



Haoma Mining NL

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October 31, 2012

Dear Sir,

ACTIVITIES REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2012 – HIGHLIGHTS

- **Group Consolidated Result** – Haoma Mining's unaudited consolidated financial result for the three months ended September 30, 2012 was a before tax loss of \$2.06 million after interest of \$0.88 million, depreciation and amortisation of \$0.06 million and group exploration, development and test work expenditure of \$0.82 million.
- **Bamboo Creek Test Work** – During the Quarter the Directors of Haoma advised shareholders on September 4, 2012 and October 5, 2012 that the **Bamboo Creek Tailings and the Mt Webber ore body contain significant commercial quantities of gold and Platinum Group Metals (PGM)** - platinum, palladium and iridium.

In the last month test work has continued at Bamboo Creek including the installation of **new assay equipment which has resulted in a relatively inexpensive 'quick' and reliable new Elazac gold assay method** which can be used to measure gold grades in samples of ores, tailings and concentrates.

Using the new **Elazac gold assay method** samples of Bamboo Creek Tailings measured 100.24 g/t and 115.27g/t. These gold grades are similar to the 'calculated' Bamboo Creek Tailings gold grades of 142.03g/t, 98.38g/t and 74.37 g/t (Average' 104.93g/t) measured during Pilot Plant Trials and reported to Shareholders on September 4, 2012 - see Appendix 1

The recently designed Bamboo Creek Pilot Plant will be able to produce a gold and PGM concentrate which contains approximately 3% gold, silver and Platinum Group Metals. During the present Quarter samples of this metal concentrate will be sent to a European refinery where **commercial quantities of gold and PGM can be economically recovered.**

Haoma has recently purchased additional plant and equipment which will be installed at Bamboo Creek to increase throughput once all the necessary permits have been obtained from the Western Australian Department of Mines and Petroleum.

The additional plant and equipment is expected to be installed early in the New Year. It is then anticipated that the Bamboo Creek Plant will process Bamboo Creek Tailings at a production rate of up to 50 tonnes per hour. Test results reported to shareholders show the expect Bamboo Creek Tailings grade to be approximately: **Gold 100 g/t** and **total PGM, greater than 100g/t**

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CONTENTS

1. Group Consolidated Result to September 30, 2012
2. Operations at Bamboo Creek and Normay, Western Australia.
3. Exploration Activities in Western Australia.
4. Exploration Activities in Queensland.

1. GROUP CONSOLIDATED RESULT TO SEPTEMBER 30, 2012

Haoma Mining NL Consolidated Profit & Loss	2011/12 1st Qtr (\$m)	2011/12 Full Year (\$m)	2012/13 1st Qtr (\$m)	2012/13 YTD (\$m)
Operating Revenue:				
Recovery of Exploration Costs	-	-	-	-
Royalties	0.02	0.11	0.09	0.09
Retail Sales & Misc.	0.05	0.16	0.06	0.06
Finance Revenue	0.03	0.12	0.03	0.03
Other Income	0.01	0.03	0.01	0.01
Profit on Sale of Assets	-	32.45	-	-
Operating Revenue	0.11	32.87	0.19	0.19
Operating profit before interest, depreciation, amortisation, exploration & development costs:	0.02	31.91	(0.30)	(0.30)
Interest	(1.07)	(4.17)	(0.88)	(0.88)
Depreciation & amortization	(0.03)	(0.70)	(0.06)	(0.06)
Exploration, development & test work	(0.95)	(4.28)	(0.82)	(0.82)
Operating (loss) before tax	(2.03)	22.76	(2.06)	(2.06)

1.1 Haoma's Group Consolidated Result

Haoma Mining's unaudited consolidated financial result for the three months ended September 30, 2012 was a before tax loss of \$2.06 million after interest of \$0.88 million, depreciation and amortisation of \$0.06 million and group exploration, development and test work expenditure of \$0.82 million.

1.2 Funding of Operations

At present, funding for Haoma's operations is being provided by The Roy Morgan Research Centre Pty Ltd, a company owned and controlled by Haoma's Chairman, Gary Morgan. During the September Quarter, The Roy Morgan Research Centre Pty Ltd advanced \$1.045 million to Haoma.

In Haoma's June 30, 2012 Activities Report shareholders were advised that part of the cash proceeds from the sale of Haoma's iron ore rights at Mt Webber to Atlas Iron Ltd in March 2012 was used to repay debt to The Roy Morgan Research Centre Pty Ltd. The \$33 million sale price comprised \$10 million cash and 8,406,433 shares in Atlas Iron Ltd valued at \$23 million. Since the Mt Webber sale, the component of the sale price represented by Atlas Iron shares has fallen significantly from the initial share price of \$2.736 to today's price of \$1.57 per share. This represents an unrealised capital loss of approximately \$9.8 million. Notwithstanding this fall in value, the Directors of Haoma have decided to retain the investment in Atlas Iron shares as they anticipate a strong future working relationship with Atlas.

At September 30, 2012 the principal debt to The Roy Morgan Research Centre Pty Ltd was \$30.72 million. Haoma has approved payment of interest on this debt at the 30 day commercial bill rate plus a facility margin of 4%. Interest will accrue until such time as the Board determines that the company is in a position to commence interest payments. Interest accrued for the 3 months to September 30, 2012 was \$883,797. Total interest accrued and unpaid to September 30, 2012 is \$16.810 million.

2.0 RECENT ACTIVITIES AT BAMBOO CREEK

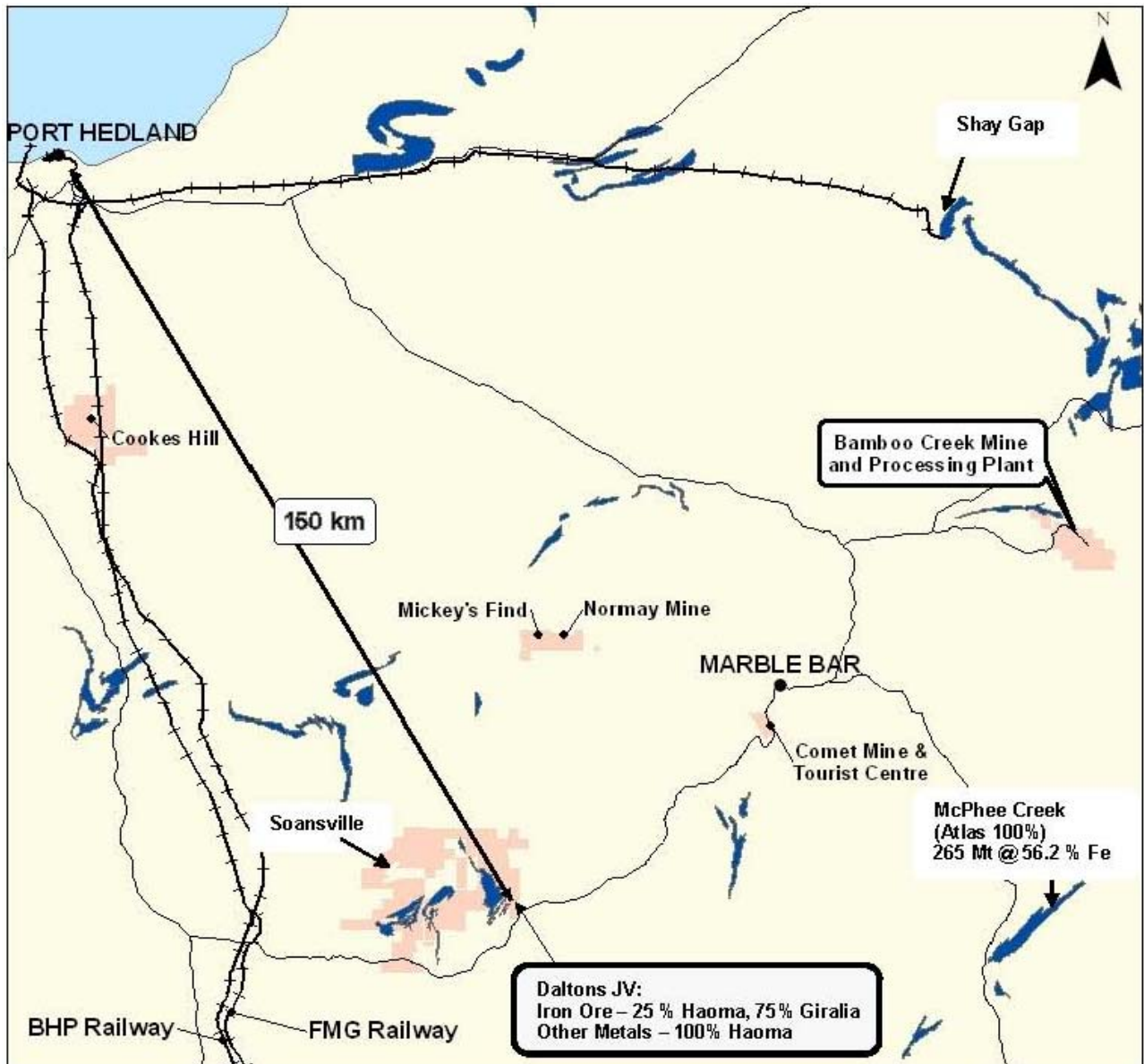


Figure 1: Location of Haoma Mining Projects including the location of Haoma's Bamboo Creek Processing Plant, North Pole Area (including Mickey's Find and Normay Mine), Cookes Hill, Daltons JV and the Comet Gold Mine and Tourist Centre.

2.1 Latest Testwork at Bamboo Creek

Haoma's shareholders were advised on September 4, 2012: **"Pilot Plant Trials at Bamboo Creek recover significant commercial quantities of gold from bulk samples of Bamboo Creek Tailings and Mt Webber Drill Hole samples"**, then advised on October 5, 2012 **" Significant Platinum and Palladium grades measured in samples of Bamboo Creek Tailings "**.

A full summary report on Haoma's ASX releases of September 4, 2012 and October 5, 2012 was included in Haoma's 2012 Annual Report released to the ASX on October 18, 2012. That full report is included below as Appendix 1.

Since October 18, 2012 test work has continued at Bamboo Creek including the installation of **new assay equipment which has resulted in a relatively inexpensive 'quick' and reliable new Elazac gold assay method** which can be used to measure gold grades in samples of ores, tailings and concentrates.

Using the new **Elazac gold assay method** samples of Bamboo Creek Tailings measured 100.24g/t and 115.27g/t. These gold grades are similar to the 'calculated' Bamboo Creek Tailings gold grades of 142.03g/t, 98.38g/t and 74.37g/t (Average 104.93g/t) measured during Pilot Plant Trials and reported to Shareholders on September 4, 2012 - see Appendix 1 below.

The recently designed Bamboo Creek Pilot Plant will be able to produce a gold and PGM concentrate which contains approximately 3% gold, silver and Platinum Group Metals. During the present Quarter samples of this metal concentrate will be sent to a European refinery where **commercial quantities of gold and PGM can be economically recovered.**

Haoma has recently purchased additional plant and equipment which will be installed at Bamboo Creek to increase throughput once all the necessary permits have been obtained from the Western Australian Department of Mines and Petroleum.

The additional plant and equipment is expected to be installed early in the New Year. It is then anticipated that the Bamboo Creek Plant will process Bamboo Creek Tailings at a production rate of up to 50 tonnes per hour.

When the plant is fully operational daily throughput is expected to be at least 400 tonnes per day of Bamboo Creek Tailings. About 20 tonnes per day of Bamboo Creek Tailings Concentrate is expected to be produced using a rough 5% gravity cut. The gravity concentrate will then be further processed so a metal is produced (representing about 1% of the Bamboo Creek Tailings ore processed) which contains at least 3% gold, silver and Platinum Group Metals.

Based on recent tests on samples of Bamboo Creek Tailings **Concentrate** (where the total gold, platinum and palladium measured between 1,000 g/t and 3,000 g/t) the '**calculated**' Bamboo Creek Tailing approximate grades were: **Gold 100 g/t** and **total PGM, greater than 100g/t.**

As previously reported there are about 1 million tonnes of Bamboo Creek Tailings ready for processing. The value of commercially recoverable gold, platinum and palladium using the Elazac Process with the Bamboo Creek Plant is expected to be significant at current gold, platinum and palladium prices¹.

3. EXPLORATION AND EVALUATION ACTIVITIES IN WESTERN AUSTRALIA

3.1 Daltons Joint Venture with Giralia Resources Pty Ltd (subsidiary of Atlas Iron Limited Group) - Haoma Mining 25%, Giralia 75% (E45/2186, E45/2187, E45/2921, E45/2922) (Incl. 100% Haoma M45/780, M45/847, P45/2292 – 2298)

The Daltons Joint Venture covers four tenements located approximately 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.

In April, the Joint Venture Heads of Agreement between Haoma (25%) and Atlas Mining's wholly owned subsidiary Giralia Resources Pty Ltd (75%) was amended to excise the Mt Webber iron ore deposit from the scope of the Joint Venture and **grant Haoma rights to 100% of all Non-Ferrous Mineral Deposits within the JV tenements. (The JV Agreement previously covered only 100% of all gold/silver and tin/tantalum mineralisation).**

Haoma and Atlas Iron are in discussions about the next phase of exploration activities planned for the Daltons JV tenements.

¹ October 31, 2012: Gold \$US 1,712/oz, Platinum \$US 1,554/oz, Palladium \$US 599/oz - (1oz = 31.1gms, \$1AUS = \$1.038US)

3.2 **Cookes Hill (E45/2983 (previously E45/1562), M45/1005, M45/1031 - 1036) - Including BGC Tribute Agreement to Mine Dolerite from Haoma's Cookes Hill Quarry**

The Haoma Quarry at Cookes Hill is operated by BGC Contracting Pty Ltd. BGC Contracting mine and crush dolerite aggregate which is then supplied to customers for infrastructure construction including new railway lines in the Pilbara.

Haoma receives a royalty of \$0.80c per tonne for railway ballast and \$0.42c per tonne for by-product. During the Quarter 180,794 tonnes of ballast and by-product rock was mined from the Cookes Hill Quarry and Haoma earned royalties of \$76,253.

4. **EXPLORATION ACTIVITIES IN THE RAVENSWOOD DISTRICT - QUEENSLAND**
EPM 8771, EPM 14038, EPM 14297, ML 1325, ML 1326, MI 1330, MI 1415, ML 1483, ML 1529

Haoma has many tenements in Queensland which contain commercial gold, silver and copper bearing ore.

Haoma has recently engaged a new geological team. Priority exploration targets will be identified and site visits conducted to set up new exploration work programs. During the Quarter, work was primarily focused on familiarization with the existing geological database and interpretation of sampling and reconnaissance surveys instigated in the previous Quarters.

Yours sincerely,



**Gary C Morgan,
CHAIRMAN**

APPENDIX 1

Elazac Process Test Work at Bamboo Creek - Significant Commercial Quantities of Gold and Platinum Group Metals (PGM) in Bamboo Creek Tailings and Mt Webber Drill Hole Samples

During the Quarter the Directors of Haoma advised shareholders on September 4, 2012 and October 5, 2012 that the **Bamboo Creek Tailings and the Mt Webber ore body contain significant commercial quantities of gold and Platinum Group Metals (PGM)** - platinum, palladium and iridium.

The results of assays of Bamboo Creek Tailings and Mt Webber Drill Hole samples are detailed below in Tables 1 and 2.

In March this year Haoma shareholders were advised that Haoma had sold its iron ore rights at Mt Webber to Atlas Iron Ltd. The terms of the Sale Agreement included Haoma being granted rights to all non iron ore minerals including gold and Platinum Group Metals (PGM) at Mt Webber (M45/1197) and on all of the Atlas-Haoma Daltons Joint Venture exploration tenements including E45/2186, E45/2187, E45/2921 and E45/2922.

The October 5, 2012 shareholders announcement advised significant assay results from samples of **Bamboo Creek Tailings Metal Concentrate** produced by the Elazac Process that had been sent to a commercial European Platinum Group Metals Refinery. The Refinery's assay laboratory measured PGM grades by ICP after acid digestion of samples. (See below Note 1)

The **platinum (average 65.36 g/t) and palladium (average 65.76 g/t)** grades shown below (in blue) are the **Bamboo Creek Tailings ‘calculated’ Head Grades**. (The platinum and palladium grades of the Metal Concentrate samples used to determine the Bamboo Creek Tailings ‘calculated’ Head Grades were significantly higher, namely: Platinum 505 g/t, Palladium 510 g/t.)

Also shown below (in red) are the gold Bamboo Creek Tailings ‘calculated’ Head Grades first released to the [ASX on September 4, 2012](#)

- 1) Trial 491 (Sample 3kg Bamboo Creek Tailings): Gold grade **142.03 g/t**.
 - 2) Trial 514 (Sample 70kg Bamboo Creek Tailings):
Gold grade **98.38 g/t**, Platinum grade **55.59 g/t**, Palladium grade **61.77 g/t**
 - 3) Trial 520 (Sample 70kg Bamboo Creek Tailings):
Gold grade **74.37 g/t**, Platinum grade **75.12 g/t**, Palladium grade **69.75 g/t**
- ‘Average’ Bamboo Creek Tailings:
Gold grade **104.93 g/t**, Platinum grade **65.36 g/t**, Palladium grade **65.76 g/t**

Table 1: Bamboo Creek Tailings Assays

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

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

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

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

HAOMA MINING NL

ABN

12 008 676 177

Quarter ended ("current quarter")

30th September 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	3 months to Sept 30, 2012 \$A'000
1.1 Receipts from product sales and related debtors	160	160
1.2 Payments for:		
(a) exploration, evaluation and development	(731)	(731)
(b) production	(383)	(383)
(c) administration	--	--
1.3 Dividends received	--	--
1.4 Interest and other items of a similar nature received	27	27
1.5 Interest and other costs of finance paid	(6)	(6)
1.6 Income taxes paid	--	--
1.7 Other (provide details if material)		
Net Operating Cash Flows	(933)	(933)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects		
(b) equity investments		
(c) other fixed assets	(59)	(59)
1.9 Proceeds from sale of: (a) prospects		
(b) equity investments		
(c) other fixed assets	--	--
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(59)	(59)
1.13 Total operating and investing cash flows (carried forward)	(992)	(992)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(992)	(992)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	1,045	1,045
1.17	Repayment of borrowings	(25)	(25)
1.18	Dividends paid		
	Net financing cash flows	1,020	1,020
	Net increase (decrease) in cash held	28	28
1.20	Cash at beginning of quarter/year to date	25	25
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	53	53

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	--
1.24	Aggregate amount of loans to the parties included in item 1.10	--

1.25 Explanation necessary for an understanding of the transactions

Nil

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	--	--
3.2 Credit standby arrangements	--	--

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	600
4.2 Development	--
4.3 Administration	100
4.4 Production	300
Total	1,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	53	25
5.2 Deposits at call	--	--
5.3 Bank overdraft	--	--
5.4 Other (provide details)	--	--
Total: cash at end of quarter (item 1.22)	53	25

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	--	--	100%	0%
6.2 Interests in mining tenements acquired or increased	--	--	--	--

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total Number	Number Quoted	Issue price per security (see note 3) cents	Amount paid up per security (see note 3) cents
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy- backs, redemptions				
7.3 +Ordinary securities	182,993,655	182,993,655		
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy- backs (See note 1)	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	N/A	N/A		
7.6 Changes during quarter				
(a) Increases through issues	Nil	Nil		
(b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter	--	--	--	--
7.9 Exercised during quarter	--	--		
7.10 Expired during quarter	--	--	--	--
7.11 Debentures <i>(totals only)</i>	N/A	N/A		
7.12 Unsecured notes <i>(totals only)</i>	N/A	N/A		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Mr. Gary C Morgan
Chairman

31/10/2012