

# **HAOMA MINING NL**

**ABN 12 008 676 177**

## **FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED  
DECEMBER 31, 2012**

**DIRECTORS' REPORT**

The Directors of Haoma Mining NL (“the Company”) include herewith the financial report of the Company and its controlled entities (“the Consolidated Entity”) for the half year ended December 31, 2012.

**DIRECTORS**

The name of each person who has been a Director of the Company at any time during or since the end of the half-year and the period for which they have been a director is:

Gary Cordell Morgan (Chairman)	Director appointed May 10, 1991
John Lachlan Charles McInnes	Director appointed May 10, 1991
Michele Levine	Director appointed August 8, 1994

**PRINCIPAL ACTIVITIES**

The principal activity of the Consolidated Entity during the half-year continued to be that of gold mining including the exploration and evaluation of the Consolidated Entity’s areas of interest in relation to discovery of gold and other precious metals. There was no change in the nature of activities during the half year.

**REVIEW OF RESULTS**

The consolidated operating loss of the Consolidated Entity for the half-year to December 31, 2012, after provision for income tax, depreciation, amortisation and interest was \$3,800,612 (2011 half year loss of \$4,138,327).

All ASX Quarterly Activity Reports, Market Announcements and Annual Reports are available on the company website at [www.haoma.com.au](http://www.haoma.com.au)

**EXPLORATION ACTIVITIES AND REVIEW OF OPERATIONS**

Since the release of Haoma Mining NL’s Annual Report on October 19, 2012, Haoma has continued to provide shareholders with updates of its activities including Quarterly ASX Activities Reports and the recent February 25, 2013 progress report in relation to updated results from Elazac Process Assays of Mt Webber Drill Core Samples and Bamboo Creek Tailings Concentrate. The recent results from assaying Mt Webber and Bamboo Creek ore samples have obtained more significant results.

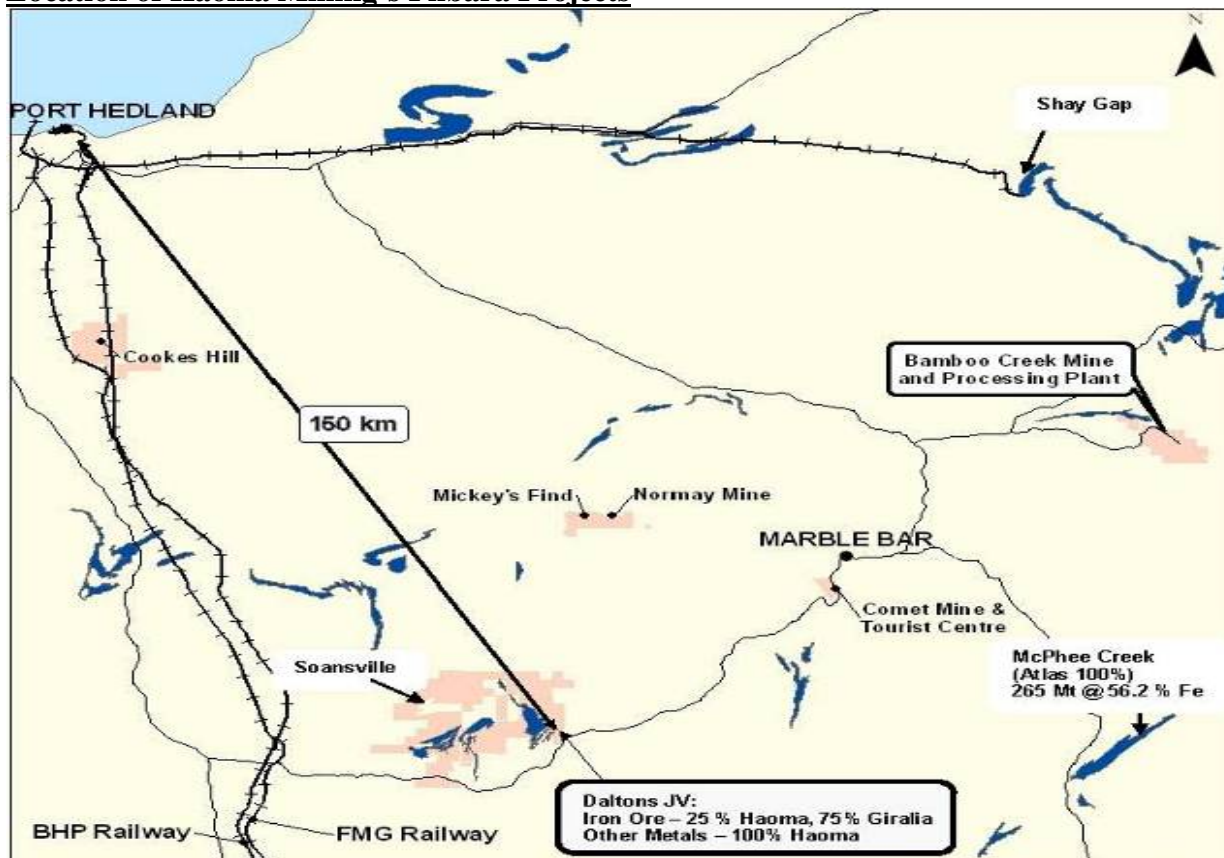
Haoma has been advised that the total grade of gold and Platinum Group Metals (PGM) in Bamboo Creek Tailings Concentrate is high enough for Haoma to export the Concentrate to a number of overseas smelters.

Some Bamboo Creek Concentrates also contain sufficient quantities of silver, nickel, chrome and titanium for Haoma to receive financial ‘credits’ for these metals.

Haoma is now investigating the possibility of an off-take agreement with refineries in Europe, China and America where the Bamboo Creek Concentrates would be sent.

Details of the February 25, 2013 release to shareholders are reproduced below as it provides a review of the recent principal activities and operations of Haoma.

### Location of Haoma Mining's Pilbara Projects



**Figure 1:** Location of Haoma Mining Projects including the location of Haoma's Bamboo Creek Processing Plant, North Pole Area (including Mickey's Find and Normay Mine), Cooke's Hill, Daltons JV and the Comet Gold Mine and Tourist Centre.

### Significant Mt Webber Drill Core Assay Results

In previous Haoma Mining Reports shareholders have been advised that Mt Webber drill core samples when assayed by the Elazac Process measured commercial grades of precious metals (gold and PGM). The precious metal grades have varied a lot. (See Appendix, Table 2)

Shareholders have also been advised that Atlas Iron has the right to mine 100% of the iron from the Mt Webber tenement and Haoma Mining has the right to 100% of all other metals.

Haoma has recently conducted tests to see if the gold and PGM can be separated from the iron fraction. The tests successfully separated the gold from the iron fraction. However the tests have not so far been able to separate most of the PGM from the iron.

The Mt Webber drill hole sample was 31.835 kg and from Drill Holes RCDW 03, RCDW 28 and RCDW 56. The assays were conducted using the Revised Elazac Assay Method. The sample was divided into a Concentrate Fraction (27.59%) and Remaining Fraction.

Four assays were conducted on samples of the Concentrate Fraction (98% iron) and three on the Remaining Fraction. The results in Tables 1 & 2 below show that there is platinum and silver but no gold in the Concentrate Fraction. While gold, silver and platinum was measured in the Remaining Fraction.

When the grades from each fraction are combined the gold, silver and PGM grades in the Mt Webber drill hole sample were as follows:

**Gold 44.67 ppm (g/t), Silver 55.55 ppm (g/t), Platinum 32.08 ppm (g/t)**

**Table 1: Mt Webber, Concentrate Fraction (98% iron)**

Mt Webber sample of 31.835 kg from Drill Holes, RCDW 03, RCDW 28 and RCDW 56	Average of 4 Assays	Mt Webber Concentrate:			
		<u>Assay 1</u> ppm	<u>Assay 2</u> ppm	<u>Assay 3</u> ppm	<u>Assay 4</u> ppm
<u>Gold, silver and PGM grades calculated to the sample Head Grade</u>					
Au	-	-	-	-	-
Ag	13.95	13.88	14.59	13.03	14.31
Pt	7.09	-	12.23	5.97	10.15

**Table2: Mt Webber, Remaining Fraction**

Mt Webber, Remaining Fraction:	Average of 3 Assays	<u>Assay 1</u>	<u>Assay 2</u>	<u>Assay 3</u>
		ppm	ppm	ppm
<u>Gold, silver and PGM grades calculated to the sample Head Grade</u>				
Au	44.67	50.70	50.13	33.17
Ag	41.60	48.28	37.14	39.39
Pt	24.99	28.12	26.25	20.61

**Significant Bamboo Creek Tailing Concentrate Assay Results**

During the last Quarter the Bamboo Creek Pilot Plant was used to develop a process to produce a PGM Concentrate from Bamboo Creek Tailings.

It has since been further modified to produce a gold/silver and PGM Concentrate from Bamboo Creek Tailings.

**Table 3: Bamboo Creek Tailings Concentrate<sup>[1]</sup>**

	<u>Sample 1</u>		<u>Sample 2</u>		<u>Sample 3</u>		<u>Sample 4</u>
Bamboo Creek Tailings sample size	70 kg		70 kg		75 kg		305kg
Concentrate as a % of tailings sample	13.41%		12.22%		2.34%		4.0%
	<u>European</u> <u>Refinery</u> <u>Assay</u>	<u>Aust.</u> <u>Lab.</u> <u>Assay</u>	<u>European</u> <u>Refinery</u> <u>Assay</u>	<u>Aust. Lab.</u> <u>Assay</u>	<u>European</u> <u>Refinery</u> <u>Assay</u>	<u>Aust.</u> <u>Lab.</u> <u>Assay</u>	<u>Aust.</u> <u>Lab.</u> <u>Assay</u>
<u>Gold/silver &amp; PGM grades</u>	Ppm	ppm	ppm	ppm	ppm	ppm	ppm

<sup>[1]</sup> The information & data in this report as it relates to Metallurgical Results is based on information compiled by Mr. Peter Cole who is an expert in regard to this type of metallurgical test work. The results relate to testing the effectiveness of a new method of assaying for gold and other mineral content (the Refined Elazac Assay Method) and a new method for extraction of gold and other minerals from ore (the Refined Elazac Extraction Method). These methods are together referred to as the Elazac Process. The information reported relates solely to ongoing test work in relation to bringing the Elazac Process to commercial realisation. Mr. Cole has worked in the mining industry for over 30 years and has been associated with the development of the Elazac Process over a long period (approximately 15 years). Mr. Cole is one of only a few persons with sufficient relevant knowledge and experience to report results in relation to test work on the Refined Elazac Assay Method and Refined Elazac Extraction Method. Mr. Cole has consented to the inclusion in this report of the information and data in the form and context in which it appears

Au	80	342	100	431	40	1,021	433
Ag	150	264	90	Not measured	130	77	382
Pt	560	312	450	421	470	32	29
Pd	520	199	500	323	810	-	-
Ir	40	20	20	22	90	-	-
Rh	50	-	120	-	10	-	-
<b>Total gold &amp; PGM</b>	<b>1250</b>	<b>856</b>	<b>1119</b>	<b>1200</b>	<b>1430</b>	<b>1053</b>	<b>462</b>
<b>Nickel grades</b>		<b>3698</b>		<b>4080</b>		<b>5913</b>	<b>9228</b>

**Note: Samples 1 and 2** are the same Bamboo Creek Tailing Concentrate plus a 'Middling Concentrate' fraction.

**Sample 3** is a Bamboo Creek Tailings Concentrate sample which was acid digested (HCL) before assaying. No 'Middling Concentrate' fraction was added.

**Sample 4** is a Bamboo Creek Tailings Concentrate sample which was **NOT** acid digested (HCL) before assaying. No 'Middling Concentrate' fraction was added.

In addition, the **Refined Elazac Assay Method** has also been further modified to measure gold/silver and PGM with a turnaround of about 48 hours. The Refined Elazac Assay Method uses aqua regia (hydrochloric and nitric acids) with the solutions read by a commercial ICP machine.

The total grades of gold and PGM in samples of Bamboo Creek Tailings Concentrate as measured by the **Refined Elazac Assay Method** add to about 1,000 ppm (g/t), see Table 3.

**Haoma has been advised that about 1,000 ppm (g/t) total grade of gold and PGM is high enough for Haoma to export the Concentrate to numerous overseas smelters.**

**Some Bamboo Creek Concentrates also contain sufficient quantities of silver, nickel, chrome and titanium for Haoma to receive financial 'credits' for these metals.**

Table 3 shows the gold/silver and PGM assays for three **Bamboo Creek Tailings Concentrate** samples (Samples 1, 2 & 3). Haoma received these assays from a commercial European PGM refinery in the last Quarter. (The results for Samples 1 and 2 were averaged and released as 'Head grades' for Bamboo Creek Tailings to Haoma shareholders on [October 5, 2012: "Significant Platinum and Palladium grades measured in samples of Bamboo Creek Tailings"](#)).

**Also in Table 3 are the gold/silver and PGM assays for the same samples conducted by an Australian independent laboratory. The Australian independent laboratory used the Refined Elazac Assay Method.**

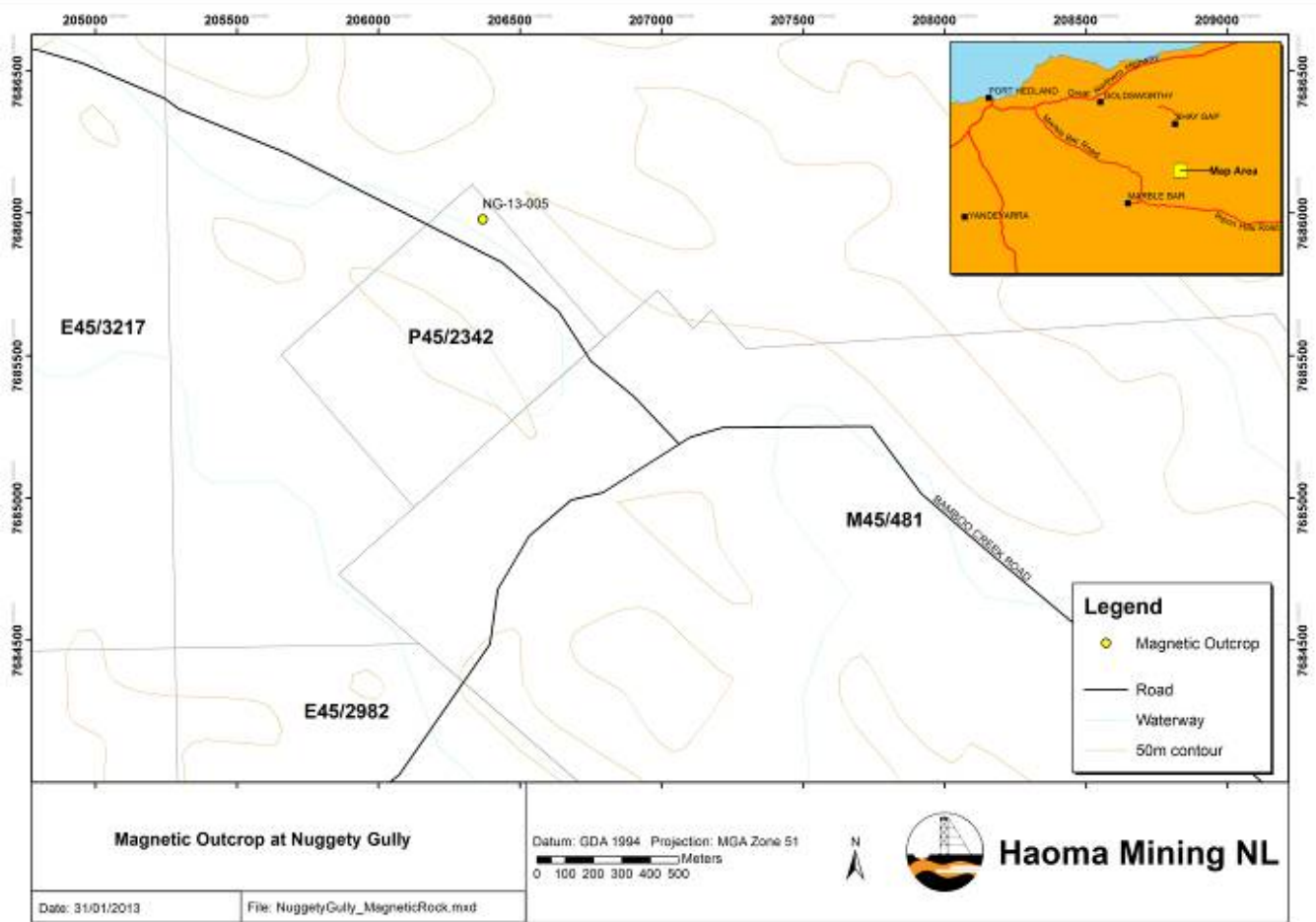
### **Significant Nuggetty Gully Gold and Platinum Assays measured in Magnetic Outcrop (P45/2342)**

Fieldwork is ongoing within Bamboo Creek's group of tenements which includes a program of sampling iron-rich surface outcrop throughout these tenements and known banded iron formation (BIF).

In the December 31, 2012 Quarter Activities Report on January 31, 2013 shareholders were advised magnetic response of prospective lithologies had resulted in identifying a localised iron-rich outcrop at Nuggetty Gully (P45/2342) that was previously not recorded. See Figure 2.

A 2.838 kg sample of Nuggetty Gully outcrop was assayed using the **Refined Elazac Assay Method**. The results were:

**Gold 89.28 g/t, Silver 24.29 g/t, Platinum 3.29 g/t, Iridium 1.68 g/t**



**Figure 2:** Location of Magnetic Outcrop at Nuggety Gully (P45/2342).

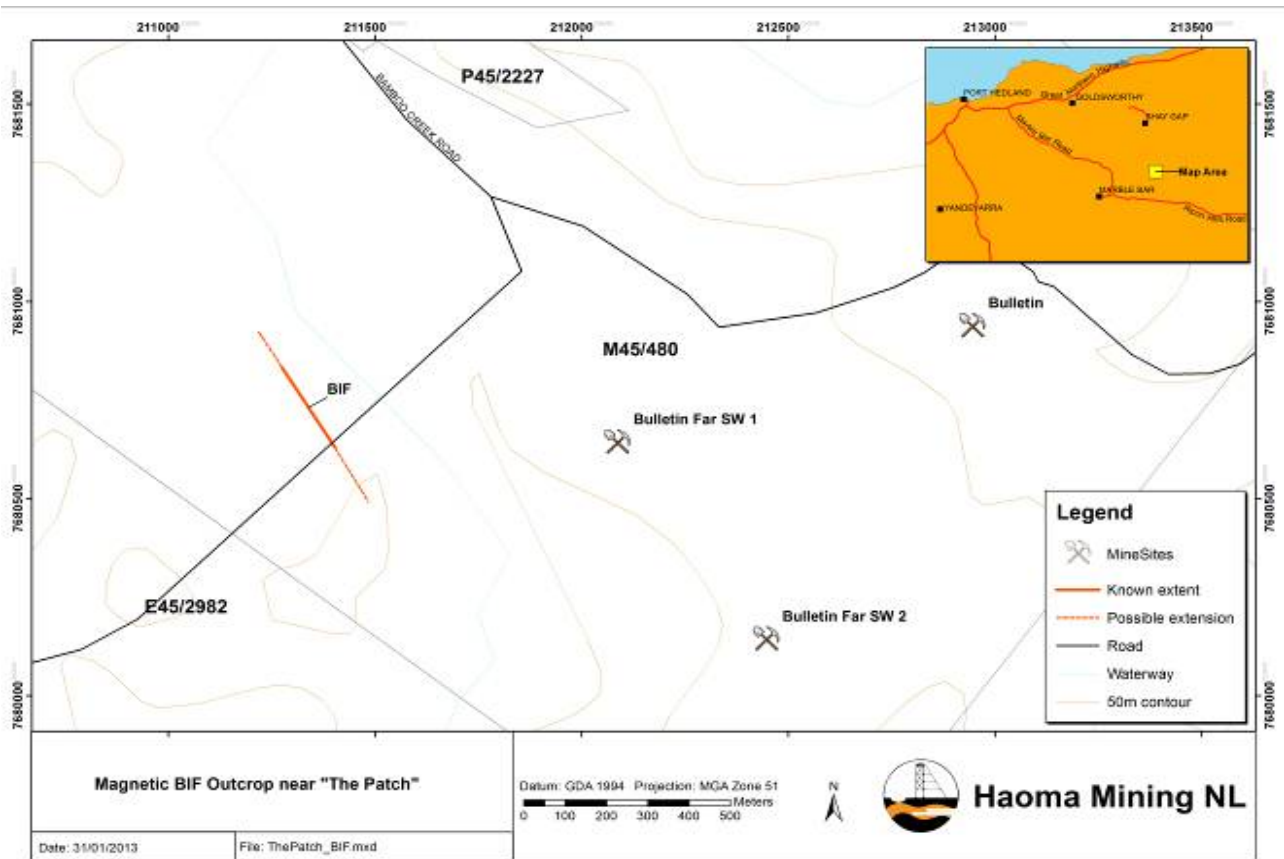


**Other Bamboo Creek Tenements with Banded Iron Formations (BIF)****(Bamboo Creek Areas - E45/2982, E45/3217, M45/481, M45/480, M45/16, M45/411, M45/874, P45/2227, P45/2242, P45/2244, P45/2301, P45/2329, P45/2330, P45/2336, P45/2342)**

**Figure 3:** Photo of Bamboo Creek Range from M45/481, looking north-west towards Nuggetty Gully

Assays using the new **Refined Elazac Assay Method** are currently being conducted on samples from numerous BIF outcrops on Haoma's Bamboo Creek Tenements which host parallel layers of magnetic, iron-rich rock. The areas are known as The Patch within M45/480. (Situated 3km south-southeast of the Bamboo Creek Processing Plant the recorded extent of the BIF to date is 400 metres strike, dipping near vertical, to a width of 2 metres. (See Figure 4).

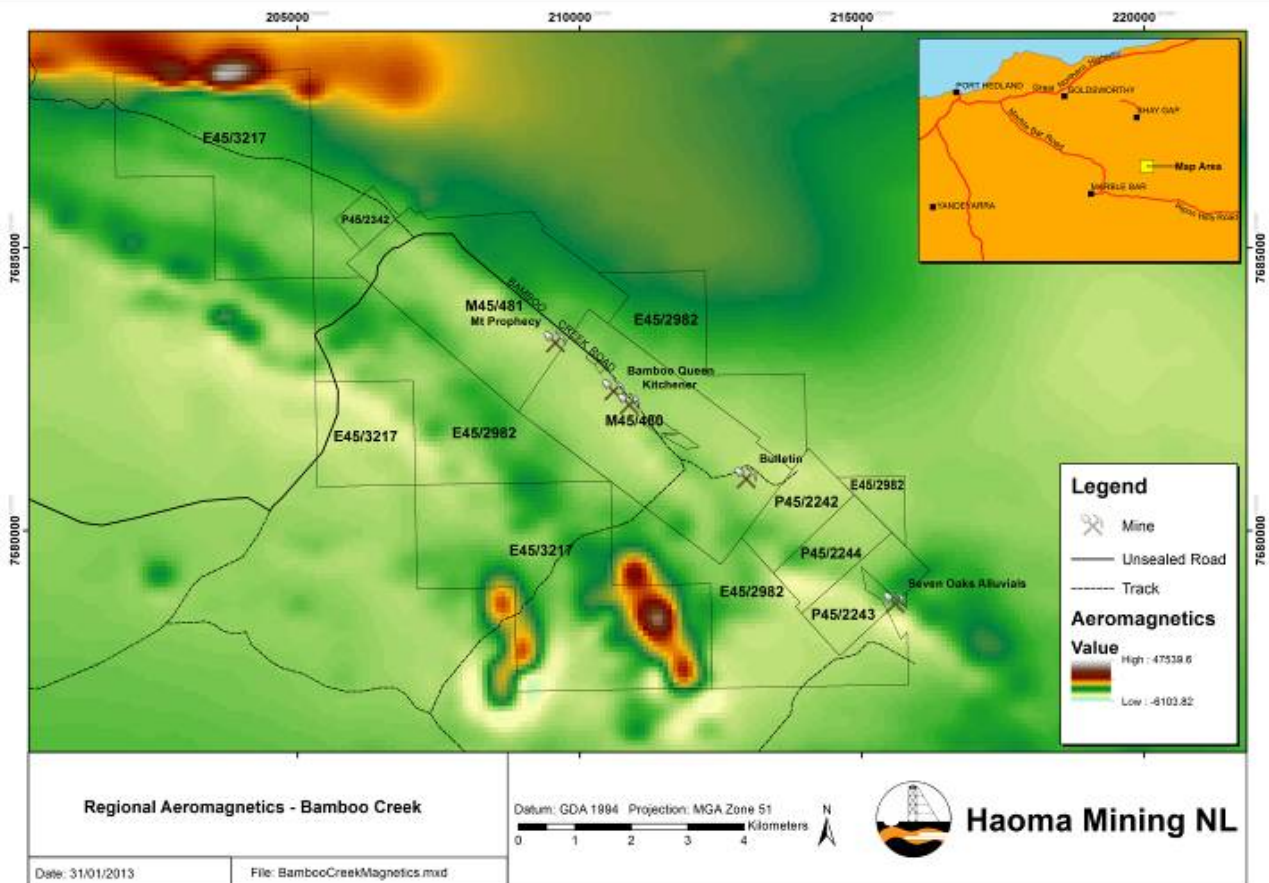
The results will show quantitative grades of gold, silver and PGM for the samples collected.



**Figure 4: Location of ‘The Patch’ Prospect approximately 3km south-southeast of the Bamboo Creek Processing Plant.**

A review of regional aeromagnetic data identified two further magnetic anomalies south of Bamboo Creek in E45/3217. (See Figure 5 below). Sampling and assays using the new **Refined Elazac Assay Method** will be conducted in the current Quarter.





**Figure 5:** Aeromagnetic image of two magnetic anomalies south of Bamboo Creek in E45/3217.

### **Bamboo Creek Nickel Areas**

Previous exploration on the Bamboo Creek tenements located a sub-surface zone of **nickel-arsenide mineralisation** south of the main Bamboo Creek Gold Mine workings, Mt Prophecy/Perseverance, in M45/480 and M45/481.

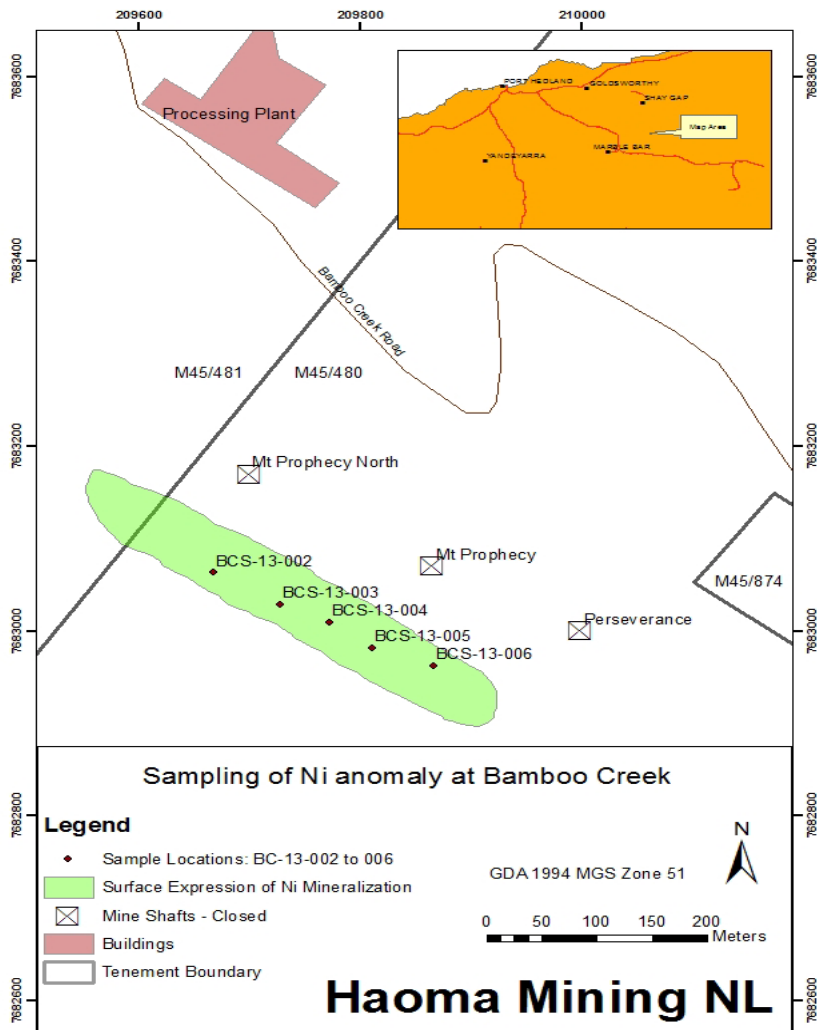
The mineralisation is associated with a breccia zone and chlorite enriched host rock and was reported in diamond drilling by Woodsreef Mines Ltd in 1971 with up to 1.69% Ni over 5m (Minedex). Surface expression of the breccia is recorded over a 400m strike.

Subsequent drilling in 1985 also intersected significant mineralization in the breccia; PUD-208 0.15% Ni over 2.7m, PUD-209 0.2% Ni over 2.89m, PUD-210 0.23% Ni over 7.7m and PUD-377 0.33% Ni over 9m. Surface expression of the breccia is recorded over 400m strike.

In 2007 a rock chip sampling program of 97 samples was completed with results up to 0.15% Ni indicating the nickel is present however it may be leached at surface.

An investigation into the mineralisation style in the breccia zone has commenced with collection of five rock chip samples at 50 metre intervals along strike (Figure 6 below).

Samples will be assayed using the **Refined Elazac Assay Method** to test for an association between nickel and gold & PGM mineralisation.



**Figure 6:** Location of nickel-arsenide mineralisation south of the main Bamboo Creek Gold Mine workings, located in M45/480 and M45/481.

## Appendix: Significant Bamboo Creek Tailings and Mt Webber Assays

**Table 1: Bamboo Creek Tailings Assays**

Area Sampled	Sample Description	Gold Assays by Traditional Method	'Calculated' Gold Head Grade using Refined Elazac Assay Method <sup>[1]</sup>		Platinum Group Metals (PGM)	
				Au g/t	Pt g/t	Pd g/t
Bamboo Creek Tailings	Trial 1: Sample size 50 kg	0.3 g/t	Note: * = Partial Assay	7.35*	0.00	11.24
Bamboo Creek Tailings	Trial 2: Sample size 3 kg	0.3 g/t	Note: * = Partial Assay	0.59*	0.00*	2.15*
1.Bamboo Creek Tailings	Trial 491: Sample size 70 kg	0.3 g/t		142.03	Not measured	Not measured
2.Bamboo Creek Tailings	Trial 514: Sample size 70 kg	0.3 g/t		98.38	55.59	61.77
3.Bamboo Creek Tailings	Trial 520: Sample size 70 kg	0.3 g/t		74.37	75.12	69.75

**Note 1:** An independent laboratory measured the PGM grades after acid digestion of samples produced by the Elazac Process. The metals in solutions were then measured by ICP.

**Note 2: February 23, 2013:** Gold \$US1,581 per oz, Platinum \$US1,608 per oz, Palladium \$US738 per oz - (1oz = 31.1g), \$1Aust = \$1.03US)

<sup>[1]</sup> The information & data in the above report as it relates to Metallurgical Results is based on information compiled by Mr Peter Cole who is an expert in regard to this type of metallurgical test work. The results relate to testing the effectiveness of a new method of assaying for gold and other mineral content (the Refined Elazac Assay Method) and a new method for extraction of gold and other minerals from ore (the Refined Elazac Extraction Method). These methods are together referred to as the Elazac Process. The information reported relates solely to the ongoing test work in relation to bringing the Elazac Process to commercial realisation. Mr Cole has worked in the mining industry for over 30 years and has been associated with the development of the Elazac Process over a long period (approximately 15 years). Mr Cole is one of only a few persons with sufficient relevant knowledge and experience to report results in relation to test work on the Refined Elazac Assay Method and Refined Elazac Extraction Method. Mr. Cole has consented to the inclusion in this release of the information and data in the form and context in which it appears

**Table 2: Mt Webber Drill Hole and Soansville - Significant grades of Platinum Group Metals (PGM) measured by ICP are shown in Sections 2, 4, 5 & 6.**

Area Sampled	Sample Description	Gold Assay by Traditional Method	'Calculated' Gold Head Grade using Refined Elazac Assay Method <sup>[*]</sup>		'Calculated' Platinum Group Metals (PGM) Head Grade			
				Au g/t	Ag g/t	Pt g/t	Pd g/t	Ir g/t
<b>1. Daltons/Soansville: Reported December 2008</b>	17 drill chip samples, over 21.8 metres from 3 drill holes	0.059g/t	Leached Trial grade Tail grade: 'Calculated' gold Head grade	0.176 76.09 76.0+				
<b>2. Daltons/Mt Webber May-July 2011</b> (Samples from diamond drill hole: RDDW002 location East 738955.19, North 7617235.26, Dip/Azim -90/0 & RDDW003 location East 739163.67, North 7617445.42, Dip/Azim -90/0)	Sample sizes: 20-90 kg	0.08 g/t	Bamboo Creek Lab	4.5 5.0 17.0 75+				
			Independent Lab # Partial assay	4.5# 7.5# 31+ & 9		0.00 0.00	0.00 0.00	4.5 0.00
			ALS	80+				
<b>3. Daltons/Mt Webber Sept./Oct. 2011</b> (Sample from approximately 20 meters of RC drill hole RCDW029; location East 739160, North 7617447, Dip/Azim -60/90)	Sample size: 3a: 1.835 kg	0.08 g/t	3a:Independent Lab	62.3				
	3b: 10 kg		3b:Independent Lab	71.3				
<b>4. Daltons/Mt Webber Jan - April 2012 results updated (First reported April 28, 2012)</b> (Sample from approximately 20 meters of RC drill hole RCDW029; location East 739160, North 7617447, Dip/Azim -60/90)	Trials 1- 3: Sample sizes each 1 kg	0.08 g/t	Independent Lab recovered gold & PGM with acids & gold gravimetrically					
			Trial 1	84.93		0.00	0.00	0.00
			Trial 2	32.81		0.00	0.00	1.16
<b>5. Daltons/Mt Webber April - June 2012</b> (Sample from approximately 20 meters of RC drill hole RCDW029; location East 739160, North 7617447, Dip/Azim -60/90)	Trial 4: Sample size 1.1 kg	0.08 g/t	Trial 4	2.98		0.00	0.00	5.24
	Trial 5: Sample size:1.5 kg		Trial 5	31.24		0.00	0.00	4.32
	Trial 6: Sample size 2 kg		Trial 6	388.08		8.87	7.88	0.00
	Trial 7: Sample size 1 kg		Trial 7	72.38		12.09	21.40	0.00
	Trial 8: Sample size 50 kg		Trial 8	20.88		0.00	0.00	0.00
<b>6. Mt Webber January/February 2013</b> (Sample from Drill Holes, RCDW 03, RCDW 28 and RCDW 56)	Trial 9 Sample size 31.835 kg	0.08 g/t	<b>Trial 9</b>	<b>44.67</b>	<b>55.55</b>	<b>32.08</b>	-	-

\* **Note 2:** Appendix Table 2 above includes the previously reported (July 31, 2011) high-grade gold results obtained from Daltons/Mt Webber samples. On September 2, 2011 shareholders were advised that repeat gold assays obtained similar high gold grades as indicated by '+'.

**AUDITOR'S INDEPENDENCE DELCARATION**

The Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 is set out on page 14 and forms part of the Director's Report for the half year ended December 31, 2012.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read "Gary Morgan", with a long horizontal flourish extending to the right.

**Gary C. Morgan**  
**Chairman**  
Melbourne,  
February 28, 2013

## DECLARATION OF INDEPENDENCE BY RICHARD DEAN TO THE DIRECTORS OF HAOMA MINING NL

As lead auditor for the review of Haoma Mining NL for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

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



**Richard Dean**  
Partner

**BDO East Coast Partnership**  
Melbourne, 28 February 2013

107370\_1.DOCX



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

FOR THE HALF YEAR ENDED DECEMBER 31, 2012

	Note	Consolidated	
		Half-year ended Dec 31, 2012 \$	Half-year ended Dec 31, 2011 \$
<b>Revenue</b> .....	3	<b>638,985</b>	191,300
Other income .....	3	<b>15,000</b>	195,962
Cost of sales .....		<b>(235,771)</b>	(185,533)
Test work and plant configuration expenditure .....		<b>(1,441,669)</b>	(1,665,323)
Exploration and tenement costs expensed .....		<b>(310,154)</b>	(75,992)
Administration and compliance expense .....		<b>(576,675)</b>	(215,866)
Finance costs .....	3	<b>(1,780,269)</b>	(2,173,720)
Depreciation and amortisation costs .....	3	<b>(99,838)</b>	(71,655)
Provision for rehabilitation .....		<b>(10,221)</b>	(7,500)
Share option expense .....		-	(130,000)
<b>Loss before income tax</b> .....		<b>(3,800,612)</b>	(4,138,327)
Income tax expense .....		-	-
<b>Net loss for the period</b> .....		<b>(3,800,612)</b>	(4,138,327)
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit and loss</b>			
Loss on revaluation of financial assets		<b>(1,933,479)</b>	-
Total comprehensive income for the period attributable to members of Haoma Mining NL, net of tax .....		<b>(5,734,091)</b>	(4,138,327)
<b>Earnings per share (cents per share)</b>			
From continuing operations			
- basic loss		<b>(2.08)</b>	(2.26)
- diluted loss		<b>(2.08)</b>	(2.26)

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT DECEMBER 31, 2012

	Note	Consolidated	
		Dec 31, 2012	Jun 30, 2012
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents .....	4	20,512	24,937
Trade and other receivables .....		39,218	45,349
Other financial assets .....		400,000	-
Inventories .....		378,567	232,076
<b>Total Current Assets</b> .....		<b>838,297</b>	<b>302,362</b>
<b>Non-current Assets</b>			
Other financial assets .....		15,047,514	17,380,994
Property, plant and equipment .....		1,266,396	1,181,736
Exploration and evaluation .....	6	5,815,000	5,815,000
<b>Total Non-Current Assets</b> .....		<b>22,128,910</b>	<b>24,377,730</b>
<b>Total Assets</b> .....		<b>22,967,207</b>	<b>24,680,092</b>
<b>Current Liabilities</b>			
Trade and other payables .....		2,062,095	1,784,004
Interest bearing loans .....	7	51,753,438	48,050,103
Provisions .....		125,786	96,228
<b>Total Current Liabilities</b> .....		<b>53,941,319</b>	<b>49,930,335</b>
<b>Non-Current Liabilities</b>			
Provisions .....		1,484,967	1,474,746
<b>Total Non-Current Liabilities</b> .....		<b>1,484,967</b>	<b>1,474,746</b>
<b>Total Liabilities</b> .....		<b>55,426,286</b>	<b>51,405,081</b>
<b>Net Liabilities</b> .....		<b>(32,459,079)</b>	<b>(26,724,989)</b>
<b>Equity</b>			
Contributed equity .....	9	59,593,411	59,593,411
Reserves .....		(1,469,620)	463,859
Accumulated losses .....		(90,582,870)	(86,782,259)
<b>Total Shareholders' Equity (Deficiency)</b> .....		<b>(32,459,079)</b>	<b>(26,724,989)</b>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE HALF YEAR ENDED DECEMBER 31, 2012

CONSOLIDATED	<b>Attributable to equity holders of the consolidated group</b>			
	Share Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
<b>At July 1, 2011</b> .....	59,593,411	6,352,865	(109,546,720)	(43,600,444)
Profit after income tax expense for the half year ....	-	-	(4,138,327)	(4,138,327)
<i>Transactions with owners in their capacity as owners</i>				
Share based payments .....	-	130,000	-	130,000
<b>At December 31, 2011</b> .....	<b>59,593,411</b>	<b>6,482,865</b>	<b>(113,685,047)</b>	<b>(47,608,771)</b>

CONSOLIDATED	<b>Attributable to equity holders of the consolidated group</b>			
	Share Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
<b>At July 1, 2012</b> .....	59,593,411	463,859	(86,782,258)	(26,724,988)
Profit after income tax expense for the half year ....	-	-	(3,800,612)	(3,800,612)
Other comprehensive income for the half year, net of tax .....	-	(1,933,479)	-	(1,933,479)
<b>At December 31, 2012</b> .....	<b>59,593,411</b>	<b>(1,469,620)</b>	<b>(90,582,870)</b>	<b>(32,459,079)</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE HALF YEAR ENDED DECEMBER 31, 2012

	Note	Consolidated	
		Half-year ended Dec 31, 2012	Half-year ended Dec 31, 2011
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers .....		345,345	149,848
Interest received .....		54,356	58,998
Dividend income .....		252,193	-
Payments to suppliers and employees .....		(1,001,411)	(357,759)
Interest paid .....		(8,245)	(10,097)
<b>Net cash used in operating activities.....</b>		<b>(357,762)</b>	<b>(159,010)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment .....		(184,499)	(124,905)
Proceeds from sale of mining leases.....		-	200,000
Exploration and development expenditure .....		(1,443,333)	(1,897,735)
<b>Net cash used in investing activities</b>		<b>(1,627,832)</b>	<b>(1,822,640)</b>
<b>Cash flows from financing activities</b>			
Loan funding from related parties .....		1,981,169	1,869,997
<b>Net cash provided by financing activities .....</b>		<b>1,981,169</b>	<b>1,869,997</b>
Net decrease in cash held .....		(4,425)	(111,653)
Cash at the beginning of the financial year .....		24,937	167,215
<b>Cash at the end of the period.....</b>	4	<b>20,512</b>	<b>55,562</b>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****1. CORPORATE INFORMATION**

Haoma Mining is a listed public company, incorporated and domiciled in Australia. The Financial Report of Haoma Mining NL for the half-year ended December 31, 2012 was authorised for issue in accordance with a resolution of the Directors on February 28, 2013.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2012 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**Going Concern**

The Consolidated Group incurred net losses of \$3,800,612 for the 6 months ended December 31, 2012, has net current liabilities of \$53,103,022 and negative shareholders equity of \$32,459,079 and had net cash outflows from operating activities of \$357,762 and expenditure on non-capitalised exploration activities of \$1,443,333. These conditions indicate a material uncertainty that may cast significant doubt about the Consolidated Entity's ability to continue as a going concern.

To support the ongoing operations of the Consolidated Entity, Haoma's Chairman, Mr. Gary Morgan has provided an undertaking that funds will be made available to the Consolidated Entity to ensure that there is no shortfall of funding required for operations for a period of at least 12 months from the date of this report. In accordance with that undertaking, funding for the company's operations is presently being provided by The Roy Morgan Research Centre Pty Ltd a related entity of Mr Morgan.

At December 31, 2012 the principal debt owing in respect of funds provided to Haoma by The Roy Morgan Research Centre Pty Ltd was \$31,659,618 (June 30, 2012: \$29,678,449). In respect to that debt, Haoma has booked an accrued interest liability of \$17,705,040 (30 June 2012: \$15,933,015). A further \$2,382,597 (30 June 2012: \$2,382,597) in accrued interest is owed to Gary and Genevieve Morgan.

The Roy Morgan Research Centre Pty Ltd and Gary and Genevieve Morgan has each confirmed that payment of monies owed by Haoma will not be required until such time as the Board of Directors determines that Haoma is capable of paying these amounts without adverse financial consequences to the company or its controlled entities. For these reasons, the Board of Directors is satisfied that the going concern basis is appropriate.

The financial statements have been prepared on the basis that the Consolidated Entity is a going concern, which contemplates the continuity of normal business activities and the realisation of assets and the extinguishment of liabilities in the normal course of business at the amounts stated in the financial statements.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

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

**New, revised or amending accounting standards and interpretations adapted**

The Consolidated Entity has adopted applicable new and amended Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, that are mandatory for the current reporting period. Any new, revised or Amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Basis of Consolidation**

The half year Consolidated Financial Statements comprise the financial statements of Haoma Mining NL and its controlled entities ("Consolidated Entity").

**Seasonality of Operations**

There were no seasonal or climate related events which directly or indirectly affected Haoma's ability to earn or derive income during the half-year to December 31, 2012.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 3. REVENUE, INCOME &amp; EXPENSES

	<b>Consolidated Entity</b>	
	<b>Dec 31, 2012</b>	<b>Dec 31, 2011</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Retail sales .....	103,437	94,904
Royalty income .....	228,999	37,398
Finance revenue - interest.....	54,356	58,998
Dividend Income.....	252,193	-
	<b>638,985</b>	<b>191,300</b>
<b>Other Income</b>		
Net gain on disposal of mining tenements .....	-	185,000
Other Income.....	15,000	10,962
	<b>15,000</b>	<b>195,962</b>
<b>Finance Costs</b>		
Director related loan .....	1,772,024	2,163,623
Bank charges .....	8,245	10,097
	<b>1,780,269</b>	<b>2,173,720</b>
<b>Other expenses</b>		
Depreciation.....	99,838	71,655

## 4. CASH AND CASH EQUIVALENTS

For the purpose of the half-year Consolidated Statement of Cash flows, cash and cash equivalents are comprised of the following:

	<b>Consolidated</b>	
	<b>Half-year ended</b>	
	<b>Dec 31, 2012</b>	<b>Jun 30, 2012</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents .....	20,512	24,937
	<b>20,512</b>	<b>24,937</b>

## 5. DIVIDENDS PAID AND PROPOSED

Prior to adoption by the Board of this Half Year Financial Report and in the period since the issue of the June 30, 2012 Annual Financial Report, no dividends were proposed, declared or paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)***6. EXPLORATION AND EVALUATION**

	<b>Consolidated Entity</b>	
	<b>Dec 31, 2012</b>	<b>Jun 30, 2012</b>
	<b>\$</b>	<b>\$</b>
<b>Opening balances July 1</b>	<b>5,815,000</b>	6,593,119
Additions.....	<b>1,778,323</b>	3,324,027
Disposals .....	-	(225,000)
Exploration and evaluation costs written off .....	<b>(1,778,323)</b>	(3,877,147)
<b>Closing balance</b>	<b>5,815,000</b>	5,815,000

**7. INTEREST BEARING LOANS**

Funding for the company's ongoing operations has been provided by The Roy Morgan Research Centre Pty Ltd a director related entity and controlled by Haoma's Chairman, Mr Gary Morgan. The Roy Morgan Research Centre Pty Ltd has provided an assurance to the Board that it will continue to ensure funds are made available to the company to fund operations for the period of at least 12 months from the date of this report.

To December 31, 2012, The Roy Morgan Research Centre Pty Ltd has provided accumulated funding of \$31,659,618 (June 30, 2012: \$29,678,449) to Haoma.

The Board of Haoma has approved payment of interest on the loans at the 30 day commercial bill rate plus a 4% margin. Interest on the loan has not been paid and will accrue until such time as the company is in a position to commence interest payments. During the 6 months ended December 31, 2012, interest accrued on the total funds advanced was \$1,772,024 (Interest for the same period in the previous financial year was \$2,163,623). Total interest accrued over the life of the loans to December 31, 2012 is \$17,705,040 (30 June 2012: \$15,933,015)

**8. COMMITMENTS AND CONTINGENCIES**

As at December 31, 2012 Haoma's contingent liabilities as disclosed in the most recent Annual Report for the Financial Year ended June 30, 2012 are unchanged.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)***9. CONTRIBUTED EQUITY**

	<b>Consolidated</b>	
	<b>Dec 31, 2012</b>	<b>June 30, 2012</b>
	\$	\$
Ordinary shares - issued and fully paid	<b>59,593,411</b>	59,593,411
Movement in ordinary shares on issue:	<b>Number</b>	<b>\$</b>
At July 1, 2012	<b>182,993,665</b>	59,593,411
Issued during the 6 months to December 31, 2012	-	-
At December 31, 2012	<b>182,993,655</b>	59,593,411

**10. EVENTS AFTER BALANCE SHEET DATE**

No significant events have occurred after balance date and prior to the adoption of this Half Year Financial report.

**DIRECTORS' DECLARATION**

The Directors of Haoma Mining NL declare that:

- (a) The financial statements and notes of the consolidated entity:
  - (i) give a true and fair view of the financial position of the consolidated entity's as at December 31, 2012 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
  - (ii) comply with Accounting Standards AASB 134 "*Interim Financial Reporting*" and the Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable for the reasons discussed in note 2 to the financial statements.

Signed in accordance with a resolution of the directors

A handwritten signature in black ink, appearing to read 'Gary Morgan', with a long horizontal flourish extending to the right.

**Gary C. Morgan**  
**Chairman**

**Melbourne**

February 28, 2013

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF HAOMA MINING NL

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Haoma Mining NL, which comprises the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Haoma Mining NL and the entities it controlled at the half-year's end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

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

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Haoma Mining NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Haoma Mining NL, would be in the same terms if given to the directors as at the time of this auditor's review report.



INDEPENDENT AUDITOR'S REVIEW REPORT (CONT'D)  
TO THE MEMBERS OF HAOMA MINING NL

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Haoma Mining NL is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

**Emphasis of Matter**

Without modifying our conclusion, we draw attention to Note 2 "Going Concern" in the financial report, which indicates that the consolidated entity incurred a net loss of \$3,800,612 for the half year, had net current liabilities of \$53,103,022, and negative shareholders equity of \$32,459,079 and had net cash outflows from operating activities of \$357,762 and expenditure on non-capitalised exploration activities of \$1,443,333. These conditions along with other matters as set out in Note 2 give rise to a material uncertainty which may cast significant doubt about the ability of the consolidated entity to continue as a going concern, and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO East Coast Partnership

Richard Dean  
Partner

Melbourne, 28 February 2013