HAOMA MINING NL
ANNUAL REPORT 2004

HAOMA MINING NL

1. Bamboo Creek, WA
2. Marble Bar, WA
3. Mickey's Find, WA
4. North Shaw, WA
5. Linden, WA
6. Golden Ridge, WA
7. Charters Towers, 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

Registered Office and Head Office:
Melbourne
411 Collins Street,
Melbourne, Victoria 3000
Tel: (03) 9629 6888 Fax: (03) 9629 1250
Postal Address
GPO Box 2282U
Melbourne, Victoria 3001
Website: www.haoma.com.au

Interstate Offices and Mine Sites:
Perth:
PO Box 8159
Stirling Street,
Perth, Western Australia 6849
Tel: (08) 9325 4899 Fax: (08) 9221 1341

Bamboo Creek Mine Site:
PO Box 2791
South Hedland, Western Australia, 6440
Tel: (08) 9176 1101 Fax: (08) 9176 1156

Brisbane:
GPO Box 524
Level 2, 120 Wickham Street,
Fortitude Valley, Queensland, 4006
Tel: (07) 3250 2211 Fax: (07) 3250 2277

Ravenswood, Queensland:
Top Camp
c/- Ravenswood Post Office
Ravenswood, Queensland, 4186
Tel: (07) 4770 2168 Fax: (07) 4770 2109

Comet Mine Site:
PO Box 89
Marble Bar, Western Australia, 6760
Tel: (08) 9176 1015 Fax: (08) 9176 1129

Principal Bankers
National Australia Bank
271 Collins Street
Melbourne, Victoria, 3000

Share Registry
ComputerShare Registry Services Pty Ltd.
Reserve Bank Building
45 St Georges Terrace
Perth, Western Australia 6000
Tel: (08) 9323 2000 Fax: (08) 9323 2033
Postal Address
GPO Box D182
Perth, Western Australia 6001

Auditors
PKF
485 Latrobe Street
Melbourne, Victoria 3000

Solicitors
William Murray
Level 6, 411 Collins Street
Melbourne, Victoria 3000
Tel: (03) 9629 5383 Fax: (03) 9629 4896

Stock Exchange Listing
Haoma Mining NL shares are listed on
the Australian Stock Exchange.
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 and extract resources 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

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 14th, 2004
Commencing at 10.00am.

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.

SUMMARY OF OPERATIONS

FINANCIAL

Haoma Mining NL Consolidated Summary of Financial Performance	2001/02 ($m)	2002/03 ($m)	2003/04 ($m)
Gross Revenue	30.3	32.4	0.4
Profit / (Loss) before Interest, Depreciation & Amortisation	1.0	2.4	(7.0)
Interest costs	(0.1)	(0.4)	-
Depreciation & Amortisation	(3.6)	(1.9)	(1.5)
Profit / (Loss) before Tax	(2.7)	(0.1)	(8.5)
Income Tax (Benefit)	0.5	1.2	(1.5)
Net profit / (Loss) after Tax	(2.2)	1.3	(7.0)

OPERATIONAL

Bamboo Creek, Western Australia	Total 2002/03	Total 2003/04	1st Quarter 2004/05
Bulletin Mine, tonnes processed	-	-	22,320
Kitchener stockpile, tonnes processed	-	9,237	-
Gold production (oz)	1,451	103	843
Silver production (oz)	6,160	113	337

CHAIRMAN'S REVIEW

Results and Activities

The consolidated result reported by Haoma for the year to June 30, 2004 is a loss after tax of $7.0 million. Although that result is significant when compared to the size of Haoma's operations, it reflects the enormous effort that has been made in the last eighteen months to re-establish profitable gold mining and processing operations following the disposal in 2003 of Haoma's interest in the Nolan's Joint Venture in Queensland. The Statement of Financial Performance records that Haoma wrote-off almost $2.5 million in costs associated with test work and modifications to the plant configuration at Bamboo Creek. In addition $2.8 million of exploration costs were expensed on the assessment of the Bulletin Prospect and other statutory exploration commitments. Cash costs for exploration activities for the year were approximately $3 million.

The most significant events over the course of the last year have been reported under the ASX continuous disclosure rules which apply to all listed companies. It is however worth reviewing the major activities which have required the most commitment of Haoma's resources.

Since reported to shareholders at last year's Annual General Meeting, Haoma has spent the better part of the last year preparing for a return to gold production at its Bamboo Creek Processing Plant in the Pilbara Region of Western Australia. The Directors are pleased to report that Haoma has now achieved that objective.

Shareholders may not be aware that over the last 100 years there has been a considerable exploration effort for gold in the Pilbara Region by companies and prospectors. Apart from the nearby Telfer Mine and the emerging Indee - Turner River Province, there have been no significant large tonnage discoveries, although there have been a number of small high-grade mines, such as the Comet Mine at Marble Bar, Haoma's Bamboo Creek Kitchener Mine, Haoma's Normay Mine and the Blue Spec Mine at Nullagine.

The Directors believe the reason for the absence of large, low-grade discoveries is due to problems associated with assaying gold-bearing sulphide ores in the Pilbara region and the difficulties encountered in extracting gold from these ores. In the last few years, new technologies and new process alternatives for gold extraction (such as developed by Haoma using the Elazac Process) have made it possible to define and economically treat these low-grade ore bodies in the Pilbara. The Bulletin Mine and Mickey's Find Prospect have the potential to be large, commercially viable low-grade gold mines based on mining and processing large tonnages.

During the last 12 months test work continued at the Bamboo Creek Plant on assaying and processing low-grade ore from the Bulletin Pit, stockpiles of low-grade Kitchener sulphide ore situated next to the Bamboo Creek Plant and Bamboo Creek tailings.

The Kitchener stockpile contains approximately 1,000,000 tonnes of material with an estimated grade of 0.54 g/t Au as determined by Aqua Regia assays. In April 2004 bulk sample tests were conducted on the Kitchener low-grade ore by treating 9,237 tonnes through the Bamboo Creek Plant using the Elazac Process. The assayed Mill Feed grade was 1.10 g/t Au while after processing the Calculated Head grade was 1.36 g/t Au (0.35 g/t recovered as physical gold). This Calculated Head grade is based on the full 9,237 tonnes of ore although only 50% was processed. The other 50%, at a grade of 1.02 g/t Au, was discarded as tails, giving a true Calculated Head grade of 1.87 g/t Au.

Since this test, a New Elazac Process (NEP) was formulated and trialed. It is anticipated that additional gold will be extracted when a second trial parcel of Kitchener low-grade stockpile ore is processed through the Bamboo Creek Plant in early November, 2004.

In October 2004, 810 tonnes of Bamboo Creek tailings with an average Mill Feed grade of 0.25 g/t Au (determined by Aqua Regia) were processed through the Bamboo Creek Plant using the New Elazac Process (NEP). In total 286 grams of physical gold (equivalent to 0.36 g/t) were recovered, with a tail grade of 0.35 g/t Au. This indicates that the Calculated Head grade for the Bamboo Creek tailings is 0.71 g/t Au. There are approximately 1 million tonnes of these tailings available for processing.

The processing of the above bulk samples indicates that the Calculated grade of gold after taking into account the amount of physical gold extracted from Kitchener low-grade ore and Bamboo Creek tailings is significantly higher than can be measured by Aqua Regia. A New Elazac Assay Procedure (NEAP) has been developed. (See page 12.) This procedure will now be used to assist in more accurately determining the head grade of ores processed. Over the next few months drill samples from Bulletin and Mickey's Find will be re-assayed using the NEAP.

CHAIRMAN'S REVIEW

Bulletin Mine (ML45/480)

The Bulletin Mine is located approximately 4 kilometres from the Bamboo Creek Processing Plant. Preliminary exploration and drilling undertaken during late 2003 supported the decision to undertake an extended drilling program during the first three months of 2004. The results were extremely positive and have been reproduced in this report. (See pages 13 to 16.) It was on the basis of these results that the decision was made to immediately mine and transport ore from the Bulletin Mine as ore feed to process through the Bamboo Creek Plant.

In August 2004 processing of Bulletin low-grade ore commenced and by mid-October this was proceeding at a rate of about 700 tonnes per day, this is in line with the current annual capacity of the Plant of 250,000 tonnes per annum. Projected gold production for the 12 months from November 2004 is 12,500 ounces.

Initial drilling estimated the following Bulletin ore was available:

Existing Bulletin Pit:	14,000 tonnes at 4.5g/t Au
Western End of Bulletin Pit:	190,000 tonnes at 4.0g/t Au

To September 30, 2004, 99,304 tonnes of overburden were removed and 22,320 tonnes of ore from the existing Bulletin Pit were processed through the Bamboo Creek Plant with a Mill Feed grade of 2.19 g/t Au. The physical gold recovered from this ore to date equates to 0.98 g/t Au, while the total Calculated grade determined to date is 2.26g/t Au. It is anticipated that when processing by the NEP is completed, the extra physical gold recovered will show the actual gold ore grade to be higher again than the Calculated grade given above.

From October 14 to October 29, approximately 7,530 tonnes of low grade Bulletin ore were processed through the Bamboo Creek Plant. The average number of tonnes processed per day was 500 tonnes. During the period modifications were made to the Bamboo Creek Plant. Over the last few days the average number of tonnes processed was about 700t per day.

The average Mill Feed grade was 1.42 g/t. The Calculated Head grade using the New Elazac Process for all ore processed was 3.28 g/t. with an average Mill Tail grade of 0.86 g/t by the Aqua Regia assay method.

In addition, the Tailings from the processing plant are fed to the Vat Leach. Over the last 3 months the gold leached into solution from the on-site Vat Leach has recovered 78% of contained gold.

It is now known from the test work and trials on processing Bulletin ore that significantly more gold can be accounted for than the Aqua Regia assay method measures. The Directors and Consultants at the Bamboo Creek Mine are hopeful that sufficient gold can be generated from the Bamboo Creek operation to be viable and cash positive.

It is difficult to estimate the minable tonnage available at the Bulletin deposit with the existing density of drilling to date. It is believed, however, to be in the order of 1.5 million tonnes with an estimated grade of at least 2.26 g/t. This estimate is based on the ore zone being approximately 280 metres in length and averaging 30 metres in width (reaching up to 70 metres in width). The inferred grade of 2.26 g/t Au is based on the Calculated grade estimated from the 22,320 tonnes processed through the Bamboo Creek Plant to date. Photographs of the eastern and western ends of the Bulletin Pit are shown in Figures 1 and 2 along with a photograph of the southern cutback area (Figure 3) and an aerial photograph of the Bulletin Mine area (Figure 4). Surface sampling north and south of the Bulletin pit along the fault lines shown in Figure 4 indicate the possibilities for both eastern and western extensions of the ore body.

Mickey's Find (ML45/328)

During the second half of 2003, twenty RC holes were completed at Mickey's Find for a total of 2,856 metres drilled. Whilst no-high grade intersections were encountered, several holes at both the Mickey's Find Main Lode and Breen's area, intersected wide zones of low-grade gold mineralisation. Mickey's Find remains a very large, highly geochemically anomalous system but further detailed geological and geochemical studies are required to identify the most prospective zones within it for further drill testing.

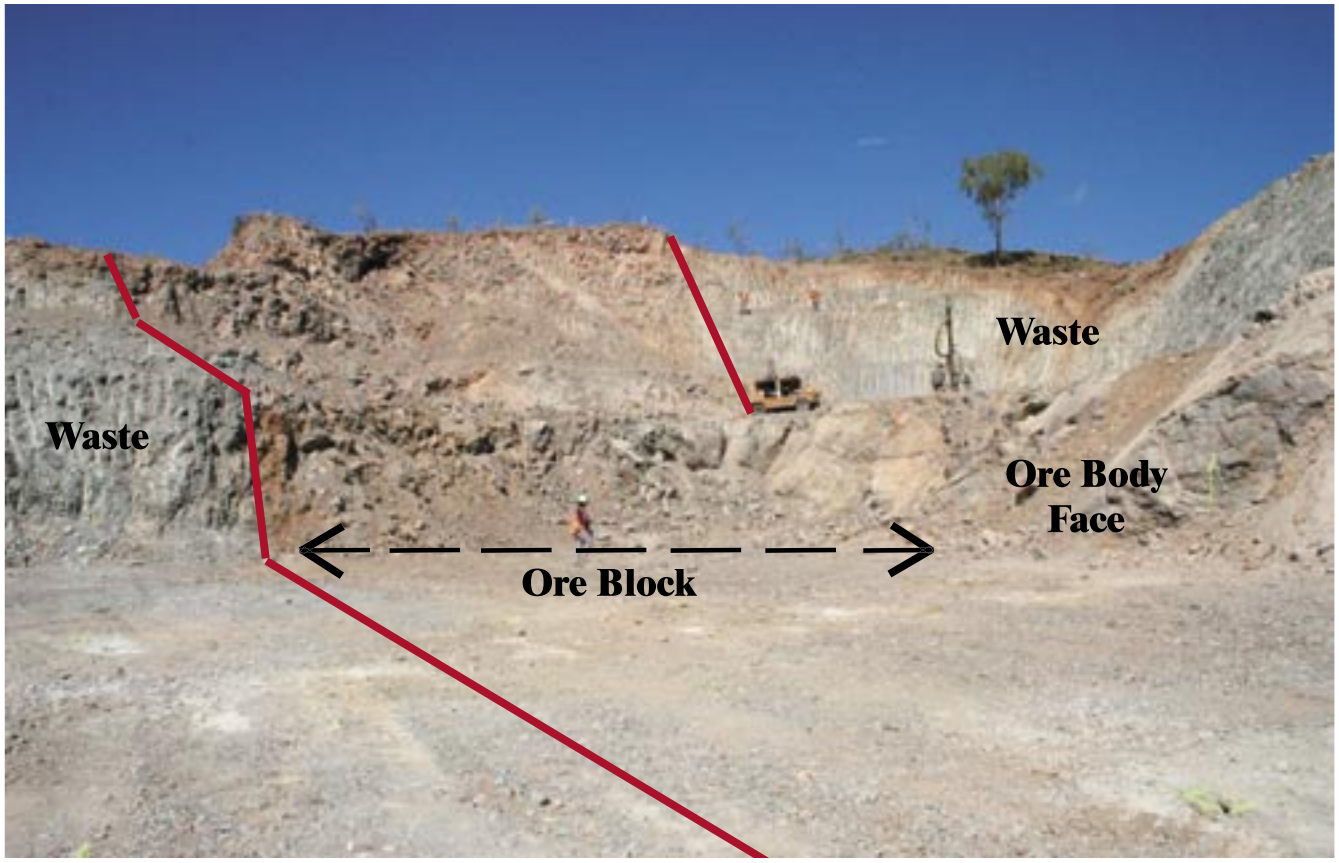


Figure 1 - Bulletin Pit looking East

Figure 2 - Bulletin Pit looking West

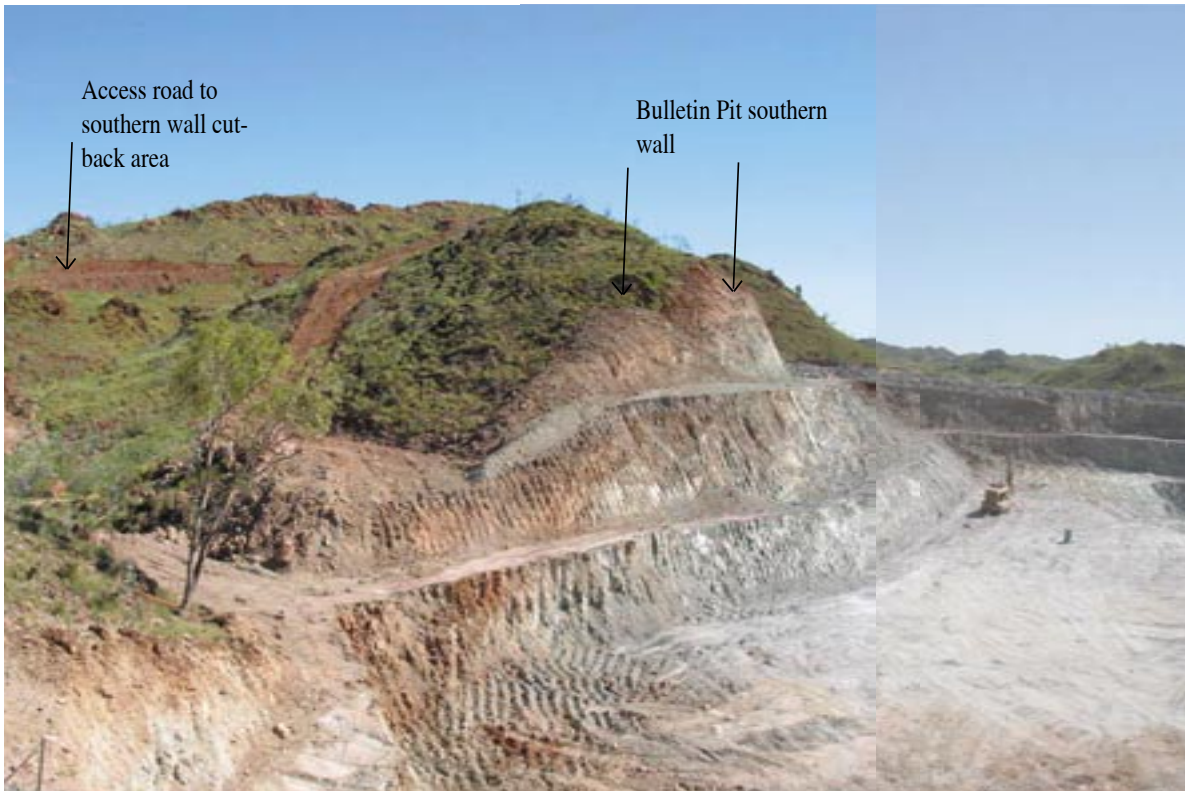


Figure 3 - Bulletin Pit showing Southern wall cutback area.

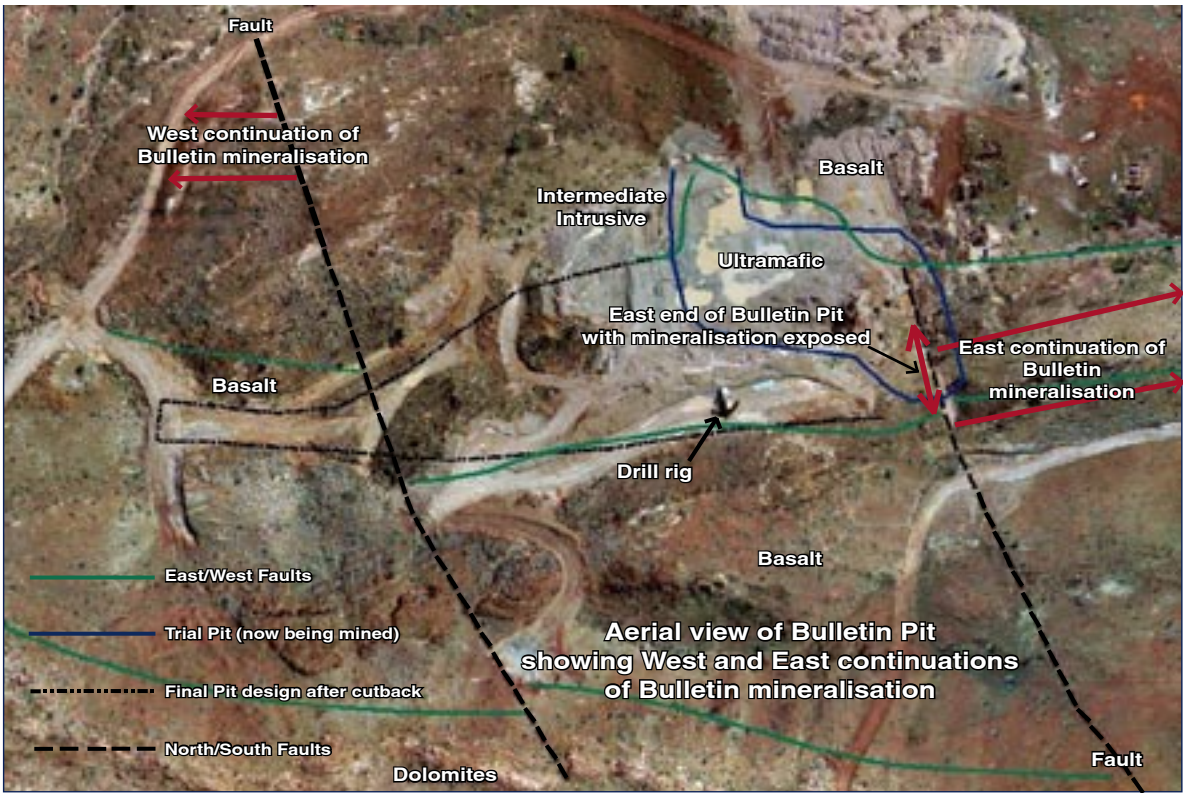


Figure 4 - Aerial photograph of Bulletin Mine area. Surface sampling indicates possibility for both Western and Eastern extensions of the ore body.

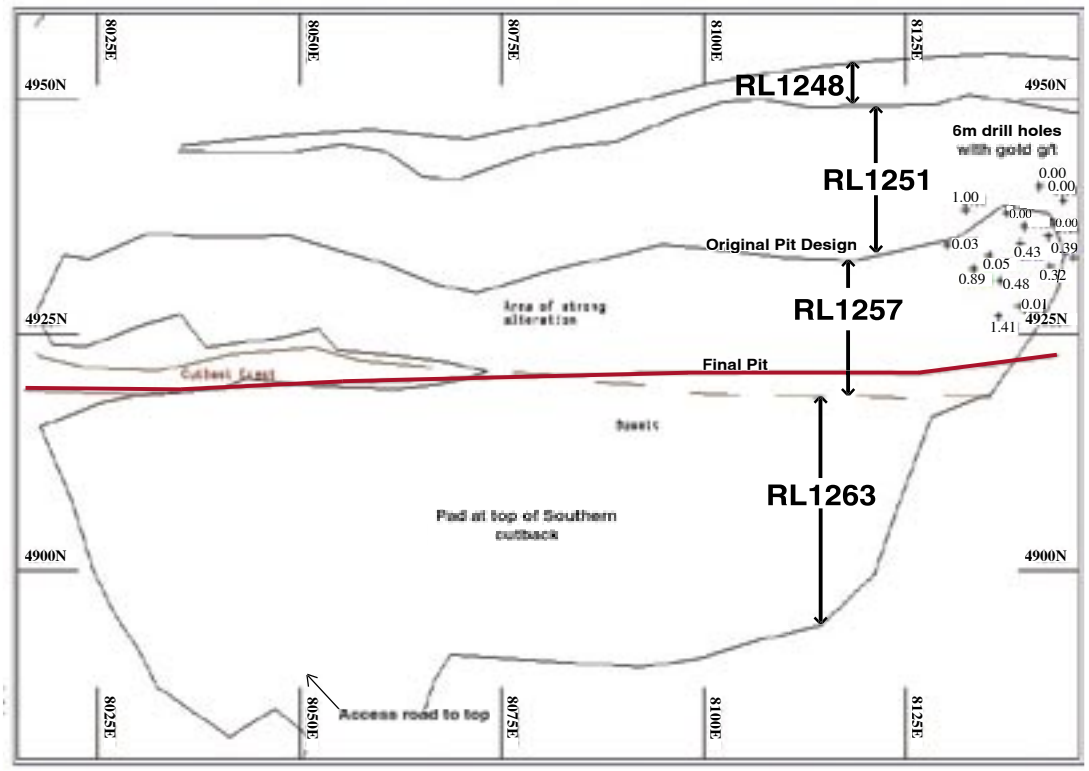


Figure 5 - Top of Bulletin cutback, drawn at RL1263

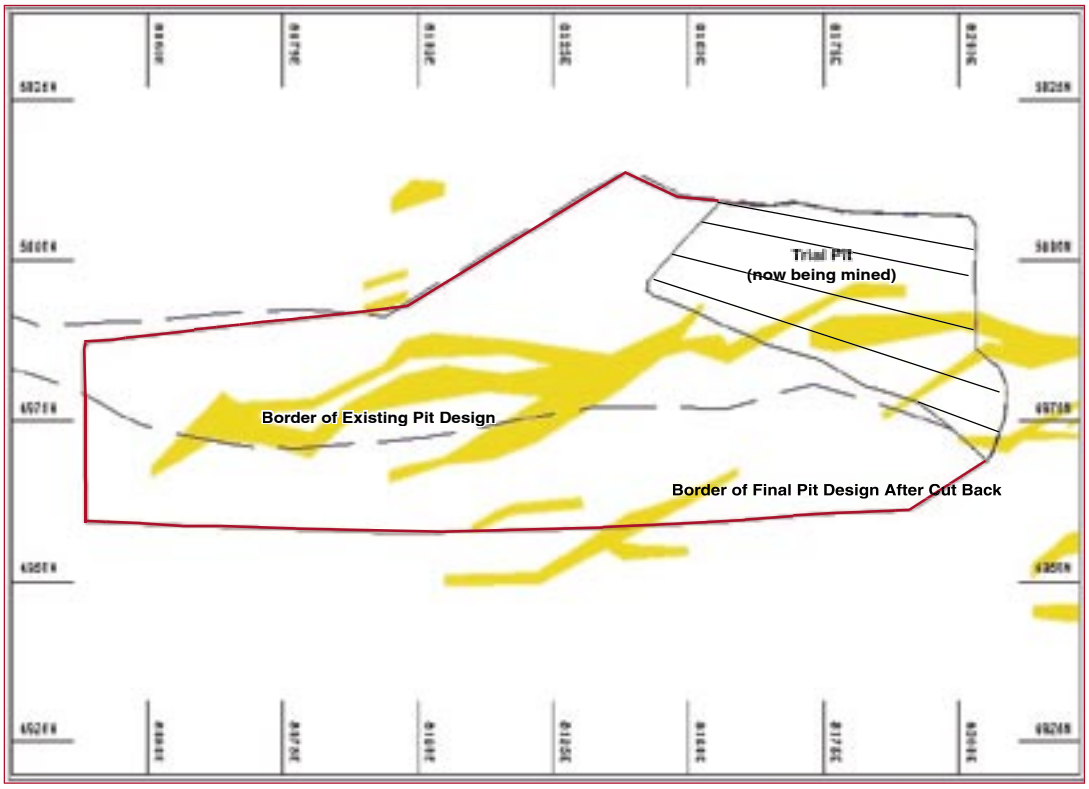


Figure 6 - Bulletin Pit Designs, drawn at RL1220

CHAIRMAN'S REVIEW

Cookes Hill (ML45/1031-1036) – Previously Exploration Lease No. E45/1562

The Cookes Hill Gold Deposit was discovered in 1999. It comprises a dolerite-hosted quartz stockwork style of mineralisation. Based on current drilling, the Cookes Hill deposit is estimated to contain approximately 50,000 ounces of gold to a depth of 100 metres. Preliminary metallurgical tests show that the gold is not refractory and most is recoverable by cyanidation after fine grinding of the ore.
On December 8, 2003 De Grey Mining Ltd announced to the ASX a new greenfields gold discovery at its Turner River Project on the Mallina-Mt Dove shear just to the west Haoma's Cookes Hill tenement. DeGrey mining has released further significant and highly encouraging announcements in relation to its Turner River Project throughout 2004. The Mallina-Mt Dove shear together with several northeast trending splay faults continues into Haoma's exploration area E45/1562. The immediate proximity and extent of the De Grey Mining discovery suggests that the overall area of interest, including Haoma's tenement holding, has potential for more gold discoveries.

Purchase of Additional Processing Plant , Power Station and Other Equipment

In November, 2003 Haoma purchased a 1.5 million tonne per annum crushing facility and power station from the Selwyn Gold Mine in North Queensland. The circuit consists of a three stage crushing and screening plant, associated conveyors, screen bins and hoppers. Other equipment purchased included flotation cells, pumps and ancillary items. The equipment was transported to Bamboo Creek during the first half of 2004 and part of this equipment has been commissioned into use with the current processing activities. The total cost of the acquisition was $1.024 million.

Elazac Process

During the year research into the behaviour of different Pilbara gold ores and the Elazac Process continued through the University of Melbourne. Haoma is funding a full-.time PhD project focusing on the study of these ores with a view to understanding their behaviour with respect to analysis and gold extraction and recovery.

The work has identified the mineralogical associations and mode of gold occurrence in a number of Pilbara ores. This has shed more light on the appropriate techniques for the analysis of gold and optimal metallurgical recovery. Haoma has been conducting testwork on samples at the Bamboo Creek laboratory and through the plant.

Issue of Share Options

In November 2003, 2.9 million share options were issued to employees and consultants of the company. The options were set to expire on August 8, 2004. No options were exercised prior to the expiry date. The Board decided to re-issue the options in recognition of the fact that the exercise period of the initial option issue was too short being less than 9 months following approval at the 2003 AGM.

In August 2004 the Board of Haoma Mining resolved to issue a total of 2.9 share options to nominated consultants and employees of the company effective immediately.

Employees and Consultants:	Options
Hugh Morgan, Consultant	2,000,000
Peter Cole, Consultant and Acting General Manager	250,000
Peter Scales, Consultant	250,000
Jim Wallace, Company Secretary	100,000
Cameron Skinner, General Manager and Mining Manager	100,000
Robert Skrzeczynski, Marketing Director/Technical Advisor to the Board	100,000
Annabel Edwards, Accountant	50,000
Joseph Zabeila, Bamboo Creek/Normay Manager	50,000

The option issue does not exceed 15% of share capital.

The above persons (or nominee) may exercise the options at any time up prior to August 9, 2005. The options are not eligible to be included in any calculations to determine the entitlement of the holder to participate in new issues without being exercised. The non-renounceable options may be converted to an equivalent number of Haoma shares at an exercise price of 10 cents per share.

In addition, the Board advises that it proposes to issue 2,000,000 share options to Director, Michele Levine (or nominee) to replace options issued on February 10, 2004 and which expired on August 8, 2004. The option issue will be subject to approval at Haoma's 2004 Annual General Meeting.

CHAIRMAN'S REVIEW

Management and Personnel

Haoma is dependent on the efforts of many staff, contractors and consultants. The Directors thank all staff, contractors and consultants for their positive efforts during difficult times over the last year.

In particular, Haoma recognises the valuable work of Mr. Peter Cole, Mr. Joe Zabelia, Mr. Len Morrison and Miss Sharon Winsor at Bamboo Creek; Mr. Robert Skrzeczynski, Mr. Cameron Skinner and Mr. Ron Furnell at Ravenswood; Prof. Peter Scales and Mr. William Goodall at the University of Melbourne. They have all made a significant contribution to the development of Haoma's business in 2003/04.

Mr. John Elliott resigned from his position as a Director of Haoma in May 2004 having served as a Board member since 1994. Mr. Elliott's contribution to Haoma during his time as a Director was extensive and highly valued. Presently, Mr. Hugh Morgan is consulting to Haoma as a special adviser to the Board. His willingness to offer advice and lend his considerable business experience in assisting Haoma is greatly appreciated.

In conjunction with its core gold mining activities, Haoma provides a number of ancillary services to the local communities where it has operations. In the Pilbara, Haoma owns and operates one of the area's most prominent tourist attractions at the former Comet Gold Mine. The efforts of Ms Jolene Eden-Wishart and Mr. John Patey in developing the Comet Gold Mine and Tourist Centre has been of great value to the district and we thank them for their work.

At Ravenswood in North Queensland, the Top Camp Tourist Resort is owned and operated by Haoma Mining. While the camp primarily operates to provide accommodation facilities for transient workers in the mining industry, it also provides roadhouse facilities and services to the local district. Haoma thanks Ms Maria Boss for maintaining these services on behalf of the company.

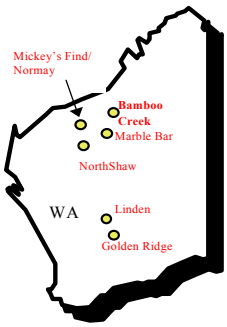
Gary C. Morgan,
Chairman.

Below: Bamboo Creek Processing Plant with loaded vat leach in foreground

REVIEW OF OPERATIONS

WESTERN AUSTRALIA

1. Pilbara Area, Western Australia



Haoma's objectives in the Pilbara are:

- to overcome the assay problem of underestimating the true gold grade of Pilbara ores;
- to re-engineer the Bamboo Creek and Normay Processing Plants to economically produce gold using the Elazac Process; and
- to establish new profitable gold and other metal mining operations in the Pilbara region.

To achieve these objectives, Haoma:

- continued test work at Bamboo Creek and Normay,
- delineated a minable ore body at the Bulletin prospect, and
- continued with the exploration drilling program to further define the Mickey's Find mineralisation.

Operations at Bamboo Creek and Normay, WA

1.1 Processing at Bamboo Creek

1.1.1 Bulletin Mine

Metal production to September 30, 2004 was 843 ounces of gold and 337 ounces of silver, 706 ounces of this gold being attributed to Bulletin ore.

Processing of Bulletin ore commenced on June 24, 2004 with a total of 1,355 tonnes treated to June 30, 2004 at an average head grade of 1.64 g/t Au. To September 30, 2004, 99,304 tonnes of overburden were removed and 22,320 tonnes of ore from the existing Bulletin Pit were processed through the Bamboo Creek Plant at a Mill Feed grade of 2.19 g/t Au. The physical gold recovered from this ore to date equates to 0.98 g/t Au, while the Calculated grade to date is 2.26g/t Au. It is anticipated when processing by the NEP is completed that physical gold recovered will show the actual ore grade to be higher again than the Calculated grade given above. From October 14 to October 29, approximately 7,530 tonnes of low grade Bulletin ore were processed through the Bamboo Creek Plant. The average number of tonnes processed per day was 500 tonnes. During the period modifications were made to the Bamboo Creek Plant. Over the last few days the average number of tonnes processed was about 700 tonnes per day.

The average Mill Feed grade was 1.42 g/t. The Calculated Head grade using the New Elazac Process for all ore processed was 3.28 g/t. with an average Mill Tail grade of 0.86 g/t by the Aqua Regia assay method. In addition, the Tailings from the processing plant are fed to the Vat Leach. Over the last 3 months the gold leached into solution from the on-site Vat Leach has recovered 78% of contained gold.

It is now known from the test work and trials on processing Bulletin ore that significantly more gold can be accounted for than the Aqua Regia assay method measures. The Directors and Consultants at the Bamboo Creek Mine are hopeful that sufficient gold can be generated from the Bamboo Creek operation to be viable and cash positive.

1.1.2 Bamboo Creek Tailings

In October 2004, 810 tonnes of Bamboo Creek tailings with an average Mill Feed grade of 0.25 g/t Au (determined by Aqua Regia) were processed through the Bamboo Creek Plant using the New Elazac Process. In total 286 grams of physical gold (equivalent to 0.36 g/t) were recovered, with a tail grade of 0.35 g/t Au. This indicates that the Calculated Head grade for the Bamboo Creek tailings is 0.71 g/t Au. There are approximately 1 million tonnes of these tailings available for processing.

1.1.3 Kitchener Low-Grade Ores

In April 2004 bulk sample tests were conducted on the Kitchener low-grade ore by treating 9,237 tonnes through the Bamboo Creek Plant using the Elazac Process. The assayed Mill Feed grade was 1.10 g/t Au while after processing, the Calculated Head grade was 1.36 g/t Au (0.35 g/t recovered as of physical gold). This Calculated Head grade is based on the full 9,237 tonnes of ore although only 50% was processed. The other 50%, at a grade of 1.02 g/t Au, was discarded as tailings giving a true Calculated Head grade of 1.87 g/t Au.

1.2 Elazac Assay Procedure

In the last six months, Haoma's Consultants from the University of Melbourne have conducted numerous experimental tests on the Pilbara ore gold assay problem using the Bamboo Creek Laboratory and other laboratories. In conjunction with the Bamboo Creek Laboratory they developed a new assay procedure referred to in the June 30, 2004 Quarterly Report as the Elazac Assay Procedure (EAP).
Haoma's June 30, 2004 Quarterly Report, published the following results using the EAP with an Aqua Regia finish. Listed below (Table 1) are the re-assayed results from Hole BRC39, which is located 1.4m west of the Bulletin Prospect. Also shown are the original Aqua Regia results (reported in the March 2004 Quarterly Report).
The EAP results show that the grade for the interval 68-94 metres (26 metres) increased from 0.59 g/t Au to 1.78g/t Au - a significant improvement.

Table 1: Re-assays Using Elazac Assay Procedure

Drill Sample Interval	Drill Sample Width	Original Aqua Regia g/t Au	Elazac Assay Procedure g/t Au
0-10	10	0.17	0.25
10-20	10	0.02	0.10
20-30	10	0.00	0.04
30-40	10	0.00	0.13
40-50	10	0.01	0.16
50-60	10	0.00	0.11
60-68	8	0.06	0.05
68-94	26	0.59	1.78
94-100	6	0.00	0.16
100-110	10	0.02	0.13
110-120	10	0.35	0.37
120-130	10	0.00	0.07
130-140	10	0.01	0.06
140-153	13	0.01	0.10

In August 2004, additional check assays using the EAP with an Aqua Regia finish were conducted on Mickey's Find drill samples from MFRC 85, MFRC 82 and MFRC 64. (Mickey's Find is approximately 120 kilometres from Bamboo Creek).
The check assay results using the EAP with an Aqua Regia finish showed no significant difference from the original results. (See Haoma's 2003 Annual Report and December 2003 Quarterly Report for assays.)

Since the above negative results on Mickey's Find samples, it became obvious from processing Bamboo Creek and other ores that the amount of physical gold produced from bulk samples through the Bamboo Creek Plant using the Elazac Process produced more gold than shown by the Mill Feed estimates using the Aqua Regia gold assay method.

An additional process is now being developed using the Elazac Assay Procedure with an Aqua Regia finish. This New Elazac Assay Procedure (NEAP) will be further tested by re-assaying previously assayed samples from both Mickey's Find and Bulletin ore bodies.

Exploration Activities in Western Australia

1.3 Bulletin Deposit – Discovery and Delineation

In late November/early December 2003 a small RAB drilling program was undertaken to outline the orientation of the Bulletin ore zone, located 4 km to the east of the Bamboo Creek Plant. Fifteen holes were drilled to a depth of 24 metres and traced the mineralised zone over a strike length of 130 metres. The results, summarised in Table 2 below, showed encouraging indications of the presence of a consistently mineralised structure.

Table 2: Bulletin RAB Drilling Results

Hole	East	North	Dip	Azimuth	From (m)	To (m)	Width (m)	Gold (g/t)
BR01	212906	7680937	-60	185	15	24	9	1.46
BR02	212904	7680926	-60	190	9	10	1	1.60
BR02	212904	7680926	-60	190	13	19	6	3.23
BR03	212894	7680936	-60	188	22	24	2	6.37
BR04	212924	7680933	-60	175	14	17	3	4.90
BR08	212901	7680925	-60	180	8	9	1	1.09
BR08	212901	7680925	-60	180	23	24	1	1.03
BR09	212891	7680932	-60	180	11	13	2	2.36
BR11	212919	7680919	90	000	11	13	2	2.07
BR12	212932	7680924	90	000	1	5	4	6.91
BR12	212932	7680924	90	000	7	10	3	1.83
BR12	212932	7680924	90	000	21	22	1	2.95
BR15	212860	7680924	90	000	6	8	2	1.07
BR15	212860	7680924	90	000	15	19	4	0.63

A follow-up program of RC drilling was commenced on January 13, 2004. Sixty-two holes were completed and returned a number of high grade intersections within the zone and expanded the strike length of the mineralised zone to 270 metres. The mineralisation remains open at depth (nominally 100 metres below surface).

Table 3 below includes a listing of all significant intersections, including a series of RC holes (prefixed CRA) previously drilled by CRA Exploration Pty. Ltd. in 1981.

Table 3: Bulletin Prospect RC Drilling Results

Hole	**East**	**North**	**Dip**	**Azimuth**	**Depth (m)**	**From (m)**	**To (m)**	**Width (m)**	**Gold (g/t)**
CRA - A24	8299.5	5011.2	-60	215	93	25	26	1	0.75
						34	36	2	1.19
						64	72	8	1.35
						77	91	14	4.75
BRC60	8297.5	5040.5	-60	182	140	118	140	22	2.34
					includes	*136*	*138*	*2*	*20.56*
BRC58	8282.8	4996.9	-60	177	94	0	4	4	0.27
						16	18	2	10.39
						18	40	22	0.30
						44	54	10	0.31
CRA - A30	8281.7	5030.0	-60	217	123	111	119	8	1.19
						122	123	1	30.50
BRC59	8280.2	5040.6	-60	173	136	0	4	4	0.51
						80	82	2	0.76
						92	94	2	4.67
						100	102	2	0.25
						114	124	10	9.56
					includes	*120*	*122*	*2*	*44.86*

Table 3: Bulletin Prospect RC Drilling Results (continued)

Hole	East	North	Dip	Azimuth	Depth (m)	From (m)	To (m)	Width (m)	Gold (g/t)
BRC23	8270.8	5024.7	-60	194	180	38	44	6	6.04
					includes	*38*	*40*	*2*	*10.92*
					includes	*42*	*44*	*2*	*6.87*
						86	98	12	7.68
					includes	*88*	*90*	*2*	*16.97*
					includes	*94*	*96*	*2*	*21.89*
						112	114	2	4.32
						126	128	2	1.04
						178	180	2	0.94
BRC16	8270.7	4990.5	-60	194	75	8	54	46	0.85
					includes	*32*	*54*	*22*	*1.40*
CRA - A29	8268.2	5012.2	-70	215	44	38	39	1	0.99
BRC17	8267.1	5006.1	-60	194	150	26	30	4	1.17
						58	66	8	1.62
					includes	*64*	*66*	*2*	*2.39*
BRC15	8256.2	4992.9	-60	194	72	18	56	38	3.01
						18	*24*	*6*	*5.41*
						36	*38*	*2*	*18.32*
					includes	*52*	*54*	*2*	*16.85*
BRC25	8228.2	5021.4	-60	189	150	46	84	38	6.53
					includes	*52*	*58*	*6*	*32.27*
					includes	*64*	*66*	*2*	*14.64*
						98	126	28	2.34
					includes	*118*	*122*	*4*	*7.29*
CRA - A57	8219.5	4985.8	-60	217	40	29	32	3	2.24
BRC02	8204.9	4994.0	-60	178	70	6	10	4	1.95
						14	18	4	1.24
						46	50	4	6.26
BRC01	8202.9	5015.3	-60	178	120	40	56	16	1.46
						62	74	12	0.79
						110	114	4	5.91
CRA - A26	8198.4	5002.9	-75	215	50	34	39	5	45.22
					includes	*37*	*38*	*1*	*220.00*
						47	49	2	1.96
CRA - A25	8197.8	5011.8	-60	215	55	27	33	6	2.28
						46	51	5	0.43
CRA - A56	8196.3	4988.8	-60	217	35	21	23	2	1.14
						29	30	1	0.77
BRC05	8181.7	5014.7	-60	180	120	34	106	72	1.06
					includes	*34*	*42*	*8*	*0.55*
					includes	*50*	*56*	*6*	*1.36*
					includes	*66*	*88*	*22*	*2.31*
					includes	*96*	*106*	*10*	*1.26*
BRC12	8175.6	4985.6	-90	0	120	2	22	20	1.24
						76	80	4	0.99
						96	116	20	4.83
BRC06	8174.3	4993.8	-60	180	70	0	18	18	12.78
					includes	*10*	*14*	*4*	*54.32*
CRA - A55	8167.2	5003.4	-60	217	52	31	33	2	0.62
						38	40	2	7.04
CRA - A28	8163.0	4991.7	-60	215	70	39	56	17	2.13
						60	69	9	1.02
BRC07	8160.6	5013.3	-60	180	120	30	34	4	1.28
						36	44	8	0.56
						56	58	2	0.79
						84	86	2	7.10
						98	106	8	0.79
						116	118	2	2.89
BRC08	8157.9	4993.1	-60	180	120	14	18	4	4.17
						66	70	4	4.49
BRC09	8157.9	4983.2	-60	180	70	2	4	2	0.50
						26	28	2	0.53
BRC13	8157.6	4983.8	-90	0	120	8	16	8	1.78
						74	90	16	0.41
						96	120	24	0.52
CRA - A27	8148.0	4971.3	-60	215	50	35	42	7	0.94
BRC10	8139.9	5012.8	-60	180	120	40	48	8	0.53
						68	70	2	0.91
						76	100	24	6.83

Table 3: Bulletin Prospect RC Drilling Results (continued)

Hole	East	North	Dip	Azimuth	Depth (m)	From (m)	To (m)	Width (m)	Gold (g/t)
BRC11	8136.2	4992.2	-60	180	120	16	26	10	2.32
						66	70	4	2.30
BRC14	8135.6	4985.4	-90	0	120	2	116	114	4.51
					includes	*4*	*6*	*2*	*3.11*
					includes	*22*	*26*	*4*	*12.96*
					includes	*50*	*52*	*2*	*5.09*
					includes	*70*	*96*	*26*	*15.71*
					includes	*108*	*116*	*8*	*2.94*
BRC18	8120.3	5012.2	-60	186	120	36	98	62	3.27
					includes	*36*	*54*	*18*	*4.81*
					includes	*60*	*64*	*4*	*2.94*
					includes	*78*	*80*	*2*	*10.90*
					includes	*90*	*98*	*8*	*9.69*
BRC19	8117.2	4993.7	-60	186	100	18	80	62	1.67
					includes	*24*	*28*	*4*	*0.76*
					includes	*32*	*40*	*8*	*5.23*
					includes	*60*	*80*	*20*	*1.15*
BRC20	8114.6	4983.3	-60	186	70	0	8	8	0.38
						22	68	46	1.82
					includes	*22*	*28*	*6*	*12.15*
					includes	*36*	*52*	*16*	*0.45*
					includes	*58*	*68*	*10*	*0.26*
BRC46	8099.8	4991.1	-60	180	100	20	44	24	0.56
						54	80	26	1.51
					includes	*58*	*60*	*2*	*8.05*
					includes	*74*	*76*	*2*	*6.48*
BRC37	8099.0	5016.8	-60	190	120	0	42	42	0.50
						58	86	28	9.75
					includes	*72*	*82*	*10*	*25.53*
BRC38	8096.5	5006.8	-60	190	120	22	100	78	2.23
					includes	*44*	*58*	*14*	*8.18*
BRC44	8083.1	5010.0	-56	187	128	48	70	22	6.08
					includes	*50*	*52*	*2*	*3.94*
					includes	*58*	*60*	*2*	*11.45*
					includes	*62*	*64*	*2*	*46.34*
						88	98	10	26.60
					includes	*88*	*90*	*2*	*127.81*
					includes	*94*	*96*	*2*	*2.12*
BRC42	8080.6	4997.1	-60	180	105	6	8	2	4.00
						24	28	4	0.19
						34	46	12	16.32
					includes	*40*	*42*	*2*	*92.81*
						46	50	4	0.30
						72	86	14	8.65
					includes	*72*	*74*	*2*	*32.21*
					includes	*80*	*82*	*2*	*23.56*
BRC21	8070.0	5007.8	-60	189	100	60	92	32	3.90
					includes	*60*	*64*	*4*	*0.53*
					includes	*70*	*76*	*6*	*0.70*
					includes	*86*	*90*	*4*	*29.23*
BRC22	8066.2	4991.8	-60	189	75	14	68	54	1.22
					includes	*14*	*34*	*20*	*0.41*
					includes	*34*	*36*	*2*	*22.34*
					includes	*36*	*44*	*8*	*0.30*
					includes	*62*	*68*	*6*	*1.22*
BRC40	8038.9	5000.4	-60	180	105	78	86	8	13.83
					includes	*78*	*82*	*4*	*25.49*
BRC30	7989.5	4983.5	-60	174	180	104	108	4	0.50

Significant Assay Results from Hole BRC39 – 1.4km west of Bulletin Prospect *

Hole	East	North	Dip	Azimuth	Depth (m)	From (m)	To (m)	Width (m)	Gold (g/t)
BRC39	6882.0	5423.5	-60	70	120	0	2	2	0.78
						68	94	26	0.59
					includes	*78*	*80*	*2*	*1.61*
					includes	*84*	*86*	*2*	*1.87*
						116	120	4	0.76

* See Table 1 which shows the higher gold assay results after assaying by the new "Elazac Assay Procedure".

All assays were determined by the Aqua Regia digest/AAS method at Haoma's Bamboo Creek laboratory.
Based on the above results, the Board of Haoma had sufficient confidence in the tenor and continuity of mineralisation to commission mining of the ore zone as an open pit operation soon after completion of the drilling. Mining commenced in May 2004.

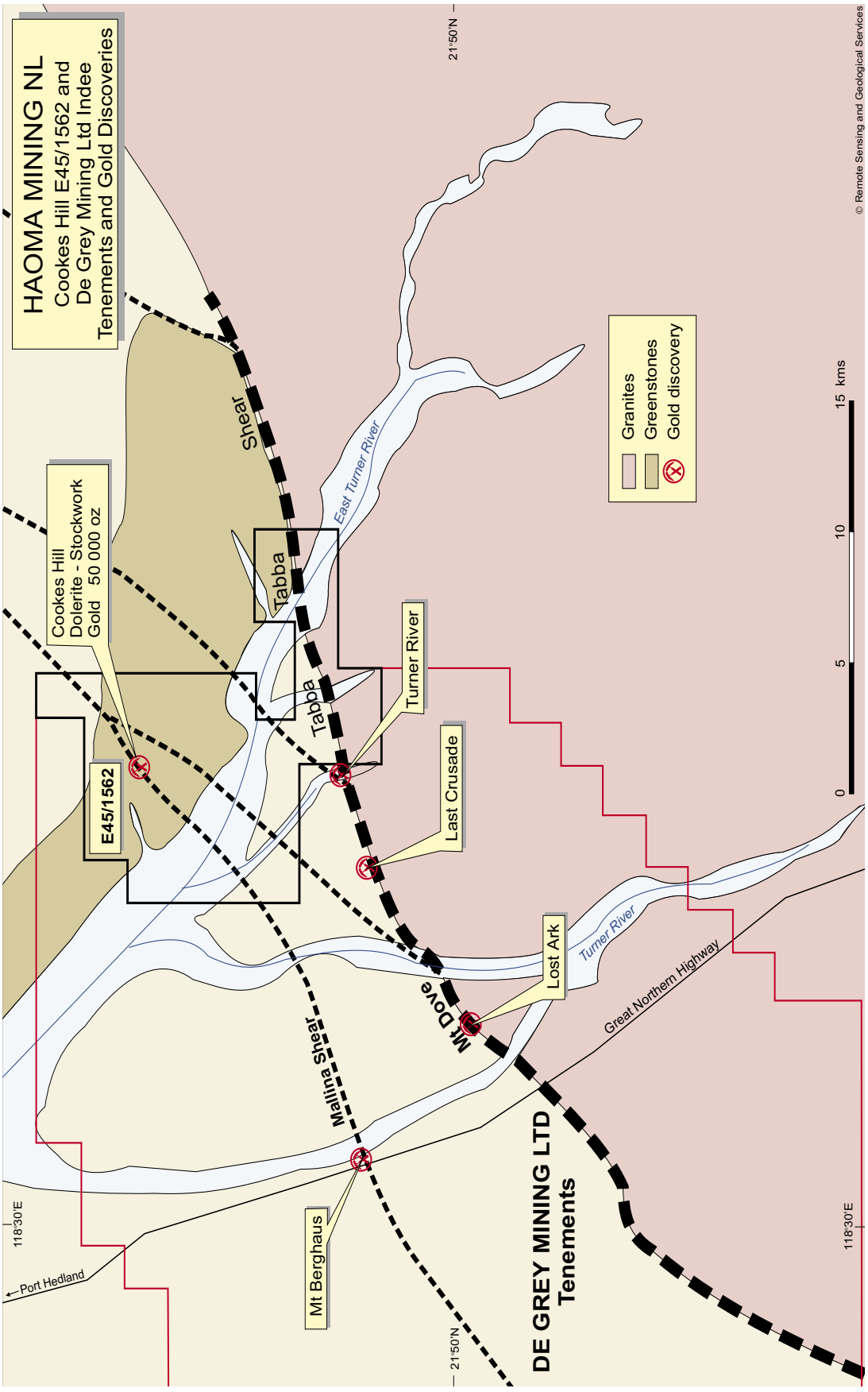


Figure 7 - Cookes Hill and DeGrey Mining Ltd. Indee Tenements and Gold Discoveries

1.4 Cookes Hill (ML45/1031-1036) – Previously E45/1562

At the 2003 Haoma Annual General Meeting, shareholders approved the transfer of tenement E45/1562 from the privately held Elazac Mining Pty Ltd to Haoma Mining NL. This tenement contains the Cookes Hill gold deposit, which was discovered in 1999. The Cookes Hill deposit comprises a dolerite-hosted quartz-stockwork style of mineralisation. It has been the subject of extensive soil sample surveys, three shallow Rotary Air Blast (RAB) programs and one deep RC drilling program, together with interpretation of geological, air magnetic and satellite data. The interpretation of this data clearly shows that the gold lies on a northeast trending fault which forms a splay off the major Mallina-Mt Dove shear. (See Figure 7 for the location of Cookes Hill in relation to the Mallina-Mt Dove shear).

The soil sampling delineated a gold anomaly over a strike length of 2.6 kilometres and RAB drilling gave highly anomalous intersections (up to 1.3g/t Au) along the discovery line of 19 consecutive vertical holes drilled at 10 metre intervals. Subsequent angle hole RAB drilling confirmed the presence of a broad (150 metre wide) gold mineralised, highly sulphidic quartz-stockwork system extending for 300 metres along the strike of the dolerite dyke. The RC drilling indicated that the mineralisation is open at depth below 100 metres.

Based on the current drilling, the Cookes Hill deposit is estimated to contain approximately 50,000 ounces of gold to a depth of 100 metres. Preliminary metallurgical tests show that the gold is not refractory and most is recoverable by cyanidation after fine grinding of the ore.

The gold-bearing, magnetically anomalous dolerite, outcrops over a strike length of 2 kilometres away from the core of the anomaly and has only been tested with a few lines of short vertical RAB holes.

Although the Cookes Hill gold deposit appears constrained to within the intrusion at this location, the controlling structure continues without interruption to the south-west where soil geochemical anomalism greater than 2ppm Au is present.

Higher grade zones of gold mineralisation often occur within wide zones of highly anomalous disseminated mineralisation roughly defined by a 0.3g/t Au envelope. Many of these higher-grade zones occur at shallow depths.

This disseminated low-grade style of mineralisation is reflected in the drill results shown in Table 4 below. The table includes all significant intersections obtained by Elazac Mining Pty Ltd between 1999-2001.

Table 4: Cookes Hill Drill Results 1999-2001

Hole	East	North	Dip	Azimuth (grid)	Depth (m)	From (m)	To (m)	Width (m)	Gold (g/t)
CH388	8750	5100	-60	180	30	22	26	4	0.44
CH396	8750	4980	-60	180	30	6	8	2	1.35
CH399	8750	4920	-60	180	30	22	24	2	2.31
CH400	8750	4900	-60	180	30	6	8	2	1.50
CHRC24	8800	5070	-60	180	70	24	34	10	0.35
CH374	8800	5060	-60	180	30	4	6	2	2.00
						16	18	2	2.02
CH375	8800	5040	-60	180	30	24	26	2	2.96
CH378	8800	4980	-60	180	30	2	22	22	0.24
CH381	8800	4920	-60	180	30	24	30	6	0.32
CH382	8800	4900	-60	180	30	10	14	4	0.38
						22	30	8	0.43
CHRC22	8800	4870	-60	180	50	8	26	18	0.45
CH384	8800	4860	-60	180	30	8	22	14	0.77
CHRC21	8800	4820	-60	000	50	24	50	26	0.24
CH357	8850	5080	-60	180	30	22	24	2	1.19
CH359	8850	5040	-60	180	30	20	22	2	0.71
						26	28	2	0.47
CHRC20	8850	5010	-60	180	70	14	28	14	0.25
						38	40	2	1.75
						64	72	8	0.32
CH362	8850	4980	-60	180	30	2	10	8	2.40
						14	28	14	0.25
CH363	8850	4960	-60	180	30	14	20	6	0.39

Table 4: Cookes Hill Drill Results 1999-2001 (continued)

Hole	East	North	Dip	Azimuth (grid)	Depth (m)	From (m)	To (m)	Width (m)	Gold (g/t)
CHRC19	8850	4940	-60	000	70	38	70	32	0.83
						38	*50*	*12*	*1.42*
CH365	8850	4920	-60	180	30	14	30	16	0.43
CH366	8850	4900	-60	180	30	14	26	12	0.43
CH346	8900	5080	-60	180	30	4	26	22	0.25
CHRC18	8900	5070	-60	180	70	0	58	58	0.43
CH347	8900	5060	-60	180	30	6	30	24	0.53
CH348	8900	5040	-60	180	30	2	24	22	0.51
CHRC16	8900	5010	-60	180	90	22	90	68	0.37
CHRC17	8900	5000	-60	000	80	48	80	32	0.60
CH350	8900	5000	-60	180	30	12	24	12	0.39
CH351	8900	4980	-60	180	30	4	20	16	1.00
						26	30	4	0.43
CH352	8900	4960	-60	180	30	14	28	14	1.21
CH353	8900	4940	-60	180	30	2	30	28	0.43
CHRC15	8900	4920	-60	000	90	10	36	26	0.51
						36	80	44	0.24
CH354	8900	4920	-60	180	30	10	22	12	0.23
CH334	8950	5100	-60	180	30	24	26	2	0.63
CH335	8950	5080	-60	180	30	12	14	2	0.25
						20	22	2	0.33
CH337	8950	5040	-60	180	30	14	20	6	0.33
						124	128	4	1.33
CH338	8950	5020	-60	180	30	0	14	14	0.46
CHRC14	8950	5010	-60	180	70	0	10	10	0.76
						46	70	24	0.48
CH339	8950	5000	-60	180	30	8	18	10	1.01
CH340	8950	4980	-60	180	30	0	30	30	0.38
CHRC1	8950	4960	-60	000	130	0	10	10	0.58
CH341	8950	4960	-60	180	30	0	8	8	1.14
						18	28	10	0.53
CH342	8950	4940	-60	180	30	8	14	6	0.99
CHRC2	8950	4920	-60	000	130	2	10	8	0.57
						56	108	52	0.35
CHRC3	8950	4880	-60	000	130	52	90	38	0.36
						100	124	24	1.21
CHRC13	9000	5030	-60	180	70	18	24	6	0.41
						32	44	12	0.26
CH305	9000	5020	-60	180	30	0	30	30	0.56
CHRC4	9000	5000	-60	000	150	2	6	4	1.17
						24	36	12	0.61
						84	102	18	1.24
						122	128	6	0.81
CH306	9000	5000	-60	180	30	0	30	30	0.99
CHRC6	9000	4990	-60	180	90	0	12	12	1.15
						36	68	32	1.15
						84	90	6	0.26
CH307	9000	4980	-60	180	30	0	30	30	0.23
CHRC5	9000	4960	-60	000	150	0	40	40	0.79
CH308	9000	4960	-60	180	30	0	30	16	1.21
CH309	9000	4940	-60	180	30	0	30	30	0.22
CH313	9050	5080	-60	180	30	28	30	2	1.30
CH314	9050	5060	-60	180	30	0	30	30	0.23
CH315	9050	5040	-60	180	30	0	14	14	0.38
CHRC12	9050	5030	-60	180	70	20	48	28	0.58
						62	70	8	0.35
CH316	9050	5020	-60	180	30	0	24	24	0.71
CHRC7	9050	5000	-60	000	100	22	60	38	0.70
						66	86	20	0.48
CH317	9050	5000	-60	180	30	0	30	30	0.74
CH318	9050	4980	-60	180	30	0	26	26	2.43
						0	*16*	*16*	*3.69*

Table 4: Cookes Hill Drill Results 1999-2001 (continued)

Hole	East	North	Dip	Azimuth (grid)	Depth (m)	From (m)	To (m)	Width (m)	Gold (g/t)
CHRC8	9050	4960	-60	000	130	2	72	70	0.73
						80	112	32	0.77
						116	128	12	0.30
CH319	9050	4960	-60	180	30	0	26	26	0.39
CHRC9	9050	4920	-60	000	150	54	102	48	0.4
						110	140	30	1.05
						144	150	6	0.51
CHRC11	9100	5070	-60	180	50	8	50	42	0.37
CH325	9100	5060	-60	180	30	4	30	26	0.38
CH326	9100	5040	-60	180	30	12	30	18	0.34
CHRC10	9100	5020	-60	000	60	4	54	50	0.49
CH328	9100	5000	-60	180	30	26	28	2	0.83
CH329	9100	4980	-60	180	30	22	30	8	0.56
CH331	9100	4940	-60	180	30	4	20	16	0.32

The following notes relate to information in Table 3:

- Drill holes prefixed CH are shallow RAB holes (30m or less) from which samples were assayed by Aqua Regia digest.
- Drill holes prefixed CHRC are much deeper RC holes from which samples were assayed by the fire assay method.
- The wide grade intersections of disseminated low-grade gold mineralisation are included to show the overall potential of the prospect, rather than its reserve potential at this stage. Narrow intercepts of >1g/t Au material included in the table are generally devoid of an anomalous gold envelope so have not been diluted. This type of mineralisation is most common around the western end of the deposit.

On December 8, 2003 De Grey Mining Ltd announced to the ASX a new greenfields gold discovery at its Turner River Project on the Mallina-Mt Dove shear just to the west of E45/1562. Many additional positive drilling results have been announced since establishing what appears to be a substantial new field of gold mineralisation.
The Mallina-Mt Dove shear zone, together with several north-east trending splay faults (one of which contains the Cookes Hill gold deposit) continues into Haoma's ground. The continuation of this structural zone into the Cookes Hill tenement is extensively soil covered and, consequently, has not yet been explored.

In addition, four kilometres of strike continuation of the Mount Dove shear passes through Haoma's ground south of Cookes Hill.

Reports released by De Grey Mining show that their gold deposit has similarities to Cookes Hill in terms of its structural setting, high sulphide content and grade of gold mineralisation. De Grey Mining have obtained very significant gold results close to both the south-western and south-eastern boundary with Haoma's tenement E45/1562. The best intersections reported were 24 metres @ 1.5 g/t Au (including 9 metres @ 2.5 g/t Au) at their Turner River prospect near the western boundary and a rock chip sample result of 5.5 g/t Au from their new Orchard Well zone to the east of E45/1562. Haoma holds the intervening 9 kilometre belt of prospective rocks between these two De Grey prospects.

1.5 Pilbara Joint Venture with Giralia Resources NL Daltons Project (E45/2186, E45/2187)

The Daltons Joint Venture area is located 150 kilometres south of Port Hedland in the Pilbara region of Western Australia. Under the Joint Venture and Farm-In Agreement, Giralia Resources NL can earn a 50.1% interest by expenditure of $375,000 on exploration over the three year period to November 2005 and a 75% interest by expenditure of $625,000 over the five year period to November 2007. Giralia have advised that total expenditure to September 30, 2004 is $364,028. The most significant progress on this Joint Venture was achieved during the Quarter ending June 30, 2004 and the following report is an extract from Giralia on these activities:

"- a 7 hole RC and diamond drilling program was completed at the Kingsway-Wadi zone on E45/2186
- down-hole EM surveys were completed on 5 of the 7 holes.

A 2 hole follow-up drilling program is planned to test EM conductor targets.

First pass RC (7 holes/700 metres) and diamond drilling (5 holes/609.63 metres) was completed at Daltons in late May, targeting a 300 metre long section of the basal contact of the Daltons ultramafic in the Kingsway-Wadi zone, where 1970s drill holes reportedly intersected high grade nickel-copper sulphides. The program was designed to provide a platform for down-hole geophysical exploration below the depth limits of surface electromagnetic ("EM") surveys, which were unable to detect the previously intersected massive sulphide zone. A 29 metre water bore was also drilled and cased.

An encouraging disseminated sulphide intersection was returned from hole RDDN019, including 0.66 metres @ 0.54% Ni, 0.12% Cu and 0.2 g/t PGE, however indications from drill hole geology and down-hole EM surveys suggest that the recent drilling may not have been deep enough to intersect the massive sulphides.

Down-hole EM has been read for 5 of the 7 holes, and preliminary interpretation by consultants Newexco suggest the presence of a conductor of interest below RDDN019. An off-hole conductor was also detected below hole RDDN021. Holes RDDN015 and RDDN016 intersected a black shale unit at the targeted position of the Wadi conductor, just beneath the basal ultramafic contact.

Table 5A: Daltons Joint Venture – May RC/Diamond Drilling

Hole No	East	North	Incl Azimuth	Depth (m)	From (m)	To (m)	Intersection
RDDN015	*724115*	*7621225*	*-55°/288°*	*149.3*			*NSV*
RDDN016	*724088*	*7621158*	*-55°/295°*	*161.35*	*84*	*96*	*12m @ 0.46% Zn*
RDDN017	*724140*	*7621138*	*-60°/138°*	*100.0*	*95*	*98*	*3m @ 1.02% Zn, 0.36% Ni*
RDDN018	*724230*	*7621470*	*-60°/090°*	*100.0*			*NVS*
RDDN019	*724148*	*7621395*	*-60°/187°*	*259.78*	*254.94*	*255.6*	*0.66m @ 0.54% Ni, 0.17% Cu, o.2 g/t PGE*
RDDN020	*724132*	*7621421*	*-72°/128°*	*269.6*	*267.05*	*267.32*	*0.27m @0.64% Cu*
RDDN021	*724230*	*7621469*	*-65°/185°*	*272.1*	*52*	*64*	*12m @ 0.15% Cu*

Further drilling testing of down-hole EM targets, particularly beneath RDDN019, is planned following completion of gyroscopic down-hole surveys and receipt of final geophysical interpretation."

Since June 30, 2004, the following update has been provided by Giralia.

"Two RC holes were completed at the Kingsway nickel prospect in late August 2004, for a total of 157 metres. The holes are designed as precollars for deeper diamond drilling planned for October 2004, to follow up an encouraging disseminated sulphide intersection from hole RDDN019, drilled in May 2004 (0.66 metres @ 0.54% Ni, 0.12% Cu and 0.2g/t PGE). Indications from drill hole geology and down hole EM surveys suggest that RDDN019 may not have been deep enough to intersect high grade massive sulphides previously reported in the 1970s from the Kingsway zone.

Table 5B: Daltons Joint Venture – August 2004 RC Drilling (Precollars)

Hole No	East	North	Incl Azimuth	Depth (m)	From (m)	To (m)	Intersection
RDDN022	*724130*	*7621425*	*-72°/180°*	*76.0*			*Precollar only*
RDDN023	*724150*	*7621390*	*-75°/160°*	*81.0*			*Precollar only*

The proposed diamond drill tails for hole RDDN022 and RDDN023 have been planned to intersect the basal ultramafic contact at around 300 metres below surface."

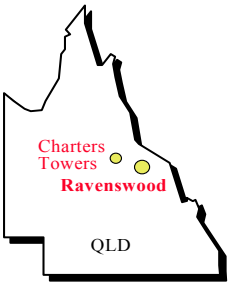
1.6 Golden Ridge Mining Lease (M26/534 - East Coolgardie Mineral Field)

Haoma is entitled to a royalty of $2.00 per tonne in respect of ore mined by Harmony Gold NL from the Golden Ridge mining lease M26/534.

Top Right: Inside the Comet Mine Tourist Centre

Bottom Right: Outside the Comet Mine Tourist Centre

2. Charters Towers and Ravenswood Areas, Queensland



Haoma's objectives in the Ravenswood/ Charters Towers regions have not changed and are defined as:

- to continue ongoing exploration activities that will delineate new ore reserves on Haoma's tenements to support future commercially viable gold production; and
- to establish a long term profitable mining operation.

Exploration Activities in Queensland

Exploration activity during the past year was focused on the company's mining leases in the Ravenswood area. A trenching and trial bulk-sampling program was undertaken over the Beaumont Gold Prospect on the Old Man Mining Lease (ML 1326) and the area was subsequently drill tested. Additional drilling was also undertaken at Wellington Springs (ML1415/1483) to follow up on work initiated in 2003 at the northern end of the lode structure. Other drilling included further testing of the Podosky's gold deposit and adjacent prospects on Exploration Permit 8771. A total of twenty-four RC drill holes were completed during the year for 1,400m. The results obtained from this work are detailed below.

In addition, Haoma was recently granted two new exploration permits in the region lying to the south and east of Ravenswood and work on these areas will proceed once native title provisions have been met. Some priority targets have been identified on these tenements including some historical gold mining sites that remain untested by drilling.

2.1 Old Man Lease (ML 1326)

Follow-up of previously defined gold soil anomalies by geological investigation and rock chip sampling was undertaken on the Old Man Lease and encouraging results were obtained, many from hither-to untested areas. Several rock chip results greater than 1g/t Au (up to 12.7g/t Au) with elevated base metal and silver values were obtained and additional follow-up work is warranted in order to source the mineralisation and assess its lateral extent.

2.2 Beaumont Gold Prospect

A program of trenching and bulk sampling was undertaken on the Beaumont Gold Prospect in order to gain a better appreciation of the nature of the massive quartz hosted gold mineralisation that outcrops on the prospect. Trenching undertaken in 2003 returned one interval of 18m @ 2.89g/tAu, while the results in an adjacent trench failed to intersect mineralisation. Auriferous quartz float and scree is prevalent over the prospect.

The recent trenching revealed that the quartz forms a residual blanket up to 30cms on surface overlying relatively fresh tonalite on the southern side of the historical diggings. The quartz is derived from a number of relatively massive, white quartz blows, distributed over approximately 150 metres by 50 metres on surface. Trial pits opened excavated on the quartz blows revealed that they dip towards the north at 40-80 degrees and, as a consequence the 4 percussion drill holes previously drilled on the prospect, were poorly sited. Assay results returned from bulk sampling of the dumps of the excavated quartz material were encouraging with all samples containing gold for an average grade of 3.39g/t Au with anomalous copper up to several thousand ppm.

Based on the trenching results, a total of seven RC percussion holes (206m) were drilled under the Beaumont gold prospect to test for extensions of the quartz development and gold mineralisation at depth. Two of the holes had to be abandoned short of the anticipated intersection because of drilling problems and the remaining holes failed to intersect significant gold mineralisation. The results were disappointing and suggest that the quartz development is discontinuous at depth or that faulting has displaced the mineralisation.

2.3 Podosky's Prospect (EPM 8771)

A total of 792m of RC percussion drilling was completed in 10 holes during 2004, in a bid to expand the previously defined resource of 50,000t @ 4.95 g/t Au and test the prominent IP anomaly to the southeast of the Podosky's mineralisation.

The drilling failed to increase the lateral extent of the mineralized zone but did confirm that the gold mineralisation extends vertically to 80m and remains open beyond that depth. No significant increase in tonnage has occurred and the grade remains similar at approximately 5g/t Au.

2.3 Podosky's Prospect (EPM 8771) (continued)

A relatively wide alteration zone with widespread disseminated pyrite in granodiorite, aplite and basic dyke rocks was intersected in proximity to the IP anomaly in hole PDR33. This hole was located approximately 250 metres to the southeast of the Podosky's mineralisation and sits on the strike extension of the controlling structure. Although this hole was not anomalous in gold most of the fault zone remains to be tested. Two other holes (PDR32 and PDR26) planned to test this potential both had to be abandoned short of the target zone due to drilling problems. The results are therefore inconclusive and further drilling is warranted to test the altered extension of the fault structure.

The Podosky's gold deposit remains interesting owing to its relatively high grade compared with other deposits in the Ravenswood Goldfield. Its broad similarity in geological setting to the nearby Mt Wright deposit suggests some deeper drilling may be warranted since mineralisation at Mt Wright is known to extend to a depth of over 800 metres.

A tabulation of all significant drill hole results for the Podosky's Prospect is included in Table 6.

Table 6: Podosky's Drill Hole Summary

Hole	East	North	Dip	Azimuth	Depth (m)	From (m)	To (m)	Width (m)	Assay Gold (g/t)
PDR-33	477550	7777141	-90	Vertical	90				NSR
PDR-32	477466	7777292	-60	68	82				NSR
PDR-26	477493	7777339	-60	250	66				NSR
PDR-17	477373	7777349	-60	90	46				NSR
PDR-1	477448	7777379	-60	250	44	32	36	4	0.29
PDR-23	477416	7777381	-60	70	46	29	34	5	12.06*
PDR-31	477453	7777381	-60	249	30	20	22	2	0.38
PDR-25	477471	7777383	-60	249	70	52	56	4	1.55
PDR-18	477401	7777388	-60	70	76	44	54	10	4.02
PDR-24	477484	7777397	-60	249	94	84	88	4	0.36
PDR-15	477412	7777390	-60	70	70	19	36	17	7.38*
PDR-14	477425	7777403	-60	250	30	8	15	7	1.01
PDR-4	477444	7777409	-60	250	66	45	50	5	0.4
PDR-16	477402	7777409	-60	70	58	26	37	11	8.75*
PDR-12	477421	7777413	-60	250	34	6	13	7	5.35*
PDR-3	477432	7777415	-60	250	50	21	38	17	7.76*
PDR-27	477463	7777414	-60	251	74	56	58	2	0.69
PDR-13	477441	7777428	-60	250	70	62	64	2	1.31
PDR-11	477417	7777433	-60	250	50	11	20	9	7.31
PDR-5	477437	7777437	-60	250	100	62	72	10	0.3
PDR-28	477484	7777438	-60	251	150	84	90	6	5.25
PDR-19	477405	7777447	-60	250	30	8	10	2	0.48
PDR-20	477416	7777449	-60	250	40	34	36	2	1.56
PDR-6	477415	7777450	-60	250	60	32	34	2	0.25
PDR-8	477381	7777452	-60	250	50				NSR
PDR-2	477436	7777453	-60	250	32	14	20	6	16.7*
PDR-6	477399	7777456	-60	250	60	32	34	2	0.25
PDR-2	477420	7777461	-60	250	32	14	20	6	16.80
PDR-9	477431	7777463	-60	250	40	26	32	6	13.38
PDR-30	477463	7777464	-70	250	76				NSR
PDR-21	477441	7777465	-60	250	60	43	46	3	3.86
PDR-10	477423	7777471	-60	250	40				NSR
PDR-22	477399	7777476	-60	70	30	11	14	3	11.81
PDR-29	477450	7777480	-60	249	60				NSR
PDR-7	477363	7777482	-60	250	34				NSR

*Check assays returned from 1 metre riffle split from bulk sample.
NSR = No significant result.
NB. Holes drilled in 2004 are shown in bold text.

Previous drilling on the prospect by the North Queensland Company Ltd in 1986 is shown in Table 7 for completeness.

Table 7: Podosky's Drill Hole Summary (1986)

Hole	East	North	Dip	Azimuth	From (m)	To (m)	Width (m)	Assay Gold (g/t)
PDH4	477447	7777387	-60	248	18	34	16	4.9
PDH3	477457	7777388	-60	248	36	44	8	7.6
DDH3	477459	7777389	-60	248	31.8	33.6	1.78	1.5
PDH6	477427	7777432	-60	228	10	18	8	12.0
PDH17	NA	NA			26	28	2	1.8

2.4 Podosky's North Prospect (EPM 8771)

Mapping undertaken to the north of Podosky's located some old pits and workings that possibly lie within the same structural corridor. An additional three RC holes (PDNR 3-5) were drilled in this area to test these targets. One hole (PDNR 5) tested some historical diggings adjacent to Podosky's Creek. The other two holes were designed to test a conspicuous zone of alteration and mineralisation lying to the north west of the mineralized structure that can be traced semi-continuously back to the Podosky's prospect. PNDR 3 intersected 3.85 g/t Au over a 2m interval but the narrow width limits tonnage potential. The other hole (PDNR 4) intersected a broad zone of alteration with locally disseminated pyrite but no gold mineralisation. The results indicate that the potential of the area is limited and no further work is recommended. Anomalous gold results returned from the drilling in this area to date are summarized in Table 8.

Table 8: Podosky's North Drill Hole Summary

Hole	East	North	Dip	Azimuth	From (metres)	To (metres)	Width (metres)	Assay Gold (g/t)
PDNR3	477128	7777803	-60	84	24	26	2	3.85
PDNR5	476912	7777818	-90	Vertical				NSR
PDNR2	*476841*	*7777860*	-60	*60*	*36*	*40*	*4*	*0.47*
PDNR1	*476812*	*7777876*	*-60*	*60*	*34* *48*	*36* *52*	*2* *4*	*1.27* *0.49*
PDNR4	477195	7777920	-60	255				NSR

(NSR = No significant result)

2.5 Wellington Springs (ML 1415)

An additional 4 percussion holes (WSR7 - WSR10) for 242 metres were drilled at the northern end of the Wellington Springs lode system as follow-up to some of the better results from drilling in 2003. The drilling confirmed that the lode splits into two mineralized structures in this area before disappearing under soil cover. The gold grades are variable but generally low, however, they are enhanced by very high silver values and associated copper. Historical records from underground sampling indicate an average lode width of 1.49 metres on the 14 metre level of the Wellington Springs mine (probably in the oxide zone) with an average grade over a 61 metre drive length of 6.4g/t Au, 99.9g/t Ag and 2.4% Cu. At the 51 metre level the average width was 1.19 metres but the average grade (in the sulphide zone) remained similar at 5.8g/t Au, 93.4g/t Ag and 2.27% Cu. The tenor of drilling results from the recent program (Table 9) are considered similar when an allowance is made for wall-rock dilution due to the regular 2 metre drill hole sampling interval employed.

REVIEW OF OPERATIONS

QUEENSLAND

Table 9: Wellington Springs Drill Hole Summary

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)
WSR-10	**471297**	**7774291**	**-60**	**64**	**48**	**40**	**42**	**2**	**0.81**	**15.3**	**2281**
WSR-1	471291	7774368	-60	70	22	16	18	2	0.99	18.4	3150
WSR-2	471286	7774390	-60	70	28	9	11	2	1.59	10.2	1665
						25	18	3	5.28	28.8	4190
WSR-3	471286	7774398	-60	70	30	9	13	4	3.10	8.9	1223
WSR-9	**471303**	**7774405**	**-60**	**252**	**56**	**44**	**48**	**4**	**1.28**	**1.4**	**1778**
WSR-4	471295	7774420	-60	250	46	12	13	1	5.90	326.0	2930
						36	38	2	3.78	20.5	6190
WSR-6	471288	7774426	-60	250	28	2	4	2	2.98	19.5	2840
						21	23	2	1.55	7.0	2830
WSR-8	**471308**	**7774428**	**-60**	**257**	**90**	**38**	**42**	**4**	**0.59**	**2.1**	**1428**
						70	**78**	**8**	**2.05**	**22.6**	**4680**
WSR-5	471272	7774436	-60	70	22	10	124	2	0.40	9.0	1665
WSR-7	**471295**	**7774440**	**-60**	**245**	**48**	**18**	**22**	**4**	**3.80**	**130.7**	**7895**
						38	**42**	**4**	**2.20**	**33.0**	**5860**

REVIEW OF OPERATIONS

CONSULTANT TO BOARD

Mr. Hugh Morgan, AC	Melbourne

SENIOR OPERATIONS STAFF AND TECHNICAL CONSULTANTS

Mr. Jim Wallace	Company Secretary
Mr. Bob Skrzeczynski	Marketing Director/Technical Advisor to the Board
Mr. Peter Cole	Consultant and Acting General Manager (WA)
Mr. Ron Furnell	Consulting Geologist
Mr. Daniel Sneyders	Financial Accountant
Ms. Annabel Edwards	Assistant Accountant
Mr. Joe Zabeila	Bamboo Creek
Ms. Sharon Winsor	Administration Manager
Mr. Len Morrison	Quarry Manager (Bulletin Mine)
Ms. Jolene Eden-Wishart	Joint Manager - Comet Tourist Centre
Mr. John Patey	Joint Manager - Comet Tourist Centre
Ms. Maria Boss	Manager - Top Camp, Ravenswood (Qld)

METALLURGY CONSULTANTS

Dr. Peter Scales and Mr. William Goodall	Particulate Fluids Processing Centre, University of Melbourne

CSIRO Minerals, Melbourne

Australian Laboratory Services Pty Ltd, Townsville, Brisbane, Bendigo and Perth

Ultra-Trace Laboratories, Perth

FINANCIAL STATEMENTS AND REPORTS

FOR YEAR ENDED 30 JUNE 2004

CONTENTS

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, 2004.

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)
John Dorman Elliott (resigned May 7, 2004)
Michele Levine
John Lachlan Charles McInnes

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

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, 2004, after providing for income tax, depreciation, amortisation and interest was $6,690,727

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 Economic Entity continued its mining and mineral exploration activities. The loss for the year reflects the significant expenditures undertaken in fulfilling Haoma's exploration programmes and in maintaining the established processing operations at Bamboo Creek and at Normay. A review of the operations of the Economic Entity during the financial year and the results of those operations are as follows:

Gold Mining and Mine Development

During the year, the activities of the economic entity were primarily directed to the development of a commercially viable gold mining and gold processing operation in Haoma's primary area of interest in the Pilbara region of Western Australia. Haoma has continued to upgrade the Bamboo Creek Processing Plant and in 2004 relocated the former Selwyn gold processing plant to Bamboo Creek. The Selwyn plant was purchased in November 2003, for $1.1million. In August 2004, full-time processing operations at Bamboo Creek were commenced at a rate of 400 tonnes per day and are expected to be increased to 800 tonnes per day from October 2004.

Following a successful exploration and drilling program undertaken during the year, mining operations commenced at the Bulletin Mine in April 2004. The Bulletin Mine is located approximately 4 kms from the Bamboo Creek Processing Plant. Ore mined from Bulletin is now providing feed to the Bamboo Creek Processing Plant

Exploration

During the year, exploration activities were undertaken in the company's primary areas of interest in the Pilbara region of Western Australia and in the Charters Towers/Ravenswood district of North Queensland. Major expenditures in the Pilbara region were associated with the completion of extensive drilling programs at Mickey's Find and at the Bulletin Prospect. In Queensland, exploration was undertaken by way of ground investigation supplemented by small scale drilling of specific targets.

A detailed review of operations in each area of activity is contained in the Review of Operations included in the Annual Report to members.

FUTURE DEVELOPMENTS

The Economic Entity will continue to pursue the mining and exploration for gold and other commodities. It is expected that the operations of the Economic Entity will return to profit for the financial year ending June 30, 2005.

EVENTS SUBSEQUENT TO BALANCE DATE

No 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.

INFORMATION ABOUT DIRECTORS

Gary Cordell **MORGAN**, B.Comm	Chairman
Appointment Date:	May 10, 1991
Experience:	Executive Chairman of Roy Morgan Research Pty Ltd. He is a member of a number of research and marketing organisations throughout the world.
Interest in Shares and Options:	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.
Special Responsibilities:	Audit Committee (Interim)
John Lachlan Charles **McINNES**, B.Comm, FCA	Non-executive Director
Appointment Date:	May 10, 1991
Experience:	Chartered Accountant and partner in the firm McInnes, Graham and Gibbs. Director of Pacific Hydro Ltd. and of companies associated with Haoma's Chairman, Mr Gary Morgan. Trustee of Melbourne and Olympic Parks.
Interest in Shares and Options:	Indirect interest in 126,339,704 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.
Special Responsibilities:	Chairman of Audit Committee.
Michele **LEVINE**, B.Sc (Hons), Env. St	Non-executive Director
Appointment Date:	August 8, 1994
Experience:	Director and Chief Executive Officer of Roy Morgan Research Pty Ltd.
Interest in Shares and Options:	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. Direct interest in options to acquire 2,000,000 shares in Haoma Mining NL subject to approval of option issue at 2004 Annual General Meeting
Special Responsibilities:	

No Director, during or since the end of the financial year, has received or become entitled to receive a benefit by reason of a contract made by the Company or a related body corporate with the Director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest other than as shown in Note 30 (Related Party Information) to the financial statements.

During the year Roy Morgan Research Pty Ltd 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 AND EXECUTIVES EMOLUMENTS

Disclosure relating to directors' and executive officers' emoluments has been included in Note 24 to the financial statements. The emoluments provided to board members and senior executives of the company are based upon providing a commercial remuneration for services.

Director's Fees are determined by the Board after giving consideration to the expected activity of Board members during the course of the year. The amount of emoluments provided to senior executives is determined in accordance with market rates for services provided.

There are no performance linked remuneration policies for Directors or senior executives.

OPTIONS

Options that were granted over unissued shares or interests during or since the end of the financial year by the company or any of its controlled entities to directors or any of the five most highly remunerated officers as part of their remuneration are as follows:

Name	Position	Issue Date	Number Issued	Expiry Date	Exercise Price	Result
Michele Levine	Director	Aug 8, 2003	2,000,000	Aug 6, 2004	$0.10	Lapsed - Not Exercised
Michele Levine	Director		2,000,000	Aug 8, 2005	$0.10	Options subject to approval at 2004 AGM
Jim Wallace	Secretary	Aug 8, 2003	100,000	Aug 6, 2004	$0.10	Lapsed - Not Exercised
Jim Wallace	Secretary	Aug 9, 2004	100,000	Aug 8, 2005	$0.10	Current

At the date of this report, the total unissued ordinary shares of Haoma Mining NL under option are as follows:

Issue / Announce Date	Expiry Date	Exercise Price	Number Under Option	Number Announced Subject to Approval at AGM
Aug 9, 2004	Aug 8, 2005	$0.10	2,900,000	
Aug 9, 2004	Aug 8, 2005	$0.10		2,000,000

No ordinary shares were issued on the exercise of options either during or since the end of the financial year.

DIRECTORS' MEETINGS

During the financial year there were seven 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:	7	2
Number of meetings attended by:		
Mr G C Morgan	7	-
Mr J D Elliott (resigned May 7, 2004)	5	2
Mrs M Levine	7	-
Mr J L C McInnes	7	2

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), the Environmental

Protection Act (1986) and the Aboriginal Heritage Act (1980) and in Queensland; the Mineral Resources Act (1989) and the Environmental Protection Act (1994).

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.

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.

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

Gary C. Morgan
Chairman

Melbourne,
September 30, 2004.

CORPORATE GOVERNANCE STATEMENT

The board of Directors of Haoma Mining NL 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 2004.

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	Non-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. Non-Executive Directors are leaders in their field and hold 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 Mining. 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. Mr Gary Morgan as Chairman is also the Chief Executive of Haoma Mining.

Accordingly, Haoma Mining 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 the light of the fact that entities controlled by Mr Gary Morgan hold shares in the company representing over 63% of the issued capital. Haoma Mining 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 Mining 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.

Consistent with the view of other listed companies in a similar position, it is unlikely that the company will 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 expenses on behalf of the company.

The ASX Corporate Governance Council best practice recommendations recommend that the company have a Nomination Committee and in the case of Haoma Mining the entire Board fulfils that role.

Trading Policy
The size of the company allows adherence to generally acceptable levels of integrity and ethical behaviour 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.

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.

The names and qualifications of those appointed to the Audit Committee and their attendance at meetings of the committee are included in the Directors' Report. The company had 2 members of the Audit Committee until Mr J D Elliott resigned from the Board on May 7, 2004.

The Chairman, Mr Gary Morgan was appointed as an interim member of the Audit Committee. The Present Board structure means that it is not possible to have either three members or a majority of independent Directors. The Board has not yet decided who will be Mr Elliott's replacement. A formal announcement will be made through the ASX.

Timely and Balanced Disclosures

Haoma Mining 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 so as to present positive and negative information.

The Board of Directors is very conscious of the disclosure obligations and need to comply with them. While there is no formal document covering disclosure and compliance with ASX listing rules it could be argued that the size of the company does not necessitate formal written policies and procedures other than the listing requirements themselves.

Respecting the Rights of Shareholders

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

The company recognises and respects the rights of shareholders and facilitates the effective exercise of those rights. The company empowers it 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. 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. Again it is considered the size of the company does not warrant a formally written policy in this area.

The auditors attend the 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. G. C. 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.

Although Haoma Mining 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 very much aware of the need to comply with all laws relevant to operations of the company. Again the company is small and because of its size and structure 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 will not result in good corporate governance if the culture of the company is not totally committed to good governance.

Haoma is committed to 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.

STATEMENTS OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED JUNE 30, 2004

	Note	Economic Entity		Parent Entity	
		2004 $	2003 $	**2004 $**	2003 $
Revenues from ordinary activities	2	**442,831**	32,369,113	**442,831**	32,369,113
Cost of sales		**(1,178,899)**	(6,282,930)	**(1,178,899)**	(5,883,681)
Test work and plant configuration expenditure		**(2,461,961)**	-	-	-
Exploration and tenement costs expensed		**(2,812,030)**	(621,498)	**(2,089,083)**	(621,498)
Borrowing costs	3	**(8,724)**	(366,206)	**(8,720)**	(366,192)
Depreciation and amortisation costs	3	**(1,484,121)**	(1,850,595)	**(334,041)**	(396,339)
Carrying value of joint venture assets and participating interest sold	3	**-**	(20,425,970)	**-**	(20,425,970)
Administration and compliance costs		**(957,008)**	(2,685,202)	**(868,465)**	(1,942,235)
Profit (loss) from ordinary activities before income tax expense		**(8,459,912)**	136,712	**(4,036,377)**	2,733,198
Income tax (expense) benefit relating to ordinary activities	4	**1,499,185**	1,157,617	**511,270**	(481,664)
Net profit (loss) attributable to members of the parent entity		**(6,960,727)**	1,294,329	**(3,525,107)**	2,251,534
Basic earnings (loss) per share (cents per share)		**(3.61)**	0.67		
Diluted EPS		**(3.61)**	0.67		

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

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2004

	Note	Economic Entity		Parent Entity	
		2004	2003	**2004**	2003
		$	$	**$**	$
Current Assets					
Cash Assets	6	**106,093**	6,901,857	**99,186**	6,902,607
Receivables	7	**41,105**	532,281	**2,999,541**	1,193,375
Inventories	8	**539,032**	414,491	**303,844**	165,976
Total Current Assets		**686,230**	7,848,629	**3,402,571**	8,261,958
Non-Current Assets					
Other financial assets	9	**-**	-	**4,071,752**	4,071,752
Property, plant and equipment	10	**3,225,401**	848,076	**3,017,666**	848,076
Exploration and evaluation	11	**20,637,233**	20,342,094	**18,127,664**	17,832,523
Intangibles	13	**2,747,308**	3,877,791	**-**	-
Total Non-Current Assets		**26,609,942**	25,067,961	**25,217,082**	22,752,351
Total Assets		**27,296,172**	32,916,590	**28,619,653**	31,014,309
Current Liabilities					
Payables	14	**1,215,618**	598,434	**925,250**	520,860
Interest bearing liabilities	15	**1,126,665**	-	**1,126,665**	-
Provisions	16	**103,133**	98,388	**103,133**	95,454
Tax Liability	17	**749,866**	749,866	**749,866**	749,866
Total Current Liabilities		**3,195,282**	1,446,688	**2,904,914**	1,366,180
Non-Current Liabilities					
Payables	14	**1,155,000**	1,155,000	**-**	-
Interest bearing liabilities	15	**1,090,902**	-	**1,090,902**	-
Deferred tax liabilities	17	**-**	1,499,187	**-**	1,499,187
Total Non-Current Liabilities		**2,245,902**	2,654,187	**1,090,902**	1,499,187
Total Liabilities		**5,441,184**	4,100,875	**3,995,816**	2,865,367
Net Assets		**21,854,988**	28,815,715	**24,623,837**	28,148,942
Shareholders Equity					
Contributed Equity	18	**59,662,124**	59,662,124	**59,662,124**	59,662,124
Reserves	21	**11,299,489**	11,299,489	**5,904,526**	5,904,525
Accumulated Losses	22	**(49,106,625)**	(42,145,898)	**(40,942,813)**	(37,417,707)
Total Shareholders' Equity		**21,854,988**	28,815,715	**24,623,837**	28,148,942

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2004

	Note	Economic Entity		Parent Entity	
		2004	2003	**2004**	2003
		$	$	**$**	$
Cash flows from operating activities					
Cash receipts in the course of operations		**55,984**	3,524,631	**55,984**	3,458,294
Interest received		**136,201**	115,041	**136,201**	115,041
Other income		**210,469**	248,619	**210,369**	248,619
Cash payments to suppliers and employees		**(3,859,925)**	(11,798,599)	**(1,532,509)**	(10,813,588)
Interest paid		**(3)**	(366,206)	**-**	(366,192)
Net cash provided by (used in) operating activities	32	**(3,457,274)**	(8,276,514)	**(1,129,955)**	(7,357,826)
Cash flows from investing activities					
Purchase of property, plant and equipment		**(2,812,418)**	(342,227)	**(2,585,085)**	(320,424)
Purchase of plant & equipment - Nolan's		**-**	(3,882)	**-**	(3,882)
Disposal of property, plant and equipment		**1,500,000**	-	**1,500,000**	-
Exploration and development expenditure capitalised		**(2,575,719)**	(1,120,872)	**(1,852,772)**	(1,120,872)
Sale of Joint Venture		**-**	20,000,000	**-**	20,000,000
Net cash provided by (used in) investing activities		**(3,888,137)**	18,533,019	**(2,937,857)**	18,554,822
Cash flows from financing activities					
Loans from related parties		**759,404**	4,712,692	**759,404**	3,772,951
Repayment of related party loan		**-**	(8,081,048)	**(3,285,257)**	(8,081,048)
Finance Lease Repayment		**(209,757)**	-	**(209,757)**	-
Net cash provided by (used in) financing activities		**549,647**	(3,368,356)	**(2,735,610)**	(4,308,097)
Net increase (decrease) in cash held		**(6,795,764)**	6,888,149	**(6,803,422)**	6,888,899
Cash at the beginning of the financial year		**6,901,857**	13,708	**6,902,607**	13,708
Cash at the end of the financial year	6	**106,093**	6,901,857	**99,185**	6,902,607

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

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

1 *Summary Of Significant Accounting Policies*

The principal accounting policies adopted by Haoma Mining NL and its Controlled Entities are stated to assist in a general understanding of the financial statements. The accounting policies have been consistently applied by all entities comprising the Economic Entity unless otherwise stated

(a) Basis of Preparation

The general purpose financial report has been prepared in accordance with Accounting Standards, or other mandatory professional reporting requirements and the Corporation Act 2001.

The financial report covers the economic entity of Haoma Mining NL and controlled entities and Haoma Mining NL as an individual party entity. Haoma Mining NL is listed public company, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account chaning money values or, except where stated current valuations on non-current assets. Costs are based on the fair value of the consideration given in exchange for assets.

Non-current assets other than Exploration and Evaluation are carried at the lower of cost and net realisable value. Net realisable value is the amount expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the asset. In the determination of net realisable value, cash flows have not been discounted to present value.

Unless otherwise staed, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

(b) Principles of Consolidation

The consolidated accounts incorporate the assets and liabilities of Haoma Mining NL ("Parent Entity") and all of its Controlled Entities as at 30 June 2004. A Controlled Entity is any entity controlled by the Parent Entity where that entity has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity to achieve the objectives of the Parent Entity. Haoma Mining NL and its Controlled Entities together are referred to in this financial report as the "Economic Entity". The effects of all transactions between entities are eliminated within the economic entity on consolidation.

(c) Going Concern

The Economic Entity recorded a consolidated loss of $6,960,727 (2003: Profit $1,294,329) for the year. It has a net current liability $2,509,052 (2003: Net Asset $6,401,941) and positive shareholders funds of $21,854,988 (2003: $28,815,715). Net Tangible Assets $19,107,680 (2003: $24,937,924).
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. To support the ongoing operations of the Economic Entity, Mr. Gary Morgan, Director and Chairman, has given an undertaking that he will personally ensure that funds will be available to the Economic Entity to ensure that there is no shortfall of funding required for operations for a period of at least 12 months from the date of this report. At June 30, 2004 Mr. Morgan had advanced funds of $768,121 to the company.

(d) Revenue Recognition

Sales are recorded as revenue when, and only when there has been a passing of ownership to the customer, and:
- the product is in a form suitable for delivery and no further processing is required by, or on behalf of, the producer;
- the quantity and quality of the product can be determined with reasonable accuracy;
- the product has been dispatched to the customer and is no longer under the physical control of the producer (or property in the product has earlier passed to the customer); and
- the selling price can be determined with reasonable accuracy.

Sales revenue represents gross proceeds receivable from the customer.

(e) Income Tax

Income tax has been brought to account using the liability method of tax effect accounting.

Income tax expense is calculated on operating profit or loss adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the Statement of Financial Position as a deferred tax asset or as a deferred tax liability. The future tax benefit related to tax losses is not carried forward as an asset unless realisation of the benefit is virtually certain.

Haoma Mining NL and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the Tax Consolidation provisions of Australian Income Tax Law with effect from July 1, 2003. Haoma is responsible for recognising the current and deferred tax assets and liabilities for the consolidated group. It is proposed that the entities in the consolidated group will enter into a tax sharing agreement whereby each company in the group will contribute to income tax payable in proportion to its contribution to the net tax result.

1 *Summary Of Significant Accounting Policies (continued)*

(f) Inventories

Inventories are accounted for as follows:

- Stores are valued at the lower of cost and net realisable value.
- Inventories of ROM, work in process, heap leach material and gold bullion are physically measured or estimated and are valued at the lower of cost and recoverable amount (that is, net realisable value).
- Cost includes all mining, milling and processing expenditure as well as all administration expenditure directly associated with the production of metal.

The Directors believe that the ability to extract gold from Pilbara ores on a commercial scale is dependant upon the Elazac Process, which has not yet been proven in full scale operation. The Elazac Process is presently being tested at the Bamboo Creek Plant to process various Pilbara ores. If the Elazac Process is successful in the extraction of gold on a commercial scale then the inventories may be re-valued.

(g) Investments

Investments have been brought to account as follows:

- At cost or Directors' valuation as noted in the financial statements.
- Where, in the opinion of the Directors, there has been a permanent diminution in the value of investments a provision for diminution has been made.

(h) Property, Plant and Equipment

Property, plant and equipment is brought to account at cost or Directors' valuation less, where applicable, any accumulated depreciation or amortisation. The carrying value of property, plant & equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from those assets.

Unless otherwise stated, all fixed assets are depreciated on a straight line basis over their expected useful lives to the economic entity commencing from the time the asset is held ready for use. The estimated useful life of plant and equipment is between 5 and 10 years depending on the nature of the asset.

(i) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is accumulated in respect of each identifiable area of interest. These costs are carried forward provided that:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and significant operations in relation to the area are continuing.

Ultimate recoupment of these costs is dependent on successful development and commercial exploitation of the respective areas.

Exploration and evaluation expenditure in respect of identifiable areas of ongoing interest is amortised over the expected future life of production output.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of no value, accumulated costs that have previously been carried forward are written off in the year in which that assessment is made.

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.

1 *Summary Of Significant Accounting Policies (continued)*

(j) Mining Leases

Mining leases are valued at cost or Directors' valuation. All leases are amortised over the estimated useful life of mining operations based on the amount of remaining economically recoverable ore reserves. Leases are not amortised where there is no operating activity.

A regular review of leases is undertaken to determine that the leases are not shown at values in excess of their recoverable amount.

(k) Goodwill

Goodwill of $2,747,309 (2003:$3,877,791) shown in the financial statements, represents the written down value at 30 June 2004. Goodwill is being amortised over 15 years on a straight-line basis.
The Directors believe the value of Kitchener Mining NL, together with the tenements and mining interests owned by Haoma Mining will realise, over a period of time, gold and other minerals which can be profitably extracted using the Bamboo Creek mill.

Kitchener Mining NL owns the Bamboo Creek mill which has been re-engineered to process Pilbara region ores, the Bamboo Creek tailings and the Bamboo Creek ore dumps using the Elazac Process. The Directors recognise that there is no certainty until the Elazac Process can commercially recover minerals. The Directors consider that results to date indicate that the Elazac Process will be successful in realising revenue from the assets of Kitchener and justify the carrying value of goodwill.

(l) Trade and Other Creditors

These unpaid amounts represent liabilities for goods and services provided to the Economic Entity prior to the end of the financial year. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Employee Entitlements

Provision is made for liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions made by the economic entity to employee superannuation funds are charged as expenses when incurred.

(n) Gold Hedging

Hedging is undertaken in order to avoid or minimise possible adverse financial or cash flow effects of movements in commodity prices. Premiums received or costs arising upon entering into forward sale or option contracts intended to hedge specific future production are deferred until the hedged production is delivered. The value received from restructuring hedging contracts, together with subsequent realised and unrealised gains or losses, are also deferred until the hedged production is delivered.

In circumstances where a hedging transaction is terminated prior to maturity because the hedged production is no longer expected to be produced then deferred gains or losses are recognised in the Statement of Financial Performance on the date of termination. If the hedging transaction is terminated or restructured or redesignated prior to its maturity date and the hedged transaction is still expected to occur, deferral of any gains or losses continue until the originally hedged production is delivered. These amounts are shown as deferred revenue.

The gross value of the underlying derivative financial instruments entered into for hedging is not recognised in the financial statements.

1 *Summary Of Significant Accounting Policies (continued)*

(o) Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of accruals

(p) Restoration & Rehabilitation

Restoration and rehabilitation cost are accrued over the life of the mining operations. Costs which are reassessed at least annually, are estimated on the basis of current undiscounted cost, current legal requirements and current technology.

(q) Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

Haoma Mining's management, are assessing the significance of these changes and preparing for their implementation. An IFRS committee has been established to oversee and manage the economic entity's transition to IFRS. We will seek to keep stakeholders informed as to the impact of these new standards as they are finalised.

The directors are of the opinion that the key differences in the economic entity's accounting policies which will arise from the adoption of IFRS are:

• Impairment of Assets
Haoma Mining currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of pending AASB 136: Impairment of Assets, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised more often than under the existing policy.

• Goodwill on Consolidation
Under the proposed changes to the IAS 22: Business Combinations, goodwill is to be capitalised to the statement of financial position and subject to an annual impairment test. Amortisation of goodwill is to be prohibited. Current accounting policy of the entity is to amortise goodwill on a straight line basis over the period of 20 years.

• Income Tax
Currently, Haoma Mining adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit. Under the Australian equivalent to IAS 12, the economic entity will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of the timing and permanent differences between taxable income and profit.

• Derivative Financial Instruments
Haoma Mining does not currently recognise derivative financial instruments in the financial statements. Pending AASB 139: Financial Instruments: Recognition and Measurement will require a change to the method of accounting for derivative financial instruments and hedging activities so that they are recorded in the financial statements.

• Extractive Industries
Haoma Mining's operations are in the mining and exploration industry. The draft IFRS on Extractive Industries is not due for release until the fourth quarter of 2004.. Accordingly, the impact of any change from the existing AASB 1022 Accounting for Extractive Industries is not vet determinable.

	Economic Entity		Parent Entity	
	2004	2003	**2004**	2003
	$	$	**$**	$
2 *Revenue*				
Operating activities: -				
Gold sales	55,984	3,558,472	55,984	3,558,472
Deferred Revenue now recognised	-	4,720,624	-	4,720,624
Gain on Settlement	-	3,659,892	-	3,659,892
Sale of Joint Venture Interest:				
- mining lease	-	5,655,284	-	5,655,284
- joint venture participant's interest	-	13,573,861	-	13,573,861
- inventories	-	770,855	-	770,855
Non-operating activities: -				
Interest received				
- other persons	136,201	115,042	136,201	115,042
Other Revenue	250,646	315,083	250,646	315,083
Revenue provided by operating activities	442,831	32,369,113	442,831	32,369,113
3 *Profit From Ordinary Activities*				
Profit from ordinary activities before income tax is arrived at after (crediting) and charging the following specific items:				
Borrowing costs				
Interest paid to director	**8,724**	322,784	**8,720**	322,784
Interest paid to financial institutions	**-**	43,422	**-**	43,408
Total borrowing costs	**8,724**	366,206	**8,720**	366,192
Depreciation				
Depreciation of property, plant and equipment	**353,639**	482,300	**334,041**	158,526
Amortisation				
Amortisation of Joint Venture assets	**-**	125,825	**-**	125,825
Amortisation of deferred mining expenditure	**-**	111,988	**-**	111,988
Amortisation of goodwill	**1,130,482**	1,130,482	**-**	-
Total Depreciation & Amortisation	**1,484,121**	1,850,595	**334,041**	396,339
Recoverable write-down				
Plant and equipment carrying value	-	(649,415)	-	-
Joint Venture Assets and Participating Interests				
Mining Lease	-	717,325	-	717,325
Joint Venture Participant's Interest	-	12,842,571	-	12,842,571
Inventories	-	6,866,074	-	6,866,074
	-	20,425,970	-	20,425,970
Provision for employee entitlements	**(4,743)**	(135,486)	**(7,676)**	(118,761)
Provision for restoration and rehabilitation	**-**	(1,281,907)	**-**	(1,281,907)
Government royalties	**-**	80,047	**-**	80,047

		Economic Entity		Parent Entity	
	Note	**2004 $**	2003 $	**2004 $**	2003 $
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 profit before income tax		(8,459,912)	136,712	(4,036,377)	2,733,198
Prima facie income tax expense (benefit) calculated at 30% (2003 - 30%)					
- Economic Entity		(2,537,974)	41,014	-	-
- Parent Entity		-	-	(1,210,914)	819,959
- Other Members of the Income Tax Consolidated Group		-	-	(987,915)	-
Tax effect of permanent differences:					
Amortisation of goodwill		339,145	339,144	-	-
Tax losses not recognised					
- Economic Entity		699,644	-	-	-
- Other Members of the Income Tax Consolidated Group				699,644	
Consideration paid for tax losses		-	-	-	2,592,715
Income Tax expense benefit arising under tax sharing agreement in the tax consolidated group			-	987,915	-
Tax losses and deferred tax timing difference not previously brought to account		-	(1,537,775)	-	(2,931,010)
Income tax expense (benefit) attributable to operating profit		**(1,499,185)**	(1,157,617)	**(511,270)**	481,664
Income tax expense consists of:					
Increase (decrease) in deferred tax liabilities		99,730	(2,860,914)	99,730	(2,860,914)
Consideration paid for tax losses from controlled entity		-	-		2,592,713
Benefit arising from tax sharing agreement in the tax consolidated group.		-	-	987,915	
(Increase) Decrease in deferred tax asset		(1,598,915)	953,434	(1,598,915)	
Increase (Decrease) in income tax payable		-	749,863	-	749,863
		(1,499,185)	(1,157,617)	**(511,270)**	481,662

5 *Dividends provided for or paid*

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

6 *Cash assets*

Cash at Bank		**106,093**	140,720	**99,186**	141,471
Term deposit		**-**	6,761,137	**-**	6,761,137
Cash at bank and on hand		**106,093**	6,901,857	**99,186**	6,902,607

		Economic Entity		Parent Entity	
	Note	**2004 $**	2003 $	**2004 $**	2003 $
7 *Receivables*					
Other debtors		**41,105**	829	**41,105**	829
Related bodies corporate -					
Kitchener Mining NL		**-**	-	**2,958,436**	661,094
Elazac Mining Pty Ltd		**-**	531,452	**-**	531,452
		41,105	532,281	**2,999,541**	1,193,375
8 *Inventories*					
Stores - at Cost		**60,090**	338,915	**60,090**	107,538
Work in progress - at net realisable value		**478,942**	75,576	**243,754**	58,438
		539,032	414,491	**303,844**	165,976
9 *Other Financial Assets*					
Controlled Entities - Unlisted securities at cost		**-**	-	**23,204,784**	23,204,784
less provision for diminution		**-**	-	**(19,133,032)**	(19,133,032)
		-	-	**4,071,752**	4,071,752

* Refer to Note 1(k)

Investment In Controlled Entities	**Beneficial Interest**	
	2004 %	2003 %
North West Mining NL	**100**	100
Exploration Geophysics Pty Ltd	**100**	100
Kitchener Mining NL	**100**	100
Shares held by Kitchener Mining NL		
- Bamboo Creek Management Pty Ltd	**100**	100

All Controlled Entities are incorporated in Australia.

		Economic Entity		Parent Entity	
	Note	**2004 $**	2003 $	**2004 $**	2003 $
10 ***Property, Plant and Equipment***					
Mill (at cost)		**1,500,000**	1,500,000	**-**	-
Accumulated depreciation		**(1,500,000)**	(1,500,000)	**-**	-
		-	-	**-**	-
Lease-holding buildings (at cost)		**207,990**	207,990	**-**	-
Accumulated depreciation		**(207,990)**	(207,990)	**-**	-
		-	-	**-**	-
Plant and equipment (at cost)		**5,727,482**	4,557,131	**2,721,225**	1,778,207
Accumulated depreciation		**(3,986,188)**	(3,709,055)	**(1,187,667)**	(930,131)
		1,741,294	848,076	**1,533,559**	848,076
Leased plant and equipment (at cost)		**1,500,000**	-	**1,500,000**	-
Accumulated amortisation		**(15,893)**	-	**(15,893)**	-
		1,484,107	-	**1,484,107**	-
Total property, plant and equipment		**3,225,401**	848,076	**3,017,666**	848,076

Movements in carry amounts **(a) Plant and equipment**	Economic Entity $	Parent Entity $
Balance at the beginning of the year	848,076	848,076
Additions	2,812,416	2,585,096
Disposals	(1,581,452)	(1,581,464)
Depreciation/Amortisation expense	(337,746)	(318,149)
Carrying amount at the end of the year	**1,741,294**	**1,533,559**

Movements in carry amounts **(b) Leased plant and equipment**	Economic Entity $	Parent Entity $
Balance at the beginning of the year	**-**	**-**
Additions	1,500,000	1,500,000
Disposals	**-**	**-**
Depreciation/Amortisation expense	(15,893)	(15,893)
Carrying amount at the end of the year	**1,484,107**	**1,484,107**

	Note	Economic Entity 2004 $	Economic Entity 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
11 *Exploration & Evaluation*					
Mining Leases - at cost		**15,302,796**	15,211,752	**12,802,796**	12,711,752
Exploration and evaluation expenditure - at cost		**7,062,443**	6,858,348	**5,990,629**	5,786,532
Accumulated amortisation - Exploration		**(1,728,006)**	(1,728,006)	**(665,761)**	(665,761)
Total exploration and evaluation		**20,637,233**	20,342,094	**18,127,664**	17,832,523
Exploration & Evalauation costs by phase					
Exploration and evaluation phase		**17,045,921**	16,887,771	**17,036,352**	16,878,200
Development phase		**1,091,312**	954,323	**1,091,312**	954,323
Production phase		**2,500,000**	2,500,000	**-**	-
Total exploration and evaluation		**20,637,233**	20,342,094	**18,127,664**	17,832,523

(a) Movements in carrying amounts	Economic Entity	Parent Entity
Carrying amount at the beginning of the year	20,342,094	17,832,523
Additions	3,107,170	2,384,224
Exploration and evaluation costs written off	(2,812,031)	(2,089,082)
Carrying amount at the the end of the year	20,637,233	18,127,664

12 *Deferred tax assets*					
Future income tax benefit consists of :					
Income Tax Losses		**1,598,915**	-	**1,598,915**	-
Deferred tax assets		**1,598,915**	-	**1,598,915**	-

*The deferred tax assets relating to tax losses has been set off against deferred tax liabilities to the extent those losses are expected to reduce deferred tax liabilties. Refer to note 17.

13 *Intangibles*					
Goodwill on consolidation		**18,867,536**	18,867,536	-	-
Less Amortisation		**(16,120,227)**	(14,989,745)	-	-
		2,747,309	3,877,791	-	-

14 *Payables*					
(Current)					
Trade creditors & accruals		**1,111,026**	493,842	**820,658**	416,268
Other creditors		**104,592**	104,592	**104,592**	104,592
		1,215,618	598,434	**925,250**	520,860
(Non-Current)					
Amounts due to related parties		**1,155,000**	1,155,000	**-**	-

	Note	Economic Entity 2004 $	Economic Entity 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
15 *Interest Bearing Liabilities*					
(Current)					
Amount due to director (unsecured)		**768,121**	-	**768,121**	-
Hire purchase (refer to note 22)		**358,544**	-	**358,544**	-
		1,126,665	-	**1,126,665**	-
(Non-current)					
Hire purchase (refer to note 22)		**1,090,902**	-	**1,090,902**	-
		1,090,902	-	**1,090,902**	-

The lease purchase agreement in respect of mining equipment commenced in 2004 and is a 5-year lease. The equipment is being leased from the National Australia Bank. The borrowing is secured against the equipment under lease.

16 *Provisions*					
Current					
Provision for employee entitlements		**103,133**	98,388	**103,133**	95,454
(a) Number of employees at year-end.		**43**	23	**43**	23
17 *Tax Liabilities*					
Current					
Income Tax		**749,866**	749,866	**749,866**	749,866
Non-Current					
Provision for deferred income tax		**1,598,915**	1,499,187	**1,598,915**	1,499,187
Less Future income tax benefit		**(1,598,915)**	-	**(1,598,915)**	-
Net Provision for Deferred Income Tax		**-**	1,499,187	**-**	1,499,187

The provision for deferred tax asset recognises the future income tax benefit from carry forward tax losses to the extent that those losses would reduce deferred tax liabilities.

18 *Contributed Equity*					
Issued capital:					
192,993,655 Ordinary shares fully paid (2003: 192,993,655)		**59,662,124**	59,662,124	**59,662,124**	59,662,124

On August 8, 2003, 4,900,000 share options were issued to a director, employees and consultants of the company. The non-recounceable options could be converted to an equivalent number of Haoma Mining NL shares at an exercise price of 10 cents per share. The options lapsed on the first anniversary of the issue date. No options were exercised.
On August 9, 2004, 2,900,000 Share Options were issued to employee and consultants of the company. The non-renouceable options may be converted to an equivalent number of Haoma Mining NL shares at an exercise price of 10 cents per share. If not exercised the options will laspe on the first anniversary of the issue date.

19 *Earnings Per Share*

	Economic Entity	
	2004	**2003**
Earnings (loss) per share - cents	(3.61)	0.67
Diluted earnings (loss) per share - cents	(3.61)	0.67

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 (2003: 192,993,655).

The loss for the year used in the calculation of basic and diluted earnings per share is $6,960,727. (2003: profit $1,294,329)

As at 30 June 2004 the company had options on issue over unissued capital, refer to note 18. As the exercise of these options would decrease basic loss per share, these options are not considered dilutive.

20 *Australian Stock Exchange Preliminary Final Report*

Subsequent to filling the Preliminary Final Report (Appendix 4E) for the year ended 30 June 2004 with The Australian Stock Exchange on 31st August 2004, the following amendments which are considered material in effct on the results of the Economic Entity and other information contained within the Preliminary Final Report were made to the financial statements:

	Economic Entity	
	Preliminary Final Report	**Audited Financial Statements**
Statement of Financial Performance		
Exploration & development expense	2,683,699	2,812,030
Income Expense (Benefit)	-	(1,499,185)
Net Profit (Loss) attributable to members of the Economic Entity	(8,431,311)	(6,960,727)
Statement of Financial Position		
Capitalised exploration & development costs	20,765,564	20,637,233
Deferred tax liability	1,598,915	-

		Economic Entity		Parent Entity	
	Note	**2004**	2003	**2004**	2003
		$	$	**$**	$
21 ***Reserves***					
Capital profits		**6,178,490**	6,178,490	**5,063,607**	5,063,606
Forfeited shares		**4,425**	4,425	**4,425**	4,425
Asset revaluation reserve		**5,116,574**	5,116,574	**836,494**	836,494
Closing Balance		**11,299,489**	11,299,489	**5,904,526**	5,904,525
(a) Capital profits reserve					
Opening Balance		**6,178,490**	6,178,490	**5,063,607**	5,063,606
Movements during the year		-	-	-	-
Closing Balance		**6,178,490**	6,178,490	**5,063,607**	5,063,606
(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
(c) Asset revaluation reserve					
Opening Balance		**5,116,574**	5,116,574	**5,116,574**	5,116,574
Movements during the year		-	-	-	-
Closing Balance		**5,116,574**	5,116,574	**5,116,574**	5,116,574
22 ***Accumulated Losses***					
Accumulated profits at the beginning of the year		**(42,145,898)**	(43,440,227)	**(37,417,707)**	(39,669,241)
Net profit (loss) attributable to the members of the parent entity		**(6,960,727)**	1,294,329	**(3,525,107)**	2,251,534
Accumulated profits at the end of the year		**(49,106,625)**	(42,145,898)	**(40,942,813)**	(37,417,707)
23 ***Lease and Hire Purchase Commitments***					
Capital Cost of Items Leased					
Mining Equipment		**1,650,000**	-	**1,650,000**	-
Lease and Hire Purchase Commitments Payable					
- Payable within 1 year		**358,544**	-	**358,544**	-
- Payable after 1 year but before 2 years		**358,544**		**358,544**	
- Payable after 2 years but not more than 5 years		**1,015,874**		**1,015,874**	
		1,732,962	**-**	**1,732,962**	**-**
Deferred interest costs		**283,516**		**283,516**	
		1,449,446	**-**	**1,449,446**	**-**
Current liability		**358,544**	-	**358,544**	-
Non-current liability		**1,090,902**	-	**1,090,902**	-

The lease purchase agreement in respect of mining equipment commenced in 2004 and is a 5-year lease. The equipment is being leased from the National Australia Bank. The borrowing is secured against the equipment under lease.

24 *Directors' and Executives' Remuneration*

(a) Names and positions held of parent entity directors and specified executives in office at any time during the financial year are:

Parent Entity Directors

Mr. Gary C. Morgan	Chairman - Executive	
Mrs. Michele Levine	Director - Non-Executive	
Mr. John L. C. McInnes	Director - Non-Executive	
Mr John D Elliott	Director - Non-Executive	- resigned May 7, 2004

Specified Executives

Mr. James Wallace	Company Secretary
Mr. Cameron Skinner	General Manager and Mining Manager
Mr. Robert Skreczytnski	Marketing Director / Technical Advisor to the Board

There are no other specified executives who are directly accountable and responsible for the strategic direction and operational management of Haoma Mining and its wholly owned subsidiary.

(b) Parent Entity Directors Remuneration

	Primary				Post Employment	Equity	Other	Total
	Salary, Fees & $000	Super-annuation $000	Cash Bonus $000	Non -cash Benefits $000	Super-annuation $000	Options $000	$000	$000
2004								
Mr. Gary C. Morgan	40,000	-	-	-	-	-	-	40,000
Mrs. Michele Levine	40,000	3,600	-	-	-	34,800	-	78,400
Mr. John L. C. McInnes	40,000	3,600	-	-	-	-	-	43,600
Mr John D Elliott	34,066	3,066	-	-	-	-	-	37,132
	154,066	10,266	-	-	-	34,800	-	199,132
2003								
Mr. Gary C. Morgan	40,000	-	-	-	-	-	-	40,000
Mrs. Michele Levine	40,000	3,600	-	-	-	-	-	43,600
Mr. John L. C. McInnes	40,000	3,600	-	-	-	-	-	43,600
Mr John D Elliott	40,000	3,600	-	-	-	-	-	43,600
	160,000	10,800	-	-	-	-	-	170,800

(c) Specified Executives' Remuneration

	Primary				Post Employment	Equity	Other	Total
	Salary, Fees & $000	Super-annuation $000	Cash Bonus $000	Non -cash Benefits $000	Super-annuation $000	Options $000	$000	$000
2004								
Mr. James Wallace	68,000	10,000	-	-	-	1,740	-	79,740
Mr. Cameron Skinner	137,614	12,385				1,740		151,739
Mr. Bob Skreczytnski	94,001	8,460				1,740		104,201
	299,615	30,845	-	-	-	5,220	-	335,680
2003								
Mr. James Wallace	70,615	10,385	-	-	-	-	-	81,000
Mr. Cameron Skinner	142,907	12,862	-	-	-	-	-	155,769
Mr. Robert Skreczytnski	95,271	8,574	-	-	-	-	-	103,845
	308,793	31,821	-	-	-	-	-	340,614

(d) Remuneration Options

Options Granted as Remuneration

	Vested No.	Granted No.	Grant Date	Value per option at grant date $	Exercise Price $	First Exercise Date	Last Exercise Date
Parent Entity Directors							
Mrs Michele Levine	2,000,000	2,000,000	8.8.03	0.0174	0.10	8.8.03	8.8.04
Specified Executives							
Mr. James Wallace	100,000	100,000	8.8.03	0.0174	0.10	8.8.03	8.8.04
Mr. Cameron Skinner	100,000	100,000	8.8.03	0.0174	0.10	8.8.03	8.8.04
Mr. Robert Skreczytnski	100,000	100,000	8.8.03	0.0174	0.10	8.8.03	8.8.04

Options expire on the first anniversary date of the issue date

The options are in recognition of the services provided to Haoma over the last 2 years.

(e) Shares Issued on Exercise of Remuneration Options

Options Granted as Remuneration

	No of Ordinary Shares Issued	Amount Paid per Share $	Amount Unpaid per Share $
Parent Entity Directors			
Mrs Michele Levine	-	-	-
Specified Executives			
Mr. James A Wallace	-	-	-
Mr. Cameron Skinner			
Mr. Robert Skreczytnski			

(f) Shareholdings

Number of Shares held by Parent Entity Directors and Specified Executives

	Balance 1.7.03	Received as Remuneration	Options Exercised	Net Change Other*	Balance 30.6.04
Parent Entity Directors					
Mr. Gary C. Morgan (1)	128,182,961	-	-	-	128,182,961
Mrs. Michele Levine (1)	6,250,452	-	-	-	6,250,452
Mr. John L. C. McInnes (1)	128,384,204	-	-	(500,000)	127,884,204
Mr John D Elliott	16,080	-	-	-	16,080
Specified Executives					
Mr. James A Wallace	-	-	-	-	-
Mr. Cameron Skinner	-	-	-	-	-
Mr. Robert Skreczytnski	-	-	-	-	-

* 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).
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).

(g) Remuneration Practices

The company's policy for determining the nature and amount of emoluments of board members and senior executives of the company is as follows:

The remuneration structure for executive officers, including executive directors, is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts for service between the company and specified directors and executives are on a continuing basis the terms of which are not expected to change in the immediate future. Upon retirement specified directors and executives are paid employee benefit entitlements accrued to date of retirement.

25 *Auditors Remuneration*

	Economic Entity		Parent Entity	
	$	$	$	$
Remuneration of the auditor of the Economic Entity:				
- auditing and reviewing the financial accounts	**38,500**	46,050	**38,500**	49,000
- taxation services	**4,060**	36,953	**4,060**	22,408
	42,560	83,003	**42,560**	71,408

26 *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.

27 *Expenditure Commitments*

(a) Exploration Commitments

In order to maintain current rights of tenure to mining tenements, the Economic 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.

	Economic Entity		Parent Entity	
	2004	2003	**2004**	2003
	$	$	**$**	$
- not later than one year	2,210,881	2,054,695	1,964,703	1,809,135
- later than one year but not later than five years	5,521,094	6,012,716	4,621,146	5,115,287
- later than five years	5,748,075	6,828,425	5,094,837	5,952,199
	13,480,050	14,895,836	11,680,686	12,876,621

Expenditure on tenements will only be incurred where the Economic 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, in certain 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.

(b) Bank Guarantees

The Economic Entity's banker has provided indemnity guarantees to the Department of Minerals and Energy of Western Australia and to the Department of Natural Resources and Mines of Queensland, for the purposes of guaranteeing the Economic Entity's performance in accordance with relevant States' mining law.

The performance relates to the requirement that the Economic Entity adheres to the terms and conditions of its mining leases with respect to site restoration. The Directors do not anticipate that any guarantees will be exercised as the Economic Entity adheres to the terms and conditions of its leases.

28 *Other Commitments*

The Parent Entity has provided a "letter of support" in respect of the financial support to its controlled entity, Kitchener Mining NL.

29 *Contingent Liabilities*

(a) 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.

(b) 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 pa.

30 *Related Party Information*

Directors

The names of each person holding the position of Director of Haoma Mining NL during the financial year were Mr G. C. Morgan, Mr J. D. Elliott, Mrs M. Levine and Mr J. L. C. McInnes. All of these persons were also directors during the year ended June 30, 2003.

Director-Related Entities

Roy Morgan Research Pty Ltd is a company of which Mr G.C. Morgan, Mrs M. Levine and Mr J.L.C. McInnes are Directors. Mrs M. Levine is also the Chief Executive.

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

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

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

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

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 the Parent Entity. That support is continuing. Roy Morgan Research has charged a management fee of $25,000 per month for those services. During the year to 30th June 2004 the Parent Entity paid management fees of $300,000 (2003: $300,000) to Roy Morgan Research Pty Ltd.

During the year to 30th June 2004 Gary & Genevieve Morgan advanced funds $768,121 to Haoma to support the operations. The balance payable to Gary & Genevieve Morgan at June 30, 2004 was $768,121 (2003: Nil). Interest is payable 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 $8,717 (2003:$322,784) has been charged for the financial year ended 30 June 2004.

During the year to 30 June 2004, mining and exploration leases registered to Elazac Mining Pty Ltd were transferred to Haoma Mining NL. The transfer of leases was approved by shareholders at the 2003 Annual General Meeting and extinguished the amount of $531,452 recievable from Elazac Mining Pty Ltd.

Related Party Transactions - Controlled 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 (2003: $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. 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 $3,285,257 (2003: $949,165). No interest has been charged for the financial year ended June 30, 2004 (2003: interest charged $nil). The balance payable at June 30, 2004 was $3,946,351 (2003: $661,094).

Amounts Payable

The following amounts payable by Kitchener Mining NL at June 30, 2004 are included in the consolidated balance sheet as non-current liabilities:

- $1,000,000 (2003: $1,000,000) payable to The Roy Morgan Research Centre Pty Ltd in relation to accrued management fees reported above.
- $155,000 (2003: $155,000) payable to Directors of Kitchener Mining NL in relation to accrued Directors fees for the financial years from 1 July 1989 to 30 June 1993.

31 *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 2004**

Financial Instruments	Floating Interest Rate	Non-interest bearing	Total amount as per balance sheet
	$	$	$
Cash	106,093	-	106,093
Receivables other		41,105	41,105
Receivables related party	-		-
Total financial assets	106,093	41,105	147,198
Weighted Av. Interest Rate	4.50%		

(ii) Financial Liabilities

	Fixed interest rate maturing in:				
Financial Instruments	Floating interest rate $	1 year or less $	Over 1 to 5 years $	Non-interest bearing $	Total Amount as per balance sheet $
Trade creditors and accruals	-	-	-	1,111,026	1,111,026
Other creditors	-	-	-	104,592	104,592
Amounts due to directors	-	-	-	1,155,000	1,155,000
G & G Morgan Loan	768,121	-	-	-	768,121
Hire Purchase	1,449,446	-	-	-	1,449,446
Total financial liabilities	2,217,567	-	-	2,370,618	4,588,185
Weight Av. Interest Rate	5.74%				

(i) Financial Assets **30 June 2003**

Financial Instruments	Floating Interest Rate	Non-interest bearing	Total amount as per balance sheet
	$	$	$
Cash	6,901,857	-	6,901,857
Receivables other		532,281	532,281
Receivables related party	-	-	-
Total financial assets	6,901,857	532,281	7,434,138
Weighted Av. Interest Rate	4.73%		

(ii) Financial Liabilities

	Fixed interest rate maturing in:				
Financial Instruments	Floating interest rate $	1 year or less $	Over 1 to 5 years $	Non-interest bearing $	Total Amount as per balance sheet $
Trade creditors and accruals	-	-	-	493,842	493,842
Other creditors	-	-	-	104,592	104,592
Amounts due to directors	-	-	-	1,155,000	1,155,000
Total financial liabilities	-	-	-	1,753,434	1,753,434
Weight Av. Interest Rate	-				

31 *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 Economic Entity's maximum exposures* to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet.

(*) - The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail their obligations under the financial instruments in question.

32 *Statement of Cash Flows*

		Economic Entity		Parent Entity	
	Note	**2004 $**	2003 $	**2004 $**	2003 $
Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax.					
Profit (loss) from ordinary activities after income tax		**(6,960,726)**	1,294,329	**(3,525,107)**	4,844,249
Depreciation / Amortisation					
- Property, Plant and equipment		**353,639**	482,300	**334,041**	158,526
- Deferred Mining Expenditure		**-**	111,988	**-**	111,988
- Nolan's JV land and buildings		**-**	125,825	**-**	125,825
- Goodwill		**1,130,482**	1,130,481	**-**	-
Sale of Joint Venture		**-**	755,786	**-**	755,786
Net (Profit) Loss Plant & Equipment Sold		**-**	4,608	**-**	4,608
Capitalised interest G&G Morgan		**8,717**		**8,717**	
Write-down of capitalised exploration		**2,812,030**	505,702	**2,089,083**	505,702
Write-down provision for rehabilitation		**-**	(1,281,907)	**-**	(1,281,907)
Write-down provision for employee entitlements - Nolan's		**-**	(141,242)	**-**	(141,242)
Write-down of plant & equipment		**81,454**	650,731	**81,454**	-
Changes in operating assets and liabilities:					
Increase (decrease) in trade creditors		**776,392**	(5,085,436)	**563,596**	(4,840,425)
Increase (decrease) in other payables		**-**	(473,615)	**-**	(473,615)
Write down of Deferred Revenue		**-**	(5,157,713)	**-**	(5,157,713)
Decrease (increase) in receivables		**(40,277)**	336,784	**(40,277)**	270,446
Decrease (increase) in inventories		**(124,541)**	(399,980)	**(137,868)**	(151,465)
(Increase) decrease in deferred tax asset		**(1,598,915)**	953,435	**(611,000)**	-
Increase (decrease) in deferred tax liability		**99,728**	(2,860,915)	**99,730**	(2,860,915)
Increase in income tax liability			749,866		749,866
Increase (decrease) in other provisions		**4,743**	22,459	**7,676**	22,460
Net cash provided by (used in) operating activities		**(3,457,274)**	(8,276,514)	**(1,129,955)**	(7,357,826)
				-	

Non-cash financing and investing activies:

During the year the company acquired property plant and equipent with an aggregate fair value of $1,500,000 (2003: Nil) by means of a finance lease The acquistions are not reflected in the statement of cash flows.

DIRECTORS' DECLARATION

The Directors of Haoma Mining NL declare that:

1. the financial statements and notes as set out on pages 9 to 30 are in accordance with the Corporations Act 2001 and;

   (a) comply with Accounting Standards and the Corporations Regulations, and

   (b) give a true and fair view of the financial position of the Company and Economic Entity as at June 30, 2004 and of the 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.

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

Gary C. Morgan
Chairman

Melbourne,
September 30, 2004

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF HAOMA MINING NL

A Member Firm of PKF International

Chartered Accountants
& Business Advisers

Level 11, CGU Tower
485 La Trobe Street
Melbourne 3000
GPO Box 5099BB
Melbourne 3001

Tel: (03) 9603 1700
Fax: (03) 9602 3870

www.pkf.com.au

INDEPENDENT AUDIT REPORT
TO MEMBERS OF HAOMA MINING NL

Scope

The Financial Report and Directors' Responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Haoma Mining NL (the company) and its controlled entities (the consolidated entity), for the year ended 30 June 2004. 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.

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 2004 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.

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF HAOMA MINING NL (continued)

Inherent Uncertainty Regarding Continuation as a Going Concern and Carrying Values of Assets

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

As a result of the matters described in Note 1(c), there is 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.

Included in Parent Entity Receivables of $2,999,541 is an amount due from Kitchener Mining NL ("Kitchener") of $2,958,436 and included in investments of $4,071,752 is an amount of $4,071,752 in respect of the investment in Kitchener. Realisation of the carrying value of these amounts is dependent upon the successful realisation of cash flows from the assets of Kitchener. As described in note 1(k) to the financial statements realisation of such cash flows is dependent upon the economic entity being able to commercially establish the Elazac process.

Included in Intangibles is a net $2,747,308 of goodwill arising on consolidation of Kitchener. As described in note 1(k) to the financial statements realisation of the carrying value of this goodwill is dependent upon the economic entity being able to commercially establish the Elazac process to utilise the assets currently owned by Kitchener to generate future cash flows.

PKF
Chartered Accountants

M J Phillips
Partner

30 September 2004
Melbourne

STOCK EXCHANGE - ADDITIONAL INFORMATION

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

Shareholders

A. 20 Largest Shareholders

Name	Number of Shares	
Leaveland Pty Ltd	121,420,252	62.91
WMC Ltd	10,000,000	5.18
Charmof Nominees Pty Ltd	9,649,683	5.00
Roy Morgan Research Pty Ltd	4,919,452	2.55
G. and G. Morgan	1,843,257	0.96
Etonwood Management Pty Ltd	1,500,000	0.78
J. Van Beelen	1,409,000	0.73
JP Morgan Nominees Australia	1,374,060	0.71
J. and M. Levine	1,150,000	0.6
Westpac Custodian Nominees Ltd	1,116,032	0.58
S. Curwen	1,108,650	0.57
Merrill Lynch (Australia)	1,032,765	0.54
Lippo Securities Nominees (BVI) Ltd	953,000	0.49
C. and S. Curwen	882,350	0.46
H. Cooper	600,000	0.31
Leigh Imbesi	584,000	0.3
Securus Ltd	580,000	0.3
Holes Investment Pty Ltd	550,000	0.28
Jaladah Pty Ltd	500,000	0.26
Citicorp Nominees Pty Ltd	450,215	0.23
	161,622,716	83.74

B. Substantial Shareholders

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

C. Distribution of Equity Securities

(i). Ordinary shares issued by Haoama Mining NL

Range of Shares held	Number of Shareholders
1 - 1,000	692
1,001 - 5,000	933
5,001 - 10,000	346
10,001 - 100,000	459
100,001 - and over	78
Total	**2,508**

(ii) There were 1,509 holders of less than a mareketable parcel 5,000 of ordinary shares.

(iii) The twenty largest shareholders hold between them 83.74 of the issued capital.

D. Class of Shares and Voting Rights

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

F. Mining Tenement Summary

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

(i) Pilbara, Western Australia

Bamboo Creek	M45/874	P45/2342	P45/2097	**Lalla Rookh**	M45/442			
Blue Bar	M45/682	P45/2391		**Marble Bar**	E45/1273	M45/515	M45/607	
Corunna Downs	E45/2047			**North Pole**	L45/86	M45/302	M45/328	M45/329
Copenhagen	M45/682	P45/2391		**North Shaw**	L45/60	E45/2189		

(ii) Linden, Western Australia

Golden Ridge M26/534

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

(iii) Ravenswood, Queensland

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

(iv) Charters Towers Queensland EPM9629 EPM10375

STOCK EXCHANGE - ADDITIONAL INFORMATION

F. Mining Tenements Summary

(b) Tenements Summary

Pilbara, Western Australia

Apex	M45/2133
Big Stubby	M45/57 M45/284 M45/453 M45/554
Blue Bar	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	E45/1562
Coongan	M46/160
Copper Hills / Stirling	G45/36 M45/238 M45/346 M45/357
Copenhagen	M45/240
Coronation	M45/672 M45/379 P45/2333
Fieldings Gully	M45/521
Lalla Rookh	M45/648 M45/649
Lionel	M46/43 M46/44
Marble Bar	E45/2145 M45/589 M45/678 M45/679 P45/2231 P45/2275 P45/2356 M45/618 M45/655
McKinnon	M45/490 M45/606 M45/873
Mercury Hill	M45/588
Mustang	M45/680 M45/731 P45/2251 P45/2288 P45/2134 P45/2331 P45/2250 P45/2269 M45/747
Nickol River	GML47/538 M47/87 M47/127
North Pole	M45/395 M45/650 M45/651
Sharks Gully	M45/592
Soansville	P45/2292 P45/2293 P45/2294 P45/2295 P45/2296 P45/2297 P45/2298 M45/748
Tassie Queen	M45/76 M45/235 M45/297 M45/655
Warrawoona	M45/547 M45/671 P45/2316
Wyman	P45/2317
Wyman Well	E45/1249
20oz Gully	P45/2227 P45/2301 P45/2329 P45/2330 P45/2336

(c). Tenements beneficially held by Haoma Mining NL (49.9%)

Linden, Western Australia

E39/293 E39/379 E39/428 E39/2974 E39/2975 E39/2976 M39/255 L39/12 L39/13 L39/14

(d). Tenements beneficially held by Kitchener Mining NL (100%)

Bamboo Creek, Western Australia

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

HAOMA MINING NL

Unloaded vat leach at Bamboo Creek Processing Plant.

Bamboo Creek Processing Plant Leach tank and thickener

HAOMA MINING NL ACN 008 676 177
Registered Office and Head Office:
411 Collins Street,
Melbourne, Victoria, Australia 3000
Tel: +61 3 9629 6888
Fax: +61 3 9629 1250
Postal Address:
GPO Box 2282U
Melbourne, Victoria, Australia 3001
Website:
www.haoma.com.au