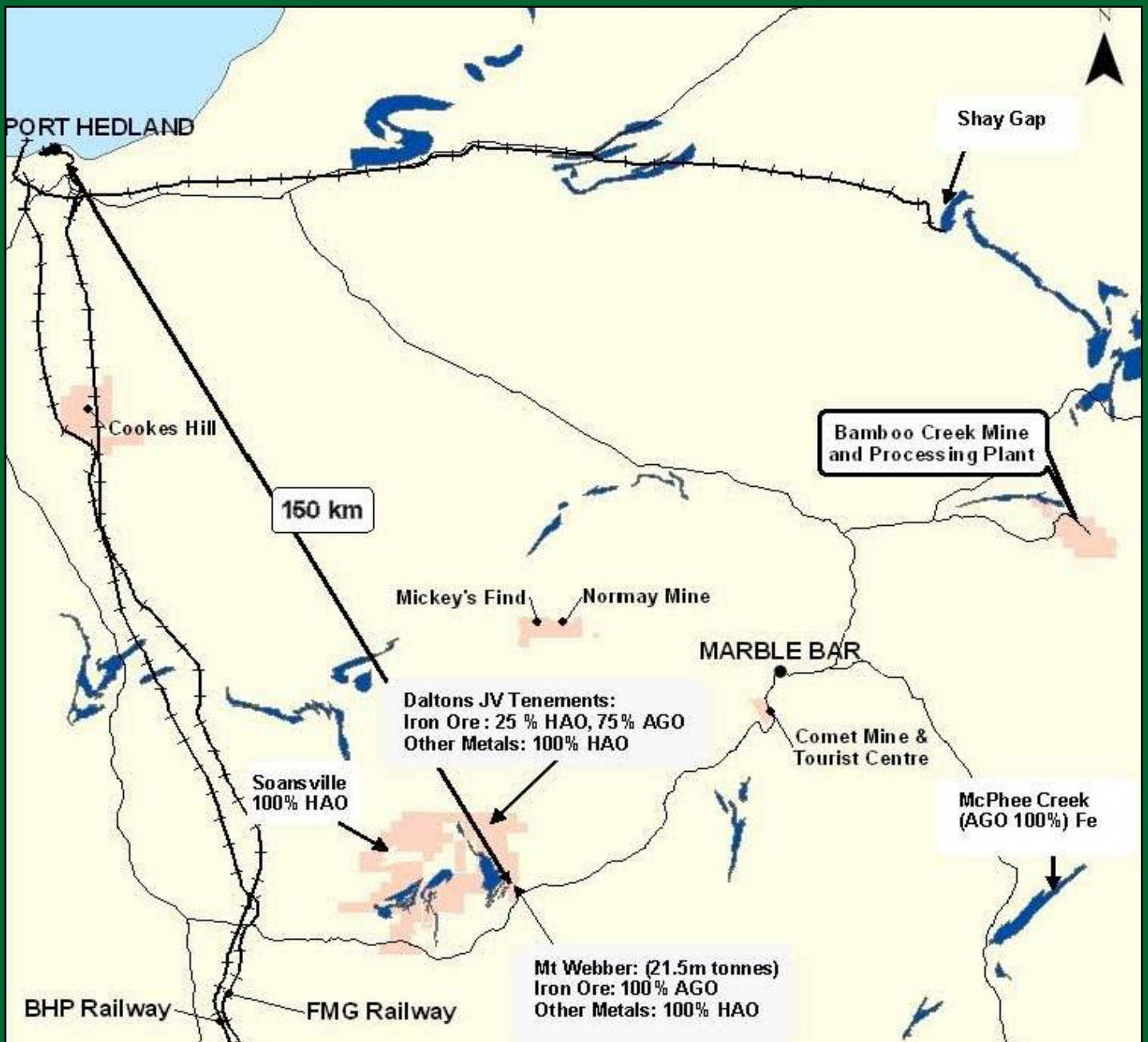




# HAOMA MINING NL

## ANNUAL REPORT

JUNE 30, 2014



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, Soansville, Daltons JV and the Comet Gold Mine Tourist Centre.

**HAOMA MINING NL**

Front Cover:  
Haoma Mining Projects Map

Inside Back Cover:  
Bamboo Creek  
Processing Plant  
with tailings dam wall.

1. Bamboo Creek, WA
2. Marble Bar, WA
3. Cookes Hill, WA
4. Daltons JV &  
Mt. Webber, WA
5. Ravenswood, QLD



**Directors**

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

**Secretary**

James Andrew Wallace, CA

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**Stock Exchange Listing**

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

## MISSION STATEMENT

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

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

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

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

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

## HIGHLIGHTS OF HAOMA MINING ANNUAL REPORT

### ***Test Work at Bamboo Creek***

*Over the last 12 months test work was undertaken in relation to both measurement (Elazac Assaying Process) and extraction (Elazac Extraction Process): repeating assays; extracting gold; and validating Bamboo Creek Laboratory assay techniques and results.*

*In addition **significant grades of gold can now be economically recovered** into both aqua regia (acid) and cyanide solutions. Details are shown in Section 2.1.*

### ***Overview of Haoma Mining's Achievements***

*Up until the last few years it was a 'believed' view within the gold mining industry that **no payable precious metals** could be extracted from Pilbara ores although significant quantities of gold had been recovered from shallow mining at Bamboo Creek and Marble Bar Regions in the early part of the 20<sup>th</sup> Century.*

*Haoma has now established beyond any doubt:*

- 1) this 'belief' is **NOT correct**,*
- 2) precious metals can now be assayed in Pilbara ores which confirm there are significant quantities,*
- 3) it is possible to economically concentrate the payable precious metals, and*
- 4) it is possible to economically extract those precious metals from the concentrate.*

<p><b>CONTENTS</b></p> <p><b>Section 1: Chairman's Review &amp; Report on Operations</b></p> <p><b>Section 2: Financial Statements &amp; Reports</b></p> <p>Director's Report  Auditors Independence Declaration  Corporate Governance Statement  Financial Statements and Reports  Directors Declaration  Independent Auditors Report</p> <p>ASX Additional Information</p>	<p><b>ANNUAL GENERAL MEETING</b></p> <p>The Annual General Meeting of the members of the Haoma Mining NL is to be held at:</p> <p style="text-align: center;">Morgans at 401  Ground Floor  401 Collins Street  Melbourne, Australia.</p> <p style="text-align: center;">Thursday November 27, 2014  Commencing at 9.30am.</p> <p>All shareholders are encouraged to attend. Light refreshments will be available to members and guests following the meeting. A Notice of Meeting and proxy form will be mailed to shareholders.</p>
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**1. Financial Results**

The financial statements for the Year to June 30, 2014 show that Haoma Mining recorded a consolidated loss of \$8.59 million. The result is after expensing interest charges of \$3.32 million and writing off \$2.8 million of costs associated with research and test work. Other Comprehensive Income for the year included a fair value adjustment to other financial assets of \$40,000. As a result, the net comprehensive loss for the period attributable to members was \$8.63 million.

Shareholders will be aware that **Haoma has a perpetual free licence to use and exploit the Elazac Process**. As shown in the financial reports, the costs to date have been extensive and the revenues limited which has resulted in the current deficiency in net assets. Through my family investment company, I have continued to provide the funding needed for Haoma to continue with its research and development activities. At June 30, 2014 my family's total cash commitment to Haoma was recorded at \$30.9 million. This does not include my family's equity investment or any interest on the funds lent.

In recent months Haoma has significantly reduced operational expenditure. Net operating cash costs for the Quarter were \$720,000 with current overhead cash costs in the vicinity of \$250,000 per Quarter. At present revenue is approximately \$300,000 per Quarter.

## **2. Recent Activities at Bamboo Creek**

### **2.1 Test Work at Bamboo Creek (See Note 1 below)**

Further test work has been undertaken in relation to both measurement (Elazac Assaying Process) and extraction (Elazac Extraction Process) during the Quarter: repeating assays; extracting gold; and validating Bamboo Creek Laboratory assay techniques and results.

In addition significant grades of gold can be economically recovered into both aqua regia (acid) and cyanide solutions.

#### **2.1.1 Assaying**

On September 26, 2014 Haoma announced to the ASX that Bamboo Creek and Mt Webber samples processed at CSIRO measured significant gold and silver grades.

Tests were completed at CSIRO using **conventional mining equipment and traditional assay procedures** to process 500g samples of Bamboo Creek Tailings, Mt Webber RC Drill Chips and two other ore samples which contain similar mineral 'signatures' (Si, Fe, Mg, Al, Ca and low grade Ni, Cr) as Bamboo Creek Ores (See Table 1: Mineral Analysis of Bamboo Creek Tailings). The two other ore samples tested at CSIRO returned similar gold and silver results.

- 1) The following **gold 65.29g/t, silver 93.03g/t** grades were measured in the **Bamboo Creek Tailings** sample.

<b>Bamboo Creek Tailings Calculated Grade</b>	
<b>Element</b>	<b>g/t</b>
<b>Au</b>	<b>65.29</b>
<b>Ag</b>	<b>93.03</b>
<b>Pt</b>	<b>2.16 *</b>
<b>Pd</b>	<b>6.34 *</b>

\* Final (total) grades for Platinum Group Metals (PGM) have not yet been determined.

- 2) The following **gold 24.19g/t and silver 85.52g/t** grades were measured in the **Mt Webber RC Drill Hole Chips** sample.

<b>Mt Webber RC Drill Hole Chips Calculated Grade</b>	
<b>Element</b>	<b>g/t</b>
<b>Au</b>	<b>24.19</b>
<b>Ag</b>	<b>85.52</b>

**Note 1:** The information & data in this report as it relates to Metallurgical Results is based on information compiled by Mr. Peter Cole who is an expert in regard to this type of metallurgical test work. The results relate to testing the effectiveness of a new method of assaying for gold and other mineral content (the Refined Elazac Assay Method) and a new method for extraction of gold and other minerals from the 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 people 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.

The gold and silver grades were similar to results released in [Haoma Mining's June 2014 Quarter Activities Report](#) and [August 13, 2014 Test Work Update](#) (See Table 2 for assays). Shareholders were then advised of significant gold, silver and Platinum Group Metals (PGM) grades in Bamboo Creek Tailings and Mt Webber RC Drill Chips using **traditional assay methods** after the Bamboo Creek Tailings and Mt Webber RC Drill Chips had been treated by the Elazac Process. Final (total) grades\* for Platinum Group Metals (PGM) have not yet been determined.

**Table 1: Mineral Analysis of Bamboo Creek Tailings**

<b>Mineral</b>	<b>%</b>
SiO <sub>2</sub>	47
MgO	24
Fe <sub>2</sub> O <sub>3</sub>	14
CaO	7
Al <sub>2</sub> O <sub>3</sub>	5.5
K <sub>2</sub> O, NiO, Cr <sub>2</sub> O <sub>3</sub> , TiO <sub>2</sub> , ZrO <sub>2</sub>	Each between 0.2% and 0.7%



**Figure 1: Bamboo Creek Processing Plant**

**Table 2: Assay results released to Haoma Shareholders on July 31, 2014 and August 13, 2014**

**Bamboo Creek Tailings**

**The following gold and precious metal grades were measured from processing Bamboo Creek Tailings in cyanide and aqua regia (acid) solutions:**

**Cyanide leach solution Gold grade: 89.1 g/t**

**Aqua Regia (acid) leach solution Gold grade: 93.5 g/t**

**Bamboo Creek Tailings Other Precious Metal grades:**

**Aqua Regia (acid) leach solution Platinum grade: 84.4 g/t**

**Aqua Regia (acid) leach solution Palladium grade: 21.1 g/t**

**Aqua Regia (acid) leach solution Silver grade: 89.1 g/t**

**Mt Webber RC Drill Hole Chips**

**The following gold grades were measured from processing Mt Webber RC Drill Chips in cyanide and aqua regia (acid) solutions:**

**Cyanide leach solution gold grade: 22.6 g/t**

**Aqua Regia (acid) leach solution gold grade: 27.6 g/t**

**During the last few weeks of October, 2014 gold assays of Bamboo Creek ore were repeated successfully. The repeat assays of Bamboo Creek Tailings using the Elazac Process followed by traditional aqua regia were conducted in the Bamboo Creek Laboratory. The assays measured the following significant gold grades:**

1. Sample 88685 assayed by aqua regia at Melbourne Laboratory = **104.87 g/t gold** back calculated to the Bamboo Creek Tailings sample
2. Sample 90303 assayed by aqua regia at Bamboo Creek = **88.70 g/t gold** back calculated to the Bamboo Creek Tailings sample
3. Sample 90305 assayed by aqua regia at Bamboo Creek = **61.45 g/t gold** back calculated to Bamboo Creek Tailings sample

### **2.1.2 Extraction**

In addition to conducting repeat assays Haoma's Melbourne Laboratory collected 0.02g of gold from a 200g Bamboo Creek Tailings sub-sample using a **traditional fire assay method instead of aqua regia**.

The 0.02g of gold from 200g equates to a gold grade of **109g/t gold**. (**Platinum Group Metals grades measured in the sample were: Pt 8.4g/t and Pd 4.1g/t.**)

**A repeat gold assay measured 113.6g/t**. This assay was conducted in the Bamboo Creek Laboratory with the same sample (Bamboo Creek Tailings sub-sample) using the Elazac Process followed by traditional aqua regia. This is the same method used for all assays at Bamboo Creek and validates the continued use of Bamboo Creek Laboratory assaying for future work.

**The similar gold grade result is important because it confirmed gold measured by the physical gold recovered could also be measured in an aqua regia (acid) solution.** i.e. a similar gold assay was measured for the same Bamboo Creek Tailings sub-sample using different traditional assay method – fire assay and aqua regia, which is acid digestion.



**Figure 2:**

Gold collected (0.02g from 200g sample) from assaying a Bamboo Creek Tailings sub-sample using the Elazac Process followed by a traditional fire assay.

In summary, Haoma's latest results repeat previous findings using the Elazac Process to process and assay by aqua regia and cyanide digestion ore samples of Bamboo Creek Tailings, Mt Webber drill hole ore and three other samples from WA. They all produced similar high grades of gold plus silver.

Haoma's success has involved 'parting' precious metals from poly-metallic ores and concentrates which contain significant quantities of Si, Fe, Mg, Ca, Al and to a lesser extent Ni, Ti, Cr, etc.

**With recent advances in the knowledge about poly-metallic nanoparticles the 'science' around why assays of precious metals in Pilbara ores can't be assayed is fairly well understood. (See 'Overview' below.) However the process to extract the precious metals is 'novel'.**



### **2.1.3 Processing**

Haoma also reported in the September 26 2014 release to the ASX, that Haoma commenced processing a 1 tonne parcel of Bamboo Creek Tailings at Bamboo Creek using the Elazac Extraction Method to recover physical gold, silver and PGM, and advised that results may not be available until the end of October because the PGM concentrate may need to be sent overseas for analysis.

Initially efforts were focused on creating a concentrate (precious metal grade greater than 5%) to be refined offshore.

However, test work during the recent Quarter has focussed on optimising recovery of the precious metals using the existing Bamboo Creek Plant infrastructure rather than producing a concentrate which needed to be processed overseas.

Based on this recent test work Haoma is now converting the Bamboo Creek Plant so as to produce gold plus a precious metal concentrate on a pilot basis capable of processing about a tonne of BBC Tailings a day.

The one tonne a day throughput can be increased (up to 50t per day) with the addition of more leach and drying facilities to Haoma's existing Bamboo Creek processing plant.

Installation of Haoma's three 'one tonne' induction furnaces and additional leach and drying facilities will enable Haoma to further increase plant throughput up to 400t per day.

The one tonne a day Pilot Plant is expected to be operational by the end of the year.

### **2.2 Overview of Haoma Mining's Achievements:**

Up until the last few years it was a 'believed' view within the gold mining industry that **no payable precious metals** could be extracted from Pilbara ores although significant quantities of gold had been recovered from shallow mining at Bamboo Creek and Marble Bar Regions in the early part of the 20<sup>th</sup> Century.

Haoma has now established beyond any doubt:

- 1) this 'belief' is **NOT correct**,
- 2) precious metals can now be assayed in Pilbara ores which confirm there are significant quantities,
- 3) it is possible to economically concentrate the payable precious metals, and
- 4) it is possible to economically extract those precious metals from the concentrate.

From the mid 1990's Haoma Mining NL working with Elazac Mining Pty Ltd realised that traditional assays of Pilbara ores significantly underestimated the correct gold grades.

Since then Haoma and Elazac have worked with many major companies and consultants on trying to understand 'why'. They included the University of Melbourne, CSIRO, ALS, WMC, BHP, BHPB, Rio Tinto, Newcrest, Anglo American and Atlas Iron.

During this period Professor Peter Scales, University of Melbourne, and Hugh Morgan, former WMC Managing Director, have worked closely with Haoma's Directors and Consultants.

Early test work with WMC mainly involved ore samples from Bamboo Creek, Marble Bar, Normay/North Shaw and Mickey's Find (See Page 3 location map).

All samples initially tested contained gold bearing ore with varying quantities of 'arsenopyrite' (iron and arsenic). With recent test work the ores tested have also been shown to contain varying quantities

of iron and nickel. The ores tested have been mostly from Bamboo Creek Tailings, Mt Webber Drill Holes and numerous other WA areas which contain nickel bearing ores.

Assays by traditional methods constantly measured gold grade of less than 1g/t. This was even the situation when with some samples free gold was visible.

From early 2000 Dr William Goodall worked with Haoma Mining while he completed his Doctor of Philosophy in 2005. Dr Goodall's thesis '*New Techniques in the Characterisation of Complex Gold Ores*' used ores from Kitchener (Bamboo Creek), North Shaw and Mickey's Find. He made the following important points regarding "invisible" gold, see Pages 147 & 148:

*"The technique used in this study was  $\mu$ -PIXE. This technique was selected even though the **detection limits for gold in the presence of arsenic, the most common element associated with "invisible" gold (See Note 2 below), are affected by an overlap of the spectral peaks. In spite of this, reasonable spatial resolution can be attained with  $\mu$ -PIXE, allowing good definition of the occurrences of gold and other trace elements. Elemental mapping is also possible with  $\mu$ -PIXE and most importantly, all elements with Z greater than 19 (Ryan 1995) can be detected. This allows effective mapping of all particles and the associations of gold bearing sulphides to be examined. The poor detection limits of  $\mu$ -PIXE when compared to other techniques for detection of gold sulphides were considered a viable trade-off for the advantages this method offered.***

*"The major objective of this study was to identify the presence of "invisible" gold only as part of a much more comprehensive characterization of all gold associations and ore behaviour. This makes the higher detection limits of  $\mu$ -PIXE less significant as accurate determination of "invisible" gold concentrations greater than approximately 40ppm were still possible (Ryan 1995). Concentrations of gold less than this were likely to be too low to be of appreciable economic significance."*

Recent research and test work has made it clear to Haoma Mining that there are many Australian ores which need to be assayed and processed differently because they contain **nanoparticles of precious metal** (Bamboo Creek's nanoparticles are poly-metallic and much smaller than a micron).

Assaying and extracting precious metals from nanoparticles is new and is being pursued by various mining companies around the world. **Barrick Gold Corporation** is a leading gold mining company well advanced in this area of gold recoveries.

In May 2014 at the Altra 2014 Gold-Precious Metals Session, Illa Fomenko, from **SRC Hydrometallurgy, Russia** presented a paper "*THE OXIDIZED GOLD AND ITS ROLE IN PRESSURE OXIDATION OF DOUBLE REFRACTORY GOLD CONCENTRATES*" by Ilia Fomenko, Sergey Polezhaev, Peter Zaystev, Mikhail Pleshkov, Lev Chugaev and Yakov Shneerson. The paper states:

*"The major part of gold in sulphide ores and concentrates is 'invisible' to optical microscopy. In the last 20-30 years, it has been proved that 'invisible' gold is associated with sulphides in the form of both nanoparticles and oxidized gold (as a solid solution in sulphides)..."*

Haoma has been most successful in measuring precious metals contained in **poly-metallic nanoparticles** using acids in combination with smelting, including using induction furnaces. (See Note 3 below on advantages and drawbacks of induction furnaces.) Because **poly-metallic nanoparticles** are so small Haoma has needed to separate and collect the precious metals using chemical digestion in combination with gravity separation methods.

Haoma Mining and our consultants including those at the University of Melbourne are among world leaders in **poly-metallic nanoparticles** mineralogy.

Haoma is the first Australian mining company to announce the discovery of significant grades of **Platinum Group Minerals (PGM) in areas where they are significant nickel deposits** - a concern which has evaded Australian nickel miners since significant nickel deposits were first discovered during the 1960s Poseidon Boom.

**Note 2:** During the September 2014 Quarter, a Comet Mine Concentrate sample (89410) containing visible 'arsenopyrite' was assayed at Bamboo Creek by the Elazac Process. Precious metal grades: Gold 116.13g/t and Platinum 1.91 g/t .

**Note 3: Open Source Ecology:** The advantage of the induction furnace is a clean, energy-efficient and well-controllable melting process compared to most other means of metal melting. Most modern foundries use this type of furnace and now also more iron foundries are replacing cupolas with induction furnaces to melt cast iron, as the former emit lots of dust and other pollutants. Induction furnace capacities range from less than one kilogram to one hundred tonnes capacity and are used to melt iron and steel, copper, aluminium and precious metals. Since no arc or combustion is used, the temperature of the material is no higher than required to melt it; this can prevent loss of valuable alloying elements.[1] The one major drawback to induction furnace usage in a foundry is the lack of refining capacity; charge materials must be clean of oxidation products and of a known composition and some alloying elements may be lost due to oxidation (and must be re-added to the melt).

Operating frequencies range from utility frequency (50 or 60 Hz) to 400 kHz or higher, usually depending on the material being melted, the capacity (volume) of the furnace and the melting speed required. Generally, the smaller the volume of the melts, the higher the frequency of the furnace used; this is due to the skin depth which is a measure of the distance an alternating current can penetrate beneath the surface of a conductor. For the same conductivity, the higher frequencies have a shallow skin depth - that is less penetration into the melt. Lower frequencies can generate stirring or turbulence in the metal. A preheated, 1-tonne furnace melting iron can melt cold charge to tapping readiness within an hour. Power supplies range from 10 kW to 15 MW, with melt sizes of 20 kg to 30 tonne of metal respectively.



**Figure 3:** Bamboo Creek Tailings, Pilbara WA - there are approximately 1 million tonnes of tailings available for immediate processing.



**Figure 4:** Bamboo Creek Plant, Bamboo Creek Valley and Bamboo Creek Range (on right) which contains gold mineralisation

**2.3 Bushfires at Bamboo Creek**

In the last week of October test work operations at the Bamboo Creek Processing Plant were significantly curtailed due to the impact of bushfires. The fires were easily visible from Bamboo Creek and it was necessary to implement emergency procedures to protect staff and infrastructure.

Below are photographs taken by Peter Cole showing the proximity of the fires to Bamboo Creek.

The Directors express their thanks to Peter Cole and Bamboo Creek personnel who worked to ensure the Bamboo Creek Processing Plant and other facilities were kept safe and not damaged.



**Figure 5a:**  
**Bushfire in Nuggetty Gully at Bamboo Creek.**



**Figure 5b:**  
**Bushfire in the Bamboo Creek Valley 100 metres from the camp.**



**Figure 5c:**  
**Bushfire on main access road into Bamboo Creek at mine gate entrance.**

#### **4. Exploration Activities – Western Australia<sup>3</sup>**

**Bamboo Creek Tenement Group - M45/481, M45/480, M45/16, M45/411, M45/874, E45/2982, E45/3217, E45/4117, P45/2227, P45/2242, P45/2244, P45/2301, P45/2329, P45/2330, P45/2336, P45/2342**

##### **Bamboo Creek Goldfield – M45/480 and M45/481**

Metallurgical test work at Bamboo Creek Laboratory has identified significant concentrations of Gold (Au), Silver (Ag) and Platinum Group Metals (PGM) in tailings produced by the Bamboo Creek Processing Plant during previous mining operations.

Currently an investigation is underway into the origin of PGM within the Bamboo Creek Mineral Field. Komatiite ultramafic flow deposits are commonly associated with PGM mineralisation in greenstones worldwide. Komatiite at Bamboo Creek Mineral Field hosts known gold mineralisation in hydrothermal systems and is considered the most likely source of PGM. Affinity of PGM and sulphide minerals of pyrrhotite, chalcopyrite and arsenopyrite is well documented and defines the first phase of this program.

Collection of whole rock samples containing sulphides from stockpiles, mullock and outcrop within the Bamboo Creek Mineral Field is ongoing. To date 33 samples have been submitted to the Bamboo Creek Laboratory for testing. Results are pending.

##### **5 Mile Hill - E45/3217**

Geological appraisal of the area in the vicinity of the 5 Mile Hill Prospect is ongoing. Exploration is determining the occurrence of Platinum Group Elements (PGE), Gold (Au) and Nickel (Ni) mineralisation in the area.

A stream sediment program in 1993/1994 recorded anomalous gold concentrations in the drainage system of the area. Limited follow up exploration located sporadic low grade gold mineralisation. Recent review of these anomalies has identified opportunities to improve exploration outcomes by implementing an assay method better suited to the mineralisation style. Inclusion of a solvent extraction step in the assay process to address the influence of iron content on readable gold, particularly in whole rock samples.

During the September Quarter 16 rock chip samples were collected in the area, 5M-14-020 to 035. Assay results indicated low grade gold mineralisation in several rock chip samples.

Further review and exploration is planned to determine the nature and extent of mineralisation in the 5 Mile Prospect Area.

##### **Marble Bar Area - Apex: P45/2133, Euro: P45/2317 and Warrawoona-Salgash: E45/1249**

Anomalous rock chip samples reported in the June 2014 Quarter (APX-14-003 3.72g/t Au, APX-14-004 4.95g/t Au) led to identification of additional zones of interest extending along strike into E45/1249.

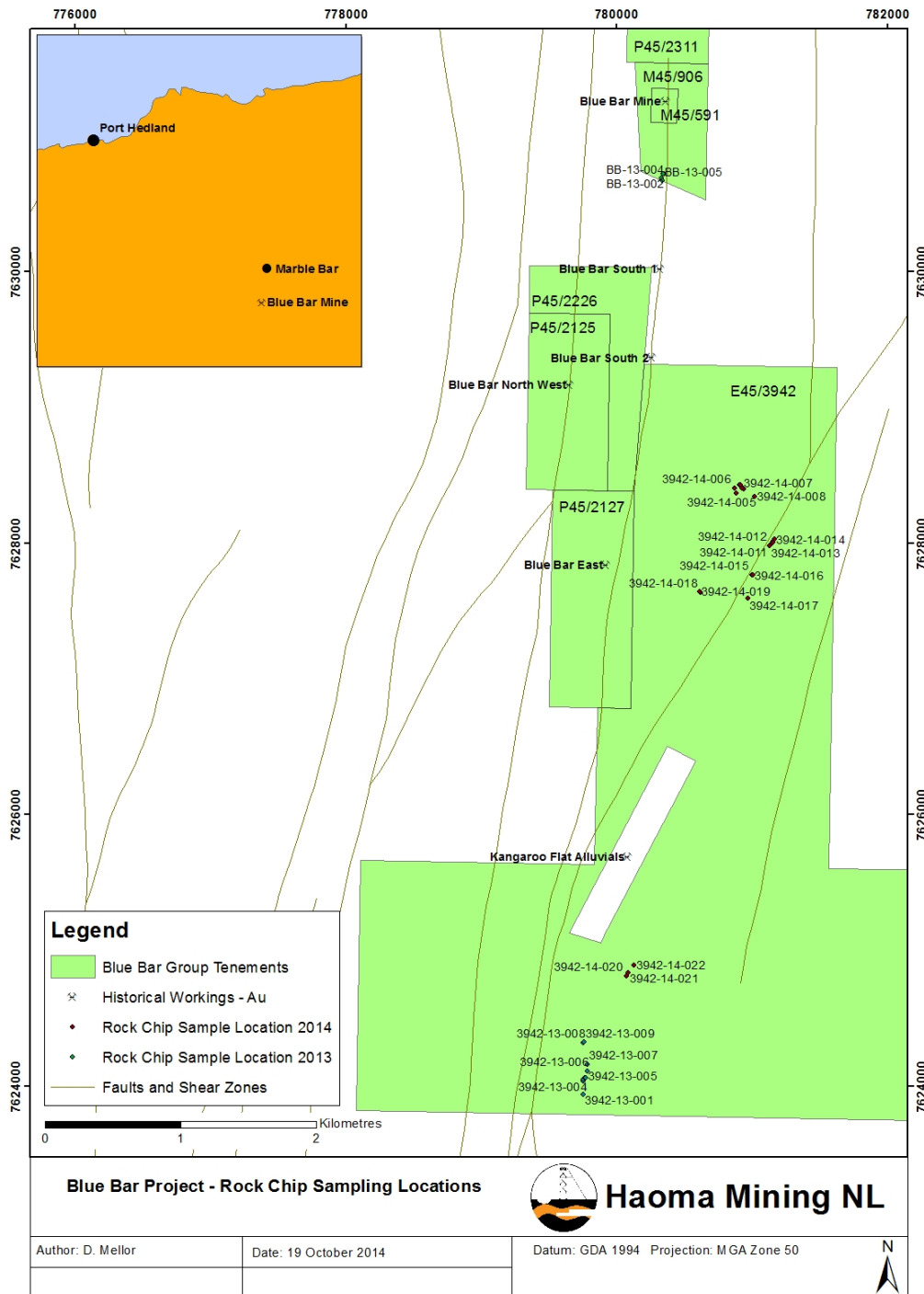
Follow up sampling 4 samples: 1249-14-008 to 011 targeted analogous structures and lithologies within E45/1249, approximately 13 kilometres south-southeast of Marble Bar. Results are pending.

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<sup>3</sup> The information and data in Section 4 of this report that relates to Exploration Results is based on information compiled by David Mellor who is a full-time employee of the Company and is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Mellor has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Mellor consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**Blue Bar Project Area – E45/3942**

Blue Bar Project consists of seven tenements located approximately 25 km south of Marble Bar. The geology of the area is dominated by greenstones of the Coongan Syncline. Gold mineralisation is associated with the Blue Bar Shear Zone which hosts numerous old workings and the currently inactive Blue Bar Mine. The Blue Bar Shear Zone extends north to south through the project tenements for approximately 7 km. Continuity and style of mineralisation within the shear zone and in parallel structures is being tested by current exploration. Sampling during the Quarter continued testing a major parallel structure with analogous lithologies east of the Blue Bar Shear Zone. Mapping and sampling returned 22 rock chip samples, 3942-14-001 to 3942-14-022, (See Figure 6). Results are pending.



**Figure 6: - Blue Bar Project Rock Chip Sampling**

**North Pole Project – Mickeys Find & Breens Prospect Areas M45/328**

The Breens Prospect lies 4km west of North Pole Mining Centre, approximately 125km southeast of Port Hedland. Breens is considered to be the southeastern limb of the Mickeys Find Prospect trending northeast over 800m.

Previous work concluded that several mineralisation styles are present. Historical workings found gold in narrow, high-grade lenses. Results of RC drilling reported in 2005 identified porphyry style Au-Ag-Cu mineralisation with potential for a large tonnage deposit. While mineralisation preserved in epithermal system is atypical of Archean lodes several porphyry style Cu-Mo systems are documented in the Pilbara.

A review of exploration data led to field reconnaissance and collection of 12 rock chip samples (BR-14-001 to BR-14-010) from outcrop in the vicinity of Breens (See Figure 7). Nine of the samples returned assays greater than 0.50g/t Au, (See Table 1) including:

**BR-14-001 3.44g/t Au,**

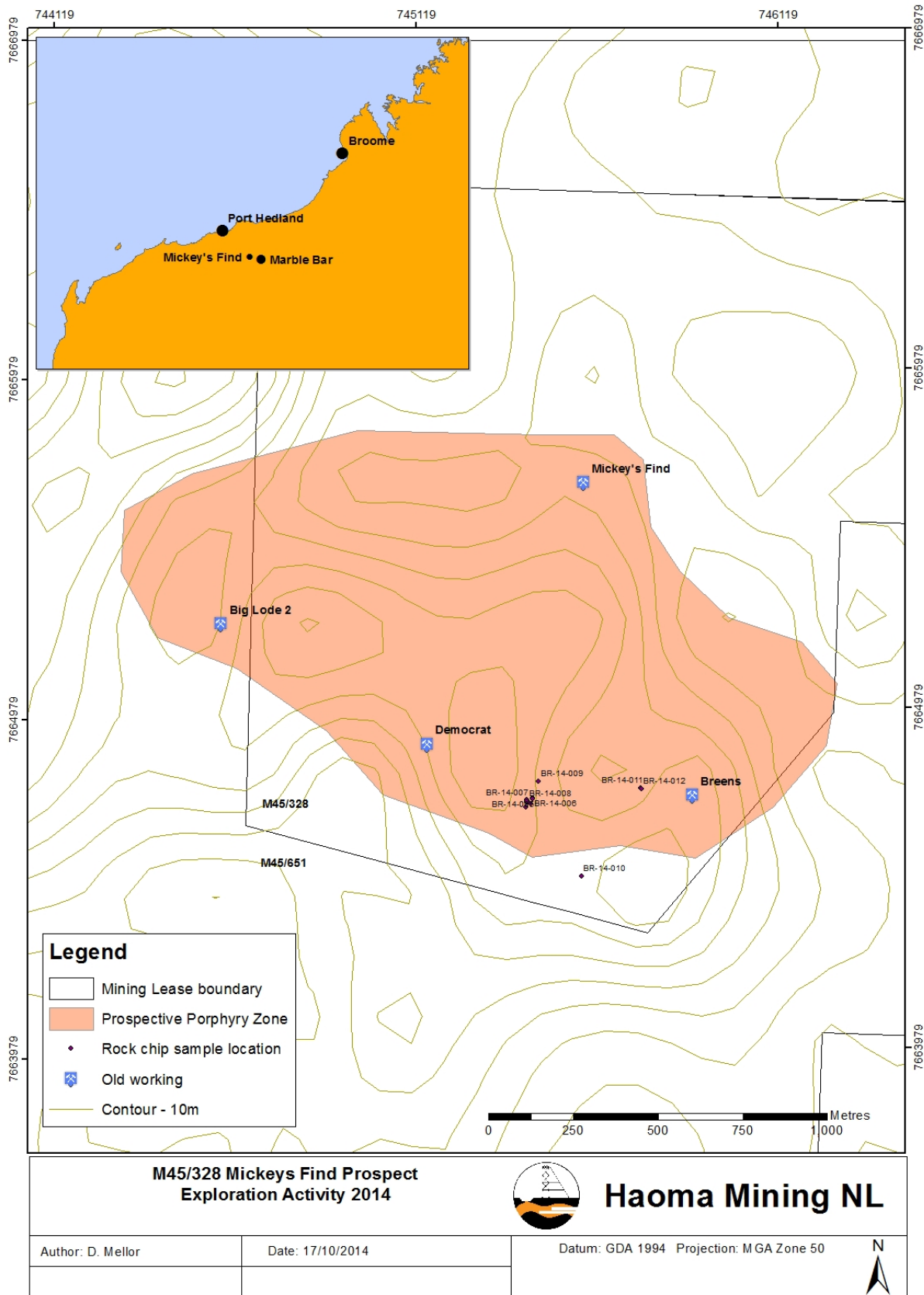
**BR-14-002 4.88g/t Au**

**BR-14-011 2.15g/t Au.**

The frequency of significant gold in rock chip samples supports the proposition of porphyry style mineralisation. Further fieldwork is planned to determine the scale and unravel the complexity of the mineralisation at Breens.

**Table 1 - Mickeys Find Prospect (M45/328) – Rock Chip Sampling**

<b>Sample ID</b>	<b>East</b>	<b>North</b>	<b>Au g/t</b>
BR-14-001	745391	7664715	3.44
BR-14-002	745395	7664715	4.89
BR-14-003	745389	7664701	0.81
BR-14-004	745402	7664709	1.31
BR-14-005	745409	7664729	0.86
BR-14-006	745408	7664725	0.18
BR-14-007	745392	7664722	1.47
BR-14-008	745392	7664718	0.48
BR-14-009	745425	7664776	0.17
BR-14-010	745540	7664496	0.19
BR-14-011	745707	7664752	2.15
BR-14-012	745709	7664750	1.97



**Figure 7: - M45/328 Mickey's Find - Rock Chip Sampling 2014**



**5 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 \$0.84c per tonne for railway ballast and \$0.45c per tonne for by-product. During the 2014 financial year 230,603 tonnes of aggregate and by-product rock was mined from the Cookes Hill Quarry. Haoma earned royalties of \$179,503.

**6. Queensland Exploration Activities**

During the Year Haoma's consultants continued the ongoing review of the tenements held within the Ravenswood District of North Queensland. Preliminary meetings were held with Resolute Mining personnel regarding jointly mining Haoma's Ravenswood tenements.

Haoma's Directors are considering a number of recommendations.

Work to complete repairs and upgrade facilities at the Ravenswood Top Camp Roadhouse which includes accommodation has been delayed and is now expected to commence in the first Quarter of 2015.

**7. Comet Gold Mine & Tourist Centre**

The Comet Gold Mine and Tourist Centre is open to visitors all year round. Haoma continues to invest in maintaining this historic site with the ultimate aim of restoring underground mine access and tours through the former Comet Mine Processing Plant.

In recent years three Comet Mine historic Power Station Engines (c.1930) have been restored and 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](http://www.haoma.com.au/videos/CometPower.cfm)). These machines were restored through the dedicated efforts of Mr Ron Flegg and his team of assistants who worked on this project over a number of years. Upgrading of on site visitor accommodation is ongoing.



**Figure 8: Comet Gold Mine Plant from Tourist Centre**

**7. ACKNOWLEDGEMENTS**

Finally, the Board wishes to acknowledge and express its appreciation to all those who during the last year have contributed to the company'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 and other consultants who have contributed to help **Haoma solve the gold assay problem with Pilbara ores; and the extraction of gold, Platinum Group Metals and other metals from Pilbara ores.**

The Board also acknowledges the significant efforts of those personnel working at the remote Bamboo Creek and Ravenswood operations. These people include Tristin Cole, Katie McCosker, Tim Jaques, Lee Cotton, Geoffrey Myers, Daniele Specogna and geologists David Mellor and Espen Knutsen. Trevor Corrigan and Sharlene Dalton at the Comet Gold Mine and Tourist Centre, Garry Deas at the Normay Gold Mine and Sue Kennedy and Margaret Hancock at Ravenswood.



Gary C. Morgan  
Chairman

October 31, 2014



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



**Figures 10 & 11: Inside Comet Gold Mine Tourist Centre**

**HAOMA MINING NL**  
**FINANCIAL STATEMENTS & REPORTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2014**

# **HAOMA MINING NL AND ITS CONTROLLED ENTITIES**

## **DIRECTORS' REPORT**

The Directors of Haoma Mining NL present their report on the company and its consolidated entities (referred to hereafter as the Group, Haoma or Economic Entity) for the financial year ended June 30, 2014.

### **DIRECTORS**

The following persons held office as Directors from the start of the financial year to the date of this report, unless otherwise stated:

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

### **COMPANY SECRETARIES**

The following person held the position of Company Secretary at the end of the financial year:

James A. Wallace CA

### **PRINCIPAL ACTIVITIES**

Haoma's continuing principal activities during the financial year were mineral exploration, the analysis of mineral deposits and the advancement of ore processing and extraction technology. There was no significant change in the nature of the principal activities during the year.

### **OPERATING AND FINANCIAL REVIEW**

The Annual Operating and Financial Review should be read in conjunction with the financial statements for the year ended June 30, 2014. During the year, Haoma's core operations continued to be focused on mineral exploration and research and development at its primary area of interest in the Pilbara district of Western Australia with particular focus on the final stages of optimising extraction of gold and platinum group metals when processing Bamboo Creek Tailings and Mt Webber drill core samples.

Haoma's September 26, 2014 update to the ASX advised shareholders that Bamboo Creek and Mt Webber samples processed at CSIRO measured significant gold and silver grades. The tests were completed at **CSIRO** using **conventional mining equipment and traditional assay procedures** to process 500g samples of Bamboo Creek Tailings, Mt Webber RC Drill Chips and two other ore samples which contain similar mineral 'signatures' (Si, Fe, Mg, Al, Ca and low grade Ni, Cr) as Bamboo Creek Ores (See Table 1: Bamboo Creek Ore mineral analysis). The two other ore samples tested at CSIRO returned similar gold and silver results.

- 1) The following **gold 65.29g/t, silver 93.03g/t** grades were measured in the **Bamboo Creek Tailings** sample.

<b>Bamboo Creek Tailings</b>	
<b>Calculated Grade</b>	
<b>Element</b>	<b>g/t</b>
<b>Au</b>	<b>65.29</b>
<b>Ag</b>	<b>93.03</b>
<b>Pt</b>	<b>2.16 *</b>
<b>Pd</b>	<b>6.34 *</b>

\* Final (total) grades for Platinum Group Metals (PGM) have not yet been determined.

- 2) The following **gold 24.19g/t** and **silver 85.52g/t** grades were measured in the **Mt Webber RC Drill Chips** sample.

<b>Mt Webber RC Drill Chips</b>	
<b>Calculated Grade</b>	
<b>Element</b>	<b>g/t</b>
<b>Au</b>	<b>24.19</b>
<b>Ag</b>	<b>85.52</b>

## **HAOMA MINING NL AND ITS CONTROLLED ENTITIES**

### **DIRECTORS' REPORT**

The latest gold and silver grades are similar to results released in [Haoma Mining's June 2014 Quarter Activities Report](#) and [August 13, 2014 Test Work Update](#) (See Table 2 for assays). Shareholders were then advised of significant gold, silver and Platinum Group Metals (PGM) grades in Bamboo Creek Tailings and Mt Webber RC Drill Chips using **traditional assay methods** after the Bamboo Creek Tailings and Mt Webber RC Drill Chips had been treated by the Elazac Process. Final (total) grades for Platinum Group Metals (PGM) have not yet been determined.

At Bamboo Creek, this week Haoma commenced processing a 1 tonne parcel of Bamboo Creek Tailings using the Elazac Extraction Method to recover physical gold, silver and PGM.

Results may not be available until the end of October because the PGM concentrate may need to be sent overseas for analysis.

**Table 1: Mineral Analysis of Bamboo Creek Tailings:**

Mineral	%
SiO <sub>2</sub>	47
MgO	24
Fe <sub>2</sub> O <sub>3</sub>	14
CaO	7
Al <sub>2</sub> O <sub>3</sub>	5.5
K <sub>2</sub> O, NiO, Cr <sub>2</sub> O <sub>3</sub> , TiO <sub>2</sub> , ZrO <sub>2</sub>	Each between 0.2% and 0.7%

**Table 2: Assay results released to Haoma Shareholders on July 31, 2014 and August 13, 2014**

#### **Bamboo Creek Tailings:**

The following gold and precious metal grades were measured from processing Bamboo Creek Tailings in cyanide and aqua regia (acid) solutions:

Cyanide leach solution <b>Gold grade</b>	<b>89.1 g/t</b>
<b>Aqua Regia</b> (acid) leach solution <b>Gold grade</b>	<b>93.5 g/t</b>

#### **Bamboo Creek Tailings Other Precious Metal grades:**

<b>Aqua Regia</b> (acid) leach solution <b>Platinum grade</b>	<b>84.4 g/t</b>
<b>Aqua Regia</b> (acid) leach solution <b>Palladium grade</b>	<b>21.1 g/t</b>
<b>Aqua Regia</b> (acid) leach solution <b>Silver grade</b>	<b>89.1 g/t</b>

#### **Operating Results and Financial Position**

The consolidated loss of the Group for the year to June 30, 2014 was \$8,588,502. This compares with the loss for the year to June 30, 2013 of \$8,057,219. Other Comprehensive Income for the year included a fair value adjustment to shares held in Exterra Resources Ltd of \$40,000 (2013: a loss on sale of shares in Atlas Iron Ltd of \$9,649,641 and a fair value adjustment to shares held in Exterra Resources Ltd of \$120,000). The net comprehensive loss for the period attributable to members was \$8,628,502 (2013: loss \$17,826,860).

The consolidated Statement of Financial Position at June 30, 2014 shows a deficiency of net assets of \$52,465,350 (2013: deficiency \$43,836,848). As detailed in Note 2(b) to the financial statements, almost all funding for Haoma's operations is currently being provided by The Roy Morgan Research Centre Pty Ltd, a company owned and controlled by Haoma's Chairman, Gary Morgan. The Independent Auditor's report for the year to June 30, 2014 includes a 'Emphasis of Matter' statement in relation to Going Concern and the reliance of Haoma on ongoing financial support provided by The Roy Morgan Research Centre Pty Ltd.

The Roy Morgan Research Centre Pty Ltd has provided an assurance to the Board that it will continue to ensure funds are available to the company to fund operations for a period of at least 12 months from the date of this report. At June 30, 2014 the debt to The Roy Morgan Research Centre Pty Ltd was \$30.908 million (2013: \$26.553 million). Haoma has approved payment of interest on the debt calculated monthly at the average 30 day commercial bill rate plus a facility margin of 4%. Although interest is calculated monthly, it will accrue until Haoma has attained a financial position represented by a positive net asset ratio and the Board determines that the company is in a financial position to commence interest payments. Total interest accrued and unpaid to June 30, 2014 is \$22.679 million (2013: \$19.380 million).

# **HAOMA MINING NL AND ITS CONTROLLED ENTITIES**

## **DIRECTORS' REPORT**

### **Future Developments, Prospects and Business Strategies**

Haoma's test work program in relation to the Elazac Process and how it may be commercially exploited in relation to various Pilbara ores is ongoing. Haoma intends to resume gold production at The Bamboo Creek Processing Pilot Plant as soon as feasible. Haoma is listed on the Australian Securities Exchange and is subject to the continuous disclosure requirements of the ASX Listing Rules.

As and when available, Haoma immediately releases relevant information in relation to likely developments in the operations of the Group irrespective of whether it is likely to have a material effect on the price or value of Haoma's securities. Further information in relation to Haoma's operations and copies of previous information releases are available from Haoma's website at [www.haoma.com.au](http://www.haoma.com.au)

### **DIVIDENDS**

No dividends have been paid or declared during or since the end of the financial year (2013: Nil).

### **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, 2014.

### **EVENTS SUBSEQUENT TO THE REPORTING 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.

### **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 with 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.

### **ACKNOWLEDGEMENTS**

The Board wishes to acknowledge and express its appreciation to all those who during the last year have contributed to the company'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 and other consultants who have contributed to helping solve the gold assay problem with Pilbara ores; and the extraction of gold and other metals from Pilbara ores.

The Board also acknowledges the significant efforts of those personnel working at the remote Bamboo Creek and Ravenswood operations. These people include Tristin Cole, Katie McCosker, Tim Jaques, Lee Cotton, Geoffrey Myers, Daniele Specogna and geologists David Mellor and Espen Knutsen. Trevor Corrigan and Sharlene Dalton at the Comet Gold Mine and Tourist Centre, Garry Deas at the Normay Gold Mine and Sue Kennedy and Margaret Hancock at Ravenswood.

# **HAOMA MINING NL AND ITS CONTROLLED ENTITIES**

## **DIRECTORS' REPORT**

### **INFORMATION ABOUT DIRECTORS AND OFFICERS**

Gary Cordell MORGAN, B.Comm

Appointment Date:

Experience:

Interest in Shares and Options:

Directorships held in other listed entities:

Special Responsibilities:

Chairman

May 10, 1991

Executive Chairman of Roy Morgan Research Ltd. Is a member of a number of research and marketing organisations.

Indirect and beneficial interest in 128,182,961 Haoma Mining shares via directorships and interests in Leaveland Pty Ltd and Elazac Pty Ltd.

Holds no interest in any options to acquire shares.

Nil

Nil

John Lachlan Charles McINNES, OAM, B.Comm,

FCA

Appointment Date:

Experience:

Directorships held in other listed entities:

Non-Executive Director

May 10, 1991

Chartered Accountant.

Mr. McInnes is Chairman of Bass Strait Oil Ltd and is also a director of a number of unlisted companies, including companies associated with the Chairman, Mr. Gary Morgan.

Interest in Shares and Options:

Indirect interest in 126,339,704 Haoma Mining shares via directorships in Leaveland Pty Ltd and Elazac 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: 127,844,204 shares.

Holds no interest in any options to acquire shares.

Chairman of Audit Committee.

Special Responsibilities:

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

Appointment Date:

Experience:

Directorships held in other listed entities:

Interest in Shares and Options:

Non-Executive Director

August 8, 1994

Director and CEO of Roy Morgan Research Ltd.

Nil

Indirect and beneficial interest in 3,150,000 Haoma Mining shares via interest in the Levine Family Trust. Direct interest in 16,194 shares.

Total interests: 3,166,194 shares

Holds no interest in any options to acquire shares.

Nil

Special Responsibilities:

James WALLACE B.Ec, CA

Appointment Date:

Experience:

Directorships held in other listed entities

Interest in Shares and Options

Company Secretary

November 21, 1997

Chartered Accountant and Commercial Manager.

Nil

Indirect interest in 100,000 Haoma Mining shares via membership of a self-managed superannuation fund.

Audit Committee Secretary

Special Responsibilities

No Director, during or since the end of the financial year, has received or become entitled to receive a benefit by reason of a contract made by the Company or a related body corporate with the Director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest other than as shown in Note 21 (Related Party Information) to the financial statements.

# HAOMA MINING NL AND ITS CONTROLLED ENTITIES

## **DIRECTORS' REPORT**

### REMUNERATION REPORT – (AUDITED)

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

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

#### *Principles used to determine the nature and amount of remuneration*

The Board of Directors is 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 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.

During the year, there were no alterations or modifications to share-based payment transactions granted as compensation to key management personnel.

Haoma did not engage the services of a remuneration consultant during the year.

#### *Details of remuneration*

During the year, the following persons were noted as Key Management Personnel:

Mr. Gary Morgan, Executive Director

Mr. John McInnes, Non-Executive Director

Ms. Michele Levine, 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.

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

**Table 1: Remuneration of Key Management Personnel**

2014	Name	Period of responsibility	Short-term Benefits		Post Employment Benefits	Share Based Benefits	Total	Performance Related
			Salary & Director Fees	Non-Cash Benefits	Super	Options		
			\$	\$	\$	\$	\$	%
<b>Executive Director</b>								
Gary Morgan (*)	Full year	40,000	-	3,700	-	43,700	-	
<b>Non-Executive Directors</b>								
Michele Levine (*)	Full year	40,000	-	3,700	-	43,700	-	
John McInnes (*)	Full year	40,000	-	3,700	-	43,700	-	
<b>General Manager</b>								
Peter Cole	Full Year	152,400	-	-	-	152,400	-	
<b>Total</b>		<b>272,400</b>	-	<b>11,100</b>	-	<b>283,500</b>	-	

(\*) Directors' fees and superannuation contributions thereon have not been paid. The Board of Directors has deferred payment of Directors fees until it is determined that the company is in a financial position to re-commence payments.



# HAOMA MINING NL AND ITS CONTROLLED ENTITIES

## DIRECTORS' REPORT

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

2013	Name	Period of responsibility	Short-term Benefits		Post Employment Benefits	Share Based Benefits	Total	Performance Related
			Salary & Director Fees	Non-Cash Benefits	Super	Options		
			\$	\$	\$	\$	\$	%
<b>Executive Director</b>								
Gary Morgan (*)	Full year	40,000	-	3,600	-	43,600	-	
<b>Non-Executive Directors</b>								
Michele Levine (*)	Full year	40,000	-	3,600	-	43,600	-	
John McInnes (*)	Full year	40,000	-	3,600	-	43,600	-	
<b>General Manager</b>								
Peter Cole	Full Year	147,600	-	-	-	147,600	-	
<b>Total</b>		<b>267,600</b>	<b>-</b>	<b>10,800</b>	<b>-</b>	<b>278,400</b>	<b>-</b>	

(\*) Directors' fees and superannuation contributions thereon have not been paid. The Board of Directors has deferred payment of Director's fees until it is determined that the company is in a financial position to re-commence payments.

#### Options and Rights

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

2014	Balance at start of the year	Received as compensation	Options exercised	Options lapsed	Options issued	Balance at end of the year
	-	-	-	-	-	-
	-	-	-	-	-	-
<b>2013</b>						
Peter Cole	1,500,000	-	(1,500,000)	-	-	-
	<b>1,500,000</b>	<b>-</b>	<b>(1,500,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>

The number of shares in the Consolidated Entity held during the financial year by each Officer 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.

2014	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	3,166,194	-	-	-	3,166,194
John McInnes	127,884,204	-	-	-	127,884,204
<b>2013</b>					
Gary Morgan	128,182,961	-	-	-	128,182,961
Michelle Levine	1,331,000	-	2,000,000	(164,806)	3,166,194
John McInnes	127,884,204	-	-	-	127,884,204

#### Service agreements

Remuneration and other terms of employment for the Directors and other Key Management Personnel may be formalised in service agreements.

The supply for the services of Peter Cole as General Manager is based upon an agreed daily consulting rate. The supply agreement may be cancelled by either party with two months notice.

# **HAOMA MINING NL AND ITS CONTROLLED ENTITIES**

## **DIRECTORS' REPORT**

### **Voting and Comments made at the 2013 Annual General Meeting**

The Remuneration Report for the 2013 financial year received positive shareholder support at the 2013 AGM with 90% of votes in favour. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This is the end of the remuneration report which has been audited.

### **DIRECTORS' MEETINGS**

During the financial year there were three full meetings of the Board of Directors and two meetings of the Audit Committee. The number of meetings attended by each of the Directors is:

	<b>Full meetings of Directors</b>	<b>Meetings of Audit Committee</b>
<b>Number of meetings held:</b>	3	2
<b>Number of meetings attended by:</b>		
Mr. G C Morgan	3	-
Ms. M Levine	3	-
Mr. J McInnes	3	2

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.

### **SHARES UNDER OPTION**

There are no shares under option as at the date of this report.

### **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,  
September 30, 2014

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

As lead auditor of Haoma Mining NL for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. 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 period.



Richard Dean  
Partner

**BDO East Coast Partnership**

Melbourne, 30 September 2014

## **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.

Good corporate governance is dependent on the culture of the Company generally, and Board and Senior Management in particular. Mere compliance with the ASX corporate governance 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.

Unless otherwise disclosed in this statement, the Company has adopted the most recent Australian Securities Exchange (‘ASX’) Corporate Governance Council Corporate Governance Principles and Best Practice Recommendations.

#### **PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

The responsibility for the operation and administration of the Economic Entity is delegated by the Board to the Chairman, 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 Recommendation regarding performance evaluation of the Board and Executives, it is considered that the size of the company and the structure of the Board do not necessitate full compliance with this recommendation.

#### **PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE**

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:

<b>Name</b>	<b>Position</b>
Gary C Morgan	Chairman, Director
Michele Levine	Non-Executive Director
John 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.

ASX Corporate Governance Principle 2 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 majority 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 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 67% 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.

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.

## **HAOMA MINING NL AND ITS CONTROLLED ENTITIES**

### **CORPORATE GOVERNANCE STATEMENT**

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.

ASX Corporate Governance Principles 2.4, 2.5 and 2.6 recommend that the company establish a nomination committee, disclose the process for evaluating the performance of the Board, its committees and individual directors and advise whether such performance evaluations have taken place during the reporting period in accordance with the processes disclosed. In the case of Haoma and for the reasons outlined above, the members of the Board fulfill and carry out those roles.

#### **PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING**

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.

Haoma does not have a formal written policy in relation to gender diversity. The current size of the company and the structure of the Board do not warrant the establishment of specific measurable objectives in relation to gender diversity. The need for a formal policy will be reviewed in line with future growth in the company's size and personnel requirements.

#### **PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING**

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.

#### **PRINCIPLE 5: MAKE 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 (Cwlth.) and ASX Listing rules and the need to comply with them. There is no formal document covering disclosure and compliance with ASX listing rules.

#### **PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS**

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; providing ready access to balanced and understandable information about the Company and corporate proposals and making 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 electronic mailing of ASX Quarterly Activity Reports and information on matters of significance which affect the Company.

Through the timely publication of documents on its website at [www.haoma.com.au](http://www.haoma.com.au) Haoma ensures that all ASX releases, financial reports and other information are readily accessible at minimum cost.

At each Annual General Meeting shareholders are given a detailed briefing regarding the activities of the Company and 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.

## **HAOMA MINING NL AND ITS CONTROLLED ENTITIES**

### **CORPORATE GOVERNANCE STATEMENT**

#### **PRINCIPLE 7: RECOGNISE AND MANAGE RISK**

The Board acts on behalf of the shareholders and is accountable to the shareholders. 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.

Furthermore, the Board is responsible for ensuring that management objectives and activities are aligned with the expectations and risk management priorities identified by the Board. The Board has a number of internal control mechanisms in place to monitor management of business risks and to minimise the impact of accidental loss or damage to the company.

A formal sign off of the financial statements by the Chief Executive Officer and Chief Financial Officer is required.

#### **PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY**

The Directors' Report, financial statements and accompanying notes 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.

**HAOMA MINING NL AND ITS CONTROLLED ENTITIES**  
**ANNUAL FINANCIAL STATEMENTS – JUNE 30, 2014**

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## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2014

	Note	CONSOLIDATED	
		2014 \$	2013 \$
<b>Continuing Operations</b>			
Retail sales .....		156,309	189,600
Royalty income .....		222,886	347,572
Dividend income .....		-	252,193
Finance revenue .....		-	96,157
<b>Revenue</b> .....		<b>379,195</b>	<b>885,522</b>
Other income .....	3(a)	11,340	24,500
Cost of sales .....		(446,909)	(441,148)
Test work and plant configuration expenditure .....		(2,826,757)	(3,109,359)
Exploration and tenement costs expensed .....		(510,527)	(404,308)
Administration and compliance expense .....	3(b)	(995,804)	(1,265,806)
Finance costs .....	3(c)	(3,318,968)	(3,462,919)
Depreciation and amortisation costs .....	3(d)	(199,620)	(193,065)
Impairment of investments .....		-	(80,000)
Rehabilitation expense.....		(680,452)	(10,636)
<b>Loss before income tax</b> .....		<b>(8,588,502)</b>	<b>(8,057,219)</b>
Income tax expense .....	4	-	-
<b>Loss for the year after tax</b> .....		<b>(8,588,502)</b>	<b>(8,057,219)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit and loss</i>			
Loss on revaluation of financial assets .....		(40,000)	(9,769,641)
<b>Total comprehensive income for the year attributable to members of Haoma Mining NL, net of tax</b> .....		<b>(8,628,502)</b>	<b>(17,826,860)</b>
<b>Earnings per share (cents per share)</b>			
- Basic (loss) / earnings per share for the year attributable to ordinary equity holders of the parent .....	5	(4.52)	(4.24)
- Diluted (loss) / earnings per share for the year attributable to ordinary equity holders of the parent .....	5	(4.52)	(4.24)

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



HAOMA MINING NL AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT JUNE 30, 2014

		<b>CONSOLIDATED</b>	
	Note	<b>2014</b>	2013
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents .....	7	13,263	32,952
Trade and other receivables .....	8	210,228	100,230
Inventories .....	9	221,168	377,225
<b>Total Current Assets</b> .....		<u>444,659</u>	<u>510,407</u>
<b>Non-current Assets</b>			
Other financial assets .....	10	160,000	200,000
Property, plant and equipment .....	12	1,114,807	1,251,191
Exploration and evaluation .....	13	5,889,180	5,879,680
<b>Total Non-Current Assets</b> .....		<u>7,163,987</u>	<u>7,330,871</u>
<b>TOTAL ASSETS</b> .....		<u>7,608,646</u>	<u>7,841,278</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables .....	14	1,430,311	1,690,121
Interest bearing loans and borrowings .....	15	56,357,960	48,379,051
Provisions .....	16	150,703	123,572
<b>Total Current Liabilities</b> .....		<u>57,938,974</u>	<u>50,192,744</u>
<b>Non-Current Liabilities</b>			
Provisions .....	16	2,135,022	1,485,382
<b>Total Non-Current Liabilities</b> .....		<u>2,135,022</u>	<u>1,485,382</u>
<b>TOTAL LIABILITIES</b> .....		<u>60,073,996</u>	<u>51,678,126</u>
<b>NET ASSETS (LIABILITIES)</b> .....		<u>(52,465,350)</u>	<u>(43,836,848)</u>
<b>EQUITY</b>			
Contributed equity .....	17	60,608,361	60,608,361
Reserves .....	17	(160,000)	(120,000)
Accumulated losses .....		(112,913,711)	(104,325,209)
<b>TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)</b> .....		<u>(52,465,350)</u>	<u>(43,836,848)</u>

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

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED JUNE 30, 2014

CONSOLIDATED	Share Capital	Share Options	Capital Profits	Financial Assets Fair Value	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
<b>Balance at July 1, 2012</b>	59,593,411	299,950	6,182,915	(6,019,006)	(86,782,258)	(26,724,988)
Loss after income tax for the year .....	-	-	-	-	(8,057,219)	(8,057,219)
Reserved transferred during the year .....	-	-	(6,182,915)	-	6,182,915	-
Revaluation of investment.....	-	-	-	(9,769,641)	-	(9,769,641)
Transfer balance of available for sale reserve to accumulated losses on disposal of investment .....	-	-	-	15,668,647	(15,668,647)	-
<i>Total comprehensive income for the year .....</i>	-	-	(6,182,915)	5,899,006	(17,542,951)	(17,826,860)
Transactions with owners in their capacity as owners:						
Transfer from share option reserve .....	299,950	(299,950)	-	-	-	-
Proceeds from exercise of share options....	715,000	-	-	-	-	715,000
<b>Balance at June 30, 2013.....</b>	<b>60,608,361</b>	<b>-</b>	<b>-</b>	<b>(120,000)</b>	<b>(104,325,209)</b>	<b>(43,836,848)</b>
<b>Balance at July 1, 2013</b>	60,608,361	-	-	(120,000)	(104,325,209)	(43,836,848)
Loss after income tax for the year .....	-	-	-	-	(8,588,502)	(8,588,502)
Revaluation of investment.....	-	-	-	(40,000)	-	(40,000)
<i>Total comprehensive income for the year</i>	-	-	-	(40,000)	(8,588,502)	(8,628,502)
<b>Balance at June 30, 2014.....</b>	<b>60,608,361</b>	<b>-</b>	<b>-</b>	<b>(160,000)</b>	<b>(112,913,711)</b>	<b>(52,465,350)</b>

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

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED JUNE 30, 2014

	Note	CONSOLIDATED	
		2014	2013
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers .....		277,468	566,963
Interest received .....		-	96,157
Dividend income .....		-	252,193
Payments to suppliers and employees .....		(2,246,491)	(2,539,063)
Exploration and development expenditure .....		(2,549,826)	(2,761,125)
Interest paid .....		(19,847)	(16,179)
<b>Net cash used in operating activities.....</b>	7(b)	<b>(4,538,696)</b>	<b>(4,401,054)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment .....		(63,236)	(355,284)
Proceeds from sale of property, plant and equipment .....		-	2,000
Purchase of Mining Leases.....		(9,500)	(64,680)
Proceeds from sale of Atlas Shares.....		-	7,331,353
<b>Net cash (used in)/provided by investing activities .....</b>		<b>(72,736)</b>	<b>6,913,389</b>
<b>Cash flows from financing activities</b>			
Payment of insurance premium funding .....		(103,952)	(94,169)
Net movement in Loan funding from related parties .....		4,695,695	(3,125,151)
Proceeds from exercise of Share options .....		-	715,000
<b>Net cash provided by/(used in) financing activities .....</b>		<b>4,591,743</b>	<b>(2,504,320)</b>
Net (decrease)/increase in cash held .....		(19,689)	8,015
Cash and cash equivalents at the beginning of the financial year .....		32,952	24,937
<b>Cash and cash equivalents at the end of the financial year .....</b>	7(a)	<b>13,263</b>	<b>32,952</b>

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

# HAOMA MINING NL AND ITS CONTROLLED ENTITIES

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

### **1** CORPORATE INFORMATION

The financial report of Haoma Mining NL for the year ended June 30, 2014 was authorised for issue in accordance with a resolution of the Directors on September 30, 2014.

Haoma Mining is a listed public company, incorporated and domiciled in Australia. The company's registered office is 401 Collins Street, Melbourne. The principal activities of the Group during the financial year were mineral exploration, the analysis of mineral deposits and the advancement of ore processing and extraction technology.

### **2** STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation

The financial report is a general purpose financial report of a for profit entity 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.

#### (b) Going Concern

The Consolidated Group produced a net loss of \$8,588,502 (2013: \$8,057,219) for the year ended 30 June 2014, had net current liabilities of \$57,494,315 (2013: \$49,682,337), had negative shareholders equity of \$52,465,350 (2013: \$43,836,848) and had negative cash flows from operating activities of \$4,538,696 (2013: \$4,401,054). The ability of the entity to continue as a going concern is dependent on the ongoing financial support from The Roy Morgan Research Centre Pty Ltd. 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, The Roy Morgan Research Centre Pty Ltd (a company owned and controlled by Haoma's Chairman and majority shareholder, 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, 2014 the total debt owing in respect of funds provided to Haoma by The Roy Morgan Research Centre Pty Ltd was \$30,907,993 (2013: \$26,553,299) along with accrued interest of \$22,678,875 (2013: \$19,379,755). The Roy Morgan Research Centre Pty Ltd has also confirmed that payment of monies owed by Haoma will not be required until such time as Haoma's Board of Directors determine that the company is able to commence repayments without adverse financial consequences to the consolidated entity. The Board of Directors is therefore satisfied that the going concern assumption is the appropriate basis for preparation of the financial report.

For the reasons detailed above, 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.

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2014

**2 STATEMENT OF ACCOUNTING POLICIES (continued)**

**New, revised or amending Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised and amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

• **AASB 10** Consolidated Financial Statements

The consolidated entity has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has necessary power for consolidation purposes.

• **AASB 11** Joint Arrangements

The consolidated entity has applied AASB 11 from 1 July 2013. The standard defines which entities qualify as joint arrangements and removes the option to account for joint ventures using a proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets are accounted for using the equity method. Joint operations, where the parties to the agreement have the rights to the assets and obligations for the liabilities, will account for its share of the assets, liabilities, revenues and expenses separately under the appropriate classifications.

• **AASB 12** Disclosure of Interests in Other Entities

The consolidated entity has applied AASB 12 from 1 July 2013. The standard contains the entire disclosure requirement associated with other entities, being subsidiaries, associates, joint arrangements (joint operations and joint ventures) and unconsolidated structured entities. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'.

• **AASB 13** Fair Value Measurement and **AASB 2011-8** Amendments to Australian Accounting Standards arising from AASB 13

The consolidated entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

• **AASB 19** Employee benefits (September 2011) and **AASB 2011-10** Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The consolidated entity has applied AASB 119 and its consequential amendments from 1 July 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2014

**2**

**STATEMENT OF ACCOUNTING POLICIES (continued)**

- **AASB 127** Separate Financial Statements (Revised), **AASB 128** Investments in Associates and Joint Ventures (Reissued) and **AASB 2011-7** Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

The consolidated entity has applied AASB 127, AASB 128 and AASB 2011-7 from 1 July 2013. AASB 127 and AASB 128 have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12 and AASB 2011-7 makes numerous consequential changes to a range of Australian Accounting Standards and Interpretations. AASB 128 has also been amended to include the application of the equity method to investments in joint ventures.

- **AASB 2012-2** Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities

The consolidated entity has applied AASB 2012-2 from 1 July 2013. The amendments enhance AASB7 'Financial Instruments: Disclosures' and requires disclosure of information about rights of set-off and related arrangements, such as collateral agreements. The amendments apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement.

- **AASB 2012-5** Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The consolidated entity has applied AASB 2012-5 from 1 July 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transactions costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities.

- **AASB 2012-10** Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments

The consolidated entity has applied AASB 2012-10 amendments from 1 July 2013, which amends AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments.

- **Interpretation 20** Stripping Costs in the Production Phase of a Surface Mine and **AASB 2011-12** Amendments to Australian Accounting Standards arising from Interpretation 20

The consolidated entity has applied Interpretation 20 and its consequential amendments from 1 July 2013. The Interpretation clarifies when production stripping costs should lead to the recognition of an asset and how that asset should be initially and subsequently measured. The Interpretation only deals with waste removal costs that are incurred in surface mining activities during the production phase of the mine.

- **AASB 2011-4** Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel

The consolidated entity has applied 2011-4 from 1 July 2013, which amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors' report.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2014

**2** *STATEMENT OF ACCOUNTING POLICIES (continued)*

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2014. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

- **AASB 2012-3** Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

- **AASB 2013-3** Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 July 2014 may increase the disclosures by the consolidated entity.

- **AASB 2013-4** Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and amends AASB 139 'Financial Instruments: Recognition and Measurement' to permit continuation of hedge accounting in circumstances where a derivative (designated as hedging instrument) is novated from one counter party to a central counterparty as a consequence of laws or regulations. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

- **AASB 2013-5** Amendments to Australian Accounting Standards - Investment Entities

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and allow entities that meet the definition of an 'investment entity' to account for their investments at fair value through profit or loss. An investment entity is not required to consolidate investments in entities it controls, or apply AASB 3 'Business Combinations' when it obtains control of another entity, nor is it required to equity account or proportionately consolidate associates and joint ventures if it meets the criteria for exemption in the standard. The adoption of these amendments from 1 July 2014 will have no impact on the consolidated entity.

# HAOMA MINING NL AND ITS CONTROLLED ENTITIES

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

2

### STATEMENT OF ACCOUNTING POLICIES (continued)

- **Annual Improvements to IFRSs 2010-2012 Cycle**

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

- **Annual Improvements to IFRSs 2011-2013 Cycle**

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

- **IFRS 15 (issued June 2014) Revenue from Contracts with Customers**

An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue. Annual reporting periods beginning on or after 1 January 2017. Due to the recent release of this standard, the entity has not yet made a detailed assessment of the impact of this standard.

(d) **Principles of Consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2014 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities (including special purpose entities) over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from 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.

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.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2014

**2 STATEMENT OF ACCOUNTING POLICIES (continued)**

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

*Significant accounting judgements*

In the process of applying the Group's accounting policies, management has made the following judgements and estimations, which were they to change, would have the most significant effect on the amounts recognised in the financial statements in future years:

**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 exist 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.

**Exploration Assets and impairment**

Accounting estimates are required for the impairment of exploration assets. See note 2(q).

**Provision for Rehabilitation costs.**

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

(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.

(g) **Revenue Recognition**

When in production, the Group's primary source of revenue is from the 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 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 it 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 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.

Haoma has negotiated royalty contracts with companies for materials mined from Haoma's tenements. Royalty revenue is recognised and/or accrued upon confirmation that the material subject to royalty has been extracted from Haoma's tenements.

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

# HAOMA MINING NL AND ITS CONTROLLED ENTITIES

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

### **2** STATEMENT OF ACCOUNTING POLICIES (continued)

#### (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 consolidated tax group. The consolidated tax group has entered a tax sharing agreement whereby each group company contributes to income tax payable in proportion to the net result before tax of the consolidated tax group.

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

At the reporting 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2014

**2 STATEMENT OF ACCOUNTING POLICIES (continued)**

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 reporting 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 it has become probable that future taxable income will allow the deferred tax asset to be recovered.

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

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or 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 Consolidated 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
- investment in money market instruments with less than 14 days to maturity.

**(m) Inventories**

Inventories are measured and valued as follows:

- 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.

## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

#### **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) Investments and other financial assets**

Classification and measurement

The Consolidated Group classifies its financial assets in the following measurement categories; those to be measured subsequently at fair value, and those to be measured at amortised cost. The classification depends on the entities business model for managing the financial assets and contractual terms of the cash flows.

**(i) Equity Investments**

All equity investments are measured at fair value. Equity investments that are held for trading are measured at fair value through profit or loss. For all other equity investments, the group can make an irrevocable election at initial recognition of each investment to recognise changes in fair value through other comprehensive income rather than profit or loss.

At initial recognition, the Consolidated Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

A gain or loss on a debt investment that is subsequently measured at fair value and is not part of a hedging relationship is recognised in profit or loss and presented net in the income statement within other income or other expenses in the period in which it arises.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the financial asset is derecognized or impaired and through the amortisation process using the effective interest rate method.

The group subsequently measures all equity investments at fair value. Where the Consolidated Group has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other revenue when the terms and condition has been satisfied.

# HAOMA MINING NL AND ITS CONTROLLED ENTITIES

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

**2**

### **STATEMENT OF ACCOUNTING POLICIES (continued)**

**(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 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;

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and equipment	7-20%

**(q) Exploration and development expenditure**

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

The Directors have determined in which instances it is appropriate to capitalise or expense costs spent on these areas in the year to June 30, 2014.

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2014

**2 STATEMENT OF ACCOUNTING POLICIES (continued)**

**(r) Interest in Joint Ventures**

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

**(s) Trade and other payables**

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

**(t) Employee Leave Benefits and Entitlements**

Provision is made for the expected future liability for employee benefits and entitlements arising from services rendered by employees to the reporting 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.

**(u) Provisions**

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

**Provision for Rehabilitation Costs**

Rehabilitation 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.

## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

**2**

#### **STATEMENT OF ACCOUNTING POLICIES (continued)**

As a consequence, there is a need for restoration work to be carried out either progressively or upon the abandonment of activity in an area of interest. The provision is measured as the present value of the future expenditure. On an ongoing basis, the rehabilitation liability will be re-measured in line with the changes in the time value of money (recognised as an expense in the profit or loss 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.

**(v) Interest bearing loans and borrowings**

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

**(w) 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), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

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

- costs of servicing equity (other than 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.

**(x) 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.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2014

	CONSOLIDATED	
	2014	2013
	\$	\$
<b>3 REVENUES &amp; EXPENSES</b>		
<b>Continuing Operations</b>		
<b>(a) Other Income</b>		
Other Income.....	11,340	22,500
Net gain on disposal of property, plant and equipment .....	-	2,000
	<u>11,340</u>	<u>24,500</u>
<b>(b) Administration and compliance expense</b>		
Corporate service costs .....	473,420	745,163
Legal and compliance costs .....	177,647	233,234
Management fees .....	248,157	287,409
Compensation for damages claim .....	96,580	-
	<u>995,804</u>	<u>1,265,806</u>
<b>(c) Finance Costs</b>		
Director related entity loan .....	3,299,120	3,446,740
Bank loans and overdrafts .....	19	12
Bank charges .....	19,829	16,167
	<u>3,318,968</u>	<u>3,462,919</u>
<b>(d) Depreciation of non-current assets</b>		
Property, plant and equipment.....	199,620	193,065
	<u>199,620</u>	<u>193,065</u>
<b>(e) Employee benefits expense</b>		
Wages and salaries .....	1,397,700	1,682,891
Superannuation .....	110,852	128,529
Annual leave .....	2,879	6,636
	<u>1,511,431</u>	<u>1,818,056</u>



## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

	CONSOLIDATED	
	2014	2013
	\$	\$
<b>4 INCOME TAX</b>		
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 .....	<u>(8,588,501)</u>	<u>(8,057,219)</u>
Prima facie income tax expense/(benefit) calculated at 30%		
Economic entity .....	<u>(2,576,550)</u>	<u>(2,417,166)</u>
Tax effect of temporary differences:		
Deferred tax assets not recognised .....	<u>2,576,550</u>	<u>2,417,166</u>
Income tax expense .....	<u>-</u>	<u>-</u>
Net deferred tax assets which have not been brought to account comprise:		
Income tax losses and timing differences .....	<u>9,958,475</u>	<u>7,381,925</u>
Deferred income tax liability .....	<u>(1,766,754)</u>	<u>(1,763,904)</u>
	<u>8,191,721</u>	<u>5,618,021</u>

Deferred tax liabilities \$5,889,180 at 30% (2013: \$5,879,630 at 30%) 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:

- 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;
- the consolidated entity continues to comply with the conditions for deductibility imposed by Law; and
- no changes in tax legislation adversely affect the ability of the consolidated entity to realise these benefits.

## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

	CONSOLIDATED	
	2014	2013
	\$	\$
<b>5 EARNINGS PER SHARE</b>		
Net loss attributable to ordinary equity holders or the parent from continuing operations .....	<b>(8,588,501)</b>	(8,057,219)
Weighted average number of ordinary shares for basic earnings per share .....	<b>190,143,665</b>	184,933,665
Weighted average number of ordinary shares adjusted for the effect of dilution.....	<b>190,143,665</b>	184,933,665
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.		
Basic earnings per share (cents per share) .....	<b>(4.52)</b>	(4.36)
Diluted earnings per share (cents per share) .....	<b>(4.52)</b>	(4.36)

### 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.....	<b>685,523</b>	685,523
Other movements .....	-	-
<b>Franking account balance at June 30 .....</b>	<b>685,523</b>	685,523

## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

	2014	2013
	\$	\$

#### **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

Cash and cash equivalents .....	<b>13,263</b>	<u>32,952</u>
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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

Loss after income tax .....	<b>(8,588,501)</b>	(8,057,219)
Depreciation and amortisation expense .....	<b>199,620</b>	193,065
Impairment of Investment .....	-	80,000
Net profit on disposal of property, plant and equipment .....	-	(2,000)
Accrued interest - director related entity .....	<b>3,299,120</b>	3,446,740
Interest.....	<b>6,013</b>	6,665
<i>Changes in assets and liabilities:</i>		
Increase in trade debtors and other receivables .....	<b>(114,364)</b>	(48,020)
(Increase)/decrease in prepayments .....	<b>86,400</b>	88,002
Decrease/(increase) in inventories .....	<b>156,057</b>	(145,149)
Increase in property, plant and equipment .....	-	92,765
Decrease in trade creditors and other creditors .....	<b>(259,811)</b>	(93,883)
Increase in provisions .....	<b>676,770</b>	<u>37,980</u>
<b>Net cash used in operating activities .....</b>	<b><u>(4,538,696)</u></b>	<b><u>(4,401,054)</u></b>

#### **8** TRADE AND OTHER RECEIVABLES

(Current)

Trade and other receivables .....	<b>162,385</b>	48,020
Prepayments .....	<b>47,843</b>	<u>52,210</u>
	<b><u>210,228</u></b>	<b><u>100,230</u></b>

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

# HAOMA MINING NL AND ITS CONTROLLED ENTITIES

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

	CONSOLIDATED	
	2014	2013
	\$	\$

### 9 INVENTORIES

(Current)

Stores of consumables and spare parts .....	<u>221,168</u>	<u>377,225</u>
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### 10 OTHER FINANCIAL ASSETS

Current - Equity Investments at Fair Value through other comprehensive income

Shares in Exterra Resources Ltd .....	<u>160,000</u>	<u>200,000</u>
	<u>160,000</u>	<u>200,000</u>

### 11 CONTROLLED ENTITIES

Investments in Controlled Entities	Country of Incorporation	Percentage owned 2014 %	Percentage owned 2013 %
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

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2014

	<b>CONSOLIDATED</b>	
	<b>2014</b>	<b>2013</b>
	\$	\$

**12** *PROPERTY, PLANT & EQUIPMENT*

(Non-current)

Property, Plant and Equipment at cost .....	<b>10,133,568</b>	10,070,333
Accumulated depreciation .....	<b>(9,018,761)</b>	(8,819,142)
<b>Net carrying amount .....</b>	<b><u>1,114,807</u></b>	<b><u>1,251,191</u></b>

**Movements in carrying amounts**

Movements in the carrying amounts of property, plant and equipment between the beginning and the end of the financial year:

Opening balance at July 1 .....	<b>1,251,191</b>	1,181,736
Additions .....	<b>63,236</b>	262,520
Depreciation .....	<b>(199,620)</b>	(193,065)
<b>Net Carrying Amount .....</b>	<b><u>1,114,807</u></b>	<b><u>1,251,191</u></b>

**13** *EXPLORATION & EVALUATION*

(Non-current)

**Exploration and Evaluation expenditure**

Net carrying amount .....	<b><u>5,889,180</u></b>	<b><u>5,879,680</u></b>
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**Movements in carrying amounts**

Movements in the carrying amount of exploration and evaluation expenditure between the beginning and the end of the financial year:

Opening balances July 1 .....	<b>5,879,680</b>	5,815,000
Additions .....	<b>9,500</b>	64,680
<b>Net carrying amount .....</b>	<b><u>5,889,180</u></b>	<b><u>5,879,680</u></b>

## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

	CONSOLIDATED	
	2014	2013
	\$	\$
<b>14 TRADE AND OTHER PAYABLES</b>		
<b>(Current)</b>		
Trade creditors and accruals .....	<b>695,543</b>	1,004,493
Other creditors .....	<b>120,718</b>	191,578
	<b>816,261</b>	1,196,071
Related party payables:		
Director's fees .....	<b>600,000</b>	480,000
Elazac Mining Pty Ltd .....	<b>14,050</b>	14,050
	<b>614,050</b>	494,050
	<b>1,430,311</b>	1,690,121

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.

### 15 INTEREST BEARING LOANS AND BORROWINGS

**(Current)**

Amount due to Director related entity .....	(a)	<b>30,907,993</b>	26,553,299
Accrued interest - Director related entity .....	(a)	<b>22,678,875</b>	19,379,755
Accrued interest - Director loans .....	(a)	<b>2,723,597</b>	2,382,597
Amounts due under Insurance Premium Funding .....	(b)	<b>47,495</b>	63,400
		<b>56,357,960</b>	48,379,051

(a) Funding for the company's ongoing operations is being provided by The Roy Morgan Research Centre Pty Ltd., a company owned and controlled by Haoma's Chairman and majority shareholder, Gary Morgan. The Roy Morgan Research Centre Pty Ltd has provided an assurance to the Board that it will continue to ensure funds are available to the company to fund operations for a period of at least 12 months from the date of this report. In addition, during the current financial year, a loan amounting to \$341,000 was provided by Michele Levine, which is included in Director Loans above.

(b) The company uses a Premium Funding facility to discharge its liability for insurance premiums. The term of the finance is set at 12 months to coincide with the period of insurance. Payments are made monthly in advance.

## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

	CONSOLIDATED	
	2014	2013
	\$	\$
<b>16 PROVISIONS</b>		
<b>(Current)</b>		
<b>Provision for employee benefits</b>	<b>150,703</b>	<b>123,572</b>
<b>(Non-current)</b>		
<b>Provision for rehabilitation</b>		
Opening balances July 1 .....	<b>1,485,382</b>	1,474,746
Amounts charged to profit or loss .....	<b>649,640</b>	10,636
Closing balances June 30 .....	<b>2,135,022</b>	1,485,382

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(u).

### 17 CONTRIBUTED EQUITY & RESERVES

#### (a) Share Capital

Issued Shares - Ordinary shares fully paid	<b>60,608,361</b>	60,608,361
--	-------------------	------------

#### (b) Movements in Ordinary Share Capital

		Number of Shares	\$
<b>Contributed Equity</b>			
July 1, 2012	Opening balance .....	<b>182,993,665</b>	59,593,411
	Share options exercised .....	<b>7,150,000</b>	299,950
	Transfer from share option reserve .....	-	715,000
June 30, 2013	Balance .....	<b>190,143,665</b>	60,608,361
July 1, 2013	Opening balance .....	<b>190,143,665</b>	60,608,361
June 30, 2014	Balance .....	<b>190,143,665</b>	60,608,361

#### (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.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2014

	CONSOLIDATED	
	2014	2013
	\$	\$
<b>17 CONTRIBUTED EQUITY &amp; RESERVES (continued)</b>		
<b>(d) Reserves</b>		
Capital profits .....	-	-
Forfeited shares .....	-	-
Share option reserve .....	-	-
Investments revaluation reserve .....	<u>(160,000)</u>	<u>(120,000)</u>
	<u>(160,000)</u>	<u>(120,000)</u>
<b>Capital profits reserve</b>		
Opening balance .....	-	6,178,490
Transferred during the year .....	<u>-</u>	<u>(6,178,490)</u>
	<u>-</u>	<u>-</u>
The capital profits reserve on the sale of investment records non-taxable profits. For reporting purposes going forward, it is being disclosed as part of accumulated losses.		
<b>Forfeited shares</b>		
Opening balance .....	-	4,425
Transferred during the year .....	<u>-</u>	<u>(4,425)</u>
	<u>-</u>	<u>-</u>
The Forfeited share reserve records the cash received on forfeit of shares and has been transferred to accumulated losses.		
<b>Share option reserve</b>		
Opening balance .....	-	299,950
Share options issued.....	<u>-</u>	<u>(299,950)</u>
	<u>-</u>	<u>-</u>
The share option reserve records the fair value of unexercised options at issue date.		
<b>Financial Assets Fair Value Reserve</b>		
Opening balance .....	(120,000)	-
Revaluation during the year.....	<u>(40,000)</u>	<u>(120,000)</u>
	<u>(160,000)</u>	<u>(120,000)</u>

The Financial Assets Fair Value Reserve reflects changes in the fair value of equity investments held for sale.



# HAOMA MINING NL AND ITS CONTROLLED ENTITIES

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

	CONSOLIDATED	
	2014	2013
	\$	\$

### 18 COMMITMENTS & CONTINGENCIES

#### (i) Exploration & expenditure commitments

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

Within one year .....	2,464,312	2,985,718
After one year but not more than five years .....	6,095,241	6,987,268
Longer than five years .....	8,753,702	12,130,534
	<u>17,313,255</u>	<u>22,103,520</u>

The Department of Mines & Petroleum (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 is eligible expenditure for the purpose of determining compliance with minimum expenditure requirements.

#### (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 due at June 30, 2014 were \$ 5,820,379 (2013: \$5,653,572).

#### 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.

Claims have been lodged with the Native Title Tribunal over a number of tenements applied for by the company. These tenements will not be granted by the respective Departments of Mines & Petroleum, in Western Australia and Queensland until the claims have been resolved. Where Native Title claims have been filed, Haoma has engaged in good faith negotiations with the Traditional Owners of the subject lands.

Until further information arises in relation to these claims, the company is unable to assess the likely effects, if any, of the claims.

##### Management Fee

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

##### Tenement Rehabilitation Bank Guarantees

State Governments may require that bank guarantees be provided to ensure that funds are available for ground and habitat rehabilitation in the event that a tenement holder does not complete restoration works upon cessation of exploration or mining activities.

Haoma has a bank guarantee facility of \$385,000 for the purpose of securing rehabilitation requirements on its tenements. At the reporting date bank guarantees on issue totalled \$291,289.

## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

2014  
\$

2013  
\$

#### 19 AUDITORS REMUNERATION

##### Remuneration of the auditor of the Economic Entity:

- auditing and reviewing the financial statements .....	<u>59,500</u>	<u>56,750</u>
	<u>59,500</u>	<u>56,750</u>

#### 20 SEGMENT INFORMATION

The group has adopted AASB 8 Operating Segments 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.

#### 21 RELATED PARTY INFORMATION

##### Directors

Persons holding the position of Director of Haoma Mining NL during the financial year were Gary Cordell Morgan, Michele Levine and John Lachlan Charles McInnes.

##### Directors and Director-Related Entities

	Roy Morgan Research 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

## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

#### **21** RELATED PARTY INFORMATION (Continued)

##### **Other transactions with Directors and Director-Related Entities**

During the year Roy Morgan Research Ltd provided administrative support and services to Haoma Mining NL. That support is continuing. Roy Morgan Research charged management fees of \$248,156 for those services (2013: \$287,409).

Funding for the company's ongoing operations is being provided by The Roy Morgan Research Centre Pty Ltd, a company owned and controlled by Haoma's Chairman and majority shareholder, Gary Morgan.

To June 30, 2014 the total funding provided by The Roy Morgan Research Centre Pty Ltd was \$30,907,993 (2013: \$26,553,298). The Board of Haoma has 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. Interest accrues but will not be paid until such time as Haoma has attained a financial position represented by a positive net asset ratio and the Board determines that the company is in a financial position to commence interest payments. During the year to June 30, 2014, interest accrued on the funds advanced by The Roy Morgan Research Centre Pty Ltd was \$3,299,120 (2013: \$3,446,740).

##### **Other transactions with Senior Management**

During the 2014 year, Michele Levine provided funds to Haoma Mining NL in the amount of \$341,000. The loan is repayable on demand but it has been agreed upon that payment of this debt is deferred until such time as Haoma is in a financial position to be able to make payments without adverse financial consequences to the company. The services of Mr. Peter Cole as general manager for WA are provided to Haoma by Peter Cole and Associates Pty Ltd for which they received consulting fees of \$152,400 (2013: \$147,600).

##### **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, 2014 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 \$1,081 (2013: \$158,983). No interest has been charged. The balance receivable at June 30, 2014 was \$4,408,048 (2013: \$4,406,967). A provision for impairment loss has been fully provided against this amount.

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. During the year an impairment loss was recognised for the controlled entity receivable of \$1,081 (2013: \$158,983).

## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

#### CONSOLIDATED

2014  
\$

2013  
\$

## 21 RELATED PARTY INFORMATION (Continued)

### Key Management Personnel Compensation

The aggregate compensation of the Key Management Personnel is set out below:

Short term employee benefits .....	272,400	267,600
Post employment benefits .....	11,100	10,800
	<u>283,500</u>	<u>278,400</u>

## 22 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

2014  
\$

2013  
\$

### Financial Assets

Cash and cash equivalents .....	13,263	32,952
Trade and other receivables .....	210,228	100,230
Other financial assets .....	160,000	200,000
<b>Total Financial Assets</b> .....	<u>383,491</u>	<u>333,182</u>

### Financial Liabilities

Trade and other payables .....	1,430,311	1,690,121
Borrowings .....	56,357,960	48,379,051
<b>Total financial liabilities</b> .....	<u>57,788,271</u>	<u>50,069,172</u>

### 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% (2013: 0.01%).

## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

#### 22 FINANCIAL RISK MANAGEMENT AND POLICIES (continued)

##### Liabilities

Haoma's exposure to market interest rates relates primarily to the on-going funding provided by The Roy Morgan Research Centre Pty Ltd. The weighted average floating interest rate at year end was 6.63% (2013: 7.19%).

The insurance Premium funding arrangement, due to be amortised within the next 12 months has a weighted average interest rate 17.5% (2013: 15.6%). The debt is shown in 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, 2014.

At June 30, 2014, 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:

	CONSOLIDATED			
	Post tax loss higher / (lower)		Equity higher / (lower)	
	2014	2013	2014	2013
	\$	\$	\$	\$

##### Financial Liabilities

###### Borrowings

###### Consolidated

+ 0.75% (75 basis points) .....	422,685	362,843	(422,685)	(362,843)
- 0.75% (75 basis points) .....	(422,685)	(362,843)	422,685	362,843

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

The sensitivity in financial assets is higher/lower taking into account interest rate volatility.

The sensitivity in financial liabilities is relatively unchanged.

##### Share Price

Haoma holds investments in entities listed on the Australian Securities Exchange. Investments in listed entities are carried at fair value at June 30, 2014. The share price is volatile and influenced by factors beyond the control of the Consolidated Group.

The risk and exposure to the consolidated group represented by the following sensitivity analysis assumes share price fluctuations of 30%:

## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

#### 22 FINANCIAL RISK MANAGEMENT AND POLICIES (continued)

	CONSOLIDATED	
	Equity	
	higher / (lower)	
	2014	2013
	\$	\$
<b>Other Financial Assets</b>		
<i>Receivable - Listed Securities</i>		
+ 30% .....	(48,000)	(60,000)
- 30% .....	48,000	60,000

#### 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 statement of financial position 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 they 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.

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

## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

#### 22 FINANCIAL RISK MANAGEMENT AND POLICIES (continued)

CONSOLIDATED	< 6 months	6-12 months	1-5 years	> 5 years	Total
	\$	\$	\$	\$	\$
<b>Year Ended June 30, 2014</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	13,263	-	-	-	13,263
Receivables and other receivables	210,228	-	-	-	210,228
Other financial assets	-	-	160,000	-	160,000
	<b>223,491</b>	<b>-</b>	<b>160,000</b>	<b>-</b>	<b>383,491</b>
<b>Financial Liabilities</b>					
Trade and other payables	695,543	616,407	118,361	-	1,430,311
Interest bearing liabilities	-	47,495	56,310,465	-	56,357,960
	<b>695,543</b>	<b>663,902</b>	<b>56,428,826</b>	<b>-</b>	<b>57,788,271</b>
<b>Year Ended June 30, 2013</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	32,952	-	-	-	32,952
Receivables and other receivables	100,230	-	-	-	100,230
Other financial assets	-	-	200,000	-	200,000
	<b>133,182</b>	<b>-</b>	<b>200,000</b>	<b>-</b>	<b>333,182</b>
<b>Financial Liabilities</b>					
Trade and other payables	1,004,493	567,268	118,360	-	1,690,121
Interest bearing liabilities	-	63,400	48,315,651	-	48,379,051
	<b>1,004,493</b>	<b>630,668</b>	<b>48,434,011</b>	<b>-</b>	<b>50,069,172</b>

#### 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.

#### Fair value of financial instruments

The following tables detail the consolidated entities fair values of financial instruments categorised by the following levels:

Level 1: Quoted prices (unadjusted in active markets for identical assets or liabilities)

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2013

#### 22 FINANCIAL RISK MANAGEMENT AND POLICIES (continued)

<b>Consolidated - 2014</b>	Level 1	Level 2	Level 3	Total
Assets				
Ordinary Shares	160,000	-	-	160,000
Total Assets	<u>160,000</u>	<u>-</u>	<u>-</u>	<u>160,000</u>

<b>Consolidated - 2013</b>	Level 1	Level 2	Level 3	Total
Assets				
Ordinary Shares	200,000	-	-	200,000
Total Assets	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>

#### CONSOLIDATED

2014	2013
\$	\$

#### 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
	<u>400,000</u>	<u>400,000</u>

#### Facilities used at reporting date

- Business Visa Card .....	3,852	3,852
- Business lending - bank guarantees .....	291,289	315,289
	<u>295,141</u>	<u>319,141</u>

#### Facilities unused at reporting date

- Business Visa Card .....	11,148	11,148
- Business lending - bank guarantees .....	93,711	69,711
	<u>104,859</u>	<u>80,859</u>

#### Total facilities

<u>400,000</u>	<u>400,000</u>
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## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

#### 23 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:

	2014	2013
	\$	\$
<b>Statement of Financial Position</b>		
Current Assets .....	443,328	509,963
Non-current assets .....	6,163,987	6,330,871
Total assets .....	<u>6,607,315</u>	<u>6,840,834</u>
Current liabilities .....	57,617,074	49,936,395
Non-current liabilities .....	1,044,591	495,127
Total liabilities .....	<u>58,661,665</u>	<u>50,431,522</u>
<b>Net Liabilities</b> .....	<u>(52,054,350)</u>	<u>(43,590,688)</u>
<b>Equity</b>		
Contributed equity .....	60,608,361	60,608,361
Reserves .....	(160,000)	(120,000)
Accumulated Losses .....	(112,502,711)	(104,079,049)
<b>Total Shareholders' Deficiency</b> .....	<u>(52,054,350)</u>	<u>(43,590,688)</u>
Loss for the year .....	(8,423,662)	(7,979,656)
Total comprehensive income .....	<u>(8,463,662)</u>	<u>(8,099,656)</u>

##### (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 (2013: \$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 its Controlled Entity, Kitchener Mining NL to the amount necessary to ensure it can meet its obligations when they fall due.

##### (c) Contingent liabilities of the parent entity.

Contractual commitments for exploration and expenditure costs exist for Haoma Mining NL. Minimum expenditure commitments of \$17,313,255 (2013: \$22,103,520) are necessary to maintain current rights of tenure to mining tenements. Refer to Note 18.

## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

#### 24 INTEREST IN JOINT VENTURES

Joint Venture	Interest		Description of Tenements
	2014	2013	
	%	%	
Daltons Joint Venture .....	25%	25%	E45/2186, E45/2187, E45/2921, E45/2922

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

	Note	CONSOLIDATED	
		2014	2013
		\$	\$
<b>Current Assets</b> .....		-	-
<b>Non-current Assets</b>			
Exploration and evaluation assets .....	13	-	-
<b>Current Liabilities</b>			
Trade and other payables .....	14	-	-

Giralia Resources Pty Ltd (wholly owned subsidiary of Atlas Iron Ltd) has a 75% interest in the joint venture and is the Joint Venture Operator.

In March 2012 Haoma sold its 25 percent interest in the underlying tenements and iron ore rights at Mt Webber to Atlas Iron Ltd based on a ore reserve of 24 million tonnes. Atlas will make additional annual payments to Haoma on a pro-rata basis for any additional iron ore reserves on the Daltons JV tenements in excess of 24 million tonnes, equivalent to \$5.50 per tonne for Haoma's 25% share. In addition, Haoma now has the rights to all non-iron ore minerals on all of the Atlas and Haoma Daltons JV exploration and mining tenements including M45/1197 and the underlying exploration tenement E45/2186.

Concurrent with the sale of Mt Webber iron ore rights the Daltons Joint venture agreement was amended. The principal terms of the Amended JV Agreement granted Haoma rights to all non-iron ore minerals (including Platinum Group Metals – PGM) on all of the Atlas and Haoma Daltons JV exploration tenements including M45/1197 and the underlying exploration tenement currently recorded as E45/2186, and all other Daltons Joint Venture tenements (E45/2187, E45/2921, E45/2922).

## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### Directors' Declaration

The Directors' of Haoma Mining NL declare that:

1. In the directors' opinion the financial statements and notes on pages 14 to 48 and the remuneration disclosures set out on pages 6 to 8, 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, 2014 and of its performance for the financial year ended on that date; and
  - (b) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements.
2. The financial statements also comply with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in Note 2(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**  
**Chairman**

Melbourne  
September 30th, 2014

## INDEPENDENT AUDITOR'S REPORT

To the members of Haoma Mining NL

### Report on the Financial Report

We have audited the accompanying financial report of Haoma Mining NL, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 company's preparation of the financial report that gives a true and fair view 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 company'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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Haoma Mining NL, would be in the same terms if given to the directors as at the time of this auditor's report.

## Opinion

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 2014 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

## Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 "Going Concern" in the financial report, which indicates that the ability of the entity to continue as a going concern is dependent on the ongoing financial support from The Roy Morgan Research Centre Pty Ltd. This condition, along with other matters as set out in Note 2 give rise to a material uncertainty which may cast significant doubt about the ability of the consolidated entity to continue as a going concern, and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

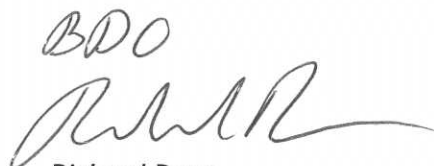
## Report on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 8 of the directors' report for the year ended 30 June 2014. 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.

## Opinion

In our opinion, the Remuneration Report of Haoma Mining NL for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership



Richard Dean  
Partner

Melbourne, 30 September 2014

## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### 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 26, 2014

Shareholders	Shareholding	
	No. of shares	% held
Leaveland Pty Ltd	115,000,000	67.41
Elazac Pty Ltd	11,339,704	5.96
Michele and Alexandra Levine	3,150,000	1.65
R J Annells & K J Hodge	2,000,000	1.05
G C & G J Morgan	1,843,257	0.97
Sandra & Charles Curwen	1,646,000	0.87
Etonwood Management Pty Ltd	1,500,000	0.79
George S Harris Superannuation PL	1,330,925	0.70
Geoffrey Mark Cottle	1,268,500	0.67
PYC Investments Pty Ltd	1,010,000	0.53
First Charnock Pty Ltd	1,000,000	0.53
Edwin Leigh Davies	1,000,000	0.53
Peter Joseph Scales	1,000,000	0.53
Jack Van Beelen	1,000,000	0.53
Cornelia Van Beelen	943,424	0.50
ABN AMRO Clearing Sydney	921,839	0.48
Nominees PL		
Konrad Schroeder	900,000	0.47
Selstock Pty Ltd	800,000	0.42
Loftus Group Ltd	714,276	0.38
Peter Podgoyetsky	700,000	0.37
	<b>149,067,925</b>	<b>78.39</b>
<b>Total Shares on Issue</b>	<b>190,143,655</b>	

#### B. Substantial Shareholders

Name	Number of Shares	Class of Share
Leaveland Pty Ltd	115,000,000	Ordinary
Elazac Pty Ltd	11,339,704	Ordinary

#### C. Distribution of Equity Securities

(i). Ordinary shares issued by Haoma Mining NL

Range of Shares held	# of Shareholders
1 - 1,000	664
1,001 - 5,000	874
5,001 - 10,000	310
10,001 - 100,000	464
100,001 - and over	99

**Total** **2,411**

(ii) There were 1,059 holders with less than a marketable parcel of 2,500 shares comprising a total of 1,073,222 ordinary shares.

(iii) The twenty largest shareholders hold between them 78.39% 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.

## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### 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	E45/4117	E45/4118	L45/174	M45/874	M45/885	P45/2342	
Blue Bar	G45/51	M45/591	M45/906	P45/2311					
Copenhagen	M45/985	P45/2391	M45/682						
Lalla Rookh	M45/442								
Marble Bar	M45/515	M45/607	E45/1273	E45/4069	E45/4060	E45/4201	E45/4070	E45/4072	P45/2878
North Pole	L45/86	M45/302	M45/328	M45/329	E45/2532	E45/2532	E45/4071	E45/4098	
North Shaw	L45/60	E45/3940	E45/3942	E45/3930	P45/2873	P45/2874			
	P45/2875	P45/2876							

###### (ii) Linden, Western Australia

Golden Ridge	M26/534	(Avoca Resources Ltd is the beneficial owner of this tenement. Haoma has retained legal title and is entitled to royalties from gold produced.)
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##### (b) Tenements beneficially held by Haoma Mining NL (100%)

###### Pilbara, Western Australia

Apex	P45/2133									
20oz Gully	P45/2329	P45/2330	P45/2336	M45/411						
Big Stubby	M45/57	M45/284	M45/453	M45/554						
Comet	G45/21	M45/14	M45/16	M45/385	M45/438	M45/459	M45/478	L45/4	L45/12	L45/37
Coongan	M46/160									
Copper Hills / Stirling	G45/36	M45/238	M45/346	M45/357	M46/177					
Copenhagen	M45/240									
Coronation	M45/672	P45/2333	M45/679							
Corunna	E45/3941									
Fieldings Gully	M45/521									
Fortuna	E45/1249									
Grace Project	E45/3660	E45/3655	E45/3686							
Helen Jean	P45/2227									
Lalla Rookh	M45/648	M45/649								
Lionel	M46/43	M46/44								
Marble Bar	M45/678	E45/3686	P45/2275	P45/2356	P45/2125	P45/2127	P45/2226	P45/2316	P45/2317	
McKinnon	M45/490	M45/606	M45/873							
Mercury Hill	M45/588	P45/2250								
Mustang	M45/680	P45/2134	P45/2251	P45/2269	P45/2288	P45/2331	P45/2231			
North Pole	M45/395	M45/514	M45/650	M45/651	M45/665					
Sharks Gully	M45/692									
Soansville	M45/847	P45/2292	P45/2293	P45/2294	P45/2296	P45/2297	P45/2298			
Tassie Queen	M45/76	M45/235	M45/296	M45/297	M45/655	E45/4061				
Wallaringa	E45/2983									
Warrawoona	M45/547	M45/671								

## HAOMA MINING NL AND ITS CONTROLLED ENTITIES

### STOCK EXCHANGE - ADDITIONAL INFORMATION

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

**i) Bamboo Creek, Western Australia**

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





Bamboo Creek Processing Plant with the Tailings Dam Wall shown at the top of the bottom photo.

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