



Haoma Mining NL

A.B.N 12 008 676 177

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November 2, 2006

Company Announcements Office
Australian Stock Exchange
Level 45, South Tower
Rialto
525 Collins Street
MELBOURNE VIC. 3000

Dear Sirs,

For Immediate Release
2006 Annual Report and Financial Statements

Enclosed is Haoma Mining's 2006 Annual Report. The Annual Report contains information regarding to the following significant items:

Bamboo Creek Plant Re-commissioning

In mid October, bulk ore parcels were processed through the re-engineered Bamboo Creek Plant.

The Bamboo Creek Vat processing facilities will re-commence leaching Kitchener low grade ore in early November. Information from this processing, using the re-engineered Bamboo Creek Plant, will determine whether Haoma can commercially extract gold from its Bamboo Creek ores. The Directors will then determine the future operations of the company.

Metallurgical Issues with Pilbara Ores

During October 2006 simple tests in the Bamboo Creek Laboratory using a **previously not used** Elazac Assay Method obtained results which showed the gold grade of Bamboo Creek ore samples and Mickey's Find ore samples were **significantly under-estimated** by the traditional Aqua Regia assay method.

The New Elazac Assay Method (developed in October, 2006) is **simple and inexpensive to use**. It was successfully repeated on both Bamboo Creek ore samples and Mickey's Find ore samples. **The latest assay tests confirmed beyond doubt that previously reported gold assays grades measured by traditional assay methods on both Bamboo Creek ores and Mickey's Find ores were less than the true gold grades.**

The higher gold grades measured with the New Elazac Assay Method **were repeated when trial bulk ore parcels of low grade Kitchener stockpiled ore were recently processed through the Bamboo Creek Plant.**

Turner River – Tabba Tabba Shear Zone (MLA 45/1034, 1035, 1036)

Haoma has previously referred to the extensive new discoveries in the Tabba Tabba Shear Zone by DeGrey Mining Ltd that are adjacent to Haoma's Turner River tenements. DeGrey Mining has provided Haoma with interpretations of recent aeromagnetic results on the east and west ends of the Haoma Tabba Tabba tenements. The information shows anomalies on the DeGrey tenements continue into Haoma's tenements.

Haoma is involved in preliminary negotiations with DeGrey Mining's Management in respect to a farm-in or other way of working together in the region.

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Tribute Agreement to Mine Dolerite from Cookes Hill (ML 45/1005)

In December 2005 a Tribute Agreement was completed with BGC Contracting Pty Ltd to allow BGC Contracting to mine dolerite from Haoma's Cookes Hill Lease. Haoma will receive a royalty of 45 cents per tonne for dolerite mined.

The dolerite is to be used in the construction of the Fortescue Metals Group Ltd railway line from the Cloud Break Iron Ore Project in the Pilbara Region to Port Headland. Haoma is in negotiation with Fortescue Metals over the position of their proposed railway which passes through Haoma's Cookes Hill and Tabba Tabba tenements. Results from preliminary exploration show that these tenements contain mineralisation.

Any person who would prefer to receive the Annual Report or Haoma ASX Releases by email is advised to email Haoma Mining at haoma@roymorgan.com or telephone the Company Secretary on (03) 92245142. All releases are available on Haoma's website at www.haoma.com.au.

Yours sincerely,

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

Gary C Morgan
Chairman

HAOMA MINING NL ANNUAL REPORT 2006



HAOMA MINING NL

Cover:
Tabba Tabba Shear
looking South-East.



1. Bamboo Creek, WA
2. Marble Bar, WA
3. Cookes Hill, WA
4. Linden, WA
5. Ravenswood, QLD

Directors

Gary Cordell Morgan, B.Comm (Chairman)
John Lachlan Charles McInnes, B.Comm, FCA
Michele Levine, B.Sc (Hons), Env. St.

Secretary

James Andrew Wallace, CA
Jillian Sarah Jepson, CA

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Auditors

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Solicitors

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Stock Exchange Listing

Haoma Mining NL shares are listed on
the Australian Stock Exchange. (Code HAO)
The Home Exchange is Melbourne, Victoria.

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

CONTENTS	ANNUAL GENERAL MEETING
Chairman's Review 2	Notice is hereby given that the Annual General Meeting of the members of the Company is to be held at: "Morgans at 401", Ground Floor, 401 Collins Street, Melbourne, Australia. Tuesday, December 12, 2006 Commencing at 9.30am.
Directors report 16	
Auditors Independence Declaration 23	
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Directors Declaration 62	All shareholders are encouraged to attend. Light refreshments will be available to members and guests following the meeting. The Notice of Meeting and proxy form accompanies this report.
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Bamboo Creek Processing Plant with vat loaded with ore in foreground.

CHAIRMAN'S REVIEW AND REPORT ON OPERATIONS

Haoma's Consolidated Loss for the Financial Year to June 30, 2006 was \$5.64 million. This operating loss is after providing for income tax, depreciation, amortisation and interest of \$1.97 million. The loss reflects the ongoing costs which have continued over the last 3 years in Haoma re-establishing profitable gold mining operations in the Pilbara region of Western Australia.

I have provided the required funding for Haoma's activities which have resulted in a deficiency of net assets. The funding has been used to develop a process to economically extract gold and silver from Pilbara ores.

The most significant events over the last year have been reported each Quarter under the ASX continuous disclosure rules. This report summarises those activities.

In the year to June 30, 2006 Haoma Mining spent significant funds re-engineering the Bamboo Creek Plant processing facilities in WA - the key objective being to use the Elazac Process to produce gold from more than a million tonnes of previously mined Bulletin ore (30,000t) and low grade Kitchener ore (approx 1,000,000t) stockpiled near the plant. Gold assays of the stockpiled ore using traditional Aqua Regia and Fire Assay methods recorded grades which were too low to cover the cost of processing.

The following covers Haoma's achievements up until today.

1. Metallurgical Issues with Pilbara Ores

Over many years metallurgical issues resulted in poor gold recoveries when processing Pilbara gold bearing ores. These problems have impeded the establishment of gold mines being developed in many prospective Pilbara gold producing areas.

The problems have affected not only the processing and extraction of gold from Pilbara ores but also the ability to assay ore samples using the traditional Fire Assay and Aqua Regia Digestion methods. Not being able to accurately assay gold ore samples has made it impossible to define the size and grade of potential Pilbara ore bodies on Haoma's Tenements.

During the last year metallurgical test work continued separately on 'Assay' and 'Processing' methods. Results from this test work have greatly increased Haoma's understanding of the gold distributions and mineral associations within these ores.

During October 2006 simple tests in the Bamboo Creek Laboratory using a **previously not used** Elazac Assay Method obtained results which showed the gold grade of Bamboo Creek ore samples and Mickey's Find ore samples were **significantly under-estimated** by the traditional Aqua Regia assay method. (Previous tests in commercial laboratories on both Bamboo Creek and Mickey's Find ore samples showed the traditional Aqua Regia assay method obtained similar results as obtained by the traditional Fire Assay method.)

The New Elazac Assay Method (developed in October, 2006) is **simple and inexpensive to use**. It was successfully repeated on both Bamboo Creek ore samples and Mickey's Find ore samples. **The latest assay tests confirmed beyond doubt that previously reported gold assays grades measured by traditional assay methods on both Bamboo Creek ores and Mickey's Find ores were less than the true gold grades.**

CHAIRMAN'S REVIEW AND REPORT ON OPERATIONS

The latest tests confirmed the 2005 test results reported in the Chairman's January 2006 Address to Shareholders at the Annual General Meeting. (See Note below)

The January 2006 Chairman's Address reported that a number of significant breakthroughs had been made in understanding both the assaying and processing of Pilbara ores. However the 2005 Elazac Assay Method was **"still too complex to be applied as a general commercial assay method although applicable to a number of Pilbara deposits"**. (See 2005 test results as Note below).

The higher gold grades measured with the New Elazac Assay Method **were repeated when trial bulk ore parcels of low grade Kitchener stockpiled ore were recently processed through the Bamboo Creek Plant.**

2. Bamboo Creek Trial Bulk Ore Tests Through the Plant

On October 10, 11, 15, and 16 trial bulk ore parcels were processed through the re-engineered Bamboo Creek Plant. The average "Mill feed" gold grade assayed by the Aqua Regia Method for **610 tonnes** of ore processed was **0.61g/t**. The "Calculated" gold grade using cyanide bottle roll leach tests on ore mill samples was **3.05g/t** with a solid tail of **0.68g/t**. This result showed the grade of gold leached into solution was significantly greater than the average "Mill feed" gold grade of the bulk ore parcels fed to the plant.

3. Processing Vats at Bamboo Creek

The Bamboo Creek Vat processing facilities will re-commence leaching Kitchener low grade ore in early November. The Bamboo Creek Vat facilities are capable of leaching approximately 15,000 tonnes at any one time. Information from this processing, using the re-engineered Bamboo Creek Plant, will determine whether Haoma can commercially extract gold from its Bamboo Creek ores. The Directors will then determine the future operations of the company.

Note: Results Reported To Shareholders At January 2006 Annual General Meeting

Two sulphide rich drill intersections from Mickey's Find drill samples showed significant upgrades from the Gravity Concentrate fraction. Namely from 0.09 g/t Au and 0.05 g/t Au respectively to 3.21 g/t Au and 2.59 g/t Au using the Elazac Assay Method. (See 2005 Annual Report, Chairman's Review, Table 1 - Page 4 and Table 1 below.) The focus of this work has now shifted to develop an accurate, efficient and quick assay method that can be widely applied.

Table 1: Comparison of Elazac Assay Method with conventional Aqua Regia assay method for Wilfrev Table Concentrates of Mickey's Find high sulphide samples, MFRC64 61-70 and MFRC64 71-80

Table Concentrate	Aqua Regia Assay Method		Elazac Assay Method		Mass Fraction
	Gold (g/t)	Silver(g/t)	Gold(g/t)	Silver (g/t)	%
MFRC64 61-70	0.09	3.76	3.21	4.17	18.6%
MFRC64 71-80	0.05	4.14	2.59	3.64	11.5%

Additional "Adjusted Cyanide" leach tests measured recovered solution grades of 0.64g/t Au and 10.99g/t Ag from ore samples which assayed 0.21g/t Au and 1.92g/t Ag by the Aqua Regia method. A repeated leach test measured recovered solution grades of 3.33g/t Au and 3.69g/t Ag from screened (+600µm) Bamboo Creek Vat material with a Head Grade of 1.63 g/t Au and 2.22 g/t Ag by Aqua Regia. A significant finding of this test was the lower gold and silver grades of the solid tail compared to the grades measured by "Conventional" cyanide leaching, suggesting a more efficient leaching process was achieved. The repeatability of the results indicates their applicability to processing of ore from the Bamboo Creek area. These results were released in the December 2005 Quarterly Report and are shown in Table 2 below.

Table 2: Comparison of "Conventional" cyanide leaching results with those using "Adjusted" cyanide leaching conditions for Bamboo Creek Tailings and Vat Material. Head and Solids Tails grades were determined by Aqua Regia Digestion and Solution grades by agitated leaching in Bottle Rolls.

Ore	Head Grade		"Conventional" Cyanide				"Adjusted" Cyanide			
			Solution		Solid Tail		Solution		Solid Tail	
	Gold (g/t)	Silver (g/t)	Gold (g/t)	Silver (g/t)	Gold (g/t)	Silver (g/t)	Gold (g/t)	Silver (g/t)	Gold (g/t)	Silver (g/t)
BBC Tail	0.21	1.92	0.03	0.3	0.08	2.36	0.64	10.99	0.03	1.26
BBC Vat Material (+600µm)	1.63	2.22	0.59	2.25	N/A	N/A	3.33	3.69	N/A	N/A

N/A – Not available

CHAIRMAN'S REVIEW AND REPORT ON OPERATIONS**4. Daltons Joint Venture with Giralia Resources NL (25% Haoma Mining, 75% Giralia Resources) (E45/2186, E45/2187)**

Haoma holds a 25% interest at the Daltons Nickel Joint Venture with Giralia Resources NL. The Daltons area is located 150 kilometres south of Port Headland in the Pilbara region of Western Australia. Haoma has retained in the area the right to all gold/silver and tin/tantalum mineralisation.

In February 2006, Falconbridge (Australia) Pty Ltd agreed to earn a 50% interest in the Joint Venture through expenditure of \$3 million over 5 years at Daltons (excluding a 2.8 square kilometre area around the promising Kingsway Prospect) with the right to increase its interest to 80% by completion of a positive feasibility study or expenditure of \$15 million. On October 4, 2006 Haoma & Giralia were advised by Falconbridge of their withdrawal from the Joint Venture following the takeover of Falconbridge by Xstrata Plc.

In early September, prior to the notice of withdrawal, Falconbridge reported that a detailed (1,479 line kilometre, 150 metre line spaced) VTEM airborne electromagnetic survey covering approximately 75% of the outcropping ultramafic areas on the Daltons Joint Venture tenement was flown in late August 2006.

Final processed data is pending, but preliminary examination of the data indicates several conductivity features associated with the ultramafic rocks warrant further follow-up work. Falconbridge completed expenditure of almost \$900,000 in the short period prior to their withdrawal, and have left a legacy of high quality exploration data, including geological mapping and sampling of most of the outcropping ultramafic rocks in the area, along with the VTEM survey data, which is yet to be received in its final form for interpretation.

During the June 2006 Quarter in the Kingsway Prospect (within the Daltons Joint Venture area) Giralia unsuccessfully completed followed up diamond drilling of the significant late 2005 intersection of 3.5 metres @ 1.61% nickel, 0.85% copper and 0.81 g/t PGE in hole RDDN029. However due to hole deviation, drill targeting of the eastern extension of the RDDN029 intersection was ineffective and intersected the basal contact around 50 metres above planned position. The zone of >1% nickel at the Kingsway Prospect remains open to the east and at depth. A further diamond drill hole testing this position is planned in the December Quarter.

5. Tribute Agreement to Mine Dolerite from Cookes Hill (ML 45/1005)

In December 2005 a Tribute Agreement was completed with BGC Contracting Pty Ltd to allow BGC Contracting to mine dolerite from Haoma's Cookes Hill Lease. Haoma will receive a royalty of 45 cents per tonne for dolerite mined. The dolerite is to be used in the construction of the Fortescue Metals Group Ltd railway line from the Cloud Break Iron Ore Project in the Pilbara Region to Port Headland. Haoma is in negotiation with Fortescue Metals over the position of their proposed railway which passes through Haoma's Cookes Hill and Tabbata Tabbata tenements. Results from preliminary exploration show that these tenements contain mineralisation.

BCG Contracting have advised Haoma that the contract with Fortescue Metals is in the process of being finalised. BGC Contracting expect to mine a minimum of 1.0 million tonnes of dolerite over ten months commencing in late 2006. Mining of dolerite from Haoma's Cookes Hill lease will result in stripping the top 20 meters above the Mallina-Mt Dove Shear intersection. This will allow Haoma to better understand the potential for additional discoveries of gold mineralisation in the surrounding area which has overburden of residual cover.

CHAIRMAN'S REVIEW AND REPORT ON OPERATIONS**6. Turner River – Tabba Tabba Shear Zone (MLA 45/1034, 1035, 1036)**

Haoma has previously referred to the extensive new discoveries in the Tabba Tabba Shear Zone by DeGrey Mining Ltd that are adjacent to Haoma's Turner River tenements. During 2006, DeGrey Mining released exploration results detailing promising zinc-silver-lead-gold-copper mineralisation discoveries from drilling the Tabba Tabba Shear Zone.

DeGrey Mining has provided Haoma with interpretations of recent aeromagnetic results on the east and west ends of the Haoma Tabba Tabba tenements. The information shows anomalies on the DeGrey tenements continue into Haoma's tenements. The attached DeGrey Mining map (Figure 1) shows the position of multiple zones of zinc-silver-lead-gold-copper mineralisation which run along the south side of the Tabba Tabba Shear to the east and west ends of Haoma's Turner River tenements. Previous soil samples on Haoma's tenements obtained higher than background values of gold and zinc.

Haoma is involved in preliminary negotiations with DeGrey Mining's Management in respect to a farm-in or other way of working together in the region.

7. Old Man Lease, Ravenswood, Queensland – (ML 1326)

At Ravenswood, drilling at the Old Man Mine Site intersected highly encouraging mineralisation adjacent to the old workings. RC drill hole OMRD 1 intersected 21m @ 3.52 g/t Au and 0.71% Cu from 5m to 26m down hole and included 8m @ 8.44 g/t Au and 1.39% Cu at the 10m to 18m down hole.

This drill program included 29 shallow vertical air core holes drilled to an average depth of 10m on a nominal 5m to 10m grid pattern and 3 shallow RC holes (OMRD 1-3) sited adjacent to the old workings. The effectiveness of two of the RC holes was limited due to the presence of old stopes.

Eight of the air core holes intersected significant gold values in the immediate vicinity of the old workings and suggest that the mineralised ore body is "pipe-like" in geometry and related to a small porphyry intrusion.

The porphyry contains disseminated blebs of chalcopyrite, which appear to carry low-grade gold mineralisation in the range 0.1g/t Au to 0.5g/t Au. In addition to this, high-grade mineralisation in the range 5g/t Au to 24g/t Au is associated with segregations of quartz and magnetite in the intrusion. Some veinlets of massive chalcopyrite also occur in fractures in the intrusion.

This is an unusual style of mineralisation for the Ravenswood goldfield and allowed the historical mining to extend over a width greater than 6m compared to the more normal narrow lode structures in the goldfield.

In addition to the above drilling, mapping to the south of the Old Man Mine site has located a "new zone" of auriferous reefs and some old pits that had not been previously sampled. A total of 11 rock chip samples were collected over a 200m strike length with all samples returning anomalous gold values, 7 of which where in the range 1g/t Au to 4.7g/t Au.

In the June Quarter a detailed ground magnetic survey was conducted over the historical Old Man Mine area under the direction of Richard Bennett of Quadrant Geophysics Pty Ltd, Brisbane. (Refer also to drilling results included in Table 1 of this report and Haoma's March 2006 Quarterly Activities Report [March 2006 Activities Report](#)). The survey mapped the extent of gold-copper mineralisation (and associated magnetite) under approximately 6m of residual soil cover.

The survey was based on a number of east-west oriented traverses spaced at approximately 20m intervals. Readings were collected at one second intervals using a GSM-19 rapid proton precession sampling magnetometer. Infill magnetic lines were surveyed over the existing drill site to gain additional detail information.

The results of the ground magnetic survey and selected Old Man drill hole positions are shown in Figure 2. Figure 3 shows the magnetic survey results for the complete area surveyed. The Old Man Mine area is situated north-east of the letters "DON" on the 777600 northerly line. The results showed the encouraging

CHAIRMAN'S REVIEW AND REPORT ON OPERATIONS

trending structure shown as a green image (magnetic low). Clearly shown on the south side of the east-west structure is another discrete magnetic high (red target) which is still to be drilled as are a number of other indicated highs (red areas) lying to the north of the Old Man Mine area.

The Old Man results potentially add an additional small high-grade gold/copper resource to those previously delineated at Wellington Springs, Waterloo and Podosky's. Further geological investigations and drilling will be undertaken at Old Man in the New Year to determine the full value of the latest result.

In Haoma Mining's 2005 Annual Report the Directors chose to write down the value of Haoma's mining assets in accordance with an Independent Expert Valuation Report. This valuation will change if Haoma's Pilbara operations start to successfully produce gold at a profit.

Finally, I would like to express the Board's appreciation to all those who have helped during the last 12 months with Haoma's activities in the Pilbara and Ravenswood Districts. In particular, our thanks go to Mr Peter Cole, Prof Peter Scales, Mr Hugh Morgan who have all contributed to solving the Pilbara assay and metallurgical problems. In addition the Board would like to thank Mr Tristin Cole, Mr Steve Wilson, Mr Bob Brown and all others who have been involved in re-engineering the Bamboo Creek Plant; and Mr Ron Furnell for his significant contribution in upgrading Haoma's Queensland tenements in the Ravenswood District.



Gary C. Morgan
Chairman

November 1, 2006



Comet Gold Mine from Tourist Centre.

FIGURE 1 - TURNER RIVER PROJECT OVERVIEW

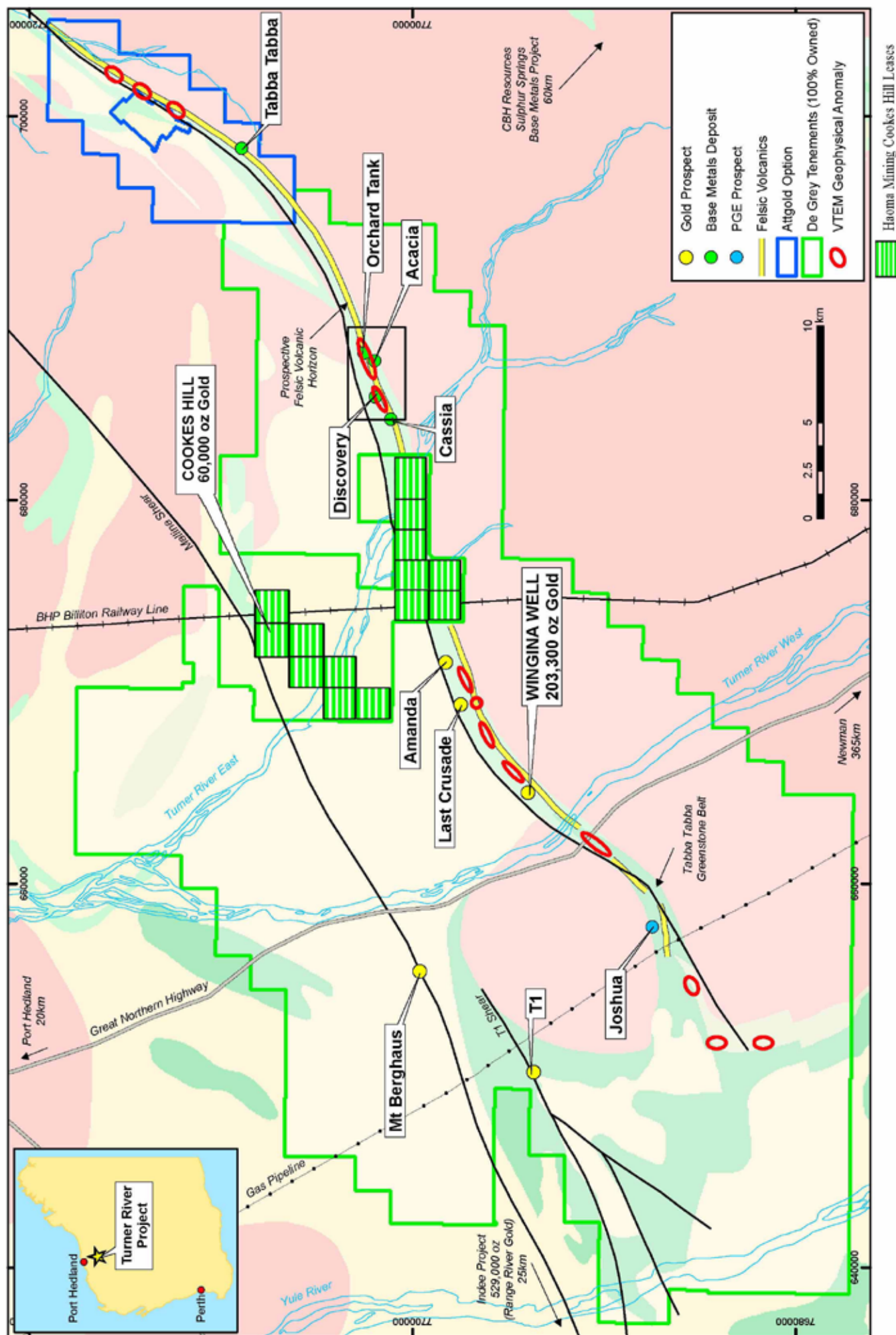
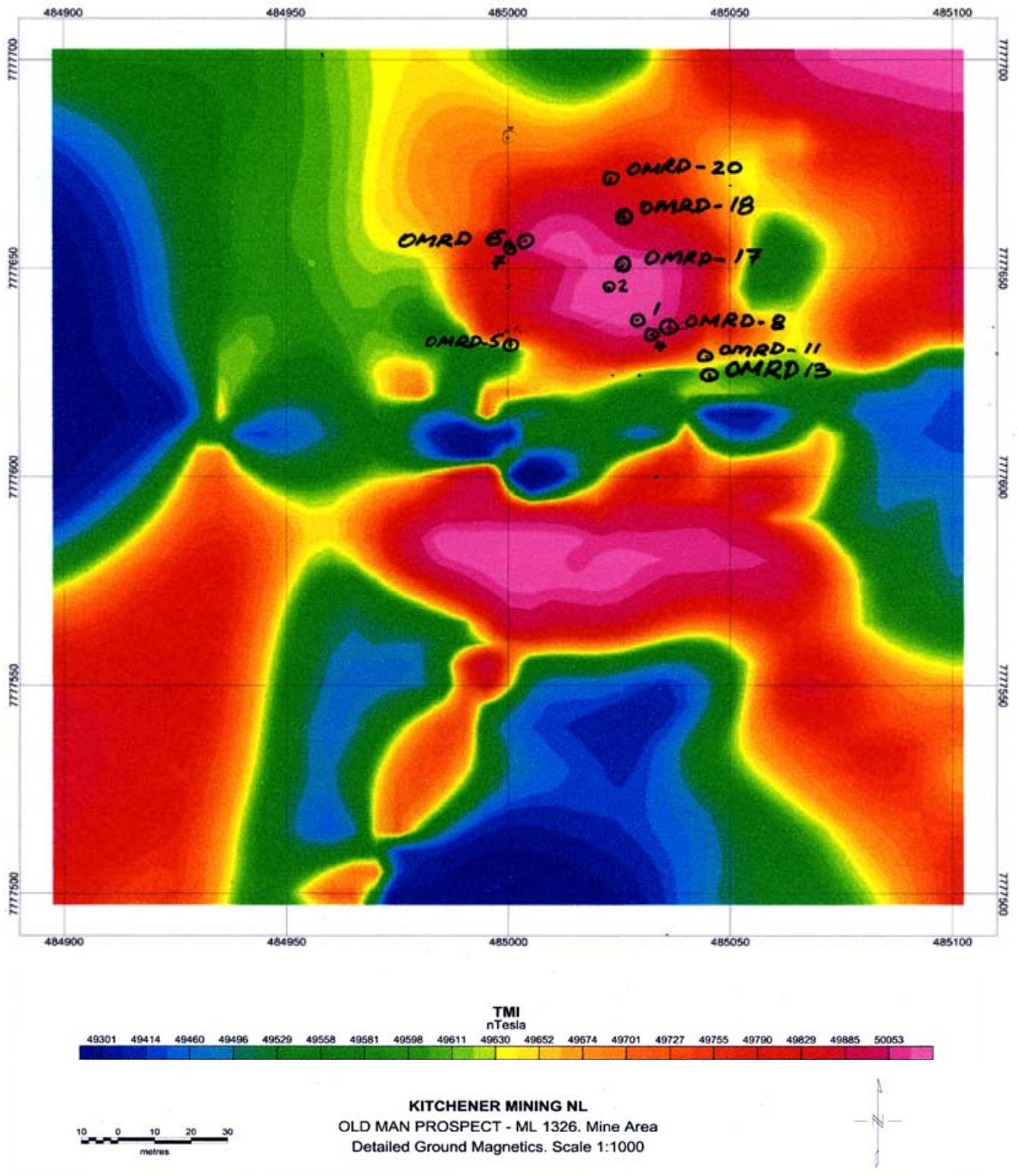


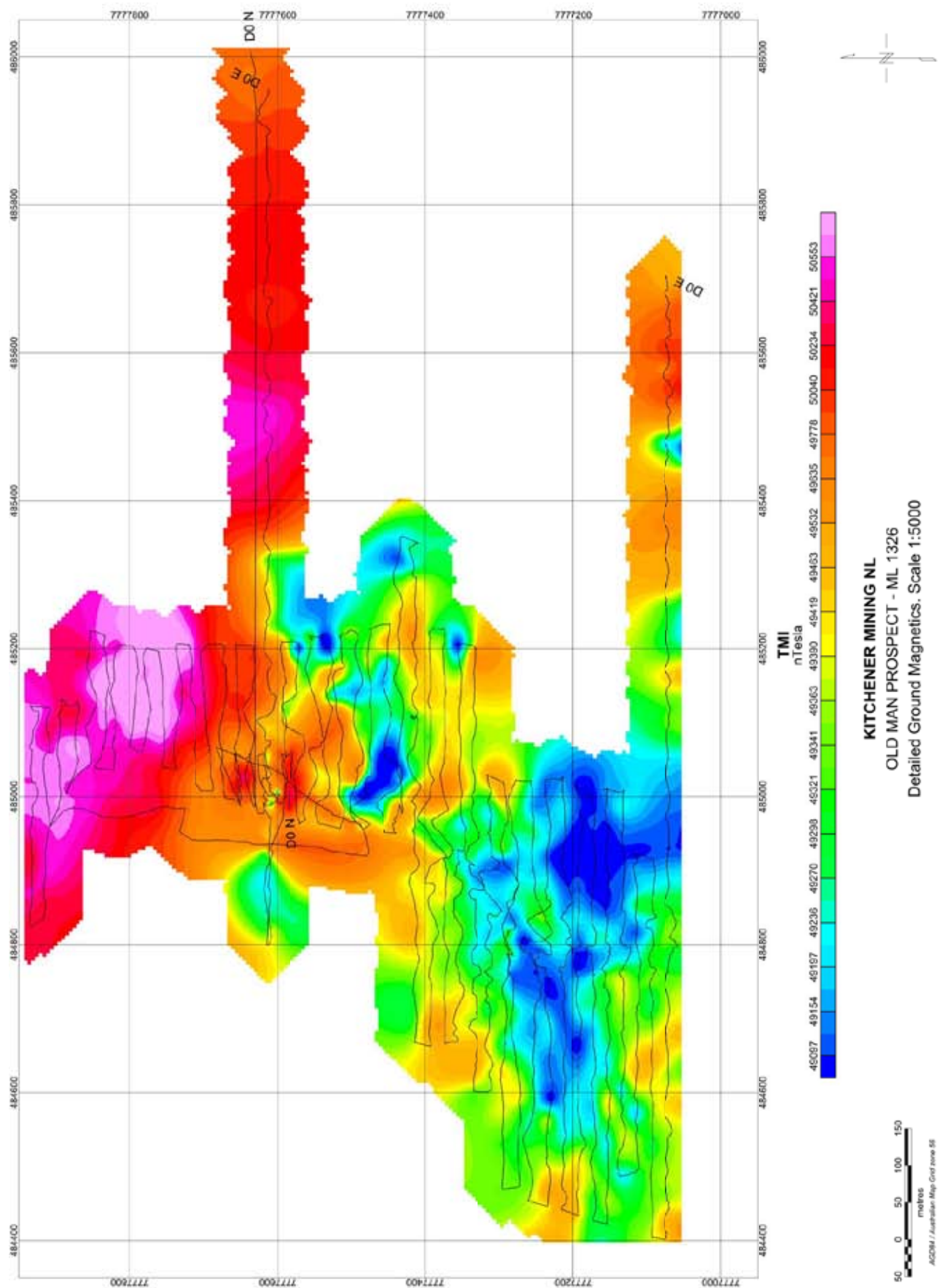
Figure 2 – Old Man Lease Ground Magnetic Survey With Hole Positions



Interpretation

The “pink” area is showing quite accurately the extent of the Cu-Au mineralisation which appears to be a localised occurrence with possible extensions to the south. It appears to be a 100m round stock breached by an E-W trending “Fracture” zone that has cut the ore zone in half. If the untested area on the southern side is also ore it would help with the pit design and increase tonnage etc.

Figure 3 - Ground Magnetic Survey of Old Man Lease for Complete Area Surveyed



CHAIRMAN'S REVIEW AND REPORT ON OPERATIONS**Table 1: Percussion Drill Summary – Old Man Prospect, Ravenswood (ML1326)**

Hole No.	East	North	Dip	Azimuth	Depth (m)	From (m)	To (m)	Width (m)	Assay Gold (g/t)	Assay Silver (g/t)	Assay Copper (ppm)
OMRD-1	485030	7777638	-67	220	36	0	2	2	NSR		
						2	4	2	NSR		183
						4	6	2	1.18	1.0	5385
						6	8	2	0.31		3560
						8	10	2	0.07		1460
						10	12	2	2.83	2.5	8260
						12	14	2	6.63	6.5	1.48%
						14	16	2	17.0	20.0	2.06%
						16	18	2	6.05	7.5	1.25%
						18	20	2	0.29		1466
						20	22	2	0.25		1780
						22	24	2	0.37		1089
						24	26	2	1.33	1.5	4920
						26	28	2	0.20		1375
						28	29	1	0.17		890
						29	30	1	NSR		255
						30	31	1	0.06		579
						31	32	1	NSR		495
						32	33	1	NSR		378
						33	34	1	NSR		310
						34	35	1	0.07		552
						35	36	1	0.13		1990
OMRD-2	485023	7777645	-60	220	17	1	2	1			89
						2	3	1			46
						3	4	1			44
						4	5	1			34
						5	6	1			98
						6	7	1			446
						7	8	1	1.52		859
						8	9	1			365
						9	10	1			378
					Cavity	10	11	1			NSR
					Stope	11	12	1			340
						12	13	1	0.28		2060
						13	14	1	0.40		3230
						14	15	1	0.68		2780
						15	16	1	0.25		596
						16	17	1	0.51		1230
OMRD-3	485025	7777651	-70	220	16	10	11	1	0.67		4180
					Stope	11	12	1	1.25		3910
					Stope	12	13	1	0.13		688
						13	14	1	1.36	2.0	5240
						14	15	1	0.58	3.0	3250
						15	16	1	6.07	2.0	9680
OMRD-4	485034	7777635	-60	68	38	0	2	2	0.12		849
						2	4	2	0.05		533
						4	6	2	0.05		522
						6	8	2	0.05		386
						8	10	2	0.06		214
						10	12	2	0.06		235
						12	14	2	0.07		519
						14	16	2	0.04		311
						16	18	2	0.05		238
						18	20	2	0.04		217
						20	22	2	0.05		264
						22	24	2	0.04		500
						24	26	2	0.02		245
						26	28	2	0.04		362

CHAIRMAN'S REVIEW AND REPORT ON OPERATIONS

Hole No.	East	North	Dip	Azimuth	Depth (m)	From (m)	To (m)	Width (m)	Assay Gold (g/t)	Assay Silver (g/t)	Assay Copper (ppm)
						28	30	2	0.04		348
						30	32	2	0.02		156
						32	34	2	0.03		475
						34	36	2	-		138
						36	38	2	0.02		225
OMRD-5	485000	7777633	-60	74	46	0	2	2	0.02		89
						2	4	2	0.09		184
						4	6	2	0.07		421
						6	8	2	0.05		1390
						8	10	2	0.06		1040
						10	12	2	0.06		1310
						12	14	2	0.09		1140
						14	16	2	0.12		958
						16	18	2	0.06		746
						18	20	2	0.21		2040
						20	22	2	0.41	2.0	2720
						22	24	2	0.11		908
						24	26	2	0.33		1220
						26	28	2	0.08		429
						28	30	2	0.11		869
						30	32	2	0.05		491
						32	34	2	0.10		494
						34	36	2	0.17		781
						36	38	2	0.05		396
						38	40	2	0.09		549
						40	42	2	0.41		1810
						42	44	2	0.66		2510
						44	46	2	0.31		1350
OMRD-6	485004	7777657	-60	258	20	0	2	2	0.03		147
						2	4	2	-		43
						4	6	2	0.02		132
						6	8	2	0.02		104
						8	10	2	0.46		3260
						10	12	2	2.56		7960
						12	14	2	1.69	2.0	1.16%
					Stope	14	16	2	0.39		1530
					Stope	16	18	2	0.43		979
					Stope	18	20	2	NSR		
OMRD-7	485003	7777655	-90	Vertical	40	0	2	2	0.11		872
						2	4	2	0.07		405
						4	6	2	0.13		230
						6	8	2	0.03		204
						8	10	2	0.10		1670
						10	12	2	0.60		2810
						12	14	2	0.41		3710
						14	16	2	0.22		1820
						16	18	2	0.14		1790
						18	20	2	0.08		1630
						20	22	2	0.14		2080
						22	24	2	0.34		2630
						24	26	2	0.22		854
						26	28	2	0.05		692
						28	30	2	0.03		573
						30	32	2	0.02		326
						32	34	2	-		92
						34	36	2	0.02		345
						36	38	2	0.03		266
						38	40	2	0.02		171

CHAIRMAN'S REVIEW AND REPORT ON OPERATIONS

Hole No.	East	North	Dip	Azimuth	Depth (m)	From (m)	To (m)	Width (m)	Assay Gold (g/t)	Assay Silver (g/t)	Assay Copper (ppm)
OMRD-8	485037	7777637	-60	248	34	0	2	2	0.32		143
						2	4	2	0.08		348
						4	6	2	0.02		99
					Stope	6	8	2	0.10	2.0	537
					Stope	8	10	2	-		
					Stope	10	12	2	0.13		1150
						12	14	2	0.45		3050
					Stope	14	16	2	3.64	3.0	1.15%
					Stope	16	18	2	6.18	6.0	1.01%
						18	20	2	10.40	10.0	1.99%
						20	22	2	11.20	7.0	1.95%
						22	24	2	7.60	3.0	9090
						24	26	2	0.79	1.0	2260
						26	28	2	0.34		232
						28	30	2	0.46		1400
						30	32	2	0.43		1700
						32	34	2	0.33		1420
OMRD-9	485035	7777636	-90	Vertical	22	0	2	2	1.76		2820
						2	4	2	0.09		785
						4	6	2	0.20		1660
						6	8	2	0.19		712
						8	10	2	0.12		824
						10	12	2	0.10		390
						12	14	2	0.29		1260
						14	16	2	0.16		1080
						16	18	2	0.33		1110
						18	20	2	0.84		2060
						20	22	2	0.46		758
OMRD-10	485038	7777627	-60	245	22	0	2	2	2.27	1.0	3570
						2	4	2	0.25		2060
						4	6	2	0.22		3840
						6	8	2	0.34		4380
						8	10	2	7.65	9.0	2.66%
						10	12	2	2.11	3.0	1.73%
					Stope	12	14	2	2.67	2.0	4590
					Stope	14	16	2	0.66		2170
						16	18	2	0.44		2310
						18	20	2	0.22		1240
						20	22	2	0.18		834
OMRD-11	485044	7777630	-80	250	56	0	2	2	0.38		2180
						2	4	2	0.16		2750
						4	6	2	0.13		2930
						6	8	2	0.10		885
						8	10	2	0.04		386
						10	12	2	0.43		2810
						12	14	2	0.29		496
						14	16	2	0.25		708
						16	18	2	0.07		725
						18	20	2	0.42		1350
						20	22	2	0.32		1610
						22	24	2	0.22		601
						24	26	2	0.13		904
						26	28	2	0.17		981
						28	30	2	1.22	1.0	2680
						30	32	2	7.00	10.0	2.69%
					Stope	32	34	2	0.58	2.0	4060
						34	36	2	0.42	1.0	2700
						36	38	2	0.29	5.0	5880
						38	40	2	0.28	2.0	5400

CHAIRMAN'S REVIEW AND REPORT ON OPERATIONS

Hole No.	East	North	Dip	Azimuth	Depth (m)	From (m)	To (m)	Width (m)	Assay Gold (g/t)	Assay Silver (g/t)	Assay Copper (ppm)
						40	42	2	0.07		1980
						42	44	2	0.12		1140
						44	46	2	0.02		289
						46	48	2	0.04		225
						48	50	2	-		191
						50	52	2	-		13
						52	54	2	-		66
						54	56	2	-		76
OMRD-12	485041	7777616	-60	255	28	0	2	2	0.05		180
						2	4	2	0.04		166
						4	6	2	0.06		183
						6	8	2	0.02		143
						8	10	2	0.04		204
						10	12	2	0.06		236
						12	14	2	0.13		827
						14	16	2	0.66		3230
						16	18	2	0.36		2330
						18	20	2	0.26		1740
						20	22	2	0.10		2170
						22	24	2	0.03		280
						24	26	2	0.02		448
						26	28	2	0.02		56
OMRD-13	485047	7777624	-81	250	40	0	2	2	-		20
						2	4	2	0.01		25
						4	6	2	-		22
						6	8	2	-		22
						8	10	2	-		34
						10	12	2	0.03		231
						12	14	2	-		213
						14	16	2	0.03		214
						16	18	2	0.04		317
						18	20	2	0.07		412
						20	22	2	0.03		316
						22	24	2	0.02		134
						24	26	2	0.03		298
						26	28	2	0.10		650
						28	30	2	0.13		846
						30	32	2	0.09		930
						32	34	2	0.08		519
						34	36	2	0.04		339
						36	38	2	0.03		274
						38	40	2	0.02		405
OMRD-14	485552	7777682	-60	250	22	0	2	2	0.01		201
						2	4	2	-		191
						4	6	2	0.03		188
						6	8	2	0.02		225
						8	10	2	0.03		359
						10	12	2	0.02		232
						12	14	2	0.02		181
						14	16	2	0.02		245
						16	18	2	0.02		203
						18	20	2	0.02		278
						20	22	2	0.04		295
OMRD-15	485017	7777655	-90	250	24	0	2	2	0.06		39
						2	4	2	0.03		88
						4	6	2	0.03		241
						6	8	2	0.05		267
						8	10	2	0.07		263
						10	12	2	0.10		489

CHAIRMAN'S REVIEW AND REPORT ON OPERATIONS

Hole No.	East	North	Dip	Azimuth	Depth (m)	From (m)	To (m)	Width (m)	Assay Gold (g/t)	Assay Silver (g/t)	Assay Copper (ppm)
						12	14	2	0.18		691
						14	16	2	0.40		1640
						16	18	2	1.05		2390
						18	20	2	0.49		1710
						20	22	2	0.26		870
						22	24	2	0.25		845
OMRD-16	485008	7777646	-90	252	20	0	2	2	2.79	2.0	5100
						2	4	2	5.27	4.0	7840
						4	6	2	0.69		3190
						6	8	2	0.89		1940
						8	10	2	0.24		1370
						10	12	2	0.41		3290
						12	14	2	0.37	1.0	5210
						14	16	2	0.45		2970
						16	18	2	0.96	1.0	3960
						18	20	2	0.19		1250
OMRD-17	485027	7777652	-90	250	34	0	2	2	0.04		263
						2	4	2	0.04		261
						4	6	2	0.12		718
						6	8	2	0.57		1510
						8	10	2	2.14	2.0	1.07%
						10	12	2	6.17	5.0	1.18%
						12	14	2	5.90	6.0	1.25%
						14	16	2	12.50	18.0	1.72%
						16	18	2	9.43	4.0	1.44%
						18	20	2	7.70	5.0	1.36%
						20	22	2	8.37	5.0	1.58%
						22	24	2	1.62	2.0	5470
						24	26	2	5.84	7.0	1.37%
						26	28	2	1.55	3.0	4950
						28	30	2	1.36		2610
						30	32	2	1.15		3760
						32	34	2	0.60	2.0	1930
OMRD-18	485028	7777662	-80	258	42	0	2	2	0.12		284
						2	4	2	0.04		167
						4	6	2	0.22		1930
						6	8	2	0.39		3330
						8	10	2	0.95	2.0	5230
						10	12	2	11.70	13.0	1.53%
						12	14	2	6.45	13.0	1.46%
						14	16	2	2.73	5.0	8800
						16	18	2	3.69	4.0	9370
						18	20	2	12.20	11.0	2.31%
						20	22	2	14.90	9.0	2.64%
						22	24	2	17.40	9.0	1.81%
						24	26	2	9.54	7.0	1.90%
						26	27	1*	6.26	8.0	7850
						29	30	1*	1.10	1.0	2640
						30	32	2	7.25	4.0	1.41%
						32	34	2	2.95		2130
						34	36	2	0.27		1020
						36	38	2	0.21		900
						38	40	2	0.15		671
						40	42	2	1.40		895

- 1 metre samples as cavity (27 to 29 metres) was not sampled.

CHAIRMAN'S REVIEW AND REPORT ON OPERATIONS

Hole No.	East	North	Dip	Azimuth	Depth (m)	From (m)	To (m)	Width (m)	Assay Gold (g/t)	Assay Silver (g/t)	Assay Copper (ppm)
OMRD-19	485021	7777630	-90	Vertical	22	0	2	2	0.29		1150
						2	4	2	1.04		3750
						4	6	2	0.86		3580
						6	8	2	0.14		1110
						8	10	2	0.05		715
						10	12	2	0.03		171
						12	14	2	0.07		687
						14	16	2	0.20		1970
						16	18	2	0.16		1990
						18	20	2	0.02		822
						20	22	2	-		230
OMRD-20	485022	7777669	-80	250	46	0	2	2	0.03		190
						2	4	2	0.07		448
						4	6	2	0.13		536
						6	8	2	0.04		795
						8	10	2	0.09		544
						10	12	2	0.05		307
						12	14	2	0.10		1290
						14	16	2	0.33		1680
						16	18	2	0.20		1740
						18	20	2	0.30		1340
						20	22	2	0.61	1.0	2780
						22	24	2	0.60		3510
						24	26	2	0.14		1270
						26	28	2	0.15		1680
						28	30	2	0.05		916
						30	32	2	0.04		571
						32	34	2	0.09		635
						34	36	2	0.02		447
						36	38	2	0.01		293
						38	40	2	0.01		186
						40	42	2	0.02		185
						42	44	2	-		110
						44	46	2	-		169

NSR = No Sample Received

The above Table of exploration drilling results was prepared on April 26, 2006 by Mr Ron Furnell who is a Competent Person under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Or Reserves (JORC Code). Mr Furnell is a member of AusIMM and has in excess of twenty years experience in relation to relevant exploration activities.

DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors, the Directors' present their report on the company and its controlled entities for the financial year ended June 30, 2006.

DIRECTORS

The persons who have been a Director of the Company at any time during or since the end of the year are:

Gary Cordell Morgan (Chairman)
Michele Levine
John Lachlan Charles McInnes

All directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARIES

The following persons held the position of company secretary at the end of the financial year:

Jillian Jepson CA.
James Wallace CA.

PRINCIPAL ACTIVITIES

The principal activities of the Economic Entity during the financial year were gold mining, mineral exploration and mining development. There was no significant change in the nature of the principal activities during the year.

OPERATING RESULTS

The consolidated loss of the Economic Entity for the financial year to June 30, 2006, was \$5,644,806 (2005 – loss \$21,889,220).

DIVIDEND

No dividends have been paid or declared during or since the end of the financial year.

REVIEW OF OPERATIONS AND RESULTS

During the financial year the Group continued its mining and mineral exploration activities. The principal mining and processing operations at Bamboo Creek in the Pilbara region of Western Australia remained on care and maintenance. As a consequence, there was no significant gold production with only 55 ounces of gold produced and sold for the year ended June 30, 2006. Other revenue for the year was comprised of fees from letting of mine camp facilities and associated retail sales.

Expenditure for the year focused on three core activities linked closely to the future operations.

Firstly, the Group entities maintained required levels of expenditure associated with continuing to undertake exploration work on promising targets in the Group's exploration and mining tenements located in both the Pilbara Region of Western Australia and the Ravenswood District in North Queensland.

Secondly, further testwork was carried out at the Bamboo Creek Processing Plant and Laboratory to enhance the company's understanding of the assay measurement (Elazac Assay Method) of gold and silver in Pilbara ores and the associated processing techniques (Elazac Process) required to economically recover gold from these ores. The intellectual property associated with these techniques is owned by Elazac Mining Pty Ltd and is made available to the Haoma Group without charge.

The third major area of expenditure was in re-engineering the Bamboo Creek Processing Plant to enable the Plant to be able to commence processing stockpiled Bamboo Creek ore by the end of October, 2006 (Second Quarter of the 2006/07 financial year).

The loss for the year largely reflects the combined expenditures in these three areas which are each equally important to the future prospects of the Group.

DIRECTORS' REPORT

In carrying out testwork on the Pilbara ores, emphasis was placed on determining the best commercially viable method of processing stockpiled ore previously mined from the Kitchener Mine, the nearby Bulletin Mine and from other ores located near to the Bamboo Creek Processing Plant.

Exploration activities in the Ravenswood District identified a number of new promising prospects on Kitchener's tenements that had previously not been fully investigated.

FINANCIAL POSITION

The consolidated financial position shows a deficiency of net assets at June 30, 2006 of \$9,861,005 (2005 – deficiency \$4,280,389). As noted in the financial statements, the Group is presently reliant upon ongoing financial support provided by its majority shareholder and Executive Chairman, Mr Gary Morgan. Mr Morgan has provided an assurance to the Board that he will continue to ensure funds are made available to the company to fund operations for a period of at least 12 months from the date of this report. At the date of this report, Mr Morgan has provided in excess of \$15 million of financial support to the Group.

In May 2006, Haoma entered into an agreement to sell its Linden tenements to Deepstrike Resources Ltd. Consideration for the sale comprises \$500,000 plus a placement of shares. To date Haoma has received a deposit and first payment totaling \$150,000 with the remainder of cash and shares due November 1, 2006. Deepstrike have recently advised Haoma that they wish to renegotiate the Agreement to allow additional time for completion. The Board is considering all options available to Haoma and has asked Deepstrike to submit details of any proposed amendments to the Agreement. The Linden assets are included in the Balance Sheet as assets held for sale.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Apart from matters already disclosed, there were no significant changes in the state of affairs of Haoma during the year to June 30, 2006.

EVENTS SUBSEQUENT TO BALANCE DATE

Except for the above disclosures, no other matter or circumstance has arisen since the end of the financial year 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 in future financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Haoma has re-commissioned its processing plant at Bamboo Creek, Pilbara, WA and at the end of October begun processing Bamboo Creek stockpiled ore. Ore processing is using a combination of Vat leaching and plant carbon in leach plant processing with an initial plant through-put of about 500 tonnes per day and at average grade of about 1.5g/t gold. By mid November the plant throughput is expected to be more than a 1,000 tonnes a day.

Haoma is listed on the Australian Stock Exchange and is subject to the continuous disclosure requirements of the ASX Listing Rules which require immediate disclosure to the market of information that is likely to have a material effect on the price or value of Haoma's securities. Further information on likely developments in the operations of the Group will be released as and when available.

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 in 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.

DIRECTORS' REPORT**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:

John Lachlan Charles McINNES, B.Comm, FCA

Appointment Date:

Experience:

Directorships held in other listed entities:

Interest in Shares and Options:

Special Responsibilities:

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

Appointment Date:

Experience:

Directorships held in other listed entities:

Interest in Shares and Options:

Special Responsibilities:

Jill JEPSON B.Ec, CA

Appointment Date:

Experience:

Directorships held in other listed entities

Interest in Shares and Options

Special Responsibilities

James WALLACE B.Ec, CA

Appointment Date:

Experience:

Directorships held in other listed entities

Interest in Shares and Options

Special Responsibilities

Chairman

May 10, 1991

Executive Chairman of Roy Morgan Research Pty Ltd. He is a member of a number of research and marketing organizations.

Indirect and beneficial interest in 128,182,961 shares in Haoma Mining NL via Directorships and interest in Leaveland Pty Ltd, Roy Morgan Research Pty Ltd and G&G Morgan Superannuation Fund.

Nil

Nil

Non-executive Director

May 10, 1991

Chartered Accountant and partner in accounting firm McInnes, Graham and Gibbs. He is a Registered Company Auditor and is Chairman of the Company's Audit Committee. Mr. McInnes is also a Director of other companies associated with Haoma's Chairman, Mr. Gary Morgan.

Trustee of Melbourne and Olympic Parks.

Indirect interest in 126,379,704 shares in Haoma Mining NL via Directorships in Leaveland Pty Ltd and Roy Morgan Research Pty Ltd. Indirect and beneficial interest in 1,500,000 shares in Haoma Mining NL via Directorship and interest in Etonwood Management Pty Ltd. Direct interest in 4,500 shares. Chairman of Audit Committee.

Executive Director

August 8, 1994

Director and Chief Executive Officer of Roy Morgan Research Pty Ltd.

Nil

Indirect interest in 4,919,452 shares in Haoma Mining NL via Directorship in Roy Morgan Research Pty Ltd. Indirect and beneficial interest in 1,319,000 shares in Haoma Mining NL via interest in the Levine Family Superannuation Fund and Levine Family Trust. Direct interest in 12,000 shares. Options to acquire 2,000,000 shares.

Nil

Company Secretary

February 5, 2005

Chartered Accountant and CFO of Roy Morgan Research.

Nil

Shares – 28,000, and options to acquire 50,000

Nil

Company Secretary

November 21, 1997

Chartered Accountant

Nil

Options to acquire 100,000

Audit Committee

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 26 (Related Party Information) to the financial statements. During the year Roy Morgan Research Pty Ltd, a company associated with Gary Morgan, Michele Levine and John McInnes provided significant administrative support and services to the Company. That support is continuing. Roy Morgan Research Pty Ltd has charged a base fee of \$25,000 per month for those services.

DIRECTORS' REPORT**REMUNERATION REPORT (AUDITED)**

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration.
- Details of remuneration
- Service agreements
- Share based compensation

Principles used to determine the nature and amount of remuneration

The Board of Directors are responsible for determining and reviewing compensation arrangements for the Directors and senior management. This involves assessing the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions including length of service and the particular experience of the individual concerned. The contracts of service between the Company and Directors and Executives are on a continuing basis the terms of which are not expected to change in the immediate future. Upon retirement Directors and Executives are paid employee benefit entitlements accrued to the date of retirement. Termination payments are generally not paid on resignation or dismissal for serious misconduct. Employee contracts do not contain clauses linking remuneration to company performance.

Executives are given the option to receive remuneration in a variety of forms including cash and benefits such as motor vehicles and expense payment plans. It is expected that the manner of payment chosen will be optimal for the recipient without creating undue costs for the Company.

Details of remuneration

Details of the remuneration of Directors and Key Management Personnel (as defined in AASB 124 Related Party Disclosures) of Haoma Mining are set out in tables below.

The Key Management Personnel of Haoma Mining and the Group include all Directors and the Acting General Manager, Mr. Peter Cole.

Mr. Peter Cole together with the Directors, is the Group Executive with the most authority and responsibility for planning, directing and controlling activities of both the Consolidated Entity and the Parent Entity during the financial year. Mr. Cole is a Consultant to Haoma Mining. The following table details remuneration paid to members of the Group Executive for the year ended June 30, 2006.

Key Management Personnel of Haoma Mining NL and its Controlled Entities

2006	Short-term benefits			Post employment benefits	Share based payments	
Name	Salary and Fees	Bonus	Non-Cash Benefits	Superannuation	Options	Total
	\$	\$	\$	\$	\$	\$
Executive Directors						
Gary Morgan	40,000	-	-	-	-	40,000
Michele Levine	40,000	-	-	3,600	26,200	69,800
Non-Executive Director						
John McInnes	40,000	-	-	3,600	-	43,600
Key management Personnel						
Peter Cole	165,600	-	-	-	3,275	168,875
Total	285,600	-	-	7,200	29,475	322,278

DIRECTORS' REPORT**REMUNERATION REPORT** *(continued)*

2005	Short-term benefits			Post employment benefits	Share based payments	
Name	Salary and Fees	Bonus	Non-Cash Benefits	Superannuation	Options	Total
	\$	\$	\$	\$	\$	\$
Executive Directors						
Gary Morgan	40,000	-	-	-	-	40,000
Michele Levine	40,000	-	-	3,600	81,200	124,800
Non-Executive Director						
John McInnes	40,000	-	-	3,600	-	43,600
Key management Personnel						
Peter Cole	166,800	-	-	-	33,600	200,400
Cameron Skinner ¹	59,606	-	-	5,365	13,440	78,411
Total	346,406	-	-	12,565	128,240	487,211

¹ Cameron Skinner resigned as General Manager and Mining Manager September 24, 2004.

Service agreements

Remuneration and other terms of employment for the Directors and other Key Management Personnel are formalised in service agreements. The remuneration is not dependent on satisfaction of predetermined performance criteria; however, a bonus can be paid to senior management at the discretion of the Board.

Share based compensation

At the 2005 Annual General Meeting shareholders approved the issue of 2,000,000 share options to Director Michele Levine with an exercise price of \$0.10. Shareholders also approved the issue of options to other consultants, employees and officers of the company as detailed in the schedule below. The options were issued in recognition of past efforts.

The non-renounceable options may be converted to an equivalent number of Haoma Mining NL shares subject to continuous performance and Directors' approval.

The remuneration of other directors and senior management is not dependent on completion of predetermined performance criteria.

The amounts disclosed as the value of options granted to Directors and Key Management Personnel is the assessed fair value at grant date of the options. Fair values at grant date are determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the share price at grant date, the expected volatility of the underlying share and the expected dividend yield and the risk-free interest rate for the term of the option.

Options are approved for issue by the Board. The options have an exercise price of \$0.10 per share and are exercisable on or before November 11, 2007. The options are non-renounceable, hold no voting or dividend rights and are not transferable.

The options expire November 11, 2007. At the date of the report no options had been exercised.

Details of options over ordinary shares in the Company provided to each Officer and Key Management Personnel are set out below.

DIRECTORS' REPORT

The following table discloses the value of options granted, exercised or lapsed during the year.

2006	Options Granted	Options Granted as part of remuneration	Total remuneration represented by options	Options Exercised	Options Lapsed (8/8/05)	Total
		\$	%	\$	\$	\$
Company Officer						
Michele Levine – Director	2,000,000	26,200	17.4	-	(1,200)	26,200
Jill Jepson - Secretary	50,000	655	-	-	(6,720)	1,310
Jim Wallace – Secretary	100,000	1,310	-	-	(13,440)	1,310
Key Management Personnel						
Peter Cole	250,000	3,275	1.9	-	(33,600)	3,275
	2,400,000	31,095	19.3	-	(134,960)	31,095

For details on the valuation of the options, including models and assumption used, please refer to Note 23. There have been no alterations to the terms and conditions of options granted in recognition for past services since the grant date.

DIRECTORS' MEETINGS

During the financial year there were five full meetings of the Board of Directors and two meetings 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:	5	2
Number of meetings attended by:		
Mr. G C Morgan	5	-
Ms. M Levine	5	-
Mr. J McInnes	5	2

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.

DIRECTORS' REPORT**AUDITORS INDEPENDENCE DECLARATION**

The auditor's independence declaration for the year ended June 30, 2006 has been received and follows the Directors' Report.

NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services by external Auditor firm, PKF is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons;

- the auditors at no time acted in a management or decision making capacity for the company;
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

The following fees for non-audit services were paid to PKF during the year June 30, 2006:

Taxation Compliance Services: \$77,360

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



Gary C. Morgan
Chairman

Melbourne,
November 1, 2006

1 November 2006

The Directors
Haoma Mining NL
Level 1
401 Collins Street
MELBOURNE VIC 3000

AUDITORS INDEPENDENCE DECLARATION

As lead engagement partner for the audit of Haoma Mining NL and its controlled entities for the year ended 30 June 2006, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF
Chartered Accountants



R A Dean
Partner

The Board of Directors of Haoma Mining NL (“Haoma”) is responsible for the Corporate Governance Practices of the Economic Entity. The Board guides and monitors the business and affairs of Haoma Mining NL on behalf of the shareholders by whom they are elected and to whom they are accountable.

Unless otherwise disclosed below, best practice recommendations of the Australian Stock Exchange (ASX) Corporate Governance Council have been applied for the entire financial year ended 30 June 2006.

COMPOSITION OF THE BOARD

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the annual report and their term of office are detailed in the Director’s Report.

The Directors in office at the date of this statement are:

Name	Position
G C Morgan	Chairperson, Director
M Levine	Executive Director
J L C McInnes	Non-Executive Director

To ensure the Board is well equipped to discharge it’s responsibilities it has established guidelines for the nomination and selection of Directors and for the operation of the Board. The Non-Executive Director is a leader in his field and holds senior positions in other Australian companies.

Directors are appointed for a three year term after which time they seek re-election by shareholders.

The ASX recommends that the majority of the Directors should be Independent; the Chairman should be an Independent Director and should not also be the Chief Executive Officer.

As noted above, Mr. Gary Morgan is the Chairman of Haoma. Mr. Morgan is not considered to be an Independent Director due to his family’s 63% shareholding in Haoma. Mr. John McInnes is not deemed to be an Independent Director because he is a Director of companies that control Mr. Morgan’s family shareholding in Haoma and he has been on the Board for more than 10 years. Michele Levine is not an Independent Director as she is the Chief Executive of Roy Morgan Research Pty Ltd which is a private company controlled by Mr. Morgan.

Accordingly, Haoma does not comply with ASX Corporate Governance Council Best Practice Recommendation 2.1 to 2.4 regarding independence. The relevance of this non-compliance must be considered in light of the fact that entities controlled by Mr. Gary Morgan hold shares in the company representing over 63% of the issued capital. Haoma is not a large company with a broad spread of shareholders. It is a company controlled and managed by Mr. Morgan in which outside shareholders have the opportunity to invest because it has ASX listing. The extent of Mr. Morgan’s personal and financial commitment to Haoma is not new and is well known to the market. The overwhelming majority of current shareholders acquired their shares in the full knowledge of that relationship.

The company does not comply with the recommendations relating to Board independence. All Directors actively participate in meetings of Directors and it is not considered that the company or its shareholders are compromised or disadvantaged by the current Board structure.

All Directors have the right to seek Independent professional advice in the furtherance of their duties as Directors at the company’s expense. Written approval must be obtained from the Chairman prior to incurring any material expense in this regard.

The ASX Corporate Governance Council Best Practice Recommendations recommends that the company has an Audit, Nomination, and Executive Remuneration Committee and in the case of Haoma the members of the Board fulfils that role.

TRADING POLICY

The size of the company allows adherence to generally acceptable levels of integrity and ethical behavior without the need for a formal code of conduct.

Directors and officers of the company may not deal in the company’s securities when they are in possession of information not publicly known that may influence the price of the company’s shares.

CORPORATE GOVERNANCE STATEMENT**AUDIT COMMITTEE**

Haoma has for many years maintained a formal Audit sub-committee of the Board. The Audit Committee operates under a charter approved by the Board. It is the Audit Committee's responsibility to ensure that an effective internal framework exists within the entity. This includes internal controls, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The Audit Committee provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial statements.

The Audit committee is also responsible for nomination of the external auditor and reviewing the adequacy of the scope and quality of the annual statutory audit and half year statutory review. A formal sign off of the accounts by the Chief Executive Officer and Chief Financial Officer is required.

TIMELY AND BALANCED DISCLOSURES

Haoma provides timely and balanced disclosures of all material matters concerning the Company as required by the ASX listing rules. This means that all investors have equal and timely access to material information concerning the company – including its financial situation, performance, ownership and governance. The Company's announcements are factual and presented in a clear and balanced way to present positive and negative information.

The Directors are aware of the disclosure obligations as per the Corporations Act 2001 (Cth). and ASX Listing rules and the need to comply with them. There is no formal document covering disclosure and compliance with ASX listing rules.

RESPECTING THE RIGHTS OF SHAREHOLDERS

The Board acts on behalf of the shareholders and is accountable to the shareholders. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. In discharging these duties the Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical obligations.

The Company recognizes and respects the rights of shareholders and facilitates the effective exercise of those rights. The Company empowers its shareholders by: communicating effectively with them; giving them ready access to balanced and understandable information about Company and corporate proposals; and, makes it easy for shareholders to participate in General Meetings.

While the Company does not have a documented procedure there is regular communication with shareholders including the mailing of ASX Quarterly Activity Reports and information on matters of significance which affect the Company. Company information is continuously updated on the website; www.haoma.com.au. At each Annual Meeting shareholders are given a detailed briefing regarding the activities of the Company and shareholders are encouraged to both attend and participate in General Meetings. It is considered the size of the company does not warrant a formal written policy in this area.

The auditors attend the Annual General Meeting each year.

RISK MANAGEMENT

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to minimize the impact of accidental loss or damage to the company.

PERFORMANCE EVALUATION

The responsibility for the operation and administration of the Economic Entity is delegated by the Board to Mr. Gary Morgan and Management. The Board ensures that personnel are appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the management team.

CORPORATE GOVERNANCE STATEMENT

Although Haoma does not comply with the ASX Corporate Governance Council Best Practice Recommendation 8 regarding 'performance evaluation', it is considered that the size of the company and the structure of the Board do not necessitate full compliance with this recommendation.

REMUNERATION COMMITTEE

The accounts contain all details of Directors' remuneration and the remuneration of senior staff to the extent required by law. The company is small and because of its size and structure it is not considered necessary to have a Remuneration Committee of the Board.

There are no schemes for retirement benefits other than statutory superannuation for non-executive Directors.

OTHER INFORMATION

The Board and senior executives are aware of the need to comply with all laws relevant to operations of the Company. Due to the size and structure of Haoma it is not considered necessary to have a formal written code of conduct.

Good Corporate Governance is dependent on the culture of the Company generally, and Board and Senior Management in particular. Mere compliance with the ASX recommendations in itself however, will not necessarily result in good corporate governance.

The Board of Haoma is committed to ensuring that a standard of good governance is maintained. It does this by ensuring that the company complies with not only the letter of the many regulations and laws governing the company's operations but also complies with the spirit and intent of those regulations and laws. It is also committed to ensuring that the shareholders and the market are kept fully informed regarding the company's operations and strategic direction.

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2006

	Note	CONSOLIDATED		PARENT	
		2006	2005	2006	2005
		\$	\$	\$	\$
Continuing Operations					
Sale of goods		50,237	649,254	50,237	649,254
Retail sales		414,793	265,588	414,793	265,588
Finance revenue		576	3,425	576	3,425
Revenue	3(a)	465,606	918,267	465,606	918,267
Other income	3(b)	51,860	24,935	51,860	24,935
Cost of sales		(906,667)	(2,489,286)	(906,667)	(2,507,403)
Test work and plant configuration expenditure		(1,665,941)	(4,695,194)	(1,657,225)	(4,155,604)
Exploration and tenement costs expensed		(702,031)	(233,702)	(652,548)	(189,561)
Administration and compliance expense	3(c)	(855,363)	(851,096)	(777,437)	(786,413)
Finance costs	3(d)	(1,344,464)	(583,421)	(1,344,459)	(582,650)
Depreciation and amortisation costs	3(e)	(623,616)	(710,300)	(576,418)	(653,583)
Impairment of goodwill	3(f)	-	(2,747,310)	-	-
Management fee reversal	3(g)	-	1,155,000	-	-
Impairment of exploration & evaluation assets	3(h)	-	(9,064,265)	-	(11,834,776)
Allowance for doubtful debts – inter company loan	3(i)	-	-	(137,239)	(3,573,830)
Impairment in carrying value of controlled entities	3(j)	-	-	-	(4,071,752)
Provision for rehabilitation		-	(1,300,304)	-	(433,441)
Write down of carrying value of inventory		-	(341,584)	-	(243,754)
Impairment of plant and equipment		-	(500,000)	-	(500,000)
Share option expense		(64,190)	(470,960)	(64,190)	(470,960)
Loss before income tax expense		(5,644,806)	(21,889,220)	(5,598,717)	(29,060,525)
Income tax expense	4	-	-	-	-
Net loss attributable to members of the parent entity		(5,644,806)	(21,889,220)	(5,598,717)	(29,060,525)
Earnings per share (cents per share)					
- basic loss for the year attributable to ordinary equity holders of the parent	5	(2.92)	(11.34)		
Diluted earnings (loss) per share (cents per share)	5	(2.92)	(11.34)		

The above Income Statement should be read in conjunction with the accompanying notes.

BALANCE SHEET
AS AT JUNE 30, 2006

	Note	<i>CONSOLIDATED</i>		<i>PARENT</i>	
		2006	2005	2006	2005
		\$	\$	\$	\$
ASSETS					
Current Assets					
Cash and cash equivalents	7	17,559	29,210	7,729	25,103
Trade and other receivables	8	57,215	69,459	57,215	69,458
Inventories	9	427,888	582,618	427,888	582,618
		502,662	681,287	492,832	677,179
Non-Current Assets classified as held for sale	10	1,450,000	-	1,450,000	-
Total Current Assets		1,952,662	681,287	1,942,832	677,179
Non-Current Assets					
Other financial assets	11	-	-	-	-
Property, plant and equipment	13	2,326,544	2,791,834	2,203,218	2,621,306
Exploration and evaluation	14	6,035,000	7,535,000	5,035,000	6,535,000
Intangibles	15	-	-	-	-
Total Non-Current Assets		8,361,544	10,326,834	7,238,218	9,156,306
TOTAL ASSETS		10,314,206	11,008,121	9,181,050	9,833,485
LIABILITIES					
Current Liabilities					
Trade and other payables	16	1,270,547	1,451,048	1,089,007	1,265,651
Interest bearing loans and borrowings	17	16,130,872	10,525,873	16,130,872	10,525,873
Provisions	18	15,426	59,923	15,426	59,923
Income tax payable	19	685,522	685,522	685,522	685,522
Total Current Liabilities		18,102,367	12,722,366	17,920,827	12,536,969
Non-Current Liabilities					
Interest bearing loans and borrowings	17	759,842	1,265,840	759,842	1,265,840
Provisions	18	1,313,002	1,300,304	437,673	433,441
Total Non-Current Liabilities		2,072,844	2,566,144	1,197,515	1,699,281
TOTAL LIABILITIES		20,175,211	15,288,510	19,118,342	14,236,250
NET ASSETS/(DEFICIENCY)		(9,861,005)	(4,280,389)	(9,937,292)	(4,402,765)
EQUITY					
Equity attributable to equity holders of the parent					
Contributed Equity	20	60,241,791	59,770,831	60,241,791	59,770,831
Reserves	20	6,247,105	6,653,875	5,132,222	5,538,992
Accumulated Losses	20	(76,349,901)	(70,705,095)	(75,311,305)	(69,712,588)
TOTAL SHAREHOLDERS' EQUITY/(DEFICIENCY)		(9,861,005)	(4,280,389)	(9,937,292)	(4,402,765)

The above Balance Sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2006

CONSOLIDATED	Attributable to equity holders of the parent				Total Equity
	Share Option Reserve	Share Capital	Reserves (note 20)	Accumulated Losses	
	\$	\$	\$	\$	\$
At July 1, 2004	108,707	59,662,124	11,299,489	(49,215,332)	21,854,988
Share options expired	(108,707)	108,707	-	-	-
Share options issued	470,960	-	-	-	470,960
Write down carrying value of Asset Revaluation Reserve	-	-	(5,116,574)	399,457	(4,717,117)
<i>Total income and expense for the period recognised directly in equity</i>	-	-	-	-	-
<i>(Loss) for the period</i>	-	-	-	(21,889,220)	(21,889,220)
At June 30, 2005	470,960	59,770,831	6,182,915	(70,705,095)	(4,280,389)
Share options expired	(470,960)	470,960	-	-	-
Share options issued	64,190	-	-	-	64,190
<i>Total income and expense for the period recognised directly in equity</i>	-	-	-	-	-
<i>(Loss) for the period</i>	-	-	-	(5,644,806)	(5,644,806)
At June 30, 2006	64,190	60,241,791	6,182,915	(76,349,901)	(9,861,005)

PARENT	Attributable to equity holders of the parent				Total Equity
	Share Option Reserve	Share Capital	Reserves	Accumulated Losses	
	\$	\$	\$	\$	\$
At July 1, 2004	108,707	59,662,124	5,904,526	(41,051,520)	24,623,837
Share options expired	(108,707)	108,707	-	-	-
Share options issued	470,960	-	-	-	470,960
Write down carrying value of Asset revaluation reserve	-	-	(836,494)	399,457	(437,037)
<i>Total income and expense for the period recognised directly in equity</i>	-	-	-	(29,060,525)	(29,060,525)
<i>(Loss) for the period</i>	-	-	-	(29,060,525)	(29,060,525)
At June 30, 2005	470,960	59,770,831	5,068,032	(69,712,588)	(4,402,765)
Share options expired	(470,960)	470,960	-	-	-
Share options issued	64,190	-	-	-	64,190
<i>Total income and expense for the period recognised directly in equity</i>	-	-	-	-	-
<i>(Loss) for the period</i>	-	-	-	(5,598,717)	(5,598,717)
As at June 30, 2006	64,190	60,241,791	5,068,032	(75,311,305)	(9,937,292)

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2006

	Note	<i>CONSOLIDATED</i>		<i>PARENT</i>	
		2006	2005	2006	2005
		\$	\$	\$	\$
Cash flows from operating activities					
Receipts from customers		53,708	645,527	53,708	645,527
Interest received		576	3,425	576	3,425
Other income		418,822	247,554	418,822	247,554
Payments to suppliers and employees		(3,726,448)	(8,256,273)	(3,644,419)	(7,690,762)
Interest paid		(122,713)	(110,723)	(122,708)	(110,723)
Net cash used in operating activities	7	(3,376,055)	(7,470,490)	(3,294,021)	(6,904,979)
Cash flows from investing activities					
Purchase of property, plant and equipment		(174,923)	(757,252)	(174,923)	(663,336)
Proceeds from sale of property, plant and equipment		118,456	608,642	118,456	608,642
Exploration and development expenditure		(702,031)	(912,829)	(652,549)	(868,808)
Advances to related party entity		--	--	(137,239)	(700,648)
Net cash used in investing activities		(758,498)	(1,061,439)	(846,255)	(1,624,150)
Cash flows from financing activities					
Loans from related parties		4,593,365	8,834,767	4,593,365	8,834,767
Lease liability repayment		(470,463)	(379,721)	(470,463)	(379,721)
Net cash provided by financing activities		4,122,902	8,455,046	4,122,902	8,455,046
Net decrease in cash held		(11,651)	(76,883)	(17,374)	(74,083)
Cash at the beginning of the financial year		29,210	106,093	25,103	99,186
Cash at the end of the financial year	7	17,559	29,210	7,729	25,103

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006****1 CORPORATE INFORMATION**

The financial report of Haoma Mining NL for the year ended June 30, 2006 was authorized for issue in accordance with a resolution of the Directors on Tuesday, November 1st, 2006.

Haoma Mining is a listed public company, incorporated and domiciled in Australia.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of Preparation**

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

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

(b) Going Concern

The financial statements have been prepared on the basis of the going concern principle. That principle contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. At June 30, 2006, the Economic Group recorded a consolidated loss of \$5,644,806 for the year, has net current liabilities of \$20,175,211 and negative shareholders equity of \$9,861,005.

To support the ongoing operations of the Group, Mr. Gary Morgan, Director and Chairman of Haoma Mining has provided an undertaking that he will personally ensure that funds will be available to the company 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, 2006 Mr. Morgan had advanced funds of \$14,180,752 (2005: \$9,602,887) for this purpose.

(c) Statement of Compliance

The financial report of Haoma Mining NL and its controlled entities and Haoma Mining NL as an individual parent entity complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto complies with International Financial Reporting Standards (IFRS).

This is the first financial report prepared based on AIFRS and comparatives for the year ended June 30, 2005 have been restated accordingly. A reconciliation between the equity at July 30, 2004 and June 30, 2005 and profit for the year ended June 30, 2005 as reported in the June 30, 2005 financial report, to the restated balances reported in accordance with AIFRS is disclosed in Note 28.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

2 STATEMENT OF ACCOUNTING POLICIES (continued)

(d) Principles of Consolidation

The financial report comprises the Economic Group of Haoma Mining NL and its controlled entities, and Haoma Mining NL as an individual Parent Entity. The financial reports of all subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

A controlled entity is any entity controlled by Haoma Mining NL. Control exists where Haoma Mining NL has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Haoma Mining NL to achieve the objectives of Haoma Mining NL. Controlled entities are detailed in Note 12 to the financial statements.

In preparing the financial statements, the financial impact of all inter-company balances and transactions between entities in the economic group during the year have been eliminated. The operating results of controlled entities are included from the date control was obtained or until the date control ceased.

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

(i) Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

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 are required 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.

(ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black Scholes model and assumptions detailed in note 23. The Group measures the cost of cash-settled share-based payments at fair value at the grant date taking into account the terms and conditions upon which the instruments were granted, as discussed in note 23.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

2 STATEMENT OF ACCOUNTING POLICIES (continued)

(f) Revenue Recognition

The Group's primary source of revenue is from the production and 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 production and 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 interest 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 small retail outlets at the Comet Mine Tourist Centre at Marble Bar, Western Australia and at its Top Camp accommodation camp at Ravenswood, Queensland. Revenue from the sale of goods is recognised when the sale is completed and ownership has passed to the purchaser.

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

Dividend revenue is recognised when the right to receive a dividend has been established.

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

(g) 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.

(h) Impairment of assets

The Group assesses at each reporting date 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

2 STATEMENT OF ACCOUNTING POLICIES (continued)

(i) Foreign Currency Transactions and Balances

Foreign currency transactions are converted to Australian currency at the rate of exchange applicable at the date of each transaction. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date.

The gains and losses from conversion of assets and liabilities, whether realised or unrealised, are recognised as they arise.

(j) Income Tax

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

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 utilize 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 balance date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to utilize 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 realized or the liability is settled, using tax rates that have been enacted or substantively enacted at balance date.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

2 STATEMENT OF ACCOUNTING POLICIES (continued)

(k) Borrowing Costs

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 Cash Flow Statement, 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
- investments in money market instruments with less than 14 days to maturity.

(m) Inventories

Inventories are measured and valued as follows:

- Stores of 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.

(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) Property, plant and equipment

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

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 capitalization. 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 assessed on the basis of the expected net cash flows which will be received from the utilization of the assets and subsequent disposal. The expected net cash flows are not been discounted to present values in determining recoverable amounts.

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 lease 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	20%
Leased plant and equipment	10-20%

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

2 STATEMENT OF ACCOUNTING POLICIES (continued)

(p) Leased Assets – Group as lessee

Leases of fixed assets where substantially all the risks and benefits incidental to ownership of the asset, but not legal ownership, are transferred to entities in the Economic Group are classified as finance leases. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments which includes any financial commitment in regard to payment of a residual value for the leased item. Lease payments are allocated between the reduction of the lease liability and lease finance charges in accordance with the underlying calculated interest rate over the term of the lease. Lease finance charges are recognised as an expense in profit or loss.

When it is likely that the Economic Group will obtain ownership of the asset over the term of the lease, leased assets are depreciated on a straight line basis over estimated useful life. Where there is no reasonable certainty that the Group will obtain ownership, leased assets are depreciated over the term of the lease.

Lease payments for operating leases, where substantially all risks and benefits remain with the lessor, are charged as an expense in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability.

The gain or loss on a sale and leaseback finance agreement in respect to an asset is considered to be an adjustment to fair value for the asset and is charged as an expense to profit and loss.

(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.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. In October 2005, the Directors obtained a valuation of the groups mineral tenements by a specialist independent valuer to determine whether the carrying value was appropriate. The value of Exploration and Development expenditure adopted in the June 30, 2006 accounts is based upon the Independent Valuation report prepared by Golder Associates, dated October 2005 as it is not considered that the carrying amounts differ materially from the fair value of these assets at balance date.

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 the rate of depletion of the economically recoverable reserves.

(r) Interest in Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group has interests in joint ventures that can generally be classified as joint ventures involving jointly controlled assets and which are specifically related to undertaking exploration and development work on various mineral exploration leases.

A joint venture identified as involving the use of jointly controlled assets is typified by joint ownership of assets contributed or acquired for the purpose of the joint venture and dedicated to the purposes of the joint venture. The assets are used to obtain benefits for the joint venture. Each joint venture participant may take a share of the output from the assets and each bears an agreed share of the expenses incurred. Each participant has control over its share of future economic benefits through its share of the jointly controlled assets.

Expenses incurred in common by the joint venture are borne by each joint venturer according to agreed percentages as established in the respective joint venture agreements. Some agreements contain farm-in clauses whereby one or more

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

2 STATEMENT OF ACCOUNTING POLICIES (continued)

of the joint venture parties acquires or may increase an ownership interest in a controlled asset by agreeing to fund an initial amount of expenditure.

The Group recognises its interests in jointly controlled asset joint ventures by recording the fair value of its share of the joint venture assets that it controls and the liabilities that it incurs. The Group also recognises its share of the expenses that are incurred on joint venture activities and its share of the income that is earned from the sale of goods or services by the jointly controlled operation.

(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 balance 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 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.

(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.

When it is expected that some or all of a provision may be recoverable, the expected recoverable amount is recognised as a separate asset but only to the extent that it is considered to be virtually certain. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects the risks specific to the liability that has been provided for.

Provision for restoration Costs

Restoration 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 income statement and as an increase in the provision).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

2 STATEMENT OF ACCOUNTING POLICIES (continued)

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) Share-based payment transactions

Equity settled transactions:

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments (equity-settled transactions).

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Haoma Mining NL if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the equity instruments (the vesting date). The cumulative expense is recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

(x) 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) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

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

- costs of servicing equity (other than dividends) and preference share 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

	<i>CONSOLIDATED</i>		<i>PARENT</i>	
	2006	2005	2006	2005
	\$	\$	\$	\$
3 REVENUES & EXPENSES				
Revenues and expenses from continuing operations				
(a) Revenue				
Gold sales	46,208	645,527	46,208	645,527
Silver sales	4,029	3,727	4,029	3,727
	<u>50,237</u>	<u>649,254</u>	<u>50,237</u>	<u>649,254</u>
Retail sales	414,793	265,588	414,793	265,588
Finance revenue – bank interest	576	3,425	576	3,425
	<u>465,606</u>	<u>918,267</u>	<u>465,606</u>	<u>918,267</u>
<i>Breakdown of finance revenue</i>				
Bank interest received	576	3,425	576	3,425
(b) Other Income				
Net gains on disposal of property, plant and equipment	51,860	24,932	51,860	24,932
(c) Administration and Compliance expense				
Corporate service costs	232,931	311,319	155,005	247,636
Legal and Compliance Costs	297,432	239,777	297,432	238,777
Management Fees	325,000	300,000	325,000	300,000
	<u>855,363</u>	<u>851,096</u>	<u>777,437</u>	<u>786,413</u>
(d) Finance costs				
Director related loan	991,599	455,561	991,599	455,561
Bank loans and overdrafts	125,457	109,346	125,452	109,346
Bank charges	19,209	18,514	19,209	17,743
Current tax liability	208,199	--	208,199	--
	<u>1,344,464</u>	<u>583,421</u>	<u>1,344,459</u>	<u>582,650</u>
(e) Depreciation of non-current assets				
Property, plant and equipment	310,081	487,969	262,882	431,252
Leased Assets	313,535	222,331	313,536	222,331
Total depreciation and amortisation costs	<u>623,616</u>	<u>710,300</u>	<u>576,418</u>	<u>653,583</u>
(f) Impairment write down of goodwill				
Impairment write down – Goodwill on consolidation	--	2,747,310	--	--
(g) Management fee				
Management fee reversal (refer to note 27)	--	(1,155,000)	--	--

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

	<i>CONSOLIDATED</i>		<i>PARENT</i>	
	2006	2005	2006	2005
	\$	\$	\$	\$
3 REVENUES & EXPENSES (continued)				
(h) Impairment write down in carrying value of mining tenements				
Mining Leases	--	5,308,914	--	8,088,994
Exploration & Development Expenditure	--	3,755,351	--	3,745,782
	--	9,064,265	--	11,834,776
(i) Allowance for doubtful debt – inter company				
Allowance for doubtful debts - Inter-company loan	--	--	137,239	3,573,830
(j) Impairment write down on carrying value of controlled entities				
Write down of carrying value of controlled entity	-	--	--	4,071,752
(k) Employee Benefits Expense				
Wages and salaries	1,000,332	2,069,835	1,000,332	2,069,835
Superannuation	95,067	195,820	95,067	195,820
Annual Leave	19,862	66,091	19,862	66,091
Long Service Leave	2,619	--	2,619	--
	1,117,880	2,331,746	1,117,880	2,331,746

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

	<i>CONSOLIDATED</i>		<i>PARENT</i>	
	2006	2005	2006	2005
	\$	\$	\$	\$
4 INCOME TAX				
The amount provided in respect of income tax differs from the amount prima facie payable on operating profit. The difference is reconciled as follows:				
Operating loss before income tax	(5,644,806)	(21,617,956)	(5,598,717)	28,656,124
Prima facie income tax expense (benefit) calculated at 30% (2005 - 30%)				
- Economic Entity	(1,693,442)	(6,485,387)	--	--
- Parent Entity	--	--	(1,679,615)	(8,596,837)
- Other Members of the Income Tax Consolidated Group	--	--	(13,827)	1,037,945
Tax effect of permanent differences:				
Other		395,977	--	--
Non-deductible amount related to transactions within tax consolidated group	--	-		2,293,675
Tax losses not recognised				
- Economic Entity	1,693,442	6,089,410	1,693,442	5,265,217
Income tax expense (benefit) attributable to operating profit	--	--	--	--
Deferred tax assets which have not been brought to account comprise:				
Income tax losses	6,851,203	5,352,506		
Other temporary differences	(1,747,938)	(2,354,840)		
	5,103,265	2,997,666		

Deferred tax liabilities 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.

The consolidated group has no franking credits available.

This benefit for tax losses will only be obtained if:

- the consideration 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

5 EARNINGS PER SHARE

	<i>CONSOLIDATED</i>	
	2006	2005
	\$	\$
Net loss attributable to ordinary equity holders of the parent from continuing operations	(5,644,806)	(21,899,220)
Weighted average number of ordinary shares for basic earnings per share	192,993,655	192,993,655
Effect of dilution:		
Share options		
Weighted average number of ordinary shares for adjusted for the effect of dilution	192,993,655	192,993,655
Weighted average number of converted, lapsed or cancelled potential ordinary shares included in diluted earnings per share.	-	-
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		
Earnings (loss) per share	(2.92)	(11.34)

The weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share and diluted earnings per share was 192,993,655 (2005: 192,993,655).

The loss for the year used in the calculation of basic and diluted earnings per share is \$5,644,806 (2005: loss \$21,889,220).

As at 30 June 2006 the company had issued options over unissued capital (refer to note 20). As the exercise of these options would decrease basic loss per share, these options are not considered dilutive.

6 DIVIDENDS PAID AND PROPOSED

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

	<i>CONSOLIDATED</i>		<i>PARENT</i>	
	2006	2005	2006	2005
	\$	\$	\$	\$

7 CASH AND CASH EQUIVALENTS

(Current)

Reconciliation to Cash Flow Statement

Cash at bank and in hand	17,559	29,210	7,729	25,103
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Cash at bank earns interest at floating rates based on daily bank deposit rates.

Reconciliation of net loss after tax to net cash flows from operations

Net Loss	(5,644,806)	(21,889,220)	(5,598,717)	(29,060,525)
Depreciation / Amortisation				
- Property, Plant and equipment	623,616	710,300	576,417	653,593
- Impairment of goodwill	--	2,747,310	--	--
Options expense	64,190	470,960	64,190	470,960
Net profit on disposal of property, plant and equipment	(51,860)	(24,900)	(51,860)	(24,900)
Capitalised interest - director related loan	991,599	455,561	991,599	455,561
Impairment write-down of capitalised exploration & evaluation assets	702,031	9,298,967	652,548	12,024,439
Impairment write-down of plant & equipment	--	500,000	--	500,000
Allowance for doubtful debts – inter-company loan	--	--	137,239	3,573,830
Impairment write down - controlled entities	--	--	--	4,071,752
Reversal of accrued management fee	--	(1,155,000)	--	--
Changes in operating assets and liabilities:				
(Increase) decrease in inventories	154,730	(43,586)	154,730	(207,622)
(Increase) decrease in trade and other receivables	7,500	(20,273)	7,500	(20,273)
(Increase) decrease in prepayments	2,744	--	2,744	--
(Increase) decrease in deferred tax asset	--	954,524	--	954,524
(Decrease) increase in deferred tax liability	--	(954,524)	--	(954,524)
(Decrease) increase in trade and other creditors	(193,999)	233,896	(190,146)	278,556
(Decrease) increase in provisions	(31,800)	1,246,495	(40,265)	379,650
Net cash used in operating activities	(3,376,055)	(7,470,490)	(3,294,021)	(6,904,979)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

	<i>CONSOLIDATED</i>		<i>PARENT</i>	
	2006	2005	2006	2005
	\$	\$	\$	\$
8 TRADE AND OTHER RECEIVABLES				
(Current)				
Trade receivables	49,379	56,879	49,379	56,878
Prepayments	7,836	10,580	7,836	10,580
	<u>57,215</u>	<u>67,459</u>	<u>57,215</u>	<u>67,458</u>
Related bodies corporate:				
Elazac Mining Pty Ltd	-	2,000	-	2,000
Kitchener Mining NL	-	-	3,711,070	3,573,830
Allowance for doubtful debt	-	-	(3,711,070)	(3,573,830)
	<u>57,215</u>	<u>69,459</u>	<u>57,215</u>	<u>69,458</u>

9 INVENTORIES				
(Current)				
Stores of consumables and spare parts	427,888	582,618	427,888	582,618

10 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE				
(Current)				
Mining Leases held for sale	1,450,000	--	1,450,000	--
Opening Balance	--	--	--	--
Transfer from Exploration & Evaluation expenditure	1,500,000	--	1,500,000	--
Deposit received	(50,000)	--	(50,000)	--
	<u>1,450,000</u>	<u>--</u>	<u>1,450,000</u>	<u>--</u>

Held for sale assets consist of Linden tenements located in the Goldfield regions of Western Australia. These include the following tenements (E39/293, E39/379, E39/428, M39/385, M39/386, M9/387, M39/500, M39/629, M39/650, M39/780, M39/781, M39/782, M39/794, M39/785, P39/2974, and P39/2976).

Haoma Mining received a deposit of \$50,000 upon contract signing in May 2006. A further instalment of \$100,000 was received August 1, 2006. The balance of the consideration comprising \$350,000 and 5 million shares in Deepstrike Resources Ltd is due when Deepstrike Resources successfully complete their application for admission and listing with the Australian Stock Exchange.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

	<i>CONSOLIDATED</i>		<i>PARENT</i>	
	2006	2005	2006	2005
	\$	\$	\$	\$
11 OTHER FINANCIAL ASSETS				
(Non-current)				
Controlled Entities - Unlisted securities at cost	--	--	23,204,784	23,204,784
Less accumulated impairment	--	--	(23,204,784)	(23,204,784)
	--	--	--	--

12 CONTROLLED ENTITIES
(Non-current)

Investment In Controlled Entities	Country of Incorporation	Percentage Owned	Percentage Owned
		2006	2005
Parent Entity		%	%
Haoma Mining NL	Aust	-	-
North West Mining NL	Aust	100	100
Exploration Geophysics Pty Ltd	Aust	100	100
Kitchener Mining NL	Aust	100	100
Shares held by Kitchener Mining NL			
- Bamboo Creek Management Pty Ltd	Aust	100	100

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

	<i>CONSOLIDATED</i>			<i>PARENT</i>		
	Plant & Equipment \$	Leased Assets \$	Total \$	Plant & Equipment \$	Leased Assets \$	Total \$
13	PROPERTY, PLANT & EQUIPMENT					
(Non-current)						
<u>Year ended June 30, 2006</u>						
At July 1, 2005						
Net of accumulated depreciation and impairment	926,841	1,864,993	2,791,834	756,313	1,864,993	2,621,306
Additions	174,923	--	174,923	174,923	--	174,923
Disposals	(12,384)	(4,209)	(16,593)	(12,384)	(4,209)	(16,593)
Depreciation / Amortisation	(310,084)	(313,536)	(623,620)	(262,882)	(313,536)	(576,418)
Net of accumulated depreciation and impairment	779,296	1,547,248	2,326,544	655,970	1,547,248	2,203,218
At July 1, 2005						
Cost or fair value	4,158,322	2,103,217	6,261,539	2,851,390	2,103,217	4,954,607
Accumulated impairment	(500,000)	--	(500,000)	(500,000)	--	(500,000)
Accumulated depreciation	(2,731,481)	(238,224)	(2,969,705)	(1,595,077)	(238,224)	(1,833,301)
Net carrying amount	926,841	1,864,993	2,791,834	756,313	1,864,993	2,621,306
At June 30, 2006						
Cost or fair value	5,289,998	2,098,217	7,397,215	2,275,078	2,098,217	4,373,295
Accumulated depreciation	(4,510,702)	(550,969)	(5,061,671)	(1,619,108)	(550,969)	(2,170,077)
Net carrying value	779,296	1,547,248	2,326,544	655,970	1,547,248	2,203,218
<u>Year ended June 30, 2005</u>						
At July 1, 2004						
Net of accumulated depreciation and impairment	1,741,295	1,484,107	3,225,402	1,533,558	1,484,107	3,017,665
Additions	757,254	227,765	985,019	728,329	227,765	956,094
Transfers	(375,452)	375,452	--	(375,452)	375,452	--
Disposals	(208,298)	--	(208,298)	(198,870)	--	(198,870)
Impairment write down	(500,000)	--	(500,000)	(500,000)	--	(500,000)
Depreciation / Amortisation	(487,958)	(222,331)	(710,289)	(431,252)	(222,331)	(653,583)
Net of accumulated depreciation and impairment	926,841	1,864,993	2,791,834	756,313	1,864,993	2,621,306
At July 1, 2004						
Cost or fair value	5,727,483	1,500,000	7,227,483	2,721,225	1,500,000	4,221,225
Accumulated depreciation	(3,986,188)	(15,893)	(4,002,081)	(1,187,667)	(15,893)	(1,203,560)
Net carrying amount	1,741,295	1,484,107	3,225,402	1,533,558	1,484,107	3,017,665
At June 30, 2005						
Cost or fair value	4,158,322	2,103,217	6,261,539	2,851,390	2,103,217	4,954,607
Accumulated impairment	(500,000)	--	(500,000)	(500,000)	--	(500,000)
Accumulated depreciation	(2,731,481)	(238,224)	(2,969,705)	(1,595,077)	(238,224)	(1,833,301)
Net carrying value	926,841	1,864,993	2,791,834	756,313	1,864,993	2,621,306

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

	<i>CONSOLIDATED</i>		<i>PARENT</i>	
	2006	2005	2006	2005
	\$	\$	\$	\$
14 EXPLORATION & EVALUATION				
(Non-Current)				
Opening balances at July 1	7,535,000	20,637,233	6,535,000	18,127,664
Additions	702,031	912,829	652,548	868,688
Transfer to Assets classified as held for sale (Note 10)	(1,500,000)	--	(1,500,000)	--
Impairment write down	--	(13,781,360)	--	(12,271,791)
Exploration and evaluation costs written off	(702,031)	(233,702)	(652,548)	(189,561)
Carrying amount at the end of the year	6,035,000	7,535,000	5,035,000	6,535,000

15 INTANGIBLES				
(Non-current)				
Goodwill on consolidation	18,867,536	18,867,536	--	--
Accumulated impairment	(18,867,536)	(18,867,536)	--	--
Net carrying amount	--	--	--	--

16 TRADE AND OTHER PAYABLES				
(Current)				
Trade creditors & accruals	639,912	823,857	578,371	698,460
Other creditors	390,635	168,936	390,636	168,936
	1,030,547	992,793	969,007	867,396
Related party payables				
Director's fees payable to Director related entities	240,000	120,000	120,000	60,000
Amount payable to Roy Morgan Research Centre Pty Ltd	--	338,255	--	338,255
	1,270,547	1,451,048	1,089,007	1,265,651

17 INTEREST BEARING LOANS AND BORROWINGS				
(Current)	<u>Maturity</u>			
Amount due to director (unsecured)	Demand	14,180,752	9,602,887	14,180,752
Accrued interest – Director loan	Demand	1,447,161	455,562	1,447,161
Amounts due under Hire purchase contracts (note 21)	1.5 to 3 years	502,959	467,424	502,959
		16,130,872	10,525,873	16,130,872
(Non-current)				
Amounts due under Hire purchase contracts (note 21)	1.5 to 3 years	759,842	1,265,840	759,842
		759,842	1,265,840	1,265,840

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

	<i>CONSOLIDATED</i>		<i>PARENT</i>	
	2006	2005	2006	2005
	\$	\$	\$	\$
18 <i>PROVISIONS</i>				
(Current)				
Provision for employee benefits	15,426	59,923	15,426	59,923
(Non-current)				
Provision for rehabilitation costs	1,313,002	1,300,304	437,673	433,441
19 <i>TAX LIABILITIES</i>				
(Current)				
Income Tax	685,522	685,522	685,522	685,522
20 <i>CONTRIBUTED EQUITY & RESERVES</i>				
Contributed Equity				
Ordinary shares - 192,993,655	59,770,831	59,662,124	59,770,831	59,662,124
Share options	470,960	108,707	470,960	108,707
	60,241,791	59,770,831	60,241,791	59,770,831
Ordinary shares - Issued and fully paid	59,662,124	59,662,124	59,662,124	59,662,124

The company does not have a limited authorised capital and issued shares have no par value.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

20 CONTRIBUTED EQUITY & RESERVES (continued)

Options

- i. For information relating to the Consolidated Entity's option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 24 Share Based Payments.
- ii. For information relating to share options issued to key management personal during the financial year, refer to Note 24 Share Based Payments.

	<i>CONSOLIDATED</i>		<i>PARENT</i>	
	2006	2005	2006	2005
	\$	\$	\$	\$
Reserves				
Capital profits	6,178,490	6,178,490	5,063,607	5,063,607
Forfeited shares	4,425	4,425	4,425	4,425
Share option reserve	64,190	470,960	64,190	470,960
Asset revaluation reserve	--	--	--	--
Reserves Total	6,247,105	6,653,875	5,132,222	5,538,992
(a) Capital profits reserve				
Opening Balance	6,178,490	6,178,490	5,063,607	5,063,607
Movements during the year	-	-	-	-
Closing Balance	6,178,490	6,178,490	5,063,607	5,063,607
The capital profits reserve on the sale of investments records non-taxable profits.				
(b) Forfeited Shares				
Opening Balance	4,425	4,425	4,425	4,425
Movements during the year	-	-	-	-
Closing Balance	4,425	4,425	4,425	4,425
The forfeited share reserve records the forfeit of shares.				
(c) Share option reserve				
Opening Balance	470,960	108,707	470,960	108,707
Movements during the year	(406,770)	362,253	(406,770)	362,253
Closing Balance	64,190	470,960	64,190	470,960
The share option reserve records the value of the options issued and lapsed.				
(d) Asset revaluation reserve				
Opening Balance	--	5,116,574	--	836,494
Transfer to accumulated losses	--	(399,457)	--	(399,457)
Revaluation decrement on mining leases	--	(4,717,117)	--	(437,037)
Closing Balance	--	--	--	--
The asset revaluation reserve records the revaluation of non-current assets.				
Accumulated Losses				
Balance at July 1	(70,705,095)	(49,215,332)	(69,712,588)	(41,051,520)
Net loss for the year	(5,644,806)	(21,889,220)	(5,598,717)	(29,060,525)
Write down carrying value of asset revaluation reserve	--	399,457	--	399,457
Accumulated losses at the end of the year	(76,349,901)	(70,705,095)	(75,311,305)	(69,712,588)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

	<i>CONSOLIDATED</i>		<i>PARENT</i>	
	2006	2005	2006	2005
	\$	\$	\$	\$
21 <i>COMMITMENTS & CONTINGENCIES</i>				
<i>HP and Finance Leases</i>				
Capital Items Leased				
Mining Equipment	2,098,217	2,313,539	2,098,217	2,313,539
(Payable - Minimum lease payments)				
Lease and Hire Purchase Commitments Payable				
- Within one year	581,757	583,622	581,757	583,622
- After one year but not more than five years	809,443	1,394,465	809,443	1,394,465
Minimum lease payments	1,391,200	1,978,087	1,391,200	1,978,087
Less future finance charges	(128,399)	(244,823)	(128,399)	(244,823)
Present value of minimum lease payments	1,262,801	1,733,264	1,262,801	1,733,264
Current liability	502,959	467,424	502,959	467,424
Non-current liability	759,842	1,265,840	759,842	1,265,840
	1,262,801	1,733,264	1,262,801	1,733,264

(i) Exploration & expenditure commitments

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

Within one year	2,014,742	1,838,336	1,766,997	1,605,389
After one year but not more than five years	5,053,426	5,593,518	4,147,556	4,691,057
Longer than five years	4,545,004	5,172,378	4,340,253	4,742,826
	11,613,172	12,604,232	10,254,806	11,039,272

Expenditure on tenements will only be incurred where the Consolidated Entity believes that future expenditure can be recovered from either sale or future mining operations.

The Department of Minerals & Energy (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 can be classified as tenement expenditure.

(ii) Financial support for controlled Entity

The Parent Entity has provided a "letter of support" in respect of the financial support to its controlled entity, Kitchener Mining NL. Total Kitchener Mining NL liabilities at June 30, 2006 were \$4,767,940 (2005: \$4,759,223)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

Contingent Liabilities
Native Title

The decision of the High Court in *Mabo & Ors -v- the State of Queensland* ("Mabo Case") recognised a form of native title which, in cases in which it has not been extinguished, reflects the entitlement of the indigenous inhabitants, in accordance with their laws or customs, to their traditional lands.

Lawyers commenting on the Mabo Case have indicated that the principles enunciated by the High Court could potentially invalidate, in certain circumstances, mining tenements granted after the enactment of the Racial Discrimination Act 1975 where the grant of that mining tenement infringed or otherwise affected native title to the area. Lawyers commenting on the Mabo Case have also suggested that compensation may be payable to native title holders.

Claims have been lodged with the Native Titles Tribunal over a number of tenements applied for by the Parent Entity. These tenements will not be granted by the Department of Minerals & Energy, W.A. until the claims have been resolved. Until further information arises in relation to these claims, the Economic Entity is unable to assess the likely effects, if any, of the claims.

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.

22

KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (executive or otherwise).

Compensation of Key Management Personnel (Consolidated)

Name	Gary Morgan	Michele Levine	John McInnes	Peter Cole	Total
Position	Executive Director	Executive Director	Non-Executive Director	Consultant	
Title	Chairman	Director	Director	General Manager	
Year Ended June 30, 2006					
Period of Responsibility	Full Year	Full Year	Full Year	Full Year	
Compensation Type:					
Short Term Benefits					
- Cash salary & fees	-	-	-	\$165,600	\$165,600
- Directors Fees – parent (*)	\$20,000	\$20,000	\$20,000	--	\$60,000
- Directors Fees – subsidiary (*)	\$20,000	\$20,000	\$20,000	--	\$60,000
- All other short term benefits	-	-	-	--	--
Total Short Term Benefits	\$40,000	\$40,000	\$40,000	\$165,600	\$285,600
Post Employment Benefits					
- Superannuation (*)	-	\$3,600	\$3,600	-	\$7,200
Other Long Term Benefits	-	-	-	-	-
Termination Benefits	-	-	-	-	-
Share Based Payments					
- options and rights	-	\$26,200	-	\$3,275	\$29,275
Total Compensation	\$40,000	\$69,800	\$43,600	\$168,875	\$322,075
% Performance Related	0%	0%	0%	0%	0%

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

22**KEY MANAGEMENT PERSONNEL COMPENSATION (continued)**

Name	Gary Morgan	Michele Levine	John McInnes	Peter Cole	Total
Position	Executive Director	Executive Director	Non-Executive Director	Consultant	
Title	Chairman	Director	Director	General Manager	
Year Ended June 30, 2005					
Period of Responsibility	Full Year	Full Year	Full Year	Full Year	
Compensation Type:					
Short Term Benefits					
- Cash salary & fees	-	-	-	\$166,800	\$166,800
- Directors Fees – parent (*)	\$20,000	\$20,000	\$20,000	-	\$60,000
- Directors Fees – subsidiary (*)	\$20,000	\$20,000	\$20,000	-	\$60,000
- All other short term benefits	-	-	-	-	-
Total Short Term Benefits	\$40,000	\$40,000	\$40,000	\$166,800	\$286,800
Post Employment Benefits					
- Superannuation (*)	-	\$3,600	\$3,600	-	\$7,200
Other Long Term Benefits	-	-	-	-	-
Termination Benefits	-	-	-	-	-
Share Based Payments					
- options and rights	-	\$81,200	-	\$33,600	\$114,800
Total Compensation	\$40,000	\$124,800	\$43,600	\$200,400	\$408,800
% Performance Related	0%	0%	0%	0%	0%

(*) Directors' fees and superannuation contributions thereon have not been paid. The Board of Directors has deferred payment of Directors fees until such time that the company returns to profitable operations and cash flow exceeds operating requirements.

Compensation Policy and Structure

The Board of Directors are responsible for determining and reviewing compensation arrangements for the Directors and senior management. This involves assessing the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions including length of service and the particular experience of the individual concerned. The contracts of service between the Company and Directors and Executives are on a continuing basis the terms of which are not expected to change in the immediate future. Upon retirement Directors and Executives are paid employee benefit entitlements accrued to the date of retirement. Termination payments are generally not paid on resignation or dismissal for serious misconduct. Employee contracts do not contain clauses linking remuneration to company performance.

Executives are given the option to receive remuneration in a variety of forms including cash and benefits such as motor vehicles and expense payment plans. It is expected that the manner of payment chosen will be optimal for the recipient without creating undue costs for the Company.

The contract for services in respect of the General Manager, Peter Cole is based upon negotiated consulting rates. The contract may be terminated by either party upon 2 months notice.

During the year, there were no alterations or modifications to share-based payment transactions granted as compensation to key management personnel. Details of equity instruments including options and rights over equity instruments provided as compensation to key management personnel including instruments granted, exercised, vested or lapsed during the reporting period are disclosed in Note 23 Share Based Payments.

No options or rights granted as part of a remuneration package for key management personnel were exercised during the reporting period.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

22**KEY MANAGEMENT PERSONNEL COMPENSATION (continued)****Shareholdings of Key Management Personnel**

	Balance July 1, 2005	Received as Compensation	Options Converted	Net Change Other*	Balance June 30, 2006
Directors					
Mr. Gary C. Morgan (1)	128,182,961	-	-	-	128,182,961
Ms. Michele Levine (1)	6,250,452	-	-	-	6,250,452
Mr. John L. C. McInnes (1)	127,894,204	-	-	-	127,894,204
General Manager					
Peter Cole	100,000	-	-	(7,000)	93,000

* Refers to shares purchased or sold during the financial year.

- (1) Holdings of Mr. Gary C. Morgan and Mr John L. C. McInnes include holdings of Leaveland Pty Ltd (121,420,252 shares). Holdings by Mr. Gary C. Morgan, Mrs. M. Levine and Mr. John L. C. McInnes include holdings by Roy Morgan Research Pty Ltd (4,919,452 shares).

23**SHARE BASED PAYMENTS****Employee & Consultants Share Options**

The following share based payment arrangements existed at June 30, 2006

On December 14, 2004, 4,900,000 share options were granted to nominated employees, consultants and a director of the Consolidated Entity. The options entitled the holder to take up ordinary shares at an exercise price of \$0.10 each. All options expired on August 8, 2005 without being exercised.

On January 31, 2006 the Consolidated Entity reissued 4,900,000 Share Options pursuant to the same conditions as per the Share Options issued December 14, 2004. The Share Options entitle the holder to take up the same number of ordinary shares at an exercise price of \$0.10 each. The options are exercisable on or before November 11, 2007. The options are non-renounceable, hold no voting or dividend rights and are not transferable. At balance date, the 4,900,000 share options were un-exercised.

Expenses arising from share based payments transactions

The amounts disclosed for the share options is the assessed fair value at grant date of options granted. Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the share price at grant date and the expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The options vest at grant date. Additional details relating to share options are set out in the Remuneration Report.

The model inputs for options granted during the year ended 30 June 2006 included:

- (a) Options are granted to nominated employees, consultants and director at a strike value of \$0.10
- (b) Exercise price \$0.10
- (c) Grant date: January 31, 2006
- (d) Expiry date: November 11, 2007
- (e) Share price at grant date: \$0.041
- (f) Expected price volatility of the Company's shares: 2%
- (g) Risk free interest rate: 7.5%
- (h) Vest Date: January 31, 2006

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

23 *SHARE BASED PAYMENTS (continued)*

	<i>CONSOLIDATED</i>		<i>PARENT</i>	
	2006	2005	2006	2005
	\$	\$	\$	\$
Share options issued	64,190	470,960	64,190	470,960

All share options granted to key management personnel are ordinary shares in Haoma Mining NL, which confer a right of one ordinary share for every option held.

	<i>CONSOLIDATED</i>				<i>PARENT</i>			
	2006	Weighted	Number of Options	2005	2006	Weighted	Number of Options	2005
	Number of Options	Average Exercise Price		Weighted Average Exercise Price	Number of Options	Average Exercise Price		Weighted Average Exercise Price
		\$		\$		\$		\$
Outstanding at the beginning of the year	4,900,000	0.10	4,900,000	0.10	4,900,000	0.10	4,900,000	0.10
Granted	4,900,000	0.10	4,900,000	0.10	4,900,000	0.10	4,900,000	0.10
Forfeited	--	--	--	--	--	--	--	--
Exercised	--	--	--	--	--	--	--	--
Expired	4,900,000	0.10	4,900,000	0.10	4,900,000	0.10	4,900,000	0.10
Outstanding at year-end	4,900,000	0.10	4,900,000	0.10	4,900,000	0.10	4,900,000	0.10
Exercisable at year-end	4,900,000	0.10	4,900,000	0.10	4,900,000	0.10	4,900,000	0.10

Note	<i>CONSOLIDATED</i>		<i>PARENT</i>	
	2006	2005	2006	2005
	\$	\$	\$	\$

24 *AUDITORS REMUNERATION*

Remuneration of the auditor of the Economic Entity:

- auditing and reviewing the financial accounts	31,350	44,825	31,350	44,825
- taxation services	77,360	10,236	77,360	10,236
Total Remuneration	108,710	55,061	108,710	55,061

25 *SEGMENT INFORMATION*

(a) **Business segments**

The Economic Entity operates predominantly in the minerals sector. Operations comprised exploration, evaluation, development and mining.

(b) **Geographical segments**

The Economic Entity operates exclusively in Australia.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006****26****RELATED PARTY INFORMATION****Directors**

The name of each person holding the position of Director of Haoma Mining NL during the financial year is:

Gary Cordell Morgan,

Michele Levine, and

John Lachlan Charles McInnes.

All of these persons were directors at 30 June 2006.

Director-Related Parties

Roy Morgan Research Pty Ltd is a company of which Mr. Morgan, Mrs. Levine and Mr. McInnes are Directors. Mrs. Levine is also the Chief Executive Officer.

The Roy Morgan Research Centre Pty Ltd is a company of which both Mr. Morgan and Mr. McInnes are Directors.

Elazac Mining Pty Ltd is a company of which Mr. Morgan and Mr. McInnes are Directors.

Leaveland Pty Ltd is a company of which both Mr. Morgan and Mr. McInnes are Directors.

Elazac Pty Ltd is a company of which both Mr. Morgan and Mr. McInnes are Directors.

Mrs. Genevieve Morgan is the spouse of Mr. Gary Morgan.

Other transactions with Directors and Director-Related Entities – Parent Entity

During the year Roy Morgan Research Pty Ltd provided significant administrative support and services to Haoma Mining NL. That support is continuing. Roy Morgan Research charges a management fee of \$25,000 per month for those services. During the year to 30th June 2006 Haoma paid management fees of \$325,000 (2005: \$300,000) to Roy Morgan Research Pty Ltd.

During the year to 30th June 2006 Gary & Genevieve Morgan advanced funds of \$4,577,865 to Haoma to support the Group operations. The amount includes a debt of \$698,914 owed by Haoma Mining NL to Roy Morgan Research Pty Ltd that was assigned to Gary & Genevieve Morgan. The principal balance owing to Gary & Genevieve Morgan at June 30, 2006 was \$14,180,752 (2005: \$9,602,887). The monies advanced are included as a current debt payable in the Balance Sheet of Haoma Mining NL. Interest is accrued on the cumulative principal outstanding until the loan is repaid in full, calculated on a daily basis in accordance with the daily published National Australia Bank 30 day bill rate plus 2%. Interest of \$991,599 (2005: \$455,560) was accrued for the financial year ended 30 June 2006 but has not been paid. Mr. & Mrs. Morgan have provided an undertaking that they will not seek to call the debt until such time as the Group is in a financial position to be able to repay part or all of the amount owing.

Further information about Director related payables is disclosed in Notes 16 and 17

Related Party Transactions – Economic Entity

On April 6, 1993 an agreement was reached between Kitchener Mining NL, Leaveland Pty Ltd and Elazac 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.

The Roy Morgan Research Centre Pty Ltd is entitled to management fees from Kitchener Mining NL of \$1,000,000 (2005: \$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 June 30, 2006 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.

During the year Haoma Mining NL advanced funds to Kitchener Mining NL of \$137,240 (2005: \$700,048). No interest has been charged for the financial year ended June 30, 2006 (2005: interest charged \$nil). The balance payable at June 30, 2006 was \$3,711,070 (2005: \$3,573,830) and has been fully provided against.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

27 FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Economic Entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

(i) Financial Assets 30 June 2006

Financial Instruments	Floating Interest Rate	Non-interest bearing	Total amount as per balance sheet
	\$	\$	\$
Cash	17,559	-	17,559
Receivables - Other	-	57,215	57,215
Total financial assets	17,559	57,215	74,774
Weighted Av. Interest Rate	1.55%		

(ii) Financial Liabilities

	Floating Interest Rate	Fixed interest rate maturing in:	Non-interest bearing	Total Amount as per balance sheet
	\$	1 year or less	Over 1 to 5 years	\$
Trade creditors and accruals	-	-	-	639,912
Other creditors	-	-	-	390,635
Amounts due to related parties	15,627,913	-	-	-
Hire Purchase	1,262,801	-	-	-
Total financial liabilities	16,890,714	-	-	1,030,547
Weight Av. Interest Rate	7.82%			

(i) Financial Assets 30 June 2005

Financial Instruments	Floating Interest Rate	Non-interest bearing	Total amount as per balance sheet
	\$	\$	\$
Cash	29,210	-	29,210
Receivables - Other	-	69,459	69,459
Total financial assets	29,210	69,459	98,669
Weighted Av. Interest Rate	4.50%		

(ii) Financial Liabilities

	Floating Interest Rate	Fixed interest rate maturing in:	Non-interest bearing	Total Amount as per balance sheet
	\$	1 year or less	Over 1 to 5 years	\$
Trade creditors and accruals	-	-	-	823,856
Other creditors	-	-	-	168,936
Amounts due to Directors	10,058,449	-	-	-
Hire Purchase	1,733,264	-	-	-
Total financial liabilities	11,791,713	-	-	992,792
Weight Av. Interest Rate	5.74%			

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

27 FINANCIAL INSTRUMENTS (continued)

(b) Net Fair Values of financial Assets and Liabilities

The carrying amount of each financial asset and liability as recognised in the balance sheet is considered to be equivalent to the net fair value

(c) Credit Risk Exposure

The maximum credit risk exposure for each class of financial assets is represented by the carrying amounts of the class of asset.

(d) Financing Facilities Available

At reporting date, the following financing facilities have been negotiated and were available:

Total facilities

- Business Visa Card	15,000	15,000	15,000	15,000
-Revolving lease/hire purchase	1,391,200	1,978,085	1,391,200	1,978,085

Facilities used at reporting date

- Business Visa Card	3,149	1,957	3,149	1,957
-Revolving lease/hire purchase	1,391,200	1,978,085	1,391,200	1,978,085

Facilities unused at reporting date

- Business Visa Card	11,851	13,043	11,851	13,043
-Revolving lease/hire purchase	-	-	-	-

28 TRANSITION TO AIFRS

For all periods up to and including the year ended June 30, 2005 the Consolidated Entity prepared its financial statements in accordance with Australian generally accepted accounting principles (AGAAP). These financial statements for the year ended June 30, 2006 are the first the Group is required to prepare in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS).

Accordingly, the Consolidated Entity has prepared financial statements that comply with AIFRS for June 30, 2006 and restated comparatives as necessary. The significant accounting policies meeting those requirements are described in note 2. In preparing these financial statements the Consolidated Group has started from an opening balance sheet as at July 1, 2004, the date of transition to AIFRS, and made those changes in accounting policies and other restatements required by AASB 1 *First-time adoption of AIFRS*.

This note explains the principal adjustments made by the Consolidated Entity in restating its AGAAP balance sheet as at July 1, 2004 and its previously published AGAAP financial statements for the year ended June 30, 2005.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

28 *TRANSITION TO AIFRS (continued)*

Balance Sheet reflecting reconciliation of adjustments to
AIFRS as at July 1, 2004

	Note	CONSOLIDATED			PARENT	
		AGAAP	AIFRS Impact	AIFRS	AGAAP	AIFRS
		\$	\$	\$	\$	\$
ASSETS						
Current Assets						
Cash and cash equivalents		106,093		106,093	99,186	99,186
Trade and other receivables		41,105		41,105	2,999,541	2,999,541
Inventories		539,032		539,032	303,844	303,844
Total Current Assets		686,230		686,230	3,402,571	3,402,571
Non-Current Assets						
Other financial assets		--		--	4,071,752	4,071,752
Property, plant and equipment		3,225,401		3,225,401	3,017,666	3,017,666
Exploration and evaluation		20,637,233		20,637,233	18,127,664	18,127,664
Intangibles		2,747,308		2,747,308	--	--
Total Non-Current Assets		26,609,942		26,609,942	25,217,082	25,217,082
TOTAL ASSETS		27,296,172		27,296,172	28,619,653	28,619,653
LIABILITIES						
Current Liabilities						
Trade and other payables		1,279,962		1,279,962	989,594	989,594
Interest bearing loans and borrowings		1,126,665		1,126,665	1,126,665	1,126,665
Provisions		103,133		103,133	103,133	103,133
Income tax payable		685,522		685,522	685,522	685,522
Total Current Liabilities		3,195,282		3,195,282	2,904,914	2,904,914
Non-Current Liabilities						
Trade & other payables		1,155,000		1,155,000	--	--
Interest bearing loans and borrowings		1,090,902		1,090,902	1,090,902	1,090,902
Total Non-Current Liabilities		2,245,902		2,245,902	1,090,902	1,090,902
TOTAL LIABILITIES		5,441,184		5,441,184	3,995,816	3,995,816
NET ASSETS/(DEFICIENCY)		21,854,988		21,854,988	24,623,837	24,623,837
EQUITY						
Equity attributable to equity holders of the parent						
Contributed Equity		59,662,124		59,662,124	59,662,124	59,662,124
Reserves	a	11,299,489	108,707	11,408,196	5,904,526	6,013,233
Accumulated Losses	a	(49,106,625)	(108,707)	(49,215,332)	(40,942,813)	(41,051,520)
TOTAL SHAREHOLDERS' EQUITY/(DEFICIENCY)		21,854,988	--	21,854,988	24,623,837	24,623,837

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006

28 *TRANSITION TO AIFRS (continued)*

Balance Sheet reflecting reconciliation of adjustments to
AIFRS as at June 30, 2005

	Note	CONSOLIDATED			PARENT		
		AGAAP	AIFRS Impact	AIFRS	AGAAP	AIFRS Impact	AIFRS
		\$	\$	\$	\$	\$	\$
ASSETS							
Current Assets							
Cash and cash equivalents		29,210		29,210	25,103		25,103
Trade and other receivables		69,459		69,459	69,458		69,458
Inventories		582,618		582,618	582,618		582,618
Total Current Assets		681,287		681,287	677,179		677,179
Non-Current Assets							
Property, plant and equipment		2,791,834		2,791,834	2,621,306		2,621,306
Exploration and evaluation		7,535,000		7,535,000	6,535,000		6,535,000
Total Non-Current Assets		10,326,834		10,326,834	9,156,306		9,156,306
TOTAL ASSETS		11,008,121		11,008,121	9,833,485		9,833,485
LIABILITIES							
Current Liabilities							
Trade and other payables		1,451,048		1,451,048	1,265,651		1,265,651
Interest bearing loans and borrowings		10,525,873		10,525,873	10,525,873		10,525,873
Provisions		59,923		59,923	59,923		59,923
Income tax payable		685,522		685,522	685,522		685,522
Total Current Liabilities		12,722,366		12,722,366	13,036,969		13,036,969
Non-Current Liabilities							
Interest bearing loans and borrowings		1,265,840		1,265,840	1,265,840		1,265,840
Provisions	B	1,500,000	(199,696)	1,300,304	500,000	(66,559)	433,441
Total Non-Current Liabilities		2,765,840	(199,696)	2,566,144	1,265,840		1,699,281
TOTAL LIABILITIES		15,488,206	(199,696)	15,288,510	14,302,809	(66,559)	14,236,250
NET ASSETS/(DEFICIENCY)		(4,480,085)	(199,696)	(4,280,389)	(4,469,324)	(66,559)	(4,402,765)
EQUITY							
Equity attributable to equity holders of the parent							
Contributed Equity	a	59,662,124	108,707	59,770,831	59,662,124	108,707	59,770,831
Reserves	a	6,291,622	362,253	6,653,875	5,176,739	362,253	5,538,992
Accumulated Losses		(70,433,831)	(271,264)	(70,705,095)	(69,308,187)	(404,401)	(69,712,588)
TOTAL SHAREHOLDERS' EQUITY/(DEFICIENCY)		(4,480,085)	199,696	(4,280,389)	(4,469,324)	66,559	(4,402,765)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

28 *TRANSITION TO AIFRS (continued)*

**Income Statement
For the year ended June 30, 2005**

	Note	CONSOLIDATED			PARENT		
		AGAAP	AIFRS Impact	AIFRS	AGAAP	AIFRS Impact	AIFRS
		\$	\$	\$	\$	\$	\$
Continuing Operations							
Sale of goods		649,254		649,254	649,254		649,254
Retail sales		265,588		265,588	265,588		265,588
Finance revenue		3,425		3,425	3,425		3,425
Revenue		918,267	--	918,267	918,267	--	918,267
Other income		24,935		24,935	24,935		24,935
Cost of sales		(2,489,286)		(2,489,286)	(2,507,393)		(2,507,393)
Test work and plant configuration expenditure		(4,695,194)		(4,695,194)	(4,155,604)		(4,155,604)
Exploration and tenement costs expensed		(233,702)		(233,702)	(189,561)		(189,561)
Administration and compliance expense		(851,096)		(851,096)	(786,413)		(786,413)
Finance costs		(583,421)		(583,421)	(582,650)		(582,650)
Depreciation and amortisation costs		(1,840,782)		(1,840,782)	(653,593)		(653,593)
Impairment of goodwill		(1,616,828)		(1,616,828)	-		-
Management fee reversal		1,155,000		1,155,000	-		-
Impairment of exploration & evaluation assets		(9,064,265)		(9,064,265)	(11,834,776)		(11,834,776)
Allowance for doubtful debts--inter-company loan		--		--	(3,573,830)		(3,573,830)
Impairment on carrying value of controlled entities		--		--	(4,071,752)		(4,071,752)
Provision for rehabilitation	b	(1,500,000)	199,696	(1,300,304)	(500,000)	66,559	(433,441)
Write down of carrying value of inventory		(341,584)		(341,584)	(243,754)		(243,754)
Impairment of plant and equipment		(500,000)		(500,000)	(500,000)		(500,000)
Share options expense	a	--	(470,960)	(470,960)	--	(470,960)	(470,960)
Loss before income tax expense		(21,617,956)	(271,264)	(21,889,220)	(28,656,124)	(404,401)	(29,060,525)
Income tax expense		--	--	--	--	--	--
Net Loss attributable to members of the parent entity		(21,617,956)	(271,264)	(21,889,220)	(28,656,124)	(404,401)	(29,060,525)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

28**TRANSITION TO AIFRS (continued)****Reconciliation of cash flow statement for the year ended June 30, 2005**

The adoption of AIFRS has not resulted in any material adjustments to the cash flow statement.

Notes to the reconciliations**(a) Share Based Payment**

Under AASB 2 Share based Payment from July 1, 2004 the Consolidated Entity and Parent Entity is required to recognise an expense for those options that were issued to employees after November 7, 2002. The effect of this is:

- i. At July 1, 2004
For the Consolidated Entity and Parent Entity there has been a decrease in retained earnings of \$108,707 and a corresponding increase in reserves
- ii. For the year ended June 30, 2005
The Consolidated Entity recorded an increase in share options expense of \$470,960 and corresponding increase in the Share Option Reserve account

(b) Provision for rehabilitation

Under AASB 137 Provisions, Contingent Liabilities and Contingent Assets, from July 1, 2004 the Consolidated Entity is required to discount its provision for mine rehabilitation and restoration costs to Net Present Value. The effect of this is:

- i. For the year ended June 30, 2005
Under AGAAP the Consolidated Entity recorded a rehabilitation expense of \$1,500,000. The balance under AIFRS is \$1,301,304. The financial effect is to reduce the expense and decrease the liability by \$199,696.

Directors' Declaration

The Directors of Haoma Mining NL
declare that:

1. the financial statements and notes as set out on pages to are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and Corporations Regulations and,
 - (b) give a true and fair view of the financial position of the Company and Economic Entity as at 30 June 2006 and of their performance for the year ended on that date;
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
3. 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 C. Morgan
Chairman

Melbourne,
November 1, 2006

**INDEPENDENT AUDIT REPORT
TO MEMBERS OF HAOMA MINING NL**



Chartered Accountants
& Business Advisers

Scope

The Financial Report and Directors' Responsibility

The financial report comprises the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, Notes to the Financial Statements and Directors Declaration for both Haoma Mining NL (the company) and its controlled entities (the consolidated entity), for the year ended 30 June 2006. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. The auditor's independence declaration given to the directors would be in the same terms if it had been given at the time the audit report was made.

Audit Opinion

In our opinion, the financial report of Haoma Mining NL is in accordance with:

- (a) The Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2006 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter:

As a result of the matters described in Note 2(b), there is significant uncertainty whether the entity will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

PKF
Chartered Accountants

R A Dean
Partner

1 November 2006

Melbourne
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STOCK EXCHANGE - ADDITIONAL INFORMATION

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

A. 20 Largest Shareholders as at August 31, 2006

Shareholders	Number of Shares	
	#	%
Leaveland Pty Ltd	121,420,252	62.91
WMC Ltd	10,000,000	5.18
Roy Morgan Research Pty Ltd	4,919,452	2.55
Charmof Nominees Pty Ltd	3,999,924	2.07
J. Van Beelen	2,250,000	1.17
G. and G. Morgan	1,843,257	0.96
Etonwood Management Pty Ltd	1,500,000	0.78
PYC Investments Pty Ltd	1,410,000	0.73
J. and M. Levine	1,319,000	0.68
National Nominees	1,162,939	0.60
S. Curwen	1,108,650	0.57
L&S Davies Pty Ltd	1,000,000	0.52
C. and S. Curwen	882,350	0.46
Great D Pty Ltd	700,000	0.36
Ianaki Semerdziev	620,000	0.32
H. Cooper	600,000	0.31
Leigh Imbesi	584,000	0.30
Mrs Liliana Teofilova	560,000	0.29
Citicorp Nominees Pty Ltd	449,615	0.23
Dugreen Pty Ltd	444,620	0.23
	156,774,059	81.22

B. Substantial Shareholders

Name	Number of Shares	Class of Share
Leaveland Pty Ltd	121,420,252	Ordinary
WMC Ltd	10,000,000	Ordinary

C. Distribution of Equity Securities

(i). Ordinary shares issued by Haoma Mining NL

Range of Shares held	# of Shareholders
1 - 1,000	675
1,001 - 5,000	901
5,001 - 10,000	346
10,001 - 100,000	512
100,001 - and over	85

Total 2,519

(ii) There were 1,959 holders of less than a marketable parcel of 5,000 ordinary shares.

(iii) The twenty largest shareholders hold between them 81.22% of the issued capital.

D. Class of Shares and Voting Rights

The Parent Entity's issued shares are of one class and carry equal voting rights.

E. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Stock Exchange Limited.

STOCK EXCHANGE - ADDITIONAL INFORMATION

F. Mining Tenement Summary

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

(i) Pilbara, Western Australia

Bamboo Creek	M45/885	M45/874	M45/1153	M45/1154	M45/1155	M45/1156	P45/2342	P45/2097	
	G45/51								
Blue Bar	M45/591	M45/796	M45/906						
Copenhagen	M45/682	P45/2391							
Lalla Rookh	M45/442								
Marble Bar	M45/982	M45/985	M45/515	M45/607	E45/1273	E45/1869	E45/1913	E45/2041	M45/981
North Pole	L45/86	M45/302	M45/328	M45/329	E45/2532				
North Shaw	M45/1009	E45/2188	E45/2189	E45/2784	L45/60				
Spear Hill	M45/980								
Tabba Tabba	P45/2311								
Yundamindra	P39/4525	P39/4526	P39/4527	E39/1232					

(ii) Linden, Western Australia

Golden Ridge M26/534

New Hampton Goldfields NL has exercised its option to acquire a beneficial interest in this tenement. Haoma has retained legal title and receives a royalty on all gold produced.

(b). Tenements beneficially held by Haoma Mining NL (100%)

Pilbara, Western Australia

Apex	M45/705	P45/2133								
20oz Gully	M45/840	M45/869	P45/2227	P45/2301	P45/2329	P45/2330	P45/2336			
Bamboo Creek	M45/723	M45/781								
Big Stubby	M45/57	M45/284	M45/453	M45/554						
Blue Bar	M45/702	M45/724	P45/2125	P45/2127	P45/2226					
Comet	G45/21	M45/14	M45/16	M45/385	M45/438	M45/459	M45/478	L45/4	L45/12	L45/37
Cookes Hill	M45/1031	M45/1032	M45/1033	M45/1034	M45/1035	M45/1036	E45/1562			
Coongan	M46/160									
Copper Hills /	G45/36	M45/238	M45/346	M45/357						
Stirling										
Copenhagen	M45/240									
Coronation	M45/672	M45/857	P45/2333							
Fieldings Gully	M45/521									
Lalla Rookh	M45/648	M45/649								
Lionel	M46/43	M46/44								
Marble Bar	M45/589	M45/618	M45/678	M45/679	M45/706	M45/774	M45/851	M45/927	M45/1028	
	M45/1029	P45/2231	P45/2275	P45/2356						
McKinnon	M45/490	M45/606	M45/873							
Mercury Hill	M45/588	M45/773								
Mustang	M45/680	M45/731	M45/747	P45/2134	P45/2250	P45/2251	P45/2269	P45/2288	P45/2331	
Nickol River	M47/87	M47/127	M47/401	M47/421	M47/435	M47/455	M47/577	G47/538		
North Pole	M45/395	M45/514	M45/650	M45/651	M45/665	M45/733	M45/734	E45/2191		
Salgash	M45/848	M45/849	M45/850							
Sharks Gully	M45/758	M45/692								
Soansville	M45/748	M45/780	M45/847	P45/2292	P45/2293	P45/2294	P45/2295	P45/2296	P45/2297	
	P45/2298									
Tassie Queen	M45/76	M45/235	M45/296	M45/297	M45/655	M45/795				
Warrawoona	M45/547	M45/671	M45/824	P45/2316						
Wyman Well	M45/823	E45/1249	P45/2317							

(c) Tenements beneficially held by Kitchener Mining NL (100%)**i) Bamboo Creek, Western Australia**

M45/742 M45/480 M45/481 L45/72 P45/2242 P45/2243 P45/2244

(ii) Ravenswood, Queensland

Budgerie	ML1325		Barrabas	EPM8771
Burdekin Gold	EPM14297		Robe Range	EPM14038
Old Man & Copper Knob	ML1326	ML1330	Waterloo	ML1529
Ravenswood Mining Claims	MC2205	MC2206	Wellington Springs	ML1415 ML1483

(d) Giralia Resources NL (75%) & Haoma Mining NL (25%) Joint Venture Tenements

North Shaw Western Australia E45/2186 E45/2187

(e)**Linden Tenements under agreement for sale to Deepstrike Resources**

E39/ 293 E39/379 E39/428 P39/2974 P39/2975 P39/2976 L39/12 L19/13 L39/14
 M39/255 M39/385 M39/386 M39387 M39/629 M39/649 M39/650 M39/780 M39/781
 M39/782 M39794 M39/795 M39/500



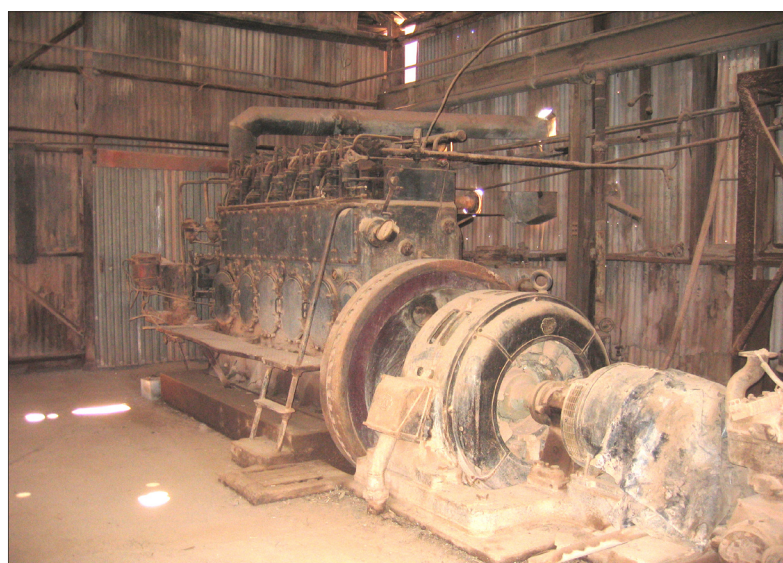
Comet Gold Mine Tourist Centre and Museum, near Marble Bar.



Entrance to the Comet Gold Mine Tourist Centre and Museum.



Comet Gold Mine's first diesel engine. Commissioned 1938. (WA's first diesel power station.)



Comet Gold Mine Museum Exhibits. (Note: Child's boat on wall)



HAOMA MINING NL ACN 008 676 177

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