6, are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the Consolidated Group's financial position as at June 30, 2018 and of its performance for the financial year ended on that date; and
 - (b) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements.
2. The financial statements also comply with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in Note 2(c).
3. In the Directors' opinion there are reasonable grounds to believe that the Parent Entity will be able to pay its debts as and when they become due and payable.
4. The Directors' have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by Section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.



Gary Morgan
Chairman

Melbourne
November 27, 2018

INDEPENDENT AUDITOR'S REPORT

To the members of Haoma Mining NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Haoma Mining NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(b) “Going Concern” in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Exploration and Evaluation Assets

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Group has incurred significant exploration expenditure which have been capitalised. As the carrying value of exploration expenditure represents a significant asset of the company, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p><i>AASB 6 Exploration for and Evaluation of Mineral Resources</i> contains detailed requirements with respect to both the initial recognition of such assets and ongoing requirements to continue to carry forward the assets.</p> <p>Note 1 to the financial statements contains the accounting policy and note 12 disclosures in relation to exploration expenditure.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Obtaining evidence that the Group has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditure by obtaining confirmation of the Group’s tenement holdings. • Agreeing the additions to capitalised exploration expenditure during the year to supporting documentation, and ensuring that the amounts were capitalised correctly. • Making enquiries of management with respect to the status of ongoing exploration programs in the respective areas of interest and assessing the Group’s cash flow budget for the level of budgeted spend on exploration projects. • Assessing the ability to finance any planned future exploration and evaluation activity. • Assessing and evaluating management’s assessment of impairment.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.



Report on the Audit of the Remuneration Report

Opinion

We have audited the Remuneration Report included in pages 5 to 6 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Haoma Mining NL, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'James Mooney'. Above the signature is a stylized, handwritten 'BDO' logo.

James Mooney
Partner

Melbourne, 27 November 2018

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report.

A. 20 Largest Shareholders as at Sept 30, 2018

Shareholders	Shareholding	
	No. of shares	% held
Leaveland Pty Ltd	115,000,000	60.49
Elazac Pty Ltd	11,339,704	5.96
Michele and Alexandra Levine	3,150,000	1.66
Cornelia & Jack Van Beelen	3,122,000	1.64
Konrad & Mary Christina Schroeder	2,964,369	1.56
Geoffrey Mark Cottle	2,366,934	1.24
RJ Annells Super Fund	2,225,000	1.17
Charles & Sandra Curwen	1,941,000	1.02
GC & GJ Morgan	1,843,257	0.97
George S Harris Superannuation	1,823,613	0.96
BNP Paribas Nominees Pty Ltd	1,535,784	0.81
Etonwood Management Pty Ltd	1,500,000	0.79
Edwin & Susan Davies	1,400,000	0.74
PYC Investments Pty Ltd	1,010,000	0.53
First Charnock Pty Ltd	1,000,000	0.53
Peter Joseph Scales	1,000,000	0.53
Tara Leigh Pty Ltd	843,933	0.44
Selstock Pty Ltd	810,000	0.43
Gregory Young Pty Ltd	700,000	0.37
Nicholas & Helen Ingram	660,000	0.35
	156,235,594	82.17
Total Shares on Issue	190,128,963	

B. Substantial Shareholders

Name	Number of Shares	Class of Share
Leaveland Pty Ltd	115,000,000	Ordinary
Elazac Pty Ltd	11,339,704	Ordinary

C. Distribution of Equity Securities

(i). Ordinary shares issued by Haoma Mining NL

Range of Shares held	# of Shareholders
1 - 1,000	652
1,001 - 5,000	824
5,001 - 10,000	288
10,001 - 100,000	386
100,001 - and over	88

Total **2,238**

- (ii) There were 1,476 holders with less than a marketable parcel of 5,000 shares comprising a total of 2,710,917 ordinary shares.
- (iii) The twenty largest shareholders hold between them 82.17% of the issued capital.

D. Class of Shares and Voting Rights

Issued shares are of one class and carry equal voting rights.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

ADDITIONAL INFORMATION

E. Mining Tenement Summary

(a). Tenements held by Haoma Mining NL (100%)

(i) Pilbara, Western Australia

Bamboo Creek	E45/3217	E45/4117	E45/4118	M45/874	L45/374	P45/2951 to P45/2952	P45/2969 to P45/2971		
Blue Bar	M45/591	M45/906	P45/2966						
Cookes Hill	E45/4116								
Copenhagen	P45/2982								
Daltons - North Shaw	E45/2922	E45/4174	E45/4175	E45/4176	E45/4177	E45/4178	E45/4179	E45/4180	E45/4181
/ Kingsway	E45/4320	E45/4419	E45/4420	E45/4473	E45/4474	E45/4475	E45/4476	E45/4477	
Lalla Rookh	M45/442								
Marble Bar	E45/4060	E45/4061	E45/4069	E45/4070	E45/4072	E45/4201	E45/4651	M45/515	M45/607
	P45/2844	P45/2893							
Normay	M45/302								
North Pole	E45/2532	M45/328	M45/329						
North Shaw	E45/3940	E45/4071	E45/4098	L45/60	L45/86	P45/2873	P45/2874	P45/2875	P45/2876
Soansville	E45/4976								
Spear Hill	E45/4586	E45/4587	P45/2973	P45/2974	P45/2975				

(ii) Linden, Western Australia

Golden Ridge	M26/534	(Avoca Resources Ltd is the beneficial owner of this tenement. Haoma has retained legal title and is entitled to royalties from gold produced.)
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(b) Tenements beneficially held by Haoma Mining NL (100%)

Pilbara, Western Australia

Apex	P45/2979									
20oz Gully	M45/411	P45/2961	P45/2962	P45/2963						
Bamboo Creek	P45/2946	P45/2947	P45/2967	P45/2968						
Big Stubby	M45/57	M45/284	M45/453	M45/554						
Comet	G45/21	M45/14	M45/16	M45/385	M45/438	M45/459	M45/478	L45/4	L45/12	L45/37
	P45/3000									
Copper Hills / Stirling	G45/36	M45/238	M45/346	M45/357	M46/177					
Danks Areas	M45/692									
Grace Project	E45/3655	E45/4850								
Lalla Rookh	M45/648	M45/649								
Lionel	M46/43	M46/44								
Marble Bar	M45/678	P45/2964	P45/2965	P45/2980	P45/2981					
McKinnon	M45/490	M45/606	M45/873							
Mercury Hill	M45/588									
Mustang	M45/680	P45/2954	P45/2955	P45/2956	P45/2957	P45/2958				
North Pole	M45/395	M45/514	M45/650	M45/651	M45/665					
Soansville	M45/847									
Tassie Queen	M45/76	M45/235	M45/296	M45/297	M45/655	P45/2985				
Wallaringa	E45/2983	M45/1186								

(c) Tenements beneficially held by Kitchener Mining NL (100%)

i) Bamboo Creek, Western Australia

M45/480	M45/481	L45/72	P45/2948	P45/2949	P45/2950
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(ii) Ravenswood, Queensland

Budgerie	ML1325	Barrabas	EPM8771	
Old Man & Copper Knob	ML1326	ML1330	Robe Range	EPM14038
Elphinstone	ML10275	Waterloo	ML1529	
Robe Range East	EPM17832	Podoskys	ML10315	
Wellington Springs	ML1415	ML1483		



Figure 17: Bamboo Creek Processing Plant with the Tailings Dam Wall shown at top of the photo



Figure 18: Bamboo Creek Tailings Storage with Bamboo Creek Processing Plant in background



Figure 19: Bamboo Creek Plant, Bamboo Creek Valley and Bamboo Creek Range (right) which contains gold mineralization



Figure 20: Comet Gold Mine Plant from Tourist Centre looking south, Conglomerate Formations are shown on the left above the house.