Haoma Mining NL

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February 1, 2016

ACTIVITIES REPORT FOR THE QUARTER ENDED DECEMBER 31, 2015 – HIGHLIGHTS

- **Group Consolidated Financial Result:**

  Haoma Mining's unaudited consolidated financial result for the three months ended December 31, 2015 was a before tax loss of $1.83 million after interest of $0.95 million, depreciation and amortisation of $0.04 million, and development and test work expenditure of $0.64 million.

- **Commencement of Pilot Plant Production at Bamboo Creek:**

  Haoma's Directors are pleased to advise that the first production run at the Bamboo Creek Pilot Plant has been successful.

  The initial production run processed 94.52 dry tonnes of Bamboo Creek Tailings with 4.31g/t gold recovered to date into cyanide solution. The first bullion pour produced a 452.8g bar with an estimated contained gold content of 195g (43.1%) which has been submitted to an independent laboratory for refining.

  The independent refiner has advised that after initial treatment of the 452.8g bullion bar the bar contains a minimum of 50% gold and 35% silver. Using the refiner's 50% gold estimate for the bullion produced to date and other gold measured in cyanide solution leached from the tailings, the gold 'head grade' of Bamboo Creek Tailings processed and measured to date is 4.64g/t.

  Additional bullion is currently being produced; shareholders will be advised of the final quantity of gold once the recovery process has been completed.

  The Bamboo Creek Pilot Plant is now capable of processing approximately 200 tonnes of Bamboo Creek Tailings per day; recovering about 900g of gold. Bullion (gold and silver) is currently being produced every few days. Pilot Plant operating costs are about $15,000 a day.

- **Provisional Patent Application - Refined Elazac *Assay* Method and Refined Elazac *Extraction* Method (Elazac Process):**

  The Directors of Haoma are pleased to advise that on January 15, 2016 Elazac Mining Pty Ltd filed a new Australian Provisional Patent Application in respect to the Elazac Extraction and Assay Method. Haoma Mining has unlimited access to and use of the technology described in the Provisional Patent Application for no fee.

  The **Provisional Patent Application Number 2016900128** was prepared by Griffith Hack. The provisional patent covers a confidential process which measures and extracts significantly more gold and silver than measured by traditional assaying methods (fire assay or aqua regia) or traditional mineral processing methods (such as using cyanide).

CONTENTS

1. Group Consolidated Result to December 31, 2015
2. Operations at Bamboo Creek Western Australia
3. Exploration Activities in Western Australia
4. Exploration Activities in Queensland
5. Annual General Meeting

1. GROUP CONSOLIDATED RESULT TO DECEMBER 31, 2015

Haoma Mining NL Consolidated Profit & Loss	2014/15 2nd Qtr ($m)	2014/15 Full Year ($m)	2015/16 1st Qtr ($m)	2015/16 2nd Qtr ($m)	2015/16 YTD ($m)
Operating Revenue:					
Royalties	0.28	0.70	-	**0.03**	**0.03**
Retail Sales & Misc.	0.03	0.13	0.04	**0.03**	**0.07**
Other Income	0.04	0.04	-	**-**	**-**
Operating Revenue	0.35	0.87	0.04	**0.06**	**0.10**
Operating profit (loss) before interest, depreciation, amortisation, exploration & development costs:	0.05	(1.11)	(0.42)	**(0.20)**	**(0.62)**
Interest	(0.95)	(3.70)	(0.94)	**(0.95)**	**(1.89)**
Depreciation & amortization	(0.06)	(0.21)	(0.03)	**(0.04)**	**(0.07)**
Exploration, development & test work	(0.31)	(2.37)	(0.62)	**(0.64)**	**(1.26)**
Operating (loss) before tax	(1.27)	(7.39)	(2.01)	**(1.83)**	**(3.84)**

1.1 Haoma's Group Consolidated Result

Haoma Mining's unaudited consolidated financial result for the three months ended December 31, 2015 was a before tax loss of $1.83 million after interest of $0.95 million, depreciation and amortisation of $0.04 million, and development and test work expenditure of $0.64 million.

1.2 Funding of Operations

At present, funding for Haoma's operations is being provided by The Roy Morgan Research Centre Pty Ltd, a company owned and controlled by Haoma's Chairman, Gary Morgan.

At December 31, 2015 the principal debt to The Roy Morgan Research Centre Pty Ltd was $35.10 million. Haoma has approved payment of interest on this debt at the 30 day commercial bill rate plus a facility margin of 4%. Interest will accrue until such time as the Board determines that the company is in a position to commence interest payments. Interest accrued for the 3 months to September 30, 2015 was $952,025. Total interest accrued and unpaid to December 31, 2015 is $28.204 million.

On October 8, 2015, the District Court in Perth ordered that Haoma's workers compensation insurer pay the judgement amount awarded to a former employee of Haoma Mining in relation to an injury claim. Haoma Mining has provided an amount of $748,420 in its financial statements in respect to this item. The workers compensation insurer may appeal this decision. To date Haoma has not been advised of an appeal having been filed.

2.0 OPERATIONS AT BAMBOO CREEK, WESTERN AUSTRALIA

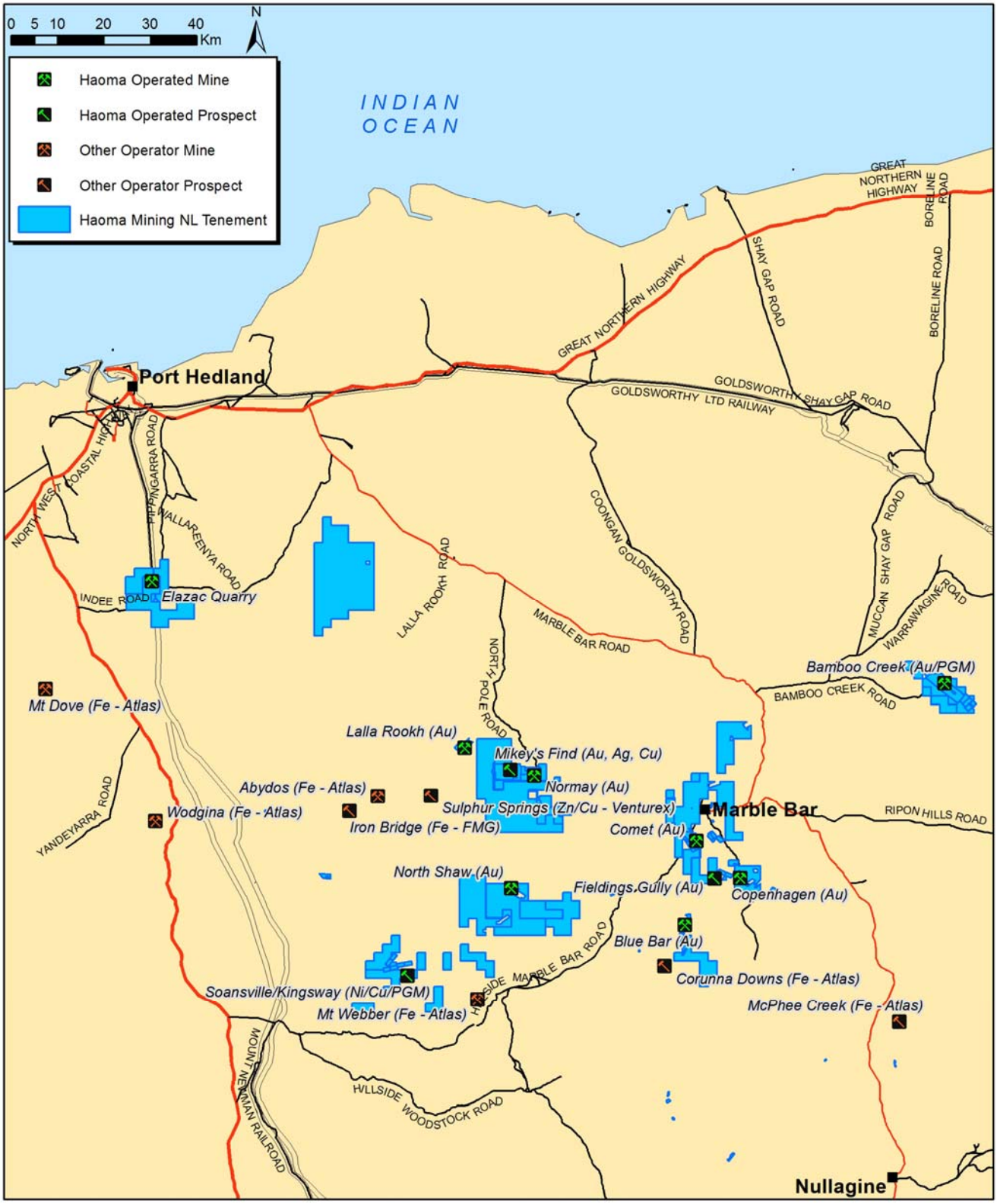

Figure 1: Location map of Haoma Mining and other Pilbara mining locations.

2.1 Commencement of Pilot Plant Production at Bamboo Creek[1]

At the Haoma Mining AGM held on December 12, 2015, shareholders were advised that it was anticipated that commercial quantities of gold will be produced during the First Quarter, 2016 using the new Elazac Process. Shareholders were also advised that production costs would be low as only limited additional capital expenditure is needed to process Bamboo Creek Tailings then extract precious metals from the Bamboo Creek gold bearing sulphides concentrate.

Haoma's Directors are pleased to advise that the first production run at the Bamboo Creek Pilot Plant has been successful.

The initial production run processed 94.52 dry tonnes of Bamboo Creek Tailings with 4.31g/t gold recovered to date into cyanide solution. The first bullion pour produced a 452.8g bar with an estimated contained gold content of 195g (43.1%) which has been submitted to an independent laboratory for refining.

The independent refiner has advised that after initial treatment of the 452.8g bullion bar the bar contains a minimum of 50% gold and 35% silver. Using the refiner's 50% gold estimate for the bullion produced to date and other gold measured in cyanide solution leached from the tailings, the gold 'head grade' of Bamboo Creek Tailings processed and measured to date is 4.64g/t.

Additional bullion is currently being produced; shareholders will be advised of the final quantity of gold once the recovery process has been completed.

The Bamboo Creek Pilot Plant is now capable of processing approximately 200 tonnes of Bamboo Creek Tailings per day; recovering about 900g of gold. Bullion (gold and silver) is currently being produced every few days. Pilot Plant operating costs are about $15,000 a day. Haoma has sent samples of the Pilot Plant 'residue' to an overseas platinum group metals (PGM) refiner. The 'residue' is a sulphide concentrate. SEM analysis of the 'residue' shows it contains gold and PGM.

When 'residue' tests have been completed shareholders will be advised of the quantities of precious metals recovered and the cost.

2.2 Provisional Patent Application - Refined Elazac *Assay* Method and Refined Elazac *Extraction* Method (Elazac Process)

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Note 1: The information & data in Section 2 of 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.

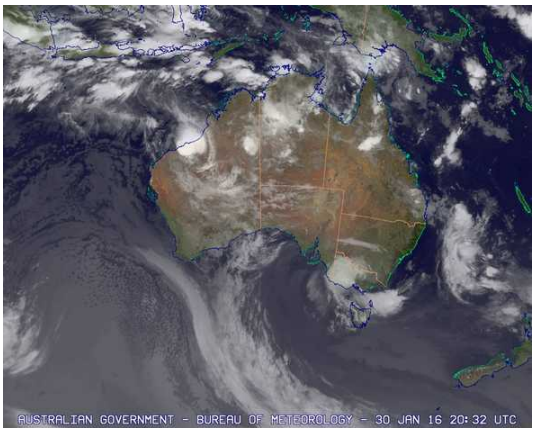
The Elazac Provisional Patent science is complex and not easily understood but its application is very effective. There are large quantities of mineral ores which combine to form complexes that were previously not known to cause assay difficulties.

The science explains why it has been difficult to assay these mineral ores accurately and to extract gold and silver from them.

Haoma's Directors believe the new Elazac Process could be used at Australian mines with ore bodies similar to those at Bamboo Creek and Mt Webber to recover significant quantities of gold and silver. These ore bodies have previously been classified as containing refractory ores from which precious metals could not be recovered.

2.3 Tropical Cyclone Stan

Over the weekend of January 30-31, 2016, Category 2 Tropical Cyclone Stan moved inland from the WA coast near Pt Hedland through the Pilbara Region of Western Australia to the Bamboo Creek and Marble Bar region. Early Sunday January 31 the eye of the cyclone passed over Bamboo Creek. Production was suspended for 2 days to secure the plant. Fortunately there was no damage to the plant and production has resumed today, Monday February 1, 2016.



Tropical Cyclone Stan crossing WA Coast, 8.30pm January 30, 2016

Evening, Bamboo Creek, January 31, 2016

Morning, Bamboo Creek, January 31, 2016

Yours sincerely,

Gary C Morgan, CHAIRMAN