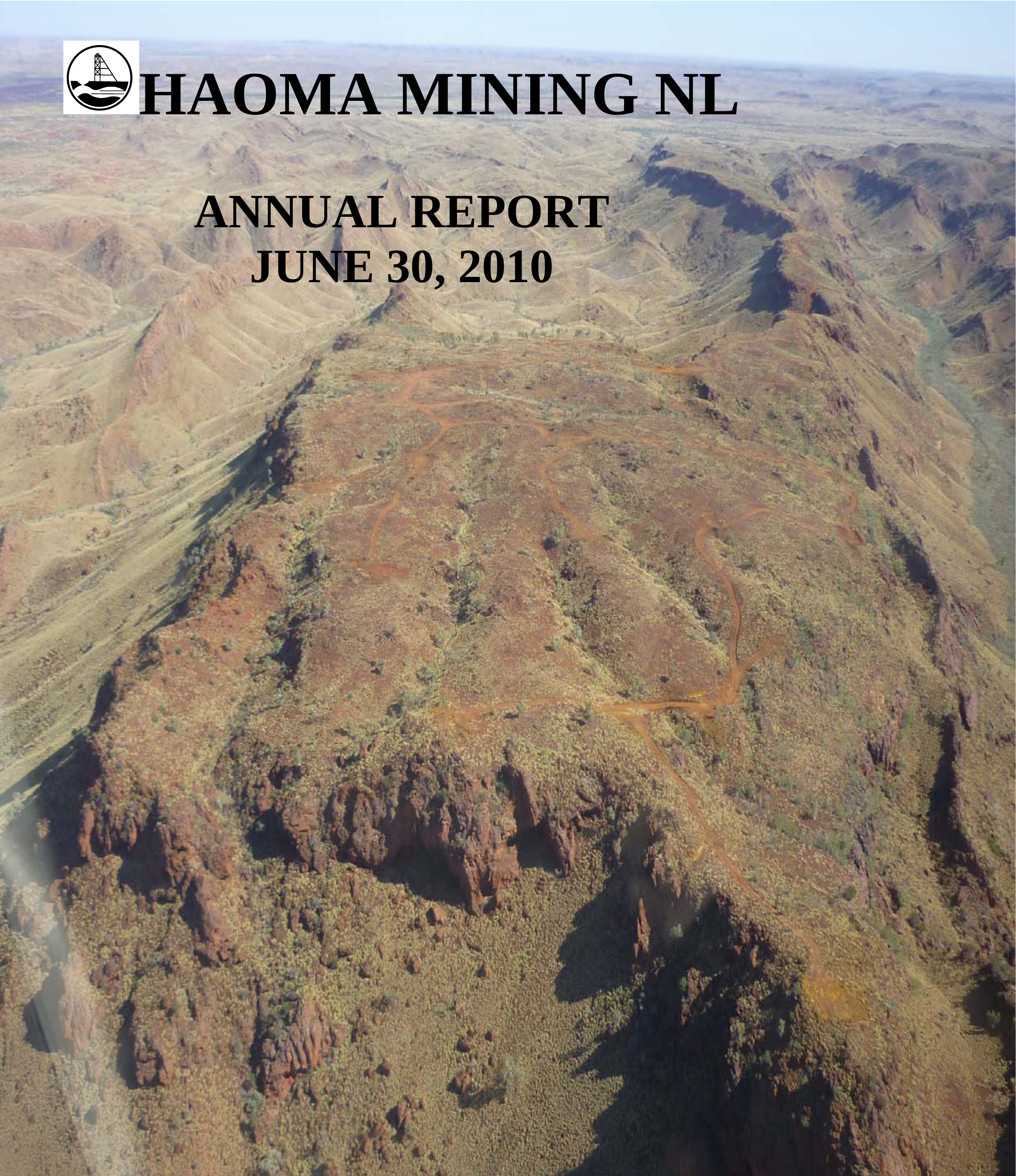
HAOMA MINING NL

ANNUAL REPORT
JUNE 30, 2010



MISSION STATEMENT

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

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

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

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

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

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 November 30, 2010 Commencing at 9.30am. 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 have been mailed to shareholders.

Financial Results

Haoma's Consolidated Loss for the Financial Year to June 30, 2010 was $5.66 million. This operating loss was after providing for income tax, depreciation, amortisation and interest of $3.42 million. Over the last 12 months the Bamboo Creek Processing Facility has predominantly been utilised as a test facility, processing bulk ore samples from Haoma's Pilbara tenements. The loss to June 30, 2010 includes costs associated with this research and test work.

Significant research and development results released during 2010 have been reported each Quarter under the ASX continuous disclosure rules and are included in this Annual Report. The end objective is to enable Haoma Mining to re-establish a profitable gold and silver mining operation in the Pilbara region of Western Australia.

Through my family investment company, I have continued to provide the required funding for Haoma's research and development activities to economically extract gold and silver from Pilbara ores. The costs to date have been extensive and the revenues limited which has resulted in a deficiency of net assets.

The Haoma Board is pleased to advise shareholders that the new Bamboo Creek Pilot Plant has been successfully commissioned and during November will be operating on a continuous basis processing Bamboo Creek **Tailings Concentrates.**

On Friday October 29, 2010 the first bulk ore test using the new Bamboo Creek Pilot Plant processed 12.5 kg of Bamboo Creek Tailings (similar ore to the samples tested in July/August 2010, results reported to shareholders on September 3, 2010 and repeated below). Gold and silver bullion was produced, final assays are awaited. Initial gold and silver assay grades were significant (like reported on September 3, 2010). Final results will be released to shareholders when repeat assays are completed.

Haoma shareholders were advised on March 29, 2010 (www.haoma.com.au/2010/Haoma_ASX_29Mar2010.pdf) that conventional assays for the Bamboo Creek Tailings sample were as follows:

- ·Conventional Aqua Regia Assay: 0.302 g/t Au and 0.000 g/t Ag.
- ·Conventional Fire Assay: 0.152 g/t Au and 0.091 g/t Ag.

It is expected that the gold and silver grades from **Tailings Concentrates** to be processed will be **significantly higher** than the Bamboo Creek Tailings gold and silver grades reported above and in Table 1 below. Conventional assays of Bamboo Creek Tailings **Concentrates** are 0.84 g/t gold and 15.50 g/t silver. The Directors expect to be able to advise shareholders before the Annual General Meeting of the expected gold and silver monthly production.

The initial throughput capacity of the Pilot Plant will be about a tonne per day of Bamboo Creek **Tailings Concentrates**. Over the next 12 months the Board anticipates that the throughput capacity will increase to above 5 tonnes of Bamboo Creek **Tailings Concentrates** per day.

Iron Ore Smelting: A small **smelting plant** has been installed at Bamboo Creek to test the viability of smelting iron ore samples from Haoma's tenements at Mt Webber, Spinifex Ridge (near Bamboo Creek), Karratha and other Pilbara tenements. Initial iron ore smelt tests have been encouraging.

1. Bamboo Creek Operations – Pilbara, WA

1.1 Significant Bamboo Creek Results using the Refined Elazac *Assay* Method and Refined Elazac *Extraction* Method (Elazac Process)[1] (Reported to the ASX on September 3, 2010)

During July and August this year bulk ore tests continued at the Bamboo Creek Plant facilities using the **Refined Elazac *Extraction* Method** and the **Refined Elazac *Assay* Method** on samples of Bamboo Creek **Tailings** and Tailings **Concentrates**.

The **latest results significantly up-grade previous Bamboo Creek test results** which showed that conventional assays did not accurately measure the amounts of gold and silver that can be extracted from Bamboo Creek ores.

Three independent trials on Bamboo Creek Tailings (samples 50g, 50g and 400g) using the **Refined Elazac *Extraction* Method** have just been completed in Melbourne at an Independent Facility to test recoveries of gold and silver from the samples tested. Assays from these three trials at the Independent Facility used the **Refined Elazac *Assay* Method** and check assays were carried out at the Bamboo Creek Laboratory.

Results were significantly higher than results from previous test work carried out at Bamboo Creek and reported to shareholders in the June 2010 Quarterly Report: (www.haoma.com.au/2010/Haoma_Qtrly_Q4_Jun_10-App5B.pdf)

Table 1:

Bamboo Creek Tailings			
Bamboo Creek Assays		Independent Assays	
Gold Calc Head	Silver Calc Head	Gold Calc Head	Silver Calc Head
(g/t)	(g/t)	(g/t)	(g/t)
145.66	**186.93**	**189.02**	**385.05**

Haoma shareholders were advised on March 29, 2010
http://www.haoma.com.au/2010/Haoma_ASX_29Mar2010.pdf that conventional assays for the Bamboo Creek Tailings sample were as follows:

- Conventional Aqua Regia Assay: 0.302 g/t Au and 0.000 g/t Ag.
- Conventional Fire Assay: 0.152 g/t Au and 0.091 g/t Ag.

In addition to the three independent trials, a **20kg bulk sample of Bamboo Creek Tailings** was processed by the **Refined Elazac *Extraction* Method** at the Bamboo Creek Treatment Plant with all assays carried out at the Melbourne Independent Facility. **The 20kg bulk sample returned calculated grades from bullion of 174.89g/t gold and 92.95g/t silver**.

[1] The information & data in Section 1 of this report as it relates to Metallurgical Results is based on information compiled by Mr Peter Cole who is a competent person in regard to having sufficient experience which is relevant to this type of metallurgical test work. The information was compiled between July and October 2010. Mr. Cole has consented to the inclusion in this release of the information and data in the form and context in which it appears.

Haoma has approximately one million tonnes of Bamboo Creek Tailings and one million tonnes of mined ore ready to be processed through the Bamboo Creek Plant.

Comparison of the above results with previous Bamboo Creek Tailings bulk ore test (sample 56 kg) show significantly higher gold and silver grades were obtained.
(See Haoma's June 30, 2010 Quarterly Activities Report.to Shareholders, (www.haoma.com.au/2010/Haoma_Qtrly_Q4_Jun_10-App5B.pdf).

Table 2:

	The Perth Mint	**Australian Laboratory Services**	**Other Independent Facility**
	g/t	g/t	g/t
Gold	55.66	47.74	63.87
Silver	Not Measured	55.19	31.32

The latest results and the above previous results outlined in Haoma's June 30, 2010 Quarterly Activities Report both confirmed the initial bulk ore test which measured 55.90 g/t gold in Bamboo Creek Tailings and released to the ASX in Haoma's April 8, 2010 Special Report. http://www.haoma.com.au/2010/Haoma_ASX_08Apr2010%20.pdf

The latest Elazac results showed that the measured gold and silver grades can now be recovered into gold and silver bullion. Residues from using the Elazac Process may contain some additional gold, silver and other metals which can be recovered with additional processing.

1.2 Refined Elazac *Assay* Method

As detailed in previous reports, assays conducted on Bamboo Creek and other Pilbara ores by the traditional methods (Fire assay and Aqua Regia Acid Digestion methods) often significantly under estimate the true grades of gold, silver and other metals.

The Refined Elazac *Assay* Method can now accurately measure grades of gold, silver and other metals. With many Pilbara ores the assay results are significantly higher than when traditional assay methods are used.

Exploration Activities – Western Australia

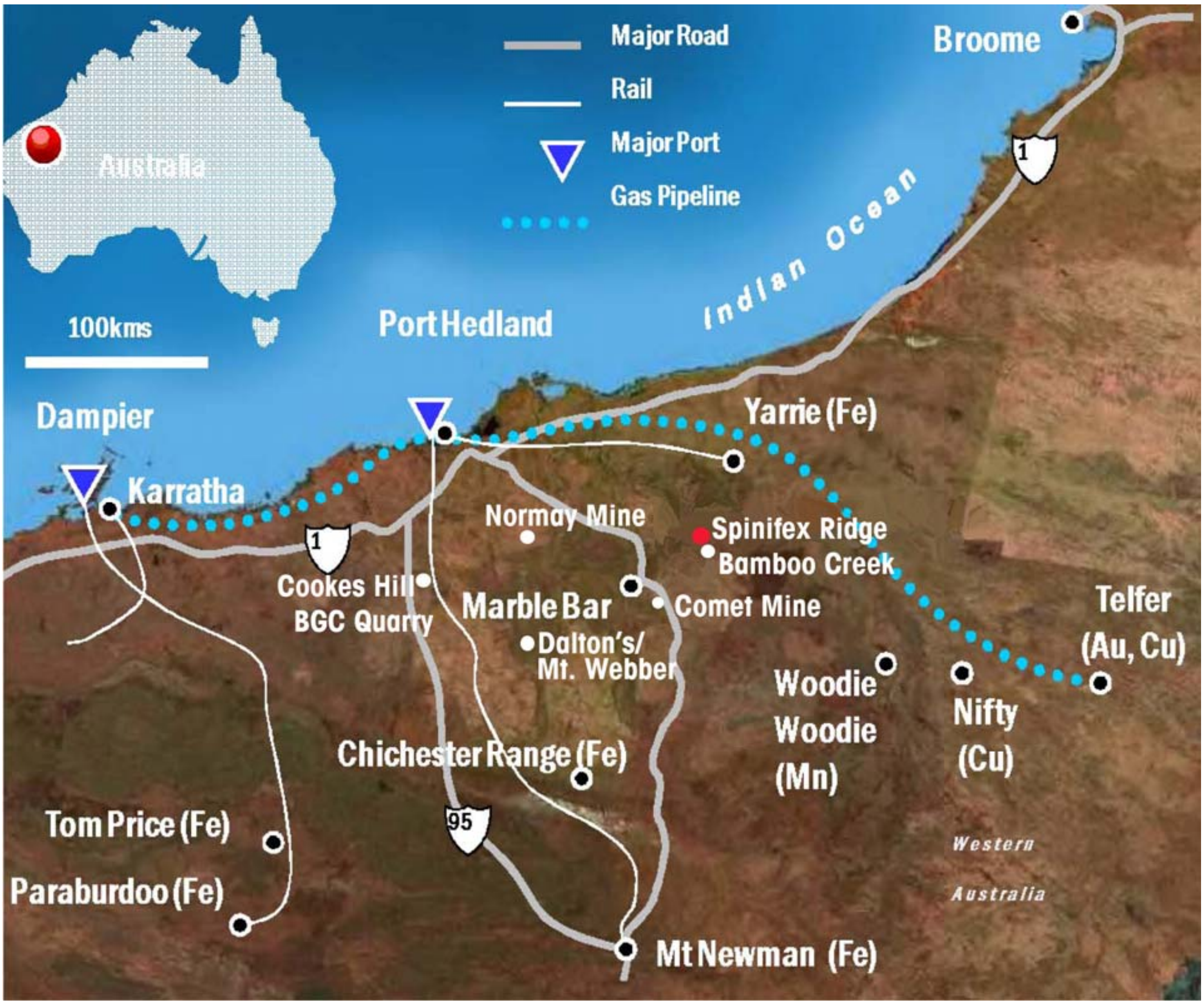
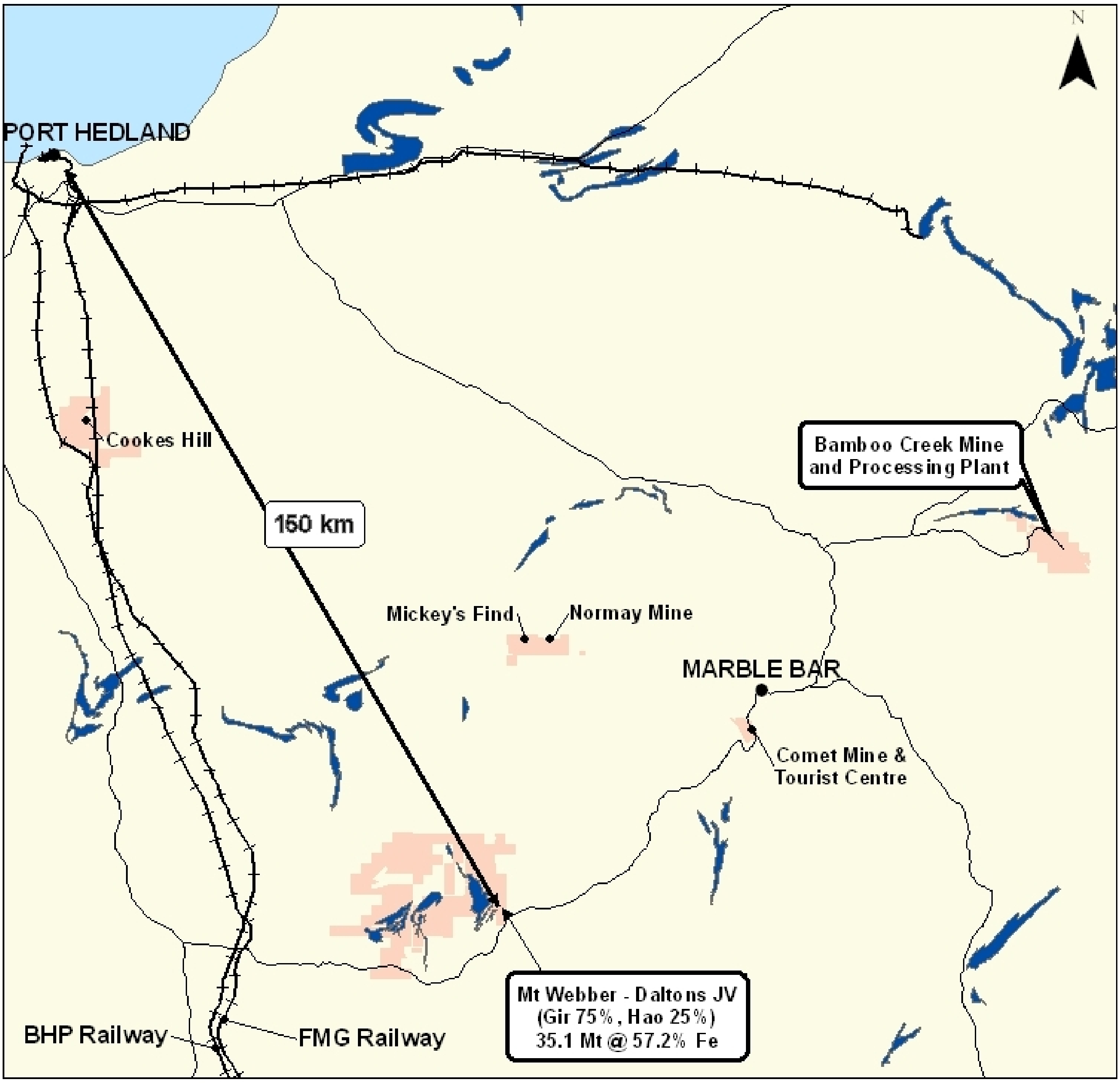


Figure 1: **Pilbara Area Project Location Map**
Source: Moly Mines Ltd (Now included in Moly Mines' map are locations of Bamboo Creek, Normay Mine, Cookes Hill BGC Quarry, Daltons/ Mt Webber and the Comet Mine)

2. Daltons Joint Venture (E45/2186, E45/2187, E45/2921, E45/2922) with Giralia Resources NL - Haoma Mining 25%, Giralia Resources 75% (Includes 100% Haoma M45/780, M45/847, P45/2292 – 2298)

Haoma holds a 25% interest in the Daltons Joint Venture with Giralia Resources NL ("Giralia") 75% interest. The Daltons JV tenements are located 150 kilometres south of Port Hedland and only 20 to 30 kilometres east of the BHP Billiton and FMG rail lines in the Pilbara region of Western Australia. **Haoma retains rights to 100% of the gold/silver and tin/tantalum mineralisation.**



<u>Figure 2:</u> Location of Daltons JV - Mt Webber Iron Ore Project
Map includes location of Haoma's Bamboo Creek Processing Plant, North Pole Area (including Mickey's Find and Normay Mine), Cookes Hill and the Comet Mine and Tourist Centre.

<u>Mt Webber Iron Ore Project</u>

On September 8, 2010, Haoma advised shareholders of an upgrade to the JORC Mineral Resource category from Inferred to Indicated for the major portion of the Daltons Joint Venture Mt Webber iron ore deposit.

The Main Southern Zone, which comprises over 80% of the direct shipping iron ore ("DSO") resource at Daltons-Mt Webber, is a flat lying, tabular hematite-goethite enrichment cap up to 70 metres thick, with mineralisation starting from surface in most holes. The Daltons JV's Mt Webber tenements directly adjoin the Atlas Iron Limited (70%)/Altura Mining Limited (30%) Mt Webber project, for which a revised Mineral Resource estimate of 41.9 million tonnes @ 57.1% Fe (Indicated 21.9 million tonnes @ 57.2% Fe, and Inferred 20.0 million tonnes @ 57.0% Fe) was reported on September 1, 2010.

The new Indicated Mineral Resource for the Main Southern Zone of the Daltons JV's Mt Webber deposit is; **28.9 million tonnes @ 57.9% Fe, 6.69% SiO_2, 1.49% Al_2O_3, 0.097% P and 8.17% LOI (63.05% CaFe).** Additional Inferred Resources in the Lower Zone and Northern Zone are essentially unchanged at 6.2 million tonnes. The current Indicated plus Inferred Mineral Resource for the Mt Webber deposit is **35.1 million tonnes @ 57.2% Fe, 7.81% SiO_2, 1.5% Al_2O_3, 0.089% P and 7.99% LOI (62.16% CaFe).**

The upgraded Main Southern Zone resource will form the basis for Ore Reserve estimation and detailed mine engineering studies as part of the ongoing Daltons-Mt Webber Pre-Feasibility Study. A high rate of conversion from resource to reserves is anticipated as the deposit will require little waste removal, and is entirely "above ground". The Joint Venture is aiming to complete mine permitting by early 2011 and is continuing to assess various transport options with a base case of public road haulage to Port Hedland.

Table 3: Mineral Resource Estimate – Mt Webber Deposit as at August 23, 2010.

Area	Category	Volume (m^3)	Tonnes	Fe%	P%	SiO2%	Al2O3%	LOI%	CaFe%
Main Southern Zone	Indicated	10,300,000	28,900,000	57.9	0.097	6.69	1.49	8.17	63.05
Lower Zone	Inferred	1,500,000	4,300,000	53.7	0.046	15.29	0.81	6.50	57.43
Northern Zone	Inferred	700,000	1,900,000	55.0	0.070	8.10	3.24	8.52	60.12
TOTAL		**12,500,000**	**35,100,000**	**57.2**	**0.089**	**7.81**	**1.50**	**7.99**	**62.16**

Note: *The CSA Mineral Resource was estimated within wireframe solids based on a nominal lower cut-off grade of 50% Fe. The resource is quoted from blocks above the specified Fe % cut-off grade. Differences may occur due to rounding.*

Delineation of the new Daltons-Mt Webber Indicated Mineral Resource is based on recent infill drilling (19 RC holes and 6 PQ diamond core holes), plus 40 RC drill holes completed in late 2009. The recent drilling confirmed the continuity of the near surface DSO mineralisation, and returned better results (reported to ASX on August 11, 2010) including**; 78 metres (to end of hole) @ 59.8% Fe, 0.11% P, 0.8% Al_2O_3**, **68 metres @ 60.1% Fe, 0.09% P, 1.4% Al_2O_3**, and **58 metres @ 59.1% Fe, 0.10% P, 1.8% Al_2O_3**.

Detailed metallurgical test work on drill core including specific gravity determinations, has resulted in a specific gravity of 2.8 being used by consultants CSA Global for the upgraded resource estimate compared with 3.3 for the previous Inferred Resource estimate reported in September 2009, resulting in a small reduction in tonnage, despite a slightly increased volume.

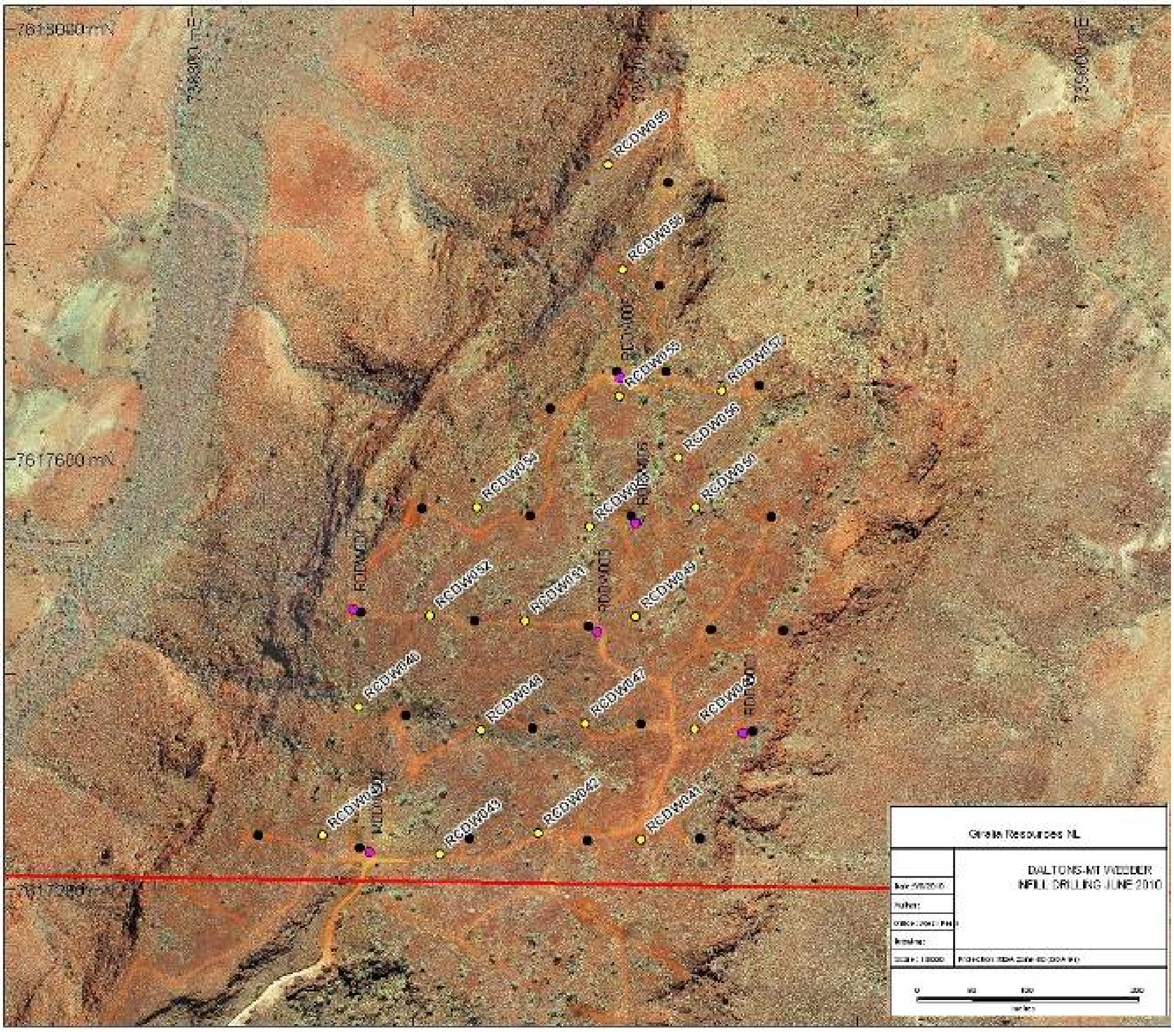


Figure 3: **Main Southern Hill at Daltons-Mt Webber deposit (looking north) showing 2009 drill collars (black dots), new June 2010 infill holes (yellow dots) and PQ diameter core holes (purple dots)**

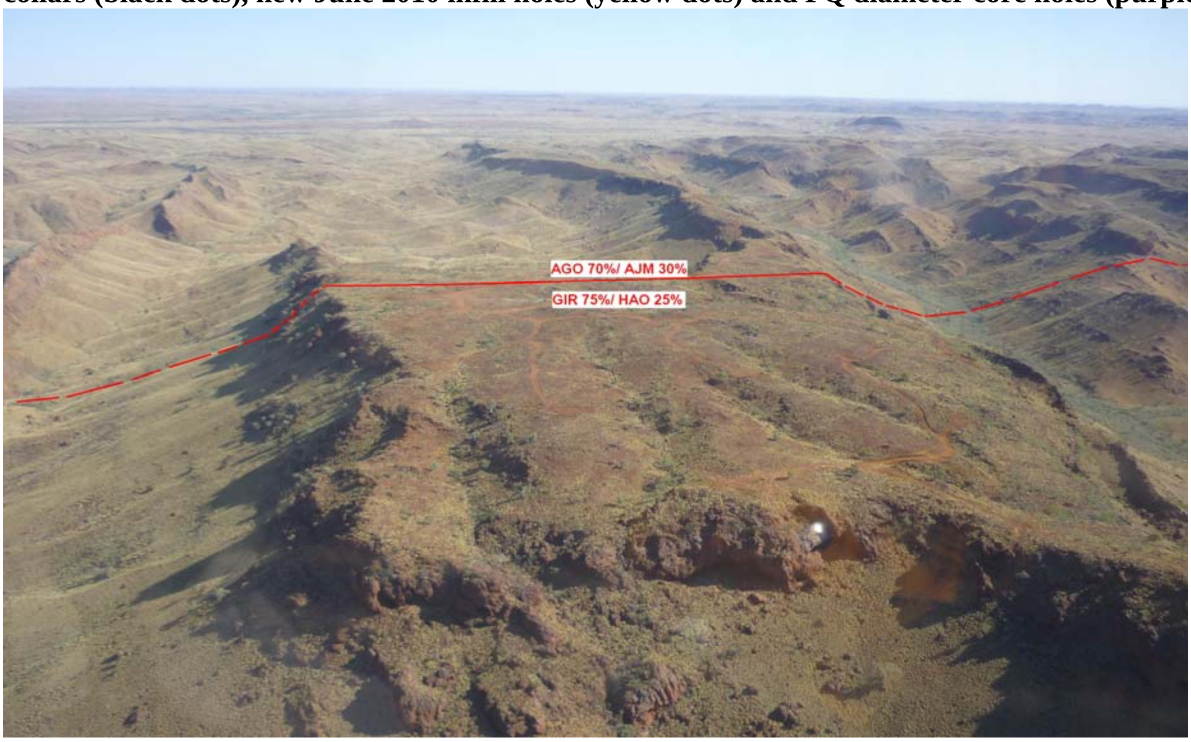


Figure 4: **Main Southern Hill at Mt Webber deposit showing approximate position of tenement boundary with Atlas/ Altura JV (photo looks south).**

Table 4: Intersections Daltons-Mt Webber Deposit RC infill drilling 2010

Hole No	Coordinates East	North	Dip / Az	Depth (m)	From (m)	To (m)	Interval (m)	Fe %	CaFe %	P %	SiO2 %	Al2O3 %	LOI %
RCDW041	739205	7617246	60/90	110	4	72	**68**	**60.1**	**64.4**	**0.09**	**5.6**	**1.4**	**6.6**
				and	84	104	20	50.7	53.8	0.02	19.7	0.5	5.7
RCDW042	739112	7617252	60/90	118	0	52	52	54.0	59.6	0.09	9.5	2.7	9.4
				incl.	32	52	**20**	**56.5**	**62.7**	**0.10**	**7.0**	**1.7**	**9.9**
RCDW043	739024	7617233	60/95	94	10	44	**34**	**58.1**	**64.0**	**0.11**	**5.8**	**1.5**	**9.1**
RCDW044	738917	7617250	60/93	64	0	64	**64 EOH**	**57.5**	**62.8**	**0.11**	**6.4**	**2.4**	**8.4**
RCDW045	739253	7617349	60/90	118	0	36	**36**	**57.5**	**62.5**	**0.09**	**7.5**	**1.8**	**8.0**
				incl.	16	34	**18**	**60.6**	**65.5**	**0.10**	**4.5**	**1.3**	**7.5**
				and	40	52	12	50.1	52.8	0.04	22.0	0.7	5.1
				and	86	112	**26**	**56.9**	**61.2**	**0.04**	**8.1**	**1.5**	**7.2**
RCDW046	738951	7617370	60/90	70	0	24	**24**	**57.8**	**61.9**	**0.10**	**6.3**	**3.7**	**6.9**
				incl.	8	24	**16**	**63.7**	**67.3**	**0.10**	**2.3**	**1.1**	**5.2**
RCDW047	739154	7617354	60/90	94	4	28	**24**	**55.9**	**60.5**	**0.10**	**9.8**	**1.2**	**7.6**
				incl.	4	22	**18**	**58.1**	**62.8**	**0.11**	**7.2**	**0.9**	**7.5**
				and	32	46	14	51.1	53.8	0.05	19.0	1.3	4.9
RCDW048	739060	7617348	60/90	76	0	36	**36**	**58.9**	**63.1**	**0.09**	**6.6**	**2.0**	**6.6**
				incl.	2	32	**30**	**60.3**	**64.4**	**0.08**	**5.2**	**1.8**	**6.4**
RCDW049	739200	7617454	60/90	76	0	44	**44**	**56.1**	**60.0**	**0.08**	**11.4**	**1.0**	**6.4**
				incl.	12	38	**26**	**59.9**	**64.1**	**0.09**	**6.4**	**0.9**	**6.5**
RCDW050	739254	7617555	60/90	94	0	64	**64**	**56.2**	**62.3**	**0.09**	**6.6**	**2.2**	**9.8**
				incl.	10	60	**50**	**57.1**	**63.3**	**0.09**	**5.4**	**2.2**	**9.8**
RCDW051	739100	7617450	60/90	58	0	30	**30**	**57.5**	**62.4**	**0.07**	**7.1**	**1.6**	**7.9**
				incl.	8	30	**22**	**60.4**	**65.2**	**0.08**	**4.7**	**1.2**	**7.4**
				and	38	44	6	52.9	56.9	0.11	15.1	0.7	7.1
RCDW052	739015	7617455	60/90	64	0	58	**58**	**59.1**	**63.6**	**0.10**	**6.1**	**1.8**	**7.1**
RCDW053	739159	7617537	60/90	58	0	56	**56**	**56.4**	**61.1**	**0.10**	**10.0**	**1.0**	**7.5**
				incl.	0	42	**42**	**58.8**	**63.8**	**0.10**	**6.3**	**1.1**	**7.7**
RCDW054	739057	7617556	60/90	58	0	34	**34**	**58.6**	**63.3**	**0.09**	**6.7**	**1.9**	**7.4**
RCDW055	739185	7617659	60/90	88	10	88	**78 EOH**	**59.8**	**65.8**	**0.11**	**3.9**	**0.8**	**9.1**
RCDW056	739238	7617601	90/0	70	2	46	**44**	**56.5**	**61.9**	**0.09**	**7.7**	**1.7**	**8.7**
				incl.	8	44	**36**	**57.7**	**63.5**	**0.09**	**5.7**	**1.7**	**9.0**
				and	64	70	**6 EOH**	**58.0**	**62.6**	**0.04**	**7.4**	**1.9**	**7.3**
RCDW057	739278	7617664	60/90	94	12	68	**56**	**57.6**	**64.2**	**0.11**	**5.2**	**1.0**	**10.3**
				incl.	20	68	**48**	**58.7**	**65.4**	**0.12**	**3.9**	**0.7**	**10.3**
				and	82	92	**10**	**56.0**	**61.2**	**0.10**	**10.3**	**0.6**	**8.5**
RCDW058	739188	7617776	90/0	64	0	4	4	53.9	60.5	0.10	8.2	2.7	10.9
RCDW059	739175	7617874	60/270	94				NSV					

Intersections quoted using lower cut-offs of 50% and 55**%** Fe.
All coordinates in MGA Zone 50 GDA 94, by hand held GPS (± 6m).
NSV= no intersections of 2m @ >50% Fe.
RC drill samples collected as 2 metre riffle split composites.
EOH means iron intersection open at end-of-hole.
CaFe is a measure of iron content upon removal of volatiles (i.e. LOI).
XRF analyses by Spectrolab Laboratory Geraldton.
QA/QC included field duplicate samples and two standards (Certified Reference Material), comprising one coarse standard and one pulverised standard
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The information in Section 2 of this report that relates to in-situ Mineral Resources is based on information compiled by Mr Chris Allen of CSA Global. Mr Chris Allen takes overall responsibility for the reported Mineral resources. He is a Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Mr Chris Allen consents to the inclusion of such information in this Report in the form and context in which it appears.

The information in Section 2 of this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by R M Joyce, who is a Member of the Australasian Institute of Mining and Metallurgy. R M Joyce has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. R M Joyce consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Follow up rock chip sampling and mapping has been completed in the Soanesville area approximately 10 kilometres west of the Mt Webber deposit, where several undrilled zones of outcropping hematite mineralisation were recognised in helicopter reconnaissance in late 2009.

Table 5: Daltons JV Soanesville area - rock chip sample results July 2010

SAMPLE	EAST	NORTH	Fe %	P %	SiO2 %	Al2O3 %	LOI %
DW001	727441	7614219	**58.2**	0.15	4.06	1.71	10
DW002	727698	7613673	**59.5**	0.16	2.32	1.17	10.45
DW003	726525	7616063	48.8	0.03	2.93	8.81	10.67
DW004	726384	7616065	**59.5**	0.08	2.64	1.14	10.66
DW005	726407	7615879	41.2	0.05	4.46	18.7	7.91
DW006	726347	7615451	**57.7**	0.24	3.54	1.83	10.88
DW007	726197	7615634	51.9	0.21	7	5.44	9.96
DW008	727050	7616137	**57.9**	0.12	4.24	2.15	9.18
DW009	727148	7616247	**56.3**	0.37	5	2.35	10.7
DW010	727206	7616344	**57.6**	0.26	3.76	2.58	10.25
DW011	727311	7616471	53.5	0.39	8.19	3.21	10.72
DW012	727177	7616579	54.3	0.08	12.25	0.81	8.74
DW013	727956	7616577	**58.2**	0.28	2.41	1.9	11.48
DW014	728016	7616696	50.8	0.33	8.65	5.03	9.77
DW015	727983	7616835	50.9	0.23	6.78	7.02	11.87
DW016	727950	7616945	**62.0**	0.10	2.26	0.67	7.82
DW017	727918	7617154	**55.5**	0.23	2.9	4.5	9.86

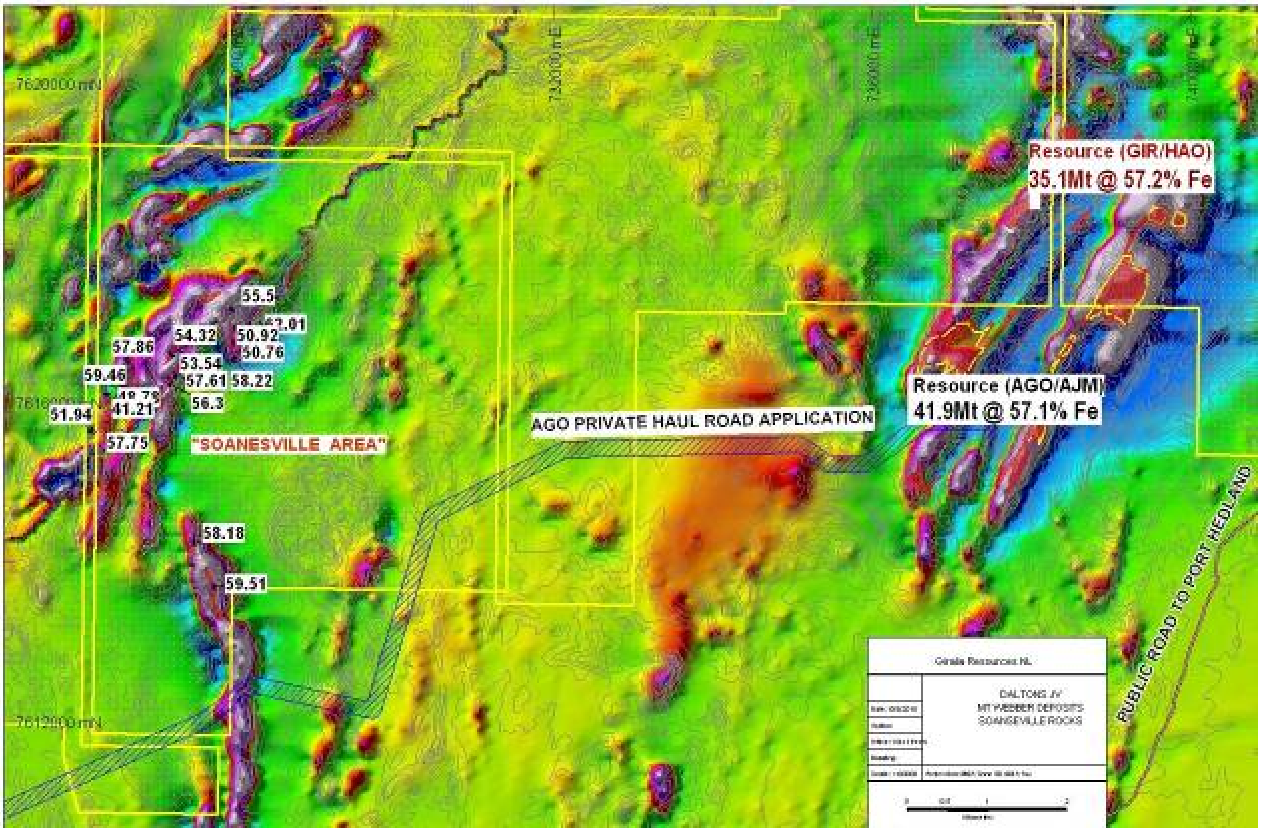


Figure 5: Daltons JV eastern portion aeromagnetic image, showing Mt Webber deposits and new Soanesville area sampling results (Fe %).

An overall DSO Exploration Target of 60 to 80 million tonnes @ 56-60% Fe has been established for the Daltons JV tenements, inclusive of the current Mt Webber resource, and including several newly defined smaller hematite zones near Mt Webber and in the Soanesville area.

3. Bamboo Creek

Bamboo Creek Exploration (E45/3217) – Iron Ore Targets

In 2009 a 'rock chip' sampling program on the western section of Haoma's Bamboo Creek tenements obtained significant surface 'rock chip' assay results over more than 2.5 km of the Bamboo Creek Banded Iron Formation.

The results indicated that the adjoining Moly Mines (MOL) Banded Iron Formation (which contains the Spinifex Ridge Iron Ore deposits) extends into Haoma's Bamboo Creek Exploration Tenement E45/3217 (See Figures 6 and 7). The mineralisation on E45/3217 is approximately 8 km from the Bamboo Creek plant and township.

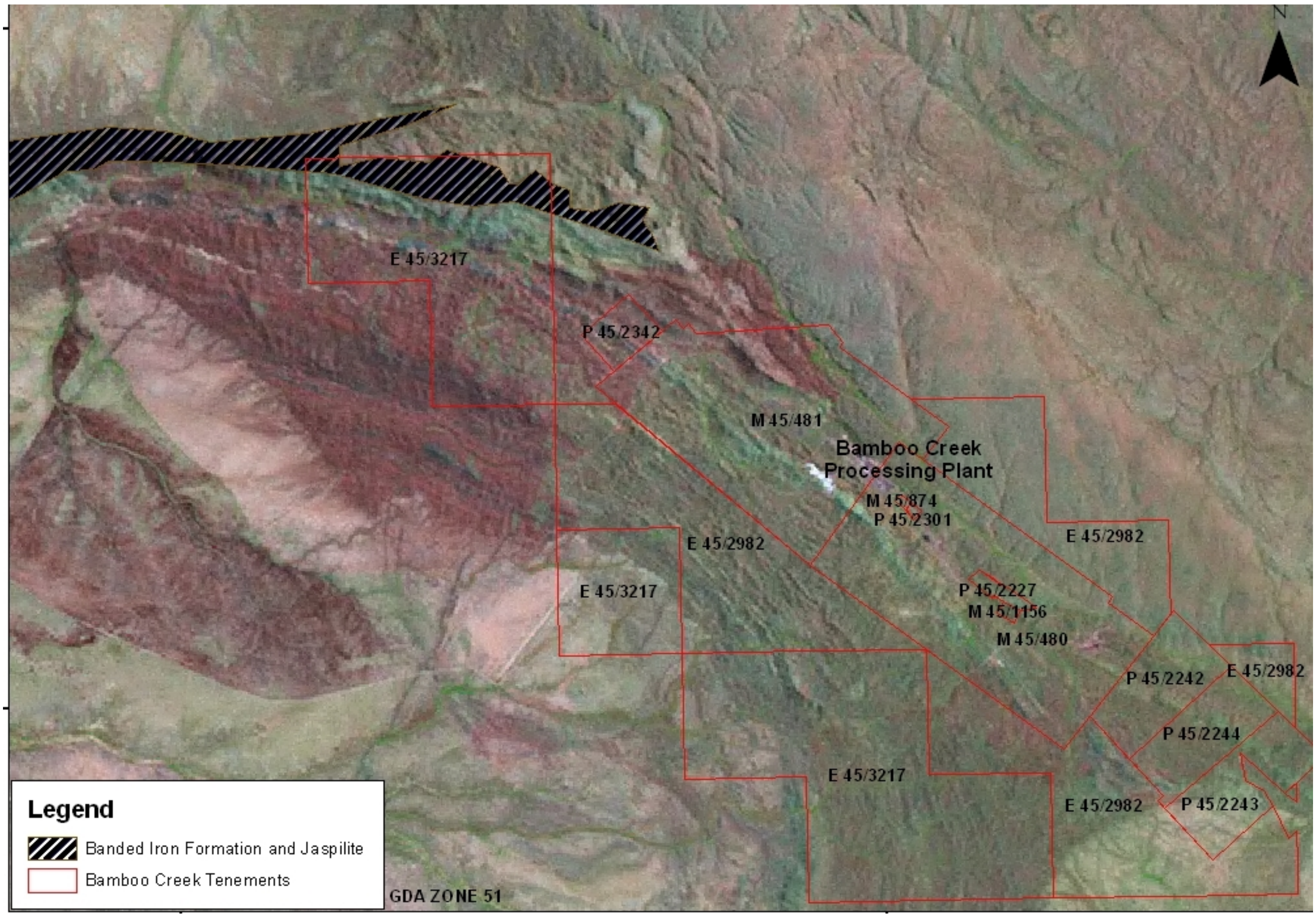
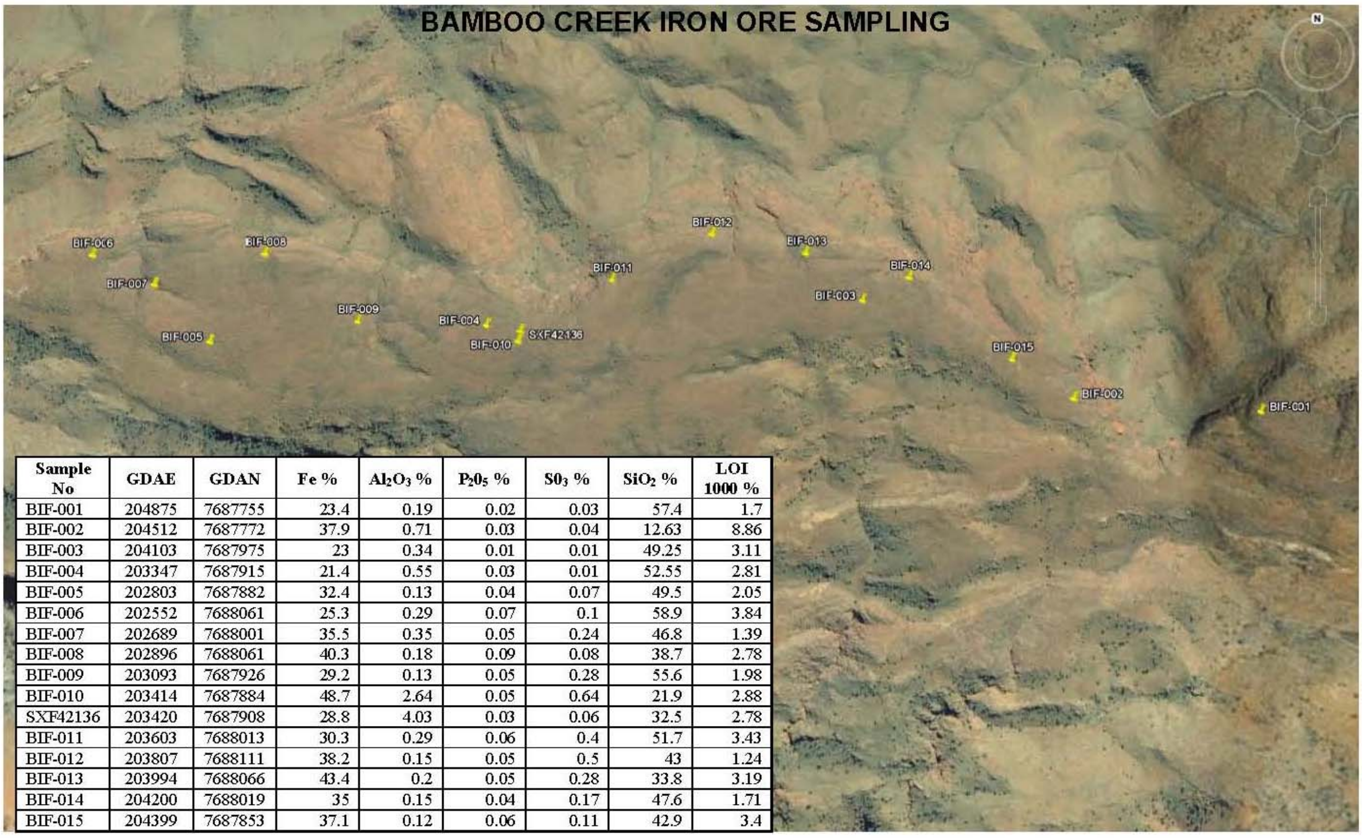


Figure 6: Moly Mines Banned Iron Formation (in black) showing how the Formation extends into Haoma's Bamboo Creek Tenement E45/3217



Sample No	GDAE	GDAN	Fe %	Al_2O_3 %	P_2O_5 %	SO_3 %	SiO_2 %	LOI 1000 %
BIF-001	204875	7687755	23.4	0.19	0.02	0.03	57.4	1.7
BIF-002	204512	7687772	37.9	0.71	0.03	0.04	12.63	8.86
BIF-003	204103	7687975	23	0.34	0.01	0.01	49.25	3.11
BIF-004	203347	7687915	21.4	0.55	0.03	0.01	52.55	2.81
BIF-005	202803	7687882	32.4	0.13	0.04	0.07	49.5	2.05
BIF-006	202552	7688061	25.3	0.29	0.07	0.1	58.9	3.84
BIF-007	202689	7688001	35.5	0.35	0.05	0.24	46.8	1.39
BIF-008	202896	7688061	40.3	0.18	0.09	0.08	38.7	2.78
BIF-009	203093	7687926	29.2	0.13	0.05	0.28	55.6	1.98
BIF-010	203414	7687884	48.7	2.64	0.05	0.64	21.9	2.88
SXF42136	203420	7687908	28.8	4.03	0.03	0.06	32.5	2.78
BIF-011	203603	7688013	30.3	0.29	0.06	0.4	51.7	3.43
BIF-012	203807	7688111	38.2	0.15	0.05	0.5	43	1.24
BIF-013	203994	7688066	43.4	0.2	0.05	0.28	33.8	3.19
BIF-014	204200	7688019	35	0.15	0.04	0.17	47.6	1.71
BIF-015	204399	7687853	37.1	0.12	0.06	0.11	42.9	3.4

Figure 7: Haoma's Bamboo Creek Tenement E45/3217 showing exploration sample locations adjacent to Moly Mine's Banded Iron Ore Zone

Figure 8: Haoma's Spinifex Ridge Terrain near Sample BIF-002 (see Table in Figure 7)

The exploration assay results included in Section 3 of this report was prepared in September 2009 by Ms Sandra McKenzie (BSci, MAusIMM), who is a competent person under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and who consents to the inclusion of this information in this Report in the form and context in which it is presented.

4. Special General Meeting – May 11, 2010

At a Special General Meeting held on May 11, 2010, shareholders voted to approve a selective buy-back and cancellation of 10 million Haoma Mining shares held by BHP Billiton Nickel West Pty Ltd. My Chairman's Address to the meeting was forwarded to the Australian Securities Exchange on May 11, 2010 however the ASX refused to release my Chairman's Address through the usual ASX company announcements platform because in the view of the ASX "the Chairman's Address contained comments on the Government's proposed Mining 'Super Profits' Tax (the "Proposal") that ASX deemed were inconsistent with the policy guidance given to listed entities in Guidance Note 8, Paragraph 49 of the listing rules".

The 'Mining Super Profits Tax' as proposed was scrapped and Julia Gillard replaced Kevin Rudd before the August 21, 2010 Federal election which resulted in a 'hung' Parliament. Unfortunately there is still confusion and debate over the Federal Government's new mining tax. There is little doubt the proposed new mining tax has caused many new mining ventures to be put on hold.

My full Chairman's Address (May 11, 2010) is reproduced in Section 4.1 of the Annual Report followed in Section 4.2 with the explanation provided by the ASX for its decision not to release.

4.1 CHAIRMAN'S ADDRESS TO THE SPECIAL GENERAL MEETING
By Gary C. Morgan, 9.30, Tuesday May 11, 2010

The Directors and I extend a warm welcome to all present at today's Special General Meeting.

The business of today's meeting is to vote on the Special Resolution contained in the Notice of Meeting. That resolution concerns the approval of a buy-back of 10 million Haoma shares from BHP Billiton Nickel West Pty Ltd.

Purchase of BHP Billiton's 10 million Haoma Mining shares

We are pleased to recommend to shareholders that Haoma purchases the 10 million Haoma shares held by BHP Billiton.

BHP Billiton's representative approached Haoma on February 19, 2010 advising BHP Billiton wished to sell the shares they owned in Haoma. We recommended to BHP Billiton Directors not to sell their Haoma holding and advised them that following ***Haoma's important December 2, 2009 announcement*** *we expected to soon be releasing more significant results from ongoing tests.*

(www.haoma.com.au/2009/Haoma_ASX_Release_%20re_Trading_Halt_%20Dec_1-2_Dec_09.pdf).

BHP (Billiton) and WMC have been closely involved with Haoma since the early 1990s. Many of their previous Executives and Directors have helped Haoma in solving the metallurgical problem we have had measuring and extracting gold from Bamboo Creek ores.

We now understand 'why' we cannot assay Bamboo Creek ores and we understand how to 'extract' gold from these ores in a laboratory and plant. The 'key' to Haoma's (and Australia's) future success is to be able to ***extract economically*** *a high proportion of gold from the high grade gold ore we have at Bamboo Creek. We now know how to achieve this on a commercial basis.*

At Bamboo Creek we have many millions of tonnes of high grade gold bearing ore available to be processed. The gold value is worth many millions of dollars.

*On **April 8, 2010** we advised shareholders we were able to produced 3.11gm of fine gold (55.5g/t gold) from 56kg of Bamboo Creek Tailings. The residual (tails) grade measured 0.36g/t gold. This gold recovered result is significant.*

(www.haoma.com.au/2010/Haoma_ASX_08Apr2010%20.pdf)

The gold produced was measured by The Perth Mint Australia. Since then we have had ALS Chemex check the Perth Mint results. ALS Chemex obtained similar grades for the Bamboo Creek Tailings samples tested.

*Today I am pleased to advise Haoma's shareholders that we expect to have **a test plant producing gold at Bamboo Creek by the end of June.***

During the first Quarter of 2010-2011 we anticipate we will be producing sufficient gold at Bamboo Creek to be operating on a commercial basis.

<u>Haoma's 25% interest in the Iron Ore Discovery at Mt Webber</u>

*The Rudd Government's proposed Mining 'Super Profits' Tax will be disastrous for most mining companies that anticipate establishing a new mine in Australia. We believe Australian Banks will be hesitant to provide funds for most new projects. **Unfortunately, the damage is done and it will take generations of prudent Government to reverse this damage to the status of Australia's sovereign risk.** As I said last week:*

> *"The full impact of increasing taxes on mining projects has not been fully understood. (Not being fully understood is more obvious today as there has over the last few days been masses of complete nonsense reported and attributed in the media - TV, Radio, Internet and Print).*
>
> *From last week the Australian share market has dropped significantly as **Australia's sovereign state status has been badly damaged** and it's anticipated many new mining projects will be deferred. (**<u>See today's News-bites story</u>**)*
>
> *As **<u>80% of electors have money invested in superannuation funds</u>** the Mining 'Super Profits' Tax affects everyone.*
>
> *There is little doubt the Federal Election will be as bitter as 1975. This time mining companies will be financially supporting the Coalition, indeed Australian electors can expect corporate involvement in the next Federal Election as strong as when Chifley tried to 'Nationalise the Banks' in 1949. For the first time the Rudd Government is no longer a 'certainty' to be re- elected. Too many 'things' over 'too many fronts' are going wrong!" (**roymorgan.com/resources/pdf/papers/20100505.pdf**)*

*__On December 17, 2009__ the Directors advised Haoma shareholders that Haoma (25%) and Giralia (75%) had defined a commercial grade iron ore deposit at Mt Webber. **(<u>www.haoma.com.au/2009/Haoma_ASX_17_Dec_09_Haoma_MtWebber_ASX_Report.pdf</u>)***

Since then Haoma's Directors and Consultants have been concerned that BHP Billiton and Fortescue were not being receptive to other companies with nearby iron ore deposits using their railways and Port Hedland port facilities on a commercial basis. (Over the last few years Haoma has supplied much of the dolerite rock material used for their new railway lines on a commercial basis).

Because of the difficulties Haoma is experiencing in obtaining rail and port access Haoma has been 'exploring' whether it would be possible to establish iron ore smelting at Marble Bar.

In the first Quarter of 2010-2011 we anticipate establishing smelting facilities to treat test samples of Mt Webber iron ore.

Before proceeding with this new venture, Haoma's Directors need to know whether smelting profits will be taxed at the normal company tax rate or whether at the new Mining 'Super Profits' Tax.

If the smelting profits (made from smelting Haoma's iron ore) are to be subjected to the proposed new Mining 'Super Profits' Tax then Haoma will not proceed with establishing smelting facilities at Marble Bar.

Then, unfortunately, most residents of Marble Bar will continue to reside in Australia's hottest town and live mainly on welfare!

So far my family has invested at least $50 million in the Marble Bar area on mineral exploration and metallurgical research with no Government help and no return!

Paul Howes of the Australian Workers' Union said in the Sunday Telegraph: "And some of the money (Mining 'Super Profits' Tax) must go towards supporting entrepreneurs who want to process raw materials before being shipped overseas." Paul Howes is right, Australian miners must add value to their exports.

Haoma's Directors do not want any Government money now or in the future. All we want is to be taxed at the same rate as other Australian companies. And we want the BHP Billiton and Rio's 'stranglehold' on the Pilbara rail and port infrastructure to be available to all Pilbara mineral miners – making these facilities available on a commercial basis will achieve more for Australian profits and tax revenue than the proposed new Mining 'Super Profits' Tax. BHP Billiton and Rio should then be allowed to merge their iron ore mining in the Pilbara – a simple win win!"

4.2 EXPLANATION PROVIDED BY THE ASX FOR NOT RELEASING CHAIRMAN'S ADDRESS

ASX Markets Supervision Pty Ltd
ABN 26 087 780 489
20 Bridge Street
Sydney NSW 2000
PO Box H224
Australia Square
NSW 1215

Telephone 61 2 9227 0405
Facsimile 61 2 9227 0428
asx.com.au

12 May 2010

Mr Gary Morgan
Chairman
Haoma Mining NL
First Floor
401 Collins Street
MELBOURNE VIC 3000

Dear Mr Morgan,

Haoma Mining NL (the "Company") – Comments re 'Super Profits' Tax – ASX Guidance Note 8

I refer to your Company's correspondence with ASX Limited ("ASX") concerning ASX's decision to not release the text of your address to the Company's special general meeting yesterday (the "Chairman's Address").

As you know, the reason for ASX's decision is that the Chairman's Address contained comments on the Government's proposed Mining 'Super Profits' Tax (the "Proposal") that ASX deemed were inconsistent with the policy guidance given to listed entities in Guidance Note 8, Paragraph 49 of the listing rules.

Guidance Note 8, Paragraph 49 provides as follows:

"Information to be disclosed should be in a form that is suitable for release to the market. The information contained in a market release or announcement should be factual and relevant and expressed in an objective and clear manner. The use of emotive or intemperate language should be avoided. CAP should not be used for promotional purposes or as a forum for subjective debates (eg. with journalists where an entity takes issue with opinions expressed in the media, or between the target and offeror in a hostile takeover). Announcements must be balanced and truthful."

The Company Announcements Platform primarily is a means for listed entities to provide announcements reporting facts consistent with the listing rules and in particular, listing rule 3.1. All announcements that are released on the Platform should comply with the underlying policy stated above. ASX has no objection to listed entities voicing their political opinions and concerns but does not believe that the Platform is the appropriate forum for such views and debate.

ASX's decision to not release the Chairman's Address is consistent with the approach that has been taken for all participants in your industry sector wishing to comment on the Proposal. In discussing

the matter with your Company Secretary, Jim Wallace, ASX pointed to a release on the subject that has been deemed acceptable for release by ASX from Mincor Resources NL (ASX Code: MCR) on 7 May 2010, as it was judged to have an objective approach to the facts of this matter (a copy of which is attached for your reference). ASX has no objection to releasing announcements of this type.

ASX notes that it publishes over 130,000 announcements on the Company Announcements Platform each year. Accordingly, there must be standards administered by ASX to ensure the orderliness and relevance of the material published on the Platform. ASX's guidance on the form and content of announcements is clear and longstanding and should be understood by all listed entities. In all cases where ASX has objections to the content of a proposed announcement, it endeavours to work with the relevant listed entity to find a solution that, in most cases, results in the entity making an appropriate announcement to the market and saying whatever else it may wish in other fora.

I trust that the above assists your understanding of the matter.

Yours sincerely,

Eric Mayne
Chief Supervision Officer

cc. David Gonski, Chairman ASX
Robert Elstone, Managing Director and CEO, ASX
Alan Cameron, Chairman, ASX Markets Supervision

5. Tribute Agreement for BGC Contracting Pty Ltd to Mine Dolerite from Cookes Hill (ML 45/1005, M45/1034-M45/1036)

The Haoma Dolerite Quarry at Cookes Hill is operated by BGC Contracting Pty Ltd. BGC Contracting mine and crush dolerite aggregate which is being supplied to BHP Billiton railways for its new Pilbara railway line. Haoma earns a royalty of $0.75c per tonne of railway ballast and $0.40c per tonne for other material. During the year 792,018 tonnes of material were mined from the Cookes Hill Quarry for which Haoma received royalties of $408,098.

BGC has advised that over the next 12 months they expect to continue to operate the Cookes Hill Quarry and crushing facility to meet demand in the Port Hedland area for dolerite aggregate.

6. Sub-Marketable Share Parcel Sale Facility

Haoma has recently instigated a sale facility for unmarketable share parcels. An unmarketable parcel is a holding where the shares are valued at less than $500. Affected shareholders will soon be mailed details of the sale facility and what action needs to be taken if they wish to retain their holding. It is anticipated this sale facility will apply to approximately 1,300 shareholders holding approximately 1.8 million shares.

7. Sale of Linden Tenements
Exterra Resources Ltd IPO Priority for Haoma Shareholders

As announced at the Annual General Meeting on December 17, 2009, Haoma sold all of its Linden Tenements (E39/293, E39/428 M39/649, M39/650, N39/794, P39/2974, P39/2975, P39/2976) and the Linden Camp to Exterra Resources Ltd. These tenements were not core to Haoma's operations and were sold to focus on Haoma's Pilbara tenements and Queensland activities.

The Directors determined that Exterra was the appropriate company to bring forward the development of the existing Second Fortune Gold Mine on these tenements. In addition Exterra have a team of people experienced in exploration and mining high grade underground ore bodies. The Linden Tenements combined with other tenements in the Linden and Leonora District held by Exterra are a significant land holding. We believe proposed drilling will quickly define new mining projects and hopefully facilitate a swift move to the development of new mines.

The terms of the sale was a cash consideration of $1.1 million (which Haoma was paid at the time of sale) and a Convertible Note with a face value of $1 million. Haoma may convert the Convertible Note to 10 million ordinary Exterra shares at any time during the 18 month period after Exterra is admitted to the official list of the ASX. When Exterra proceeds to an ASX listing an additional $500,000 will be paid to Haoma for reimbursement of previous exploration costs paid by Haoma on the Linden Tenements.

At the time of this Annual Report, if Exterra achieves its maximum subscription under its initial public share offer (IPO), conversion of the Convertible Note would result in Haoma holding 12.1% of Exterra's share capital. While Haoma will not be involved in Exterra on a day-to-day basis both Peter Cole (Haoma's Acting General Manager) and I are both on the Board of Exterra.

As part of the Exterra IPO all Haoma shareholders have been given a Priority Offer to apply for shares in this issue. The terms of this offer are:

- Haoma shareholders will be given first preference in the share offer if they subscribe for 10,000 Exterra Shares (representing an investment of $2,000) before the offer closing date.
- To have preference in the share offer Haoma shareholders must subscribe for a minimum of 10,000 Exterra Shares.
- Any additional subscription greater than the initial $2,000 worth of Exterra Shares (which must be in multiples of 2,000 Shares, $400) will be considered as part of the normal IPO process.

Offers of Exterra shares will only be made through the Prospectus which will be issued on or about the first week in November. Haoma Shareholders can only acquire shares in Exterra by completing the Application Form accompanying the Prospectus. It is expected that demand for the shares will be strong. If you wish to take advantage of this Priority Offer then you should download the Prospectus from **exterraresources.com.au/prospectus** or alternatively, request a copy of the Prospectus from Exterra by calling 08 9481 7288, and one will be sent to you.

Immediately after listing Exterra intends to commence drilling of the Second Fortune Mine lode system. This drilling program is part of the feasibility study being conducted to determine the requirements to re open the Second Fortune Mine. The drilling results will be used to verify and upgrade the current resource estimates.

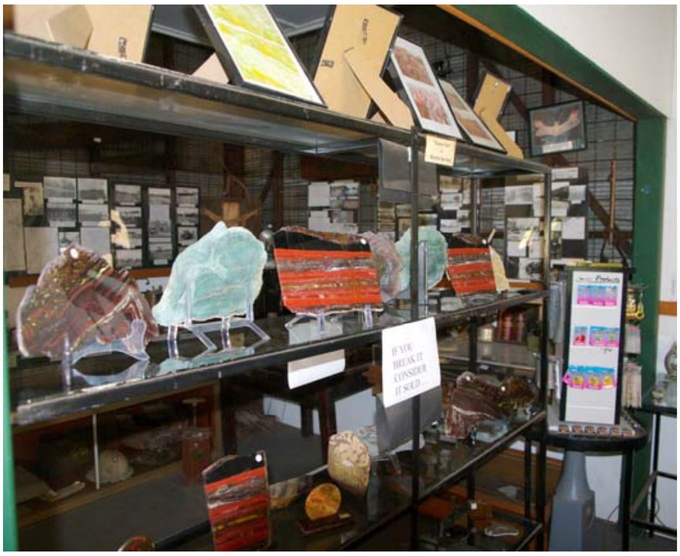
8. Comet Gold Mine & Tourist Centre

Work is continuing on upgrades to the Comet Gold Mine and Tourist Centre with the aim of restoring underground mine access and tours through the former Comet Mine Processing Plant.

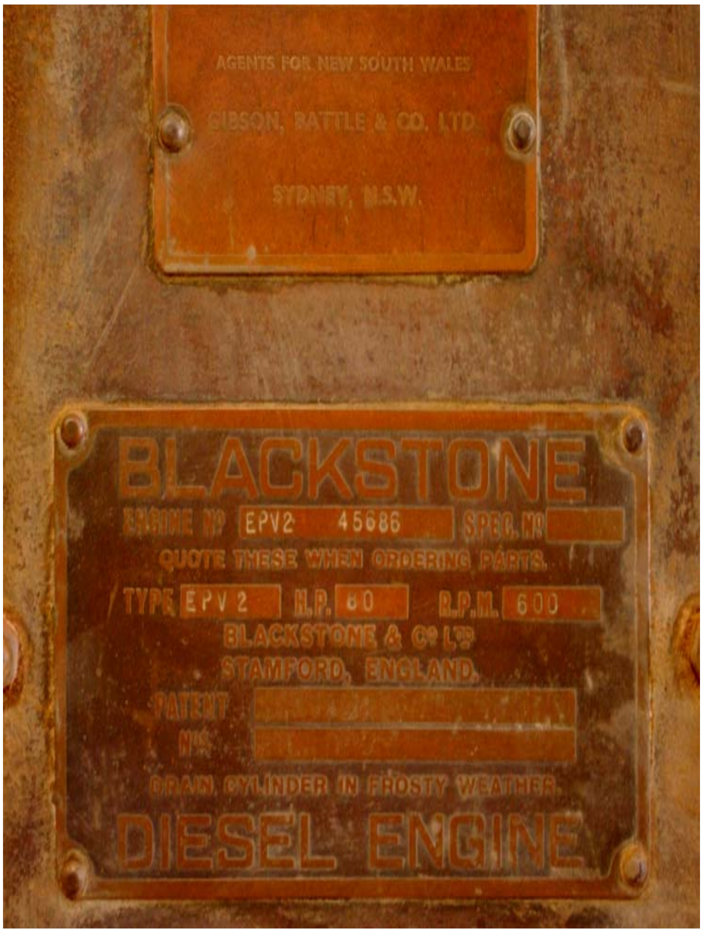
Work is continuing on restoration of three of the Comet Mine historic Power Station Engines (c.1930) which can again generate power. The engines generated power in the 1930s supplying power to the Comet Mine and Marble Bar Township. A video of the restored engines operating is included on Haoma's website (www.haoma.com.au/videos/CometPower.cfm). The Directors appreciate the dedicated work of Mr Ron Flegg and his team of assistants who have worked on this project and done such a good job in the restoration of the historical engines.

Further upgrading of on site visitor accommodation will be completed before the next tourist season.

Figure 9: **Comet Gold Mine Plant from Tourist Centre**



Figures 10 & 11 - Inside Comet Gold Mine Tourist Centre



<u>Figures 12 & 13</u>: Comet Gold Mine Historic Diesel Power Station Engines which are undergoing restoration

<u>Figure 14:</u> Comet Mine Workshop showing Diesel Engines undergoing restoration

9. Queensland Exploration Activities

During the year, activities at Haoma's tenements in the Ravenswood and Charters Towers Districts of North Queensland primarily focused on the ongoing review of Haoma's extensive geological database. Visual field inspections and assessments of Haoma's prospects were conducted by Haoma's geologist based at the company's Ravenswood Office. A feasibility study is being prepared to determine the viability of recommencing gold and silver mining on Haoma's mining leases near Ravenswood. The ore produced would be toll milled at nearby treatment plants.

The Ravenswood Top Camp Motel in North Queensland is at present operating its accommodation facilities on a successful commercial basis.

Finally, I would like to express the Board's appreciation to all those who have helped during the last 12 months with Haoma's activities in the Pilbara and Ravenswood Districts. In particular, the Board's thanks go to Mr Peter Cole, Prof. Peter Scales, Mr Hugh Morgan who have all contributed to solving Haoma's Pilbara assay and metallurgical extraction problems. In addition the Board would like to thank Mr Tristin Cole, Mr Steve Wilson, Mr Bob Ward and all others who have been involved in re-engineering the Bamboo Creek Plant; our geologist, Ms Sandra McKenzie and Mr David Toland for their contributions in upgrading Haoma's Western Australia and Queensland tenements. The Board also extends it thanks to our Top Camp Manager in Queensland, Merlene Manderson and our Comet Mine Tourist Centre Manager in Western Australia, Kylie Hutton.

Gary C. Morgan
Chairman

October 29, 2010

Figure 15: Comet Gold Mine Tourist Centre

HAOMA MINING NL

ANNUAL FINANCIAL STATEMENTS & REPORTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2010

HAOMA MINING NL AND ITS CONTROLLED ENTITIES
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, 2010.

DIRECTORS

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

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

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

COMPANY SECRETARIES

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

James A. Wallace CA
Howard F Toomey CA

PRINCIPAL ACTIVITIES

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

OPERATING RESULTS

The consolidated loss of the Economic Entity for the year to June 30, 2010 was $5,685,418 (2009 loss $5,938,141).

DIVIDENDS

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

SHARE OPTIONS

There were no options over unissued shares on issue at the date of this report.

REVIEW OF OPERATIONS AND RESULTS

During the year ended June 30, 2010, Haoma's primary area of activity continued to be exploration and research and development activities at its areas of interest in the Pilbara and Eastern Goldfields Regions of Western Australia and the Ravenswood / Charters Towers districts in North Queensland.

Daltons Joint Venture - (Haoma 25% interest with Giralia Resources NL 75% interest)

On September 8, 2010, Haoma reported an upgrade of the JORC Mineral Resource category from Inferred to Indicated for the major portion of the Daltons Joint Venture's Mt Webber iron ore deposit, located 150 kilometres south of Port Hedland in the Pilbara region of Western Australia. Haoma retains rights to 100% of the gold/silver and tin/tantalum mineralisation.

The new Indicated Mineral Resource for the Main Southern Zone of the Daltons JV Mt Webber deposit is **28.9 million tonnes @ 57.9% Fe, 6.69% SiO_2, 1.49% Al_2O_3, 0.097% P and 8.17% LOI (63.05% café (See Table 1).** Additional Inferred Resources in the Lower Zone and Northern Zone are effectively unchanged at 6.2 million tonnes.

The Main Southern Zone, which comprises over 80% of the Direct Shipping Ore resource at Daltons-Mt Webber, is a flat lying, tabular hematite-goethite enrichment cap up to 70 metres thick, with mineralisation starting from surface in most holes. The Daltons-Mt Webber tenements directly adjoin the Atlas Iron Limited /Altura Mining Limited Mt Webber project which has a recently revised Mineral Resource estimate of 41.9 million tonnes @ 57.1% Fe.

The upgraded Daltons-Mt Webber Main Southern Zone resource will form the basis for Ore Reserve estimation and detailed mine engineering studies as part of the ongoing Daltons-Mt Webber Pre-Feasibility Study. A high rate of conversion from resource to reserves is anticipated as the deposit will require little waste removal, and is entirely "above ground". The Daltons JV is aiming to complete mine permitting by early 2011, and is continuing to assess various transport options with a base case of public road haulage to Port Hedland.

Delineation of the new Daltons-Mt Webber Mineral Resource is based on recent infill drilling (19 RC holes and 6 PQ diamond core holes), plus 40 RC drill holes completed late 2009. The recent drilling confirmed the continuity of the near surface DSO mineralisation, and returned better results (reported to ASX on 11 August, 2010) including**; 78 metres (to end of hole) @ 59.8% Fe, 0.11% P, 0.8% Al_2O_3**, **68 metres @ 60.1% Fe, 0.09% P, 1.4% Al_2O_3**, and **58 metres @ 59.1% Fe, 0.10% P, 1.8% Al_2O_3**.

Table 1: Mineral Resource Estimate – Mt Webber Deposit as at 23 August 2010.

Area	Category	Volume (m^3)	Tonnes	Fe%	P%	SiO2%	Al2O3%	LOI%	CaFe%
Main Southern Zone	Indicated	10,300,000	28,900,000	57.9	0.097	6.69	1.49	8.17	63.05
Lower Zone	Inferred	1,500,000	4,300,000	53.7	0.046	15.29	0.81	6.50	57.43
Northern Zone	Inferred	700,000	1,900,000	55.0	0.070	8.10	3.24	8.52	60.12
TOTAL		**12,500,000**	**35,100,000**	**57.2**	**0.089**	**7.81**	**1.50**	**7.99**	**62.16**

Note: *The CSA Mineral Resource was estimated within wireframe solids based on a nominal lower cut-off grade of 50% Fe. The resource is quoted from blocks above the specified Fe % cut-off grade. Differences may occur due to rounding.*

Internationally recognised geological consultants CSA Global Pty Ltd (CSA) were commissioned by Giralia to complete the initial resource estimate for the Mt Webber deposit.

Pre-Feasibility Study elements were commissioned for the Daltons–Mt Webber deposit following the release on December 17, 2009 of the findings of an independent Scoping Study on development options, targeting the production of direct shipping iron ore ("DSO"), initially at 2 million tonnes per year by open pit mining and road haulage to Port Hedland.

Detailed environmental studies are well advanced, with consultants Ecologia Environment undertaking all environmental investigations and environmental impact assessment documentation required through to mining approvals. Groundwater consultants Aquaterra are undertaking bore field search and licensing. Metallurgical testing at Ammtec for product specification has now been completed on 6 PQ core holes.

A Mining Lease application was lodged in late April 2010 covering the Mt Webber deposit and environs, and a new northern access ramp road has been constructed. The Scoping Study implementation schedule for the project indicates that it may be possible to achieve first production by October 2011.

An overall DSO exploration goal of **60 to 80 million tonnes @ 56-60% Fe** has been established for the Daltons JV tenements, inclusive of the current Mt Webber resource, and including several newly defined smaller hematite zones near Mt Webber and in the Soanesville area.

Refined Elazac *Assay* Method and Refined Elazac *Extraction* Method (Elazac Process)

During the June Quarter bulk ore tests using the **Refined Elazac *Extraction* Method** with bulk samples of Bamboo Creek Tailings and Tailings Concentrates continued at the Bamboo Creek Plant facilities. A repeat bulk ore test on Bamboo Creek Tailings confirmed the significant gold grade of 55.90g/t advised in Haoma's April 8, 2010 Special Report to the ASX.

BGC Tribute Agreement to Mine Dolerite from Haoma's Cookes Hill Quarry

The Haoma Dolerite Quarry at Cookes Hill is operated by BGC Contracting Pty Ltd. In the year to June 30, BGC Contracting continued to crush dolerite aggregate mined from the Cookes Hill quarry to meet demand in the Port Hedland area. The dolerite is extensively used in the construction of rail and other transport infrastructure. Haoma earns a royalty of $0.76c per tonne of railway ballast and $0.40c per tonne for other material such as road base. During the year 792,018 tonnes of material was mined from the Cookes Hill Quarry for which Haoma received royalties of $408,098.

FINANCIAL POSITION

The consolidated financial position shows a deficiency of net assets at June 30, 2010 of $36,519,443 (2009 – deficiency $29,861,025). Funding for the company's ongoing operations is presently being provided by Leaveland Pty Ltd. Leaveland is Haoma's principal shareholder and has made the loan in its capacity as Trustee of a family trust controlled by Haoma's Chairman, Mr. Gary Morgan. Leaveland Pty Ltd has provided an assurance to the Board that it will continue to ensure funds are made available to the company to fund care and maintenance operations for a period of at least 12 months from the date of this report. At the date of this report, Leaveland Pty Ltd has provided approximately $31.5 million of financial support to the Group.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Apart from matters already disclosed, there were no significant changes in the state of affairs of Haoma during the year to June 30, 2010.

EVENTS SUBSEQUENT TO BALANCE DATE

There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Economic Entity, the results of those operations, or the state of affairs of the Economic Entity in future financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

During 2010/11, it is expected that gold production will re-commence at The Bamboo Creek Processing Plant. Haoma has over 1 million tonnes of Bamboo Creek Tailings and about a 1 million tonnes of mined ore ready to be processed through the Bamboo Creek Plant.

Haoma will seek to further develop its established areas of interest in relation to iron ore exploration, particularly at the Daltons Joint Venture tenements (including the established resource at Mt Webber) and at known iron ore zones on Haoma's Bamboo Creek tenements. Gold exploration activities in established Western Australian gold districts in the Pilbara and Eastern Goldfields and at Ravenswood in Queensland will be ongoing.

Haoma is listed on the Australian Stock Exchange and is subject to the continuous disclosure requirements of the ASX Listing Rules which require immediate disclosure to the market of information that is likely to have a material effect on the price or value of Haoma's securities. Information on likely developments in the operations of the Group is released as and when available. Further information in relation to Haoma's operations and copies of information releases is also available from Haoma's website at www.haoma.com.au

ENVIRONMENTAL ISSUES

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

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

INFORMATION ABOUT DIRECTORS AND OFFICERS

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 organizations.
Interest in Shares and Options:	Indirect and beneficial interest in 128,182,961 Haoma Mining shares via Directorships and interest in Leaveland Pty Ltd, Roy Morgan Research Pty Ltd and G&G Morgan Super Fund. Holds no interest in any options to acquire shares.
Directorships held in other listed entities:	Nil
Special Responsibilities:	Nil

John Lachlan Charles **McINNES**, OAM, B.Comm, FCA	Non-Executive Director
Appointment Date:	May 10, 1991
Experience:	Chartered Accountant.
Directorships held in other listed entities:	Mr. McInnes is Chairman of Bass Strait Oil Ltd and is also a director of a number of unlisted company's, including companies associated with Chairman Mr Gary Morgan.
Interest in Shares and Options:	Indirect interest in 126,379,704 Haoma Mining shares via Directorships in Leaveland Pty Ltd and Roy Morgan Research Pty Ltd. Indirect and beneficial interest in 1,500,000 Haoma Mining shares via Directorship and interest in Etonwood Management Pty Ltd. Direct interest in 4,500 shares. Total interests: 127,884,204 shares. Holds no interest in any options to acquire 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.
Directorships held in other listed entities:	Nil
Interest in Shares and Options:	Indirect interest in 4,919,452 Haoma Mining shares via Directorship in Roy Morgan Research Pty Ltd. Indirect and beneficial interest in 1,319,000 Haoma Mining shares via interest in the Levine Family Super Fund and Levine Family Trust. Direct interest in 12,000 shares. Total interests: 6,250,452 shares Holds no interest in any options to acquire shares.
Special Responsibilities:	Nil

Howard **TOOMEY** B.Bus. (Acc.) CA	Company Secretary
Appointment Date:	October 22, 2007
Experience:	Chartered Accountant and CFO of Roy Morgan Research.
Directorships held in other listed entities	Nil
Interest in Shares and Options	Nil
Special Responsibilities	Audit Committee

James **WALLACE** B.Ec, CA	Company Secretary
Appointment Date:	November 21, 1997
Experience:	Chartered Accountant and Commercial Manager.
Directorships held in other listed entities	Nil
Interest in Shares and Options	Nil
Special Responsibilities	Audit Committee

No Director, during or since the end of the financial year, has received or become entitled to receive a benefit by reason of a contract made by the Company or a related body corporate with the Director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest other than as shown in Note 22 (Related Party Information) to the financial statements.

REMUNERATION REPORT – (AUDITED)

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

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

Principles used to determine the nature and amount of remuneration

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

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

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

During the year, there were no alterations or modifications to share-based payment transactions granted as compensation to key management personnel. Details of equity instruments including options and rights over equity instruments provided as compensation to key management personnel including instruments granted, exercised, vested or lapsed during the reporting period are disclosed in Note 19 Share Based Payments.

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

Details of remuneration

During the year, the following persons were noted as key management personnel:

Mr. Gary Morgan, Executive Director

Ms. Michele Levine, Non-Executive Director

Mr. John McInnes, Non-Executive Director

Mr. Peter Cole, General Manager

Details of the remuneration of Directors and Key Management Personnel of Haoma Mining are set out in Table 1 below.

Mr. Cole, together with the Director's, is the Group Executive with the most authority and responsibility for planning, directing and controlling activities of both the Consolidated Entity and the Parent Entity during the financial year. Mr. Cole is a consultant to Haoma Mining.

REMUNERATION REPORT – (AUDITED) ***Continued***

Table 1: Remuneration of Key Management Personnel

2010		**Short-term benefits**			**Post employment benefits**	**Share based payments**		
Name	**Period of responsibility**	**Salary & Director Fees**	**Bonus**	**Non-Cash Benefits**	**Super**	**Options**	**Total**	**Performance Related**
		$	**$**	**$**	**$**	**$**	**$**	**%**
Executive Directors								
Gary Morgan (*)	Full year	40,000	-	-	-	-	40,000	-
Non-Executive Director								
Michele Levine (*)	Full year	40,000	-	-	3,600	-	43,600	-
John McInnes (*)	Full year	40,000	-	-	3,600	-	43,600	-
Key Management Personnel								
Peter Cole	Full Year	147,000	-	-	-	-	147,000	-
Total		**267,000**	**-**	**-**	**7,200**	**-**	**274,200**	**-**

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

2009		**Short-term benefits**			**Post employment benefits**	**Share based payments**		
Name	**Period of responsibility**	**Salary & Director Fees**	**Bonus**	**Non-Cash Benefits**	**Super**	**Options**	**Total**	**Performance Related**
		$	**$**	**$**	**$**	**$**	**$**	**%**
Executive Directors								
Gary Morgan (*)	Full year	40,000	-	-	-	-	40,000	-
Non-Executive Director								
Michele Levine (*)	Full year	40,000	-	-	3,600	-	43,600	-
John McInnes (*)	Full year	40,000	-	-	3,600	-	43,600	-
Key Management Personnel								
Peter Cole	Full Year	174,000	-	-	-	-	174,000	-
Total		**294,000**	**-**	**-**	**7,200**	**-**	**301,200**	**-**

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

Service agreements

Remuneration and other terms of employment for the Directors and other Key Management Personnel may be formalised in service agreements. There are no current service agreements in place.

REMUNERATION REPORT – (AUDITED) ***Continued***

Share based compensation

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

No share options were issued as remuneration in the periods ended June 30, 2010 and June 30, 2009

At the 2007 Annual General Meeting shareholders approved the issue of 2,000,000 share options to Director Michele Levine with an exercise price of 10 cents per share. Shareholders also approved the issue of options to other consultants, employees and officers of the company. The options were issued in recognition of past efforts. The non-renounceable options could be converted to an equivalent number of Haoma Mining NL shares subject to continuous performance and Directors' approval.

All options expired on November 30, 2009. At the date of expiry no options had been exercised. The Board put a resolution to the 2009 Annual General Meeting to offer a new tranche of share options to replace those that had not exercised by the expiry date, on the same terms and conditions as the expired options.

The replacement options were to be issued within one month from the date of the meeting. The options were not accepted by the intended recipients and therefore no options have been granted at the date of this report.

Details of options provided to each Officer and Key Management Personnel that lapsed during the year are set out in the Table 2 below.

Table 2: Value of options granted, exercised or lapsed during the year.

2010	**Options Granted**	**Options Granted as part of remuneration**	**Total remuneration represented by options**	**Options Exercised**	**No of Options Lapsed**	**Options Lapsed (30/11/09)**	**Total**
		$	%	$		$	$
Company Officer Michele Levine – Director	-	-	-	-	(2,000,000)	(80,400)	-
Key Management Personnel Peter Cole	-	-	-	-	(1,500,000)	(60,300)	-
	-	**-**		**-**	**(3,500,000)**	**(140,700)**	**-**

For details on the valuation of the options, including models and assumptions used, refer to Note 19 to the financial statements. There have been no alterations to the terms and conditions of options granted in recognition for past services since the grant date.

DIRECTORS' MEETINGS

During the financial year there were three full meetings of the Board of Directors and three 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:	3	3
Number of meetings attended by:		
Mr. G C Morgan	3	-
Ms. M Levine	3	-
Mr. J McInnes	3	3

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

INDEMNIFICATION OF OFFICERS AND AUDITORS

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

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

PROCEEDINGS ON BEHALF OF ENTITY

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

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

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included at page 9.

NON-AUDIT SERVICES

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

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

Gary C. Morgan
Chairman

Melbourne,
October 1, 2010

Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of Haoma Mining NL for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

J A Mooney
Partner
PKF

1 October 2010
Melbourne

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HAOMA MINING NL AND ITS CONTROLLED ENTITIES
CORPORATE GOVERNANCE STATEMENT

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

Unless otherwise disclosed below, the Company has adopted the 2nd edition of the Australian Securities Exchange (ASX) Corporate Governance Councils Corporate Governance Principles and Recommendations (Revised Recommendations).

COMPOSITION OF THE BOARD

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

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

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

To ensure the Board is well equipped to discharge it's responsibilities it has established guidelines for the nomination and selection of Directors and for the operation of the Board.

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

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

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

Accordingly, Haoma does not comply with ASX Corporate Governance Council's Revised Recommendations 2.1, 2.2 and 2.3 regarding independence. The relevance of this non-compliance must be considered in light of the fact that entities controlled by Mr. Gary Morgan hold shares in the company representing over 63% of the issued capital. Haoma is not a large company with a broad spread of shareholders. It is a company controlled and managed by Mr. Morgan in which outside shareholders have the opportunity to invest because it has ASX listing. The extent of Mr. Morgan's personal and financial commitment to Haoma is not new and is well known to the market. The overwhelming majority of current shareholders acquired their shares in the full knowledge of that relationship.

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

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

The ASX Corporate Governance Council's Revised Recommendations recommend that the company has an Audit, Nomination, and Executive Remuneration Committee and in the case of Haoma the members of the Board fulfill those roles.

TRADING POLICY

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

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

AUDIT COMMITTEE

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

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

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

TIMELY AND BALANCED DISCLOSURES

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

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

RESPECTING THE RIGHTS OF SHAREHOLDERS

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

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

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

The auditors attend the Annual General Meeting each year.

RISK MANAGEMENT

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

PERFORMANCE EVALUATION

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

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

REMUNERATION COMMITTEE

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

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

OTHER INFORMATION

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

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

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

CONTENTS

Through the use of the internet, Haoma ensures that its corporate reporting is timely, complete and available globally at minimum cost. All ASX releases, financial reports and other information are available on the Company's website at www.haoma.com.au

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2010

	Note	CONSOLIDATED 2010 $	2009 $
Continuing Operations			
Sale of goods	3 (a)	**88,401**	111,326
Retail sales	3 (a)	**292,809**	315,339
Royalty income	3 (a)	**460,763**	410,642
Finance revenue	3 (a)	**165**	53
Revenue		**842,138**	837,360
Other income	3 (b)	**600,000**	5,800
Cost of sales		**(446,275)**	(617,296)
Test work and plant configuration expenditure		**(2,107,301)**	(2,059,106)
Exploration and tenement costs expensed		**(680,469)**	(727,912)
Administration and compliance expense	3(c)	**(535,517)**	(533,020)
Finance costs	3(d)	**(2,878,493)**	(2,266,602)
Depreciation and amortisation costs	3(e)	**(541,830)**	(533,284)
Provision for rehabilitation		**89,329**	(44,081)
Loss before income tax		**(5,658,418)**	(5,938,141)
Income tax expense	4	**-**	-
Net loss for the year		**(5,658,418)**	(5,938,141)
Net loss for the year		**(5,658,418)**	(5,938,141)
Other comprehensive income		**-**	-
Total comprehensive income for the year attributable to members of Haoma Mining, net of tax		**(5,658,418)**	(5,938,141)
Earnings per share (cents per share)			
- Basic loss for the year attributable to ordinary equity holders of the parent	5	**(2.95)**	(3.08)
- Diluted loss for the year attributable to ordinary equity holders of the parent	5	**(2.95)**	(3.08)

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

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2010

	Note	CONSOLIDATED 2010 $	2009 $
ASSETS			
Current Assets			
Cash and cash equivalents	7(a)	**8,999**	19,459
Trade and other receivables	8	**147,211**	180,405
Inventories	9	**319,895**	334,389
Total Current Assets		**476,105**	534,253
Non-current Assets			
Other financial assets	10	**1,000,000**	-
Property, plant and equipment	12	**630,510**	849,724
Exploration and evaluation	13	**6,367,887**	7,535,000
Total Non-Current Assets		**7,998,397**	8,384,724
TOTAL ASSETS		**8,474,502**	8,918,977
LIABILITIES			
Current Liabilities			
Trade and other payables	14	**1,556,439**	1,645,096
Interest bearing loans and borrowings	15	**41,963,733**	35,582,272
Provisions	16	**108,434**	97,966
Total Current Liabilities		**43,628,606**	37,325,334
Non-Current Liabilities			
Provisions	16	**1,365,339**	1,454,668
Total Non-Current Liabilities		**1,365,339**	1,454,668
TOTAL LIABILITIES		**44,993,945**	38,780,002
NET ASSETS/(LIABILITIES)		**(36,519,443)**	(29,861,025)
EQUITY			
Contributed equity	17	**59,593,411**	60,305,981
Reserves	17	**6,182,915**	6,470,345
Accumulated losses		**(102,295,769)**	(96,637,351)
TOTAL SHAREHOLDERS' EQUITY/(DEFICIENCY)		**(36,519,443)**	(29,861,025)

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2010

CONSOLIDATED	Share Capital $	Reserves (Note 17) $	Accumulated Losses $	Total Equity $
Balance at June 30, 2008…………………………	60,305,981	6,470,345	(90,699,210)	(23,922,884)
Total comprehensive income for the year, net of tax……………………………………………………	-	-	(5,938,141)	(5,938,141)
Balance at June 30, 2009…………………………	**60,305,981**	**6,470,345**	**(96,637,351)**	**(29,861,025)**
Share options expired ………………………………	287,430	(287,430)	-	-
Share capital buy-back ……………………………	(1,000,000)	-	-	(1,000,000)
Total comprehensive income for the year, net of tax……………………………………………………	**-**	**-**	(5,658,418)	(5,658,418)
Balance at June 30, 2010…………………………	**59,593,411**	**6,182,915**	**(102,295,769)**	**(36,519,443)**

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2010

	Note	CONSOLIDATED 2010 $	2009 $
Cash flows from operating activities			
Receipts from customers …………………………………………		**162,202**	60,397
Interest received …………………………………………………		**165**	53
Other income ……………………………………………………		**723,786**	724,030
Payments to suppliers and employees ……………………………		**(831,229)**	(848,237)
Interest paid ……………………………………………………		**(343,820)**	(212,722)
Current tax paid …………………………………………………		**-**	(119,916)
Net cash used in operating activities……………………………	7(b)	**(288,896)**	(396,395)
Cash flows from investing activities			
Purchase of property, plant and equipment ………………………		**(322,616)**	(40,139)
Proceeds from sale of property, plant and equipment ……………		**-**	5,800
Exploration and development expenditure ………………………		**(2,982,618)**	(2,787,019)
Proceeds from sale of Mining Leases……………………………		**1,100,000**	-
Advances to related entity ………………………………………		**(200)**	(100)
Net cash used in investing activities ……………………………		**(2,205,434)**	(2,821,458)
Cash flows from financing activities			
Payment of insurance premium funding …………………………		**(10,085)**	-
Loan funding from related parties ………………………………		**3,504,294**	3,515,135
Payment for share buy-back ……………………………………		**(1,000,000)**	-
Repayment of lease liability ……………………………………		**-**	(288,754)
Net cash provided by financing activities ………………………		**2,494,209**	3,226,381
Net (decrease) increase in cash held ……………………………		**(121)**	8,528
Cash at the beginning of the financial year ………………………		**9,120**	592
Cash at the end of the financial year …………………………	7(a)	**8,999**	9,120

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, 2010

1 *CORPORATE INFORMATION*

The financial report of Haoma Mining NL for the year ended June 30, 2010 was authorised for issue in accordance with a resolution of the Directors on Thursday, September 30th, 2010.

Haoma Mining is a listed public company, incorporated and domiciled in Australia. The principal activities of the Consolidated Group 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.

2 *STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES*

(a) Basis of Preparation

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

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

During the year ended 30 June 2010, the Federal Government introduced amendments to the Corporations Act 2001, removing the requirement for consolidated groups to include full parent entity financial statements when preparing consolidated financial statements. Royal Assent for these amendments was received on 28 June 2010. Haoma Mining NL has adopted these amendments for the consolidated financial statements for the year ended 30 June 2010. Limited financial information for Haoma Mining NL as an individual entity is required and is disclosed at Note 24.

(b) Going Concern

The Consolidated Group incurred a net loss of $5,658,418 for the year, had net current liabilities of $43,152,501, and negative shareholders equity of $36,519,443. 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 Group, Leaveland Pty Ltd, (Haoma's principal shareholder which is owned and controlled by Mr. Gary Morgan) has provided an undertaking that it will make funds available to the consolidated entity to ensure that there is no shortfall of funding required for operations for a period of at least 12 months from the date of this report.

At June 30, 2010 the total debt owing in respect of funds provided to Haoma by Leaveland Pty Ltd is $31,517,658 (2009: $28,013,364). Leaveland Pty Ltd has also confirmed that payment of monies owed by Haoma will not be required until such time as the Board of Directors determine that Haoma is capable of paying these amounts without adverse financial consequences to the consolidated entity. For these reason, the Board of Directors are 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.

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 recorded asset carrying amounts or the amounts and classification of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they become due and payable.

(c) Statement of Compliance

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

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

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

Standards affecting presentation and disclosure

AASB 101 *Presentation of Financial Statements* (as revised in September 2007), AASB 2007-8 *Amendments to Australian Accounting Standards* arising from AASB 101 and AASB 2007-10 *Further Amendments to Australian Accounting Standards* arising from AASB 101 have introduced terminology changes (included revised titles for the financial statements) and changes in the format and content of the financial statements.

(ii) Australian Accounting Standards and Interpretations have recently been published and are not mandatory for the June 30, 2010 reporting periods and have not yet been applied in the financial report. The Company's assessment of the impact of these new standards and interpretations is set out below:

AASB 9 *Financial Instruments*
In November 2009, the AASB issued AASB 9 *Financial Instruments* which addresses the classification and measurement of financial assets and is unlikely to affect the company's accounting for its financial assets. The standard is not applicable until January 1, 2013 and the Company is yet to assess its full impact or when to adopt AASB 9.

Other amendments
In addition to the above recently issued accounting standards that are applicable in future years, we note the following new accounting standards and interpretations that are applicable in future years:

- **AASB 2009-5:** "Further amendments to Australian Accounting Standards arising from the Annual Improvements Process";
- **AASB 2009-8:** "Amendments to Australian Accounting Standards - Group Cash-Settled Share-Based Payment Transactions";
- **AASB 2009-10:** "Amendments to Australian Accounting Standards - Classification of Rights Issues";
- **AASB 2009-12:** "Amendments to Australian Accounting Standards";
- **AASB Interpretation 19**: "Extinguishing Financial Liabilities with Equity Instruments";
- **AASB 2009-13:** "Amendments to Australian Accounting Standards arising from Interpretation 19"; and
- **AASB 2010-1:** "Amendments to Australian Accounting Standards - Limited Exemption from Comparative AASB 7 Disclosures for First-Time Adopters".

The Group does not expect these accounting standards and interpretation to affect the financial results upon adoption.

(d) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2010 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities (including special purpose entities) controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so at to obtain benefits form its activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements for the date that control commences until the date that control ceases. They are de-consolidated from the date that control ceases. Controlled entities are detailed in Note 11 to the financial statements.

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

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

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

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

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

(ii) Significant accounting estimates and assumptions

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

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black Scholes model and assumptions detailed in Note 19. The Group measures the cost of cash-settled share-based payments at fair value at the grant date taking into account the terms and conditions upon which the instruments were granted (see Note 19).

Exploration Assets and impairment
Accounting estimates are required for the impairment of exploration assets. See note 2(r).

Provision for Rehabilitation costs.
Accounting estimates has been used to calculate the carrying value of Provision for Rehabilitation of exploration assets. See note 2(v)

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

Change in accounting policy
The Group has adopted *AASB 8 Operating Segments* from 1 July 2009. AASB 8 replaces *AASB 114 Segment Reporting*. The new standard requires a 'management approach' under which segment information is presented on the same bases as that used for internal reporting purposes. The adoption of AASB 8 has not changed the disclosure of operating segments for Haoma nor has there been any other impact on the measurement of group's assets and liabilities.

(g) Revenue Recognition
The Group's primary source of revenue is from the production and sale of precious metals, specifically gold and silver. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue from the production and sale of precious metal is therefore recognised upon supply of refined metal to the customer or on delivery against forward sale contracts.

Other sources of revenue are recognised on the following basis:

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

The Group operates retail outlets at the Comet Mine Tourist Centre at Marble Bar, Western Australia and at its Top Camp accommodation facility at Ravenswood, Queensland. Revenue from the sale of goods is recognised when the sale is completed and ownership has passed to the purchaser.

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

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

Haoma has negotiated contracts with companies in which to receive Royalty income. Royalties are paid for the use of Haoma's tenements. The revenue is recognised and accrued after the company has utilised Haoma's tenements.

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

(h) Goods and Services Tax (GST)

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

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

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

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

(i) Impairment of assets

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

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

(j) Income Tax

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

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

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

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

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

Deferred income tax assets are recognised for all deductible temporary differences, carry forward unused tax assets and unused tax losses, to the extent that it is probable that future taxable profits will be available to utilise the benefit of those deductible temporary differences, carry forward tax credits and tax losses, except when:
- the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, does not affect either accounting profit or taxable income; or
- the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that taxable income will be generated in the foreseeable future against which the temporary difference will reverse.

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

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

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

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

(k) Borrowing Costs

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

(l) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes:
- cash at bank, cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- investments in money market instruments with less than 14 days to maturity.

(m) Inventories

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

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

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

(n) Trade and other receivables

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

(o) Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted)

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

(i) the amount at which the financial asset or financial liability is measured at initial recognition;
(ii) less principal repayments
(iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
(iv) less any reduction for impairment

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost less any reduction for impairment. They are included in current assets, except for those with maturities greater than twelve (12) months after the reporting date which are classified as non-current assets.

(ii) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(p) Property, plant and equipment

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

Plant and equipment

Plant and equipment is shown at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the cost of replacement parts that are eligible for capitalisation. The subsequent carrying amount of plant and equipment is reviewed annually at financial year end by Directors to ensure it is not in excess of the recoverable

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

amount of these assets. Recoverable amount is the greater of fair value less costs to sell and value in use determined by discounted net cash flows.

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

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

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	7-20%
Leased plant and equipment	10-20%

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

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

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

(r) Exploration and development expenditure

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

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. In October 2005, Haoma commissioned an independent valuation by Golder Associates of the Haoma Mining Group mineral tenements to determine whether the carrying value was appropriate. The value of Exploration and Development expenditure adopted in the June 30, 2010 accounts is based upon a year end review of tenement carrying values using the Golder Valuation report as a reference document. The Directors consider that the appropriate carrying amounts do not differ materially from the fair value of these assets at balance date and have determined it is not appropriate to capitalise costs spent on these areas in the year to June 30, 2010.

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

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

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

(s) Interest in Joint Ventures

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

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

Expenses incurred in common by the joint venture are borne by each joint venturer according to agreed percentages as established in the respective joint venture agreements. Some agreements contain farm-in clauses whereby one or more of the joint venture parties acquires or may increase an ownership interest in a controlled asset by agreeing to fund an initial amount of expenditure.

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

(t) Trade and other payables

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

(u) Employee Leave Benefits and Entitlements

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

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

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

Liabilities for employer superannuation contributions are expensed when incurred.

(v) Provisions

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

Provision for Restoration Costs

Restoration costs are costs that are expected to be incurred as a consequence of the Economic Group undertaking its exploration and mining activities. Ground disturbance and other works that impact upon topography, environment and habitat may occur to varying degrees during exploration, evaluation, development, construction or production phases of the Group’s activities. As a consequence, there is a need for restoration work to be carried out either progressively or upon the abandonment of activity in an area of interest. The provision is measured as the present value of the future expenditure. On an ongoing basis, the rehabilitation liability will be re-measured in line with the

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

changes in the time value of money (recognised as an expense in the statement of comprehensive income and an increase in the provision).

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

(w) Interest bearing loans and borrowings

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

(x) Share-based payment transactions

Equity settled transactions:

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

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

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

(y) Earnings per share

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

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

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

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

(z) Comparative figures

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

3 *REVENUES & EXPENSES*

Continuing Operations

	CONSOLIDATED 2010 $	2009 $
(a) Revenue		
Gold sales	**91,746**	74,351
Silver sales	**-**	180
Gold nuggets sales	**(3,345)**	36,795
	88,401	111,326
Retail sales	**292,809**	315,339
Royalty income	**460,763**	410,642
Finance revenue - bank interest	**165**	53
	842,138	837,360
(b) Other Income		
Net gain on disposal of exploration and evaluation assets	**600,000**	-
Net gain on disposal of property, plant and equipment	**-**	5,800
	600,000	5,800
(c) Administration and compliance expense		
Corporate service costs	**169,015**	234,781
Legal and compliance costs	**168,468**	130,412
Management fees	**198,034**	167,827
	535,517	533,020
(d) Finance Costs		
Director related loan	**2,846,355**	2,195,389
Bank loans and overdrafts	**3,704**	10,045
Bank charges	**11,698**	9,414
Current tax liability	**16,736**	51,754
	2,878,493	2,266,602
(e) Depreciation of non-current assets		
Property, plant and equipment	**541,830**	372,159
Leased assets	**-**	161,125
	541,830	533,284
(f) Employee benefits expense		
Wages and salaries	**1,244,393**	1,317,253
Superannuation	**86,630**	95,924
Annual leave	**5,005**	1,907
	1,336,028	1,415,084

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

4 INCOME TAX

	CONSOLIDATED 2010 $	2009 $
The amount provided in respect of income tax differs from the prima facie benefit on operating loss. The difference is reconciled as follows:		
Operating loss before income tax	**(5,658,418)**	(5,938,141)
Prima facie income tax expense (benefit) calculated at 30% (2009 - 30%)		
Economic entity	**(1,697,525)**	(1,781,442)
Tax effect of temporary differences:		
Tenements disposed	**450,000**	-
Other temporary differences	**22,985**	-
Deferred tax assets not recognised	**1,224,540**	1,781,442
Income tax expense (benefit) attributable to operating loss	**-**	-
Deferred tax assets which have not been brought to account comprise:		
Income tax losses	**14,397,305**	13,126,795
Other temporary differences	**(1,694,115)**	(1,671,130)
	12,703,190	11,455,665

Deferred tax liabilities that have arisen in the course of normal operations have been offset against unutilised deferred tax assets and as such have not been shown separately.

This benefit for tax losses will only be obtained if:

(a) the consolidated entity derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;

(b) the consolidated entity continues to comply with the conditions for deductibility imposed by Law; and

(c) no changes in tax legislation adversely affect the ability of the consolidated entity to realise these benefits.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

	CONSOLIDATED	
	2010	2009
	$	$

5 *EARNINGS PER SHARE*

Net loss attributable to ordinary equity holders or the parent from continuing operations	**(5,658,418)**	(5,938,141)
Weighted average number of ordinary shares for basic earnings per share	**191,705,984**	192,993,655
Effect of dilution:		
Share options	**-**	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**191,705,984**	192,993,655
Weighted average number of converted, lapsed or cancelled potential ordinary shares included in diluted earnings per share	**-**	-
There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements		
Loss per share (cents per share)	**(2.95)**	(3.08)

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 191,705,984 and (2009: 192,993,655)

The loss for the year used in the calculation of basic and diluted earnings per share is $5,658,418 (2009: loss $5,938,141)

As at 30 June 2010 the company had no issued options over unissued capital (refer to note 19).

6 *DIVIDENDS PAID AND PROPOSED*

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

Franking credit balance

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

Franking account balance at July 1	**672,030**	552,114
Tax paid	**-**	119,916
Other movements	**13,493**	-
Franking account balance at June 30	**685,523**	672,030

	2010 **$**	2009 $

7 *CASH AND CASH EQUIVALENTS*

(Current)

(a) Reconciliation to Statement of Cash Flows
Cash at the end of the financial year as shown in the Statement of cash flows reconciled to items in the Statement of Financial Position as follows

	2010 $	2009 $
Cash and cash equivalents	**8,999**	19,459
Bank overdraft	**-**	(10,339)
	8,999	9,120

Cash at bank earns interest at floating rates based on daily bank deposit rates.

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

	2010 $	2009 $
Loss after income tax	**(5,658,418)**	(5,938,141)
Depreciation and amortisation expense	**541,830**	533,284
Net profit on disposal of exploration assets	**(600,000)**	-
Net profit on disposal of property, plant and equipment	**-**	(5,800)
Accrued interest - director related entity	**2,846,355**	2,195,389
Impairment write down of capitalised exploration and evaluation assets	**2,844,672**	2,787,019
Changes in assets and liabilities:		
Decrease (increase) in trade debtors & other receivables	**35,550**	(84,244)
Decrease (Increase) in prepayments	**48,879**	(41,789)
Decrease in inventories	**14,495**	98,465
Decrease (increase) in trade creditors and other creditors	**(283,397)**	108,731
Decrease in current tax payable	**-**	(119,916)
(Decrease) increase in provisions	**(78,862)**	70,607
Net cash used in operating activities	**(288,896)**	(396,395)

8 *TRADE AND OTHER RECEIVABLES*

(Current)

	2010 $	2009 $
Trade and other receivables	**103,066**	138,616
Prepayments	**44,145**	41,789
	147,211	180,405

Trade and other receivables are non-interest bearing. Due to the short term nature of trade receivables amounts, their carrying value is assumed to approximate their fair value. The average credit period on trade receivables are generally 30 day terms and no interest is charged on balances past due. The Group has a history of 100% collection of trade receivable amounts and therefore no provision for impairment loss is required.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

	CONSOLIDATED 2010 $	2009 $

9 INVENTORIES

	2010 $	2009 $
(Current)		
Stores of consumables and spare parts	**319,895**	**334,389**

10 OTHER FINANCIAL ASSETS

	2010 $	2009 $
(Current)		
Convertible Loan Note (Secured)	**1,000,000**	**-**

On December 17, 2009 Hoama sold its Linden tenements and Linden Camp to Exterra Resources Pty Ltd (ACN: 138 222 705). (Details of the tenements sold are disclosed in Note 13.)

The sale price was $2.1 million comprising $1.1 million in cash and a secured $1 million Exterra Resources Convertible Note which may be converted to 10 million ordinary shares. The Convertible Note is secured by a Mining Mortgage and may be converted at any time in an 18 month period following Exterra Resources Pty Ltd gaining admission to the official list of the Australian Securities Exchange (ASX).

Upon Exterra gaining admission to the official list of the ASX Haoma will be entitled to receive a further amount of $500,000 for exploration costs incurred up the date of sale. Refer to Note 18 for detail of the Contingent Asset.

11 CONTROLLED ENTITIES

Investments in Controlled Entities	**Country of Incorporation**	**Percentage owned 2010 %**	Percentage owned 2009 %
Parent Entity			
Haoma Mining NL	Australia	-	-
North West Mining NL	Australia	100	100
Exploration Geophysics Pty Ltd	Australia	100	100
Kitchener Mining NL	Australia	100	100
Shares held by Kitchener Mining NL			
- Bamboo Creek Management Pty Ltd	Australia	100	100

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

12 *PROPERTY, PLANT & EQUIPMENT*

(Non-current)

	CONSOLIDATED 2010 $	2009 $
Property, Plant and Equipment at cost or fair value	**9,047,489**	8,724,873
Accumulated depreciation	**(8,416,979)**	(7,875,149)
Net carrying amount	**630,510**	849,724

(1) The directors resolved that the written down value of property, plant and equipment at June 30, 2010 does not exceed its net realisable value

Movements in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year.

	2010 $	2009 $
Total		
Opening balance at July 1	**849,724**	1,342,869
Additions	**322,616**	40,139
Disposals	**-**	-
Transfer	**-**	-
Depreciation/Amortisation	**(541,830)**	(533,284)
Net Carrying Amount	**630,510**	849,724
Property, Plant and Equipment		
Opening balance at July 1	**849,724**	632,165
Additions	**322,616**	40,139
Disposals	**-**	-
Transfer	**-**	549,579
Depreciation/Amortisation	**(541,830)**	(372,159)
Net Carrying Amount	**630,510**	849,724
Hire Purchase Assets		
Opening balance at July 1	**-**	710,704
Additions	**-**	-
Disposals	**-**	-
Transfer	**-**	(549,579)
Depreciation/Amortisation	**-**	(161,125)
Net Carrying Amount	**-**	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

	CONSOLIDATED	
	2010	2009
	$	$

13 *EXPLORATION & EVALUATION*

(Non-current)

Opening balances July 1	**7,535,000**	7,535,000
Additions	**3,177,559**	2,787,019
Disposals	**(1,500,000)**	-
Exploration and evaluation costs written off	**(2,844,672)**	(2,787,019)
	6,367,887	7,535,000

On December 17, 2009 Haoma sold its Linden tenements (E39/293, E39/428, M39/255, M39/649, M39/650, M39/794, M39/795, P39/2974, P39/2975, P39/2976) and Linden Camp to Exterra Resources Pty Ltd (ACN: 138 222 705).

The sale price was $2.1 million comprising $1.1 million in cash and a secured $1 million Exterra Resources Convertible Note which may be converted to 10 million ordinary shares. Refer to Note 10 - *Other Financial* Assets for details of the Convertible Note.

Refer also to Note 18, under Contingent Asset, for details of a further amount of $500,000 receivable from Exterra upon its attainment of admission to the official list of the Australian Securities Exchange (ASX).

14 *TRADE AND OTHER PAYABLES*

(Current)

Trade creditors and accruals	**541,105**	444,052
Other creditors	**108,364**	414,034
	649,469	858,086
Related party payables:		
Director's fees payable to Director related entities	**708,000**	588,000
Amount payable to Roy Morgan Research Centre	**184,770**	184,610
Elazac Mining Pty Ltd	**14,200**	14,400
	906,970	787,010
	1,556,439	1,645,096

Due to the short term nature of trade creditors, their carrying value is assumed to approximate their fair value. The Group's payment policy and system ensures that all creditors are paid within payment terms, and consequently no discounts or penalty payments arise.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

		CONSOLIDATED	
		2010	2009
		$	$

15 *INTEREST BEARING LOANS AND BORROWINGS*

(Current)

Bank overdraft ………………………….. ……………………………	(a)	**-**	10,339
Amount due to Director related entity ……………………………….	(b)	**31,517,658**	28,013,364
Accrued interest - Director related entity ……………………………	(b)	**8,022,327**	5,175,972
Accrued interest - Director loan …………………………………….	(b)	**2,382,597**	2,382,597
Amounts due under Insurance Premium Funding ……………………	(c)	**41,151**	-
		41,963,733	35,582,272

(a) The National Australia Bank Ltd (NAB) held a fixed and floating charge over the assets of Haoma Mining NL. Additional security (charges, registred mortgage, fixed and floating charges, lien and deed of cross guarantee) was provided by other Director related entities.

(b) Funding for the company's ongoing operations is presently being provided by Leaveland Pty Ltd. Leaveland is Haoma's principal shareholder and has made the loan in its capacity as Trustee of a family trust controlled by Haoma's Chairman, Mr. Gary Morgan. Leaveland Pty Ltd has provided an assurance to the Board that it will continue to ensure funds are made available to the company to fund care and maintenance operations for a period of at least 12 months from the date of this report.

(c) During the year to June 30, 2010, the company arranged to pay its Insurance Premium with Macquarie Premium Funding Pty Ltd. The term of the finance arranged is for a period of 12 months. Payments are monthly in advance.

16 *PROVISIONS*

(Current)		
Provision for employee benefits	**108,434**	97,966
(Non-current)		
Provision for rehabilitation		
Opening balances July 1 …………………………………………………………	**1,454,668**	1,410,587
Amounts charged to the profit and loss ………………………………………	**(89,329)**	44,081
Closing balances June 30 ………………………………………………………	**1,365,339**	1,454,668

Provision for rehabilitation recognises future costs expected to be incurred in the restoration of soil, environment and habitat as a result of undertaking exploration and mining activities. The provision is determined as the present value of the future expenditure and assumes that associated outflows will be evenly incurred over a period of 5 years. See also Note 2(v).

		CONSOLIDATED	
		2010	2009
		$	$

17 *CONTRIBUTED EQUITY & RESERVES*

(a) Share Capital

Issued Shares - Ordinary shares fully paid		**59,593,411**	60,305,981

(b) Movements in Ordinary Share Capital

		Number of Shares	$
Contributed Equity			
July 1, 2008	Opening balance	192,993,665	60,305,981
	Movement during the financial year	-	-
June 30, 2009	Balance	192,993,665	60,305,981
July 1, 2009	Opening balance	192,993,665	60,305,981
	Share buy back	(10,000,000)	(1,000,000)
	Transfer from share option reserve	-	287,430
June 30, 2010	Balance	182,993,665	59,593,411

At a Special General Meeting held on May 11, 2010, shareholders voted to approve the selective buy-back and cancellation of 10,000,000 ordinary shares held by BHP Billiton Nickel West Pty Ltd. The buy-back price was 10c per share. The buy-back was completed on May 14, 2010 and the shares have been cancelled.

(c) Ordinary Shares

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

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

	CONSOLIDATED	
	2010	2009
	$	$
Reserves		
Capital profits	**6,178,490**	6,178,490
Forfeited shares	**4,425**	4,425
Share option reserve	**-**	287,430
	6,182,915	6,470,345
(d) Capital profits reserve		
Opening balance	**6,178,490**	6,178,490
Movements during the year	**-**	-
	6,178,490	6,178,490

The capital profits reserve on the sale of investment records non-taxable profits.

17 *CONTRIBUTED EQUITY & RESERVES (continued)*

	CONSOLIDATED	
	2010	2009
	$	$
(e) Forfeited shares		
Opening balance	**4,425**	4,425
Movements during the year	**-**	-
	4,425	4,425

The Forfeited share reserve records the cash received on forfeit of shares.

	CONSOLIDATED	
	2010	2009
	$	$
(f) Share option reserve		
Opening balance	**287,430**	287,430
Transfer to contributed equity	**(287,430)**	-
	-	287,430

The share option reserve records the value of the options issued and lapsed. Share options expired during the year and the balance held in the option reserve of $287,430 was transferred into the Share Capital account.

	CONSOLIDATED 2010 $	2009 $

18 *COMMITMENTS & CONTINGENCIES*

	2010 $	2009 $
Insurance Premium Funding		
Amount due under Insurance Premium Funding …………………………………	**54,928**	-
Payable - Minimum Insurance Premium Funding		
- Within one year ………………………………………………………………	**41,151**	-
- less future financing charges ………………………………………………	**(2,369)**	-
Present value of lease payments ………………………………………………	**38,782**	-

Future Premium funding payments represent the aggregate of all lease payments to be paid within one year. Details are provide at Note 15 to the Financial Statements. During the year to June 30, 2010 lease payments of $10,085 (2009: Nil) were made.

(i) Exploration & expenditure commitments

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

	2010 $	2009 $
Within one year ………………………………………………………………	**2,333,861**	2,907,213
After one year but not more than five years …………………………………	**5,191,294**	5,172,000
Longer than five years …………………………………………………………	**6,745,206**	3,519,113
	14,270,361	11,598,326

The Department of Minerals & Energy (Western Australia) has agreed that, under the current circumstances, expenditure on testing Pilbara bulk ore samples using the Elazac Process at Kitchener Mining NL's Bamboo Creek mine site can be classified as tenement expenditure.

(ii) Financial support for controlled Entity

The Parent Entity has provided a "letter of support" in respect of the financial support to its controlled entity, Kitchener Mining NL. Total Kitchener Mining NL liabilities at June 30, 2010 were $5,312,702 (2009: $5,254,692)

Contingent Liabilities

Native Title

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

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

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

18 *COMMITMENTS & CONTINGENCIES (continued)*

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

Bank Guarantee
The entity has in place bank guarantee facilities of $385,000 (2009: $385,000) relating to rehabilitation requirements on its tenements. Of these, $315,289 (2009: $242,289) were used at year end.

Legal Claim
Haoma is presently defending a claim by a former employee for injuries and economic loss suffered as a consequence of a vehicle accident in 2003. At the date of this report the amount of the claim has not been specified other than the plaintiff has claimed an amount being the maximum that can be awarded by the District Court. Haoma Mining believes that any liability arising from this matter will be covered by relevant policies of insurance in respect to motor vehicle 3rd party injury and or workers compensation.

Contingent Asset
The Agreement for sale of Haoma's Linden Group of tenements in December 2009 to Exterra Resources Ltd provides that Haoma will be entitled to receive an amount of $500,000 upon Exterra Resources attaining admission to the Official List of the Australian Securities Exchange. The payment is in recognition of tenement exploration, maintenance and holding costs incurred by Haoma up to the date of sale.

19 *SHARE BASED PAYMENTS*

Employee & Consultants Share Options
There were no share based arrangements entered into during the financial year ended June 30, 2010.

The following share based payment arrangements existed at June 30, 2009

On November 11, 2007 the Consolidated Entity issued 7,150,000 Share Options to nominated employees, consultants and a director of the Consolidated Entity. Partially the Share Options issued replaced 4,900,000 options which had expired November 11, 2007. The Share Options entitled the holder to take up the same number of ordinary shares at an exercise price of $0.10 each. The options were exercisable on or before November 30, 2009. The options were non-renounceable, held no voting or dividend rights and were not transferable. At June 30, 2009 the 7,150,000 share options were un-exercised and all options expired un-exercised on November 30, 2009.

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

The model inputs for options granted during the year ended 30 June 2008 included:

(a) Options are granted to nominated employees, consultants and director at a strike value of $0.10
(b) Exercise price $0.10
(c) Grant date: November 30, 2007
(d) Expiry date: November 30, 2009
(e) Share price at grant date: $0.075
(f) Expected price volatility of the Company's shares: 10%
(g) Risk free interest rate: 7.5%
(h) Vested Date: November 30, 2007

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

19 *SHARE BASED PAYMENTS (Continued)*

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

	2010 CONSOLIDATED		2009 CONSOLIDATED	
	Number of Options	**Weighted Average Exercise Price $**	Number of Options	Weighted Average Exercise Price $
Oustanding at the beginning of the year	**7,150,000**	**0.10**	7,150,000	0.10
Share options	-	-	-	-
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	**(7,150,000)**	**(0.10)**	-	-
Outstanding at year-end	**-**	**-**	7,150,000	0.10
Excercisable at year-end	**-**	**-**	7,150,000	0.10

20 *AUDITORS REMUNERATION*

	2010 $	2009 $
Remuneration of the auditor of the Economic Entity:		
- auditing and reviewing the financial accounts	**48,500**	44,403
- taxation services	**-**	-
	48,500	44,403

21 *SEGMENT INFORMATION*

The group has adopted AASB 8 Operating Segments from July 1, 2009 whereby segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the board of directors

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

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

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

22 RELATED PARTY INFORMATION

Directors

The name of each person holding the position of Director of Haoma Mining NL during the financial year is:
Gary Cordell Morgan,
Michele Levine, and
John Lachlan Charles McInnes.
All of these persons were directors at 30 June 2010.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

22 RELATED PARTY INFORMATION *(Continued)*

Directors and Director-Related Entities

	Roy Morgan Research Pty Ltd	The Roy Morgan Research Centre Pty Ltd	Elazac Mining Pty Ltd	Leaveland Pty Ltd	Elazac Pty Ltd
Mr. Gary Morgan	Director	Director	Director	Director	Director
Ms. Michele Levine	Director	-	-	-	-
Mr. John Mc Innes	Director	Director	Director	Director	Director

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

During the year Roy Morgan Research Pty Ltd provided significant administrative support and services to Haoma Mining NL. That support is continuing. Roy Morgan Research charged a management fee of $198,034 for those services (2009: $167,827)

Funding for the company's ongoing operations is presently being provided by Leaveland Pty Ltd. Leaveland is Haoma's principal shareholder and is owned and controlled by Haoma's Chairman, Mr. Gary Morgan. To June 30, 2010 the total funding provided by Leaveland was $31,517,658 (2009: $28,013,364). The Board of Haoma previously approved payment of interest on funds advanced by Mr. Morgan or entities associated with him at the 30 day commercial bill rate plus a 4% margin. The interest accrues but will not be paid until such time as the Board determines that the company is in a financial position to commence interest payments. During the year to June 30, 2010, interest accrued on the funds advanced by Leaveland was $2,846,355 (2009: $2,195,389)

Further information about Director related payables is disclosed in Note 15.

Related Party Transactions – Economic Entity

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

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

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

The Roy Morgan Research Centre Pty Ltd is entitled to management fees from Kitchener Mining NL of $1,000,000 for the financial years from 1 July, 1989, to 30 June, 1993. The management fees were treated as an accrued liability for the year ended June 30, 2004. However, due to the uncertainty of future profits, the liability has been reversed. For the year ended June 30, 2010 this has been treated as a contingent liability. The amount is payable when Kitchener Mining NL resumes mining operations and has an operating profit in excess of $500,000 pa. This debt is non-interest bearing.

Holding Company Transactions with Subsidiaries

During the year Haoma Mining NL advanced funds to Kitchener Mining NL of $57,563 (2009: $56,917). No interest has been charged for the financial year ended June 30, 2010 (2009: interest charged $nil). The balance payable at June 30, 2010 was $4,036,864 (2009: $3,979,301) and has been fully provided against.

Receivables from controlled entities have no fixed repayment term. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment loss has been recognised for the controlled entity receivable of $57,563 (2009: $56,917)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

	CONSOLIDATED 2010 $	2009 $

22 RELATED PARTY INFORMATION

Key Management Personnel Compensation

The aggregate compensation of the key management personnel is set out below:

	2010 $	2009 $
Short term employee benefits ………	**267,000**	294,000
Post employment benefits ………	**7,200**	7,200
Share based payments ………	**-**	-
	274,200	301,200

Options and Rights

The number of options issued over ordinary shares in the Consolidated Entity held during the financial year by each Director of the Consolidated Entity and Haoma Mining, are set out below:

2010	**Balance at start of the year**	**Received as compensation**	**Options exercised**	**Options lapsed ***	**Options issued ***	**Balance at end of the year**
Michelle Levine	2,000,000	-	-	(2,000,000)	-	-
Jim Wallace	100,000	-	-	(100,000)	-	-
Peter Cole	1,500,000	-	-	(1,500,000)	-	-
	3,600,000	**-**	**-**	**(3,600,000)**	**-**	**-**
2009						
Michelle Levine	2,000,000	-	-	-	-	2,000,000
Jim Wallace	100,000	-	-	-	-	100,000
Peter Cole	1,500,000	-	-	-	-	1,500,000
	3,600,000	**-**	**-**	**-**	**-**	**3,600,000**

* Options issued November 30, 2007 lapsed November 30, 2009.

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

2010	Balance at start of the year	Received as compensation	Options exercised	Net change other	Balance at end of the year
Gary Morgan	128,182,961	-	-	-	128,182,961
Michelle Levine	6,250,452	-	-	-	6,250,452
John McInnes	127,884,204	-	-	-	127,884,204
	262,317,617	**-**	**-**	**-**	**262,317,617**
2009					
Gary Morgan	128,182,961	-	-	-	128,182,961
Michelle Levine	6,250,452	-	-	-	6,250,452
John McInnes	127,884,204	-	-	-	127,884,204
	262,317,617	**-**	**-**	**-**	**262,317,617**

23 FINANCIAL RISK MANAGEMENT AND POLICIES

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

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

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

The Consolidated Group and Haoma hold the following financial instruments:

	CONSOLIDATED	
	2010	2009
	$	$
Financial Assets		
Cash and cash equivalents	**8,999**	19,459
Trade and other receivables	**147,211**	180,405
Other financial assets	**1,000,000**	-
Total Financial Assets	**1,156,210**	199,864
Financial Liabilities		
Trade and other payables	**1,556,439**	1,645,096
Borrowings	**41,963,733**	35,582,272
Total financial liabilties	**43,520,172**	37,227,368

Risk Exposure and Responses
Interest Rate Risk

Assets
Haoma's exposure to the risk of changes in market interest rates relates primarily to cash with a floating interest rate.

The Group's cash at bank and on hand had a weighted average floating interest rate at year end of 0.01% (2009: 0.01%)

Liabilities

Haoma's exposure to market interest rates relates primarily to the Groups on-going funding provided by Haoma's principal shareholder Leaveland Pty Ltd. The weighted average floating interest rate at year end was 7.95% (2009: 7.23%)

The insurance Premium funding arrangement, due to be amortised within the next 12 months has a weighted average interest rate 13.23% (2009: Nil)

The level of debt is disclosed at note 15.

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

Interest Rate Risk
The following sensitivity analysis is based on the interest rate risk exposure in existence at June 30, 2010.

At June 30, 2010, if interest rates had moved as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

23 FINANCIAL RISK MANAGEMENT AND POLICIES *(continued)*

	CONSOLIDATED			
	Post tax profit higher / (lower)		**Equity higher / (lower)**	
	2010	2009	**2010**	2009
	$	$	**$**	$
Financial Assets				
Receivable - Convertible Note				
+ 0.75% (75 basis points) ………………………………………	**7,500**	-	**(7,500)**	-
- 0.75% (75 basis points) ………………………………………	**(7,500)**	-	**7,500**	-
Financial Liabilities				
Borrowings				
Consolidated				
+ 0.75% (75 basis points) ………………………………………	**314,728**	266,867	**(314,728)**	(266,867)
- 0.75% (75 basis points) ………………………………………	**(314,728)**	(266,867)	**314,728**	266,867

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

The convertible loan note accrues interest based on bank bill interest rates plus a margin. The sensitivity in financial assets is higher/lower taking into account interest rate volatility.

The sensitivity in financial liabilities is relatively unchanged.

Credit Risk

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

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

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

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

Liquidity Risk

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

23 FINANCIAL RISK MANAGEMENT AND POLICIES *(continued)*

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

CONSOLIDATED	**< 6 months**	**6-12 months**	**1-5 years**	**> 5 years**	**Total**
	$	**$**	**$**	**$**	**$**
Year Ended June 30, 2010					
Financial Assets					
Cash and cash equivalents	**8,999**	**-**	**-**	**-**	**8,999**
Receivables and other receivables	**147,211**	**-**	**-**	**-**	**147,211**
Other financial assets	**-**	**-**	**1,000,000**	**-**	**1,000,000**
	156,210	**-**	**1,000,000**	**-**	**1,156,210**
Financial Liabilities					
Trade and other payables	**1,437,928**	**-**	**118,511**	**-**	**1,556,439**
Interest bearing liabilities	**-**	**41,151**	**41,922,582**	**-**	**41,963,733**
	1,437,928	**41,151**	**42,041,093**	**-**	**43,520,172**
Year Ended June 30, 2009					
Financial Assets					
Cash and cash equivalents	19,459	-	-	-	19,459
Receivables and other receivables	180,405	-	-	-	180,405
	199,864	-	-	-	199,864
Financial Liabilities					
Trade and other payables	1,216,663	309,722	118,711	-	1,645,096
Interest bearing liabilities	10,339	-	35,571,933	-	35,582,272
	1,227,002	309,722	35,690,644	-	37,227,368

Commodity Price risk

Haoma is exposed to commodity price risk. These commodity prices can be volatile and are influenced by factors beyond the Consolidated Group’s control. As the Group is currently engaged in exploration and development activities, no significant sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivate transactions have been used to manage commodity price risk.

Capital risk management

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

Haoma is not exposed to any externally imposed capital requirements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

23 FINANCIAL RISK MANAGEMENT AND POLICIES *(continued)*

	CONSOLIDATED	
	2010	2009
	$	$
Financing Facilities Available		
At reporting date, the following financing facilities has been negotiated and were available:		
Total facilities		
- Business Visa Card	**15,000**	15,000
- Business lending - bank guarantees	**385,000**	385,000
	400,000	400,000
Facilities used at reporting date		
- Business Visa Card	**3,852**	860
- Business lending - bank guarantees	**315,289**	242,289
	319,141	243,149
Facilities unused at reporting date		
- Business Visa Card	**11,148**	14,140
- Business lending - bank guarantees	**69,711**	142,711
	80,859	156,851
Total facilities	**400,000**	400,000

24 *PARENT ENTITY FINANCIAL INFORMATION*

(a) Summary Financial Information

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

	HAOMA MINING NL	
	2010	2009
	$	$
Balance Sheet		
Current Assets	**475,136**	534,019
Non-current assets	**6,998,397**	7,384,724
Total assets	**7,473,533**	7,918,743
Current liabilities	**43,262,993**	37,019,721
Non-current liabilities	**455,113**	484,889
Total liabilities	**43,718,106**	37,504,610
Net Assets (Liabilities)	**(36,244,573)**	(29,585,867)
Equity		
Contributed equity	**59,593,411**	60,305,981
Reserves	**5,068,032**	5,355,462
Accumulated Losses	**(100,906,016)**	(95,247,310)
Total Shareholders' Equity (Deficiency)	**(36,244,573)**	(29,585,867)
Loss for the year	**(5,658,706)**	(5,820,053)
Total comprehensive loss	**(5,658,706)**	(5,820,053)

(b) Guarantees entered into by the parent entity.
Haoma Mining NL has provided guarantees, indemnities and financial support as follows:

- Indemnity to the value of $400,000 (2009: $400,000) to the National Australia Bank *("NAB")* to support bank guarantees and other liabilities.
- A 'letter of support' has been provided by Haoma Mining NL to it's Controlled Entity, Kitchener Mining NL to the amount necessary to ensure it can meet their obligations when they fall due.
- Registered mortgage in place with the NAB over director related property.

(c) Contingent liabilities of the parent entity.
Contractual commitments for exploration and expenditure costs exist for Haoma Mining NL. Minimum expenditure commitments of $14,270,361 (2009: 11,598,326) are necessary to maintain current rights of tenure to mining tenements. - refer to Note 18.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2010

25 *INTEREST IN JOINT VENTURES*

Joint Venture	Interest **2010** %	2009 %	**Description of Tenements**
Daltons Joint Venture …………………	**25%**	25%	E39/293, E39/428, M39/255, M39/649, M39/650, M39/794, M39/795, P39/2974, P39/2975, P39/2976

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

	Note	CONSOLIDATED **2010** $	2009 $
Current Assets ………………………………………………………		**-**	-
Non-current Assets			
Exploration and evaluation assets ……………………………………	13	**323,895**	-
Current Liabilities			
Trade and other payables ………………………………………………	14	**194,941**	-

Giralia Resources NL has a 75% interest in the joint venture and is the Joint Venture Operator.

Directors' Declaration

The Directors' of Haoma Mining NL declare that:

1. In the directors' opinion the financial statements and notes on pages 13 to 47 and the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report, set out on pages 5 to 7, are in accordance with the Corporations Act 2001, including:

   (a) giving a true and fair view of the Consolidated Group's financial position as at June 30, 2010 and of its performance for the financial year ended on that date; and

   (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001.

2. The financial statements also comply with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in Note 1(c).

3. In the Directors' opinion there are reasonable grounds to believe that the Parent Entity will be able to pay its debts as and when they become due and payable;

4. The Directors' have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by Section 295A of the Corporations Act 2001.

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

Gary Morgan

Gary Morgan
Chairman

Melbourne,
October 1, 2010

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

PKF

Chartered Accountants
& Business Advisers

Report on the Financial Report

We have audited the accompanying financial report of Haoma Mining NL, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising Haoma Mining NL and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2(c), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with Australian Accounting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

In our opinion:

(a) the financial report of Haoma Mining NL is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(c).

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

Chartered Accountants
& Business Advisers

Emphasis of Matter - Material Uncertainty Regarding Continuation as a Going Concern

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

As referred to in Note 2(b) to the financial statements, the consolidated entity incurred a net loss of $5,658,418 for the year, had net current liabilities of $43,152,501, and negative shareholders equity of $36,519,443. These conditions 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 whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report has been prepared on a going concern basis and therefore does not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 7 of the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Haoma Mining NL for the year ended 30 June 2010, complies with section 300A of the *Corporations Act 2001*.

PKF

J A Mooney
Partner

1 October 2010
Melbourne

STOCK EXCHANGE - ADDITIONAL INFORMATION

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

A. 20 Largest Shareholders as at September 30, 2010

Shareholders	Shareholding No. of shares	Shareholding (%) held
Leaveland Pty Ltd	121,420,252	66.35
Roy Morgan Research Pty Ltd	4,919,452	2.69
Gary and Genevieve Morgan	1,843,257	1.01
Etonwood Management Pty Ltd	1,500,000	0.82
PYC Investments Pty Ltd	1,410,000	0.77
Liliana Teofilova	1,369,000	0.75
Joseph and Michele Levine	1,150,000	0.63
Sandra Stuart Curwen	1,058,650	0.58
Advance Publicity Pty Ltd	1,000,000	0.55
Robert John Annells	1,000,000	0.55
Edwin Leigh Davies	1,000,000	0.55
Gregory Young Pty Ltd	1,000,000	0.55
Jack Van Beelen	1,000,000	0.55
HSBC Custody Nominees (Australia) Limited	723,476	0.40
Harry Cooper	600,000	0.33
Selstock Pty Ltd	600,000	0.33
Sandra & Charles Curwen	587,350	0.32
Taraleigh Pty Ltd	584,000	0.32
Robert Gordon	570,000	0.31
Richie Dylan Davies	500,000	0.27
	143,835,437	**78.63**

B. Substantial Shareholders

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

C. Distribution of Equity Securities

(i). Ordinary shares issued by Haoma Mining NL

Range of Shares held	# of Shareholders
1 - 1,000	661
1,001 - 5,000	912
5,001 - 10,000	343
10,001 - 100,000	535
100,001 - and over	92
Total	**2,543**

(ii) There were 1,314 holders of less than a marketable parcel of 3,572 ordinary shares.

(iii) The twenty largest shareholders hold between them 78.63% of the issued capital.

D. Class of Shares and Voting Rights

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

E. Stock Exchange Listing

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

STOCK EXCHANGE - ADDITIONAL INFORMATION

F. Mining Tenement Summary

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

(i) Pilbara, Western Australia

Bamboo Creek	E45/2982	E45/3217	L45/174	M45/1156	M45/874	M45/885	P45/2342	
Blue Bar	G45/51	M45/591	M45/796	M45/906	P45/2311			
Comet North	M45/928							
Copenhagen	M45/985	P45/2391						
Coronation	M45/682							
Lalla Rookh	M45/442							
Marble Bar	M45/981	M45/982	M45/515	M45/607	E45/1273	E45/1869	E45/1913	E45/2041
North Pole	L45/86	M45/302	M45/328	M45/329	E45/2532			
North Shaw	M45/682	M/45/1009	E45/2784	L45/60	E45/2955	E45/3218	E45/3219	
Spear Hill	M45/980							
Tabba Tabba	E45/2311							

(ii) Linden, Western Australia

Golden Ridge	M26/534

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

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

Pilbara, Western Australia

Apex	M45/705	P45/2133								
20oz Gully	M45/840	M45/869	P45/2227	P45/2301	P45/2329	P45/2330	P45/2336			
Bamboo Creek	M45/723	M45/781								
Big Stubby	M45/57	M45/284	M45/453	M45/554						
Blue Bar	M45/702	M45/724	P45/2125	P45/2127	P45/2226					
Comet	G45/21	M45/14	M45/16	M45/385	M45/438	M45/459	M45/478	L45/4	L45/12	L45/37
Cookes Hill	M45/1034	M45/1035	M45/1036	E45/2983	M45/1186					
Coongan	M46/160									
Copper Hills / Stirling	G45/36	M45/238	M45/346	M45/357						
Copenhagen	M45/240									
Coronation	M45/672	P45/2333	M45/679	E45/1249						
Fieldings Gully	M45/521	M45/1028	M45/1029							
Lalla Rookh	M45/648	M45/649								
Lionel	M46/43	M46/44								
Marble Bar	M45/618	M45/678	M45/706	M45/774	M45/851	M45/927	P45/2231	P45/2275	P45/2356	
McKinnon	M45/490	M45/606	M45/873							
Mercury Hill	M45/588	P45/2250	M45/748							
Mustang	M45/680	M45/731	M45/747	P45/2134	P45/2251	P45/2269	P45/2288	P45/2331		
Nickol River	M47/87	M47/127	M47/401	M47/421	M47/435	M47/455	M47/577			
North Pole	M45/395	M45/514	M45/650	M45/651	M45/665	M45/733	M45/734	E45/2191		
Salgash	M45/848	M45/849	M45/850							
Sharks Gully	M45/758	M45/692								
Soansville	M45/780	M45/847	P45/2292	P45/2293	P45/2294	P45/2295	P45/2296	P45/2297	P45/2298	
Starrs Find	M45/857									
Tank Hill	M45/773									
Tassie Queen	M45/76	M45/235	M45/296	M45/297	M45/655	M45/795				
Warrawoona	M45/547	M45/671	M45/824	P45/2316						
Wyman Well	M45/823	P45/2317								

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

i) Bamboo Creek, Western Australia

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

(ii) Ravenswood, Queensland

Budgerie	ML1325	Barrabas	EPM8771
Burdekin Gold	EPM14297	Robe Range	EPM14038
Old Man & Copper Knob	ML1326 ML1330	Waterloo	ML1529
Elphinstone	ML10275	Podoskys	ML10315
Ravenswood Mining Claims	MC2205 MC2206	Wellington Springs	ML1415 ML1483
Robe Range East	EPM17832		

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

North Shaw Western Australia	E45/2186 E45/2187 E45/2921 E45/2922 M45/1197