HAOMA MINING NL
ANNUAL REPORT 2007

HAOMA MINING NL

Cover:
Bamboo Creek
Processing Plant
with vat operating.

1. Bamboo Creek, WA
2. Marble Bar, WA
3. Cookes Hill, WA
4. Linden, WA
5. Ravenswood, QLD

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

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ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the members of the Company is to be held at:

"Morgans at 401",
Ground Floor,
401 Collins Street,
Melbourne, Australia.
Friday, November 30, 2007
Commencing at 9.30am.

All shareholders are encouraged to attend. Light refreshments will be available to members and guests following the meeting. The Notice of Meeting and proxy form accompanies this report.

Bamboo Creek Processing Plant with vat loaded with ore in foreground.

Financial Performance and Test Work at Bamboo Creek Produces Significant Gold

Haoma's Consolidated Loss for the Financial Year to June 30, 2007 was $7.90 million. This operating loss is after providing for income tax, depreciation, amortisation and interest of $2.39 million. The loss to June 30, 2007 covers the bulk sample test work through the Bamboo Creek which has now stopped. Over the last 6 months the mine has been on care and maintenance while laboratory test work has continued. Significant results released on October 31, 2007 are included in this Annual Report. Haoma October 31, 2007 Release. The end objective is to enable Haoma Mining to re-establish a profitable gold mining operation in the Pilbara region of Western Australia.

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

The most significant events over the last year have been reported each Quarter under the ASX continuous disclosure rules. This report summarises those activities.

The following covers Haoma's achievements up until the lodgment of this Annual Report with the ASX on November 1, 2007.

1. Bamboo Creek – Pilbara, WA

Test Work at Bamboo Creek Laboratory

Since Haoma's September 21, 2007 Report test work has continued at Bamboo Creek on stripping the gold first loaded on carbon in late 2006.

Results to October 30, 2007 from stripping gold from 4.75 tonnes of gold loaded carbon have confirmed beyond doubt the result reported on September 21, 2007 that more gold than measured by the traditional assay method as loaded on carbon can be extracted into gold bullion.

On September 21, 2007 Haoma's Shareholders were advised that initially one tonne of carbon, with a gold grade of 320 g/t (by the traditional acid digestion Aqua Regia assay method) had to that date produced 800 grams of gold with gold remaining on the carbon measuring 149 g/t.

Since September 21, 2007 test work has continued at Bamboo Creek to extract gold from previously stripped loaded carbon. To date 4.75 tonnes of previously stripped loaded carbon with an average gold grade of 315 g/t (expected gold from loaded carbon less barren carbon, 1,254 grams) has to date produced 2,026.1 grams of gold (this amount of gold will increase further as we are still awaiting additional gold "outturns" from AGR Matthey). Only a small amount of gold (51g/t) was measured on the barren carbon. [Note: [1]]

In addition to the test work producing significantly more gold than measured on the 4.75 tonnes of carbon; other tests on Bamboo Creek carbon measured more nickel and other metals than measured by traditional assay methods.

[1] The report comparing the gold produced with the assayed gold grade of the carbon before being stripped was prepared by Mr Peter Cole, Haoma's metallurgical consultant. Mr Cole consents to the inclusion of the information in the context in which it appears.

CHAIRMAN'S REVIEW AND REPORT ON OPERATIONS

Background to Gold Extraction Problem

On February 12, 2007, Haoma advised the ASX that ore processing at the Bamboo Creek Plant had stopped and the Plant had been placed on care and maintenance. Haoma's February 12, 2007 release advised Shareholders that since the end of December 2006 Haoma Mining had experienced serious problems extracting the gold (measured from samples taken during processing) into "gold bars".

The Bamboo Creek ore processing method implemented late last year was successful in extracting the gold from ore into a cyanide solution and loading that gold onto carbon. Unfortunately at the same time there were major problems in the gold stripping circuit which meant the gold on carbon could not be stripped from the carbon to produce gold bars. The gold reconciliation (measured as gold being loaded onto the carbon against gold bullion produced) did not balance.

It was also pointed out in the December 2006 Quarterly Activities Report that longer term funding of Haoma was unlikely to be available until it could be shown that the amount of gold produced from processing different test ore parcels through the Bamboo Creek Plant was about the same as measured from Plant samples when subjected to the Elazac Assay Method cyanide leach tests in the Bamboo Creek Plant Laboratory or another laboratory. (See Item 2.2 in December 2006 Quarter Activities Report). Haoma December 2006 Quarterly Activities.

Present Bamboo Creek Gold Production

Stripping of gold from the remaining 3 tonnes of gold loaded carbon will be completed in the first 2 weeks of November. In addition gold will be stripped from the 2 tonnes of carbon which is currently being used to extract gold from the cyanide solution which has for 7 weeks been recirculating through the Bamboo Creek Vat. The Bamboo Creek Vat contains 20,000t of coarse low grade Bamboo Creek ore which was loaded into the Bamboo Creek Vat late last year.

Test Work

Tests at Bamboo Creek over more than 10 years have shown beyond doubt that some Pilbara ores contain significantly more gold than measured by traditional Fire Assays or Aqua Regia Assays.

Recent tests at Bamboo Creek on bulk samples processed through the plant have shown that more gold can be produced than measured on the carbon by traditional assays. See Chairman's Address to Haoma's 2006 Shareholders Annual General Meeting held on December 12, 2006.

The latest tests at Bamboo Creek have enabled Consultants to Elazac Mining and Haoma Mining to understand scientifically why this is so.

While conducting these tests at Bamboo Creek on bulk ore samples and loaded carbon our Consultants became aware that the grades of other metals are also underestimated.

Table 1 below compares Bamboo Creek drill core assays by traditional methods (Fire Assays for gold and ICP for other elements) with a new Elazac Assay Method to measure gold in Pilbara ores The drill core was from 4 diamond drill holes from the surface covering 21.66 metres in total.

As with previously reported tests the latest result in Table 1 shows that the grade of gold is underestimated by the traditional Fire Assay Method. (3.36 g/t compared to 2.03 g/t).

During the September 2007 Quarter a series of floatation tests were conducted on the drill core. The results showed most of the sulphides, gold and silver were recovered in the concentrate fraction.

Test work is continuing on whether the nickel can be easily separated from the relatively high arsenic in the ore (arsenic grade 0.1-0.2% As).

Table 1: (Note: All assays were analysed by ALS Laboratories)

Assay Comparison	Au g/t	Ag g/t	Ni ppm	Zn ppm
25 gram Fire Assay and ICP	2.03	1.60	2,581	2,203
Elazac Gold Fire Assay Method and ICP	3.36	1.71	2,033	2,111

Note: The gold result from the New Elazac Fire Assay Method is based on the average grade obtained from 18 samples.

Directors advised shareholders in Haoma's March 2007 Quarterly Report that at Bamboo Creek previous drilling results indicated about 1 million tonnes of 0.8% Ni assayed by traditional methods.

In additional to the above, 1996 drilling at Bamboo Creek by BHP obtained wide intersections (up to 60 meters wide) of low grade nickel (0.1-0.2% Ni) indicating significantly more tonnes of low grade nickel ore.

During the December 2007 Quarter test work at Bamboo Creek will continue on developing a laboratory assay method which will determine the true grades for gold, silver, nickel, zinc and other metals.

These tests will be conducted on a number of different Bamboo Creek and other Pilbara ores.

Bamboo Creek - Nickel

The latest Elazac test work confirms that:

a. The low grade nickel assays (using the traditional acid digestion assay method) are at least 50% lower than the calculated nickel grade after the nickel ore was subjected to the New Elazac Nickel Assay Method, and

b. The New Elazac Nickel Assay Method has been successful in extracting a significant amount of the arsenic from the ore hosting the nickel. In addition, a significant amount of the nickel can also be extracted. Test work in this area is continuing.

Haoma has known for a long time that the Bamboo Creek tenements are highly prospective for nickel. The Mt Prophecy North Lease was drilled by Woodsreef in 1969-1970. The results of that drilling have previously been assessed by Haoma and in November 1999 a report was received from Haoma's Consultant Mr. Taff Davies of Remote Sensing & Geological Services. Mr. Davies is a competent person under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and he consents to the inclusion of the information in the form and context in which it appears. The key findings of that report were as follows:

- In 1969 – 1970 ore grade nickel mineralisation was intersected in four holes drilled roughly 50 metres south of the Mount Prophecy Bamboo Creek gold mineralisation. All intersections were obtained by Woodsreef. Earlier Mines Department diamond drilling was not assayed for nickel.

- The nickel occurs as nickel arsenide mineralisation within three main, closely spaced shoots referred to in the historical data-base as Zones A, B and C.

- The mineralisation extends over a 300 metre of strike. In view of the sparse drilling, lack of nickel assay data and understanding of the structure, the mineralisation can be regarded as being open along strike and down dip. This opinion is supported by a professional review of the data completed in February 1979 by Atkinson & Partners.

- The shoots have been estimated to each contain approximately 0.3 million tonnes with an **aggregate inferred resource given as 1.0 million tonnes at 0.8% nickel** by the traditional acid digestion assay method.

- A typical intersection (DDHB2A) is an aggregate of three shoots giving a bulked average of 22.4 metres at 0.82% Ni over a 30 metre probable true width.

- The nickel-mineralised intersections were obtained between 60 and 270 metres depth.

- During the September Quarter, diamond drill core covering 21.66m (original assay 0.2581% Ni) was re-assayed with a grade of 0.2033% Ni which confirmed a low grade nickel resource extending from the surface. When this sample was treated by the New Elazac Nickel Assay Method the grade was 0.5157% - a significant increase.

- While the detachment of the nickel from the main Mount Prophecy body of gold mineralisation is recognised, some drill holes have intersected adjacent narrow high grade gold shoots, viz: Section 13900E – 42 g/t gold over 40 cm, 5g/t over 1.8m and 7.68g/t over 0.2 m.

- In 1996 drilling at Bamboo Creek by BHP obtained wide intersections (at least up to 60 meters wide) of low grade nickel (0.1-0.2% Ni) indicating significantly more tonnes of low grade nickel off the main Bamboo Creek ore body extending over a length of at least 4 km.

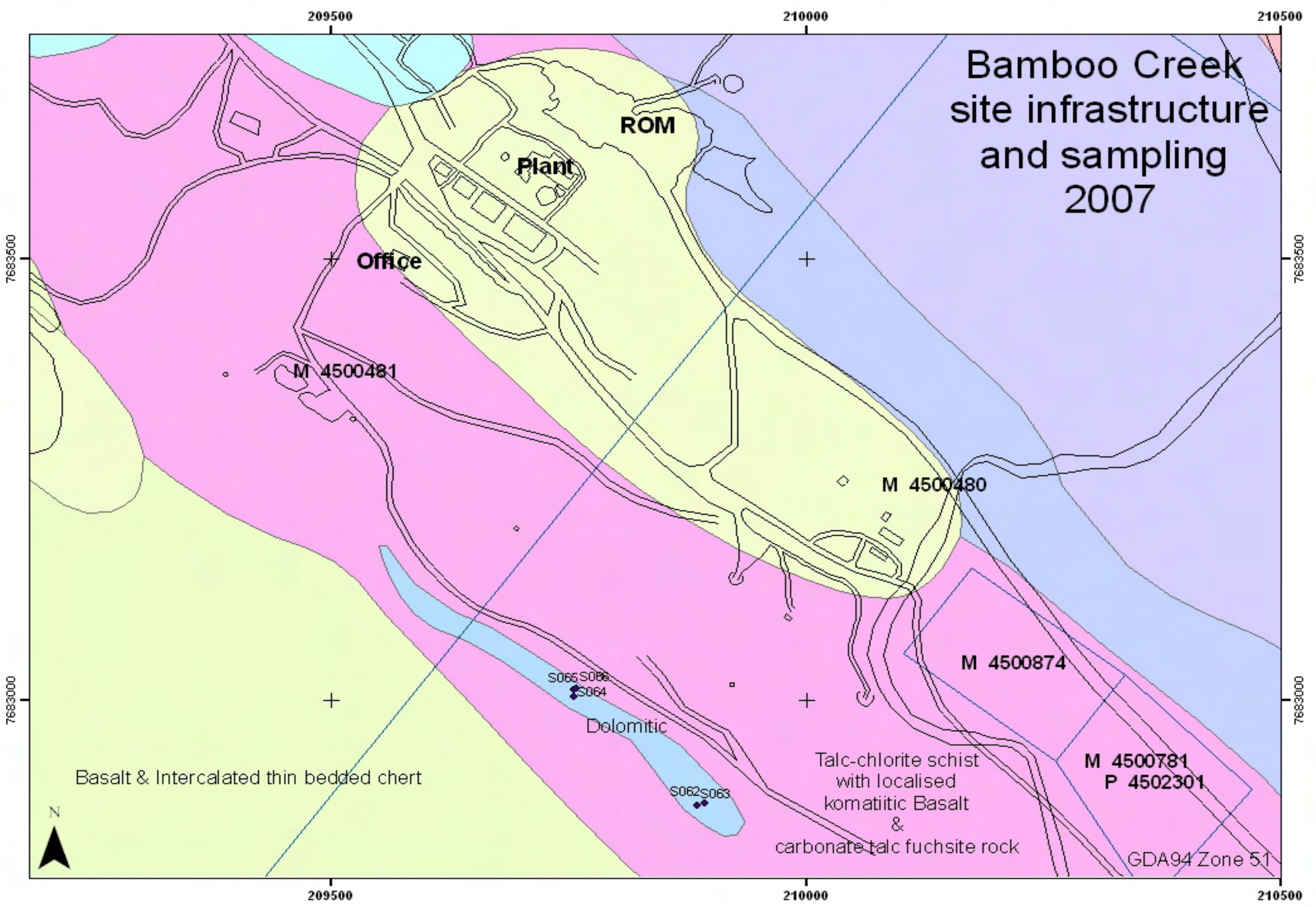
During the March 2007 Quarter surface sampling was carried out on the Bamboo Creek tenements to the south of the existing known mineralisation. Initial results were highly encouraging in respect of gold, cobalt, zinc, nickel and wolfram occurrences.

Table 2 (See Figure 1 for sample locations)

Bamboo Creek 2007																	
Sample No.	GDA East	GDA North	Ag ppm	As ppm	Au ppm	Co ppm	Cr ppm	Cu ppm	Mg %	Mn ppm	Mo ppm	Ni ppm	Pb ppm	Sb ppm	V ppm	W ppm	Zn ppm
S062	209893	7685884	2.22	471	2.8	45.9	101	613	3.07	1410	0.32	221	145.5	14.4	28	0.37	3610
S063	209886	7682882	0.19	61.1	<0.2	6	8	17.9	1.33	1430	0.45	25.9	6.3	1.1	8	0.21	94
S064	209756	7683004	0.1	140	<0.2	31.1	25	140.5	2.75	2110	0.23	66.1	3.3	1.82	57	0.09	44
S065	209756	7683013	0.07	103	<0.2	30.5	130	73.6	2.11	977	0.48	104	3.2	2.26	49	0.38	85
S066	209758	7683014	0.09	912	<0.2	300	523	83.9	7.76	9890	4.29	957	4.1	70.2	109	390	56

Table 2 of exploration results was prepared on April 30, 2007 by Ms Sandra McKenzie who is a Competent Person under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and she consents to the inclusion of the information in the form and context in which it appears. Ms McKenzie is a member of the AIMM and has relevant experience in relation to the exploration activities.

Figure 1



During the June 2007 Quarter, a program of electronic scanning of old paper based surface, underground and regional maps began. One map was found to show the possible surface expression of nickel mineralisation encountered within historic diamond drill holes.

Twelve traverses resulting in 97 samples were taken across the area in an attempt to confirm or not the presence of surface nickel mineralisation. The assay results showed some samples returning anomalous nickel results (See Table 3 below). Figure 1 shows their positions in relation to the Bamboo Creek site.

Table 3: Anomalous Results from Bamboo Creek 2007 Samples

SAMPLE NO	GDA Easting	GDA Northing	Au g/t	Ag g/t	As	Cr	Mg %	Mn	Mo	Ni	Pb	Zn
NI007	209670	7683062	-1.00	0.07	92.30	2650	2.84	7160	1.54	1220.00	2.90	82
NI020	209726	7683024	-1.00	0.15	98.10	989	9.55	1090	0.83	1550.00	2.00	59
NI024	209737	7682994	1.19	0.57	216.00	85	1.58	1180	1.71	100.00	6.80	96
NI030	209762	7683012	0.01	0.01	14.20	898	14.35	596	0.32	1320.00	1.10	50
NI057	209913	7682872	0.15	0.29	120.00	90	2.14	602	0.33	36.10	17.60	301
NI060	209920	7682900	0.01	0.08	47.80	1510	6.89	1530	0.57	595.00	276.00	137

The above Table 3 of exploration results was prepared on July 25, 2007 by Ms Sandra McKenzie who is a Competent Person under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and she consents to the inclusion of the information in the form and context in which it appears. Ms McKenzie is a member of the AIMM and has relevant experience in relation to the exploration activities.

Data entry of old underground drill holes, surface drill holes and the digitising of old underground mine plans is ongoing. Table 4 below shows the details of drill-holes and assays entered into the Bamboo Creek Database. The information has been validated as accurately as possible.

Table 4: Bamboo Creek Database Statistics

DRILL HOLES		
TYPE	**Number**	**Number of Assays**
Aircore / RAB	37	596
RC	224	6005
Surface Diamond	104	3761
Underground Diamond	337	4884
SURFACE GEOCHEMICAL		
Geochemical		2431
BLEG		1363

2. Molybdenum Exploration at Spinifex Ridge / Bamboo Creek Project

During the year shareholders may have seen significant announcements by ASX listed companies, Moly Mines Limited (MLO) and Artemis Resources Limited (ARV). Both companies hold tenements in the highly prospective Molybdenum Spinifex Ridge-Bamboo Creek areas **adjacent to Haoma's Bamboo Creek Mining Leases (M45/480, M45/481, M45/723, M45/781, M45/874, E45/2097, P45/2242, P45/2243, P45/2244, P45/2227, P45/2301, P45/2342 and L45/72) and Processing Plant.**

A summary of the most significant announcements in regard to potential impact on Haoma over the course of the last year is as follows:

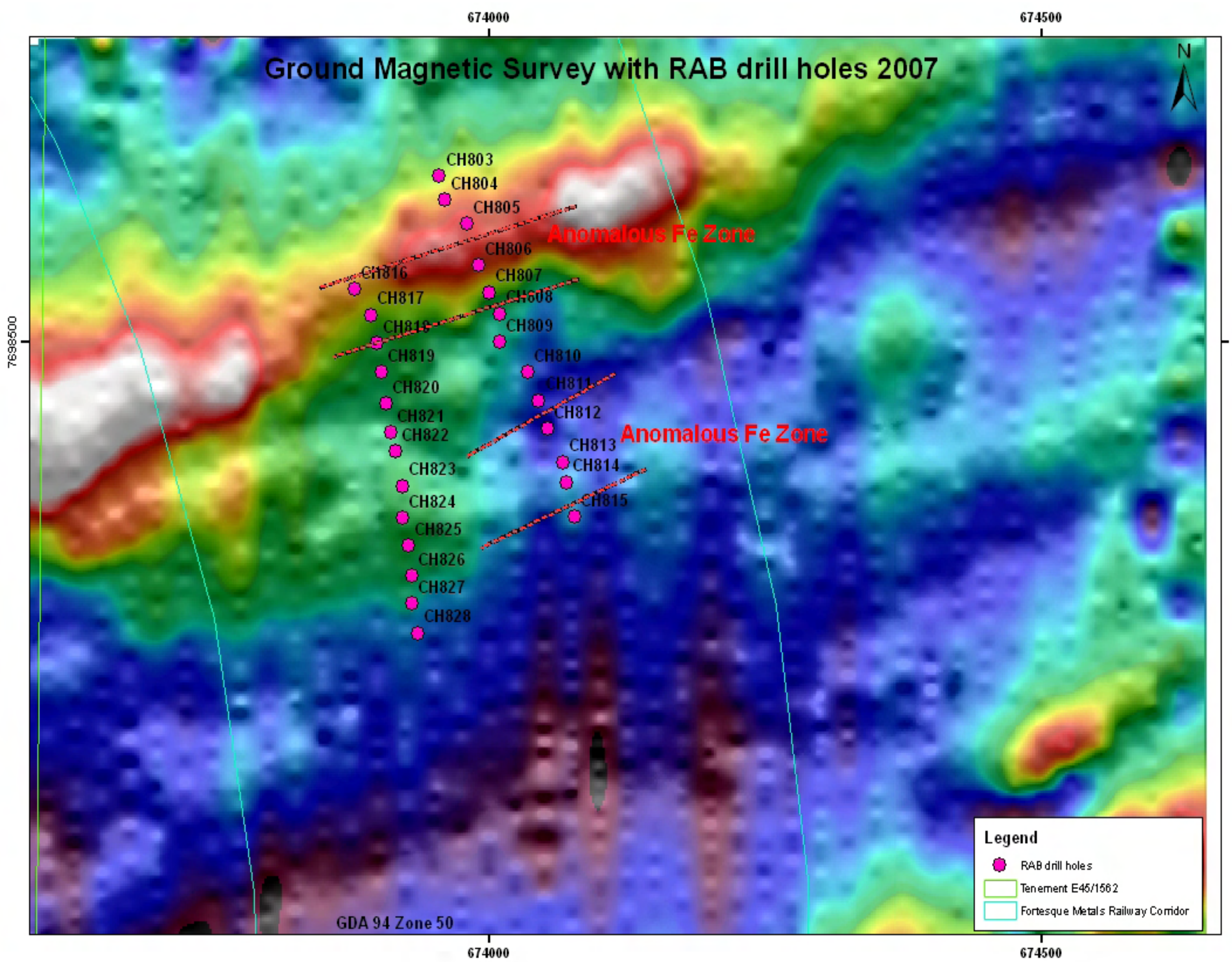
- March 2007, Moly Mines Limited announced the granting of mining leases for its Spinifex Ridge Molybdenum / Copper Project over 20.75 square kilometres for a 469 million tonnes measured and indicated molybdenum and copper resource.
- April 19, 2007 Moly Mines announced that it had secured C$22.5 million of funding to proceed with establishment of a processing plant and project implementation activities - see link Moly Mines - April 19, 2007
- May 3, 2007, Moly Mines released a further announcement confirming that it has completed a Letter of Intent in relation to a A$45 million order of long lead items necessary to establish the Spinifex Ridge Processing Plant. Items included a Primary Crusher, 2 Tertiary crushers and 2 Ball mills – see link Moly Mines - May 3, 2007.
- August 2, 2007, Moly Mines advised the ASX that it had increased the Spinifex Ridge processing plant design capacity by 5 million tonnes from 15 to 20 million tonnes per annum. Moly Mines - August 2, 2007
- September 25, 2007, Moly Mines announced the completion and adoption by the Moly Mines Board of its Definitive Feasibility Study confirming the 20 million tonne pa molybdenum/copper open pit mine and the size of the mineral resource at 469 million tonnes (measured and indicated) including total mineral reserves of 314 million tonnes. Moly Mines - September 25, 2007
- October 22, 2007, Moly Mines announced that it had commenced assessment of areas of high grade hematite iron mineralisation located adjacent to the Spinifex Ridge Molybdenum Project.
- On March 26, 2007, Artemis Resources Limited announced that it has completed exploration at its 100% owned Spinifex Ridge – Bamboo Creek Project located approximately 800 metres east of the Moly Mines Limited Spinifex Ridge project. Exploration activities targeted molybdenum and other base metals. Artemis has announced that it plans further extensive exploration work aimed at locating Spinifex Ridge style mineralisation at its project area. Refer link Artemis Resources - March 26, 2007.

3. Cookes Hill – Pilbara, WA (E45/1562, M45/1005, 1031, 1032, 1033, 1034, 1035, 1036)

In July 2007, Haoma Mining NL in conjunction with Fortescue Metals Group initiated a small RAB drilling program within the new railway corridor which crosses the E45/1562 tenement, in the Cookes Hill/Indee area of the West Pilbara. The purpose of the investigation was to:

- Look for lead (Pb)/Zinc (Zn) /Silver (Ag) geochemistry similar to the DeGrey Mining Orchard Tank Prospect style of mineralisation found on the adjoining tenements.
- Look for any other anomalous geochemistry including iron (Fe), copper (Cu) and zinc (Zn).

Figure 2: Ground Magnetic Survey and RAB Dill Hole Locations



A total of 26 vertical RAB holes (as shown on the magnetic survey map above) were utilized initially to probe through the alluvial cover. The program involved a total of 545m of drilling with an average hole depth of 20m. Samples were collected at 1m intervals. Surface alluvial intervals were left at the drill site while all other samples were sent to Australian Laboratory Services (ALS) in Perth for analysis for Ag, As, Ca, Co, Cu, Fe, Mg, Mn, Mo, Ni, P, Pb, S, Sb, W and Zn.

Significant anomalous iron results were returned from 7 holes with one hole returning weakly anomalous copper, results are presented in the Table 5 below:

Table 5: Significant Intercepts

HOLE	HOLE DEPTH	FROM	TO	INTERVAL (m)	Fe %	Cu ppm
CH806	23	9	12	3	19.68	1160
CH807	17	8	12	4	18.79	
CH812	29	5	14	9	22.36	
CH813	23	7	10	3	24.10	
CH814	23	5	8	3	19.13	
CH816	20	10	12	2	21.20	
CH817	23	8	13	5	27.30	

The iron grades tend to have a relationship to the bottom of the colluvium and the top of mafic intrusions suggesting the anomalous geochemistry is related to an old palaeo-surface gravels and/or iron cap rock of mafic intrusions. The weakly anomalous copper is probably related to secondary enhancement from the underlying mafic intrusion. The northern iron anomaly has a distinct relationship to a magnetic high with the southern anomaly not having any such signature.

Further test work on the drill hole samples were carried out at Bamboo Creek and show that part of the higher grade anomalous zones are magnetic, this has implications for increasing the iron grade of the material with beneficiation.

Further samples assayed by ALS Perth have shown the low grade iron associated with low grade aluminium (>5%) and silica (>15%) which is not conducive to the production of exportable ore. The diagram below shows the drill holes in cross section with the anomalous iron zones highlighted.

Figure 3: Eastern RAB Drill Line - Southern Portion

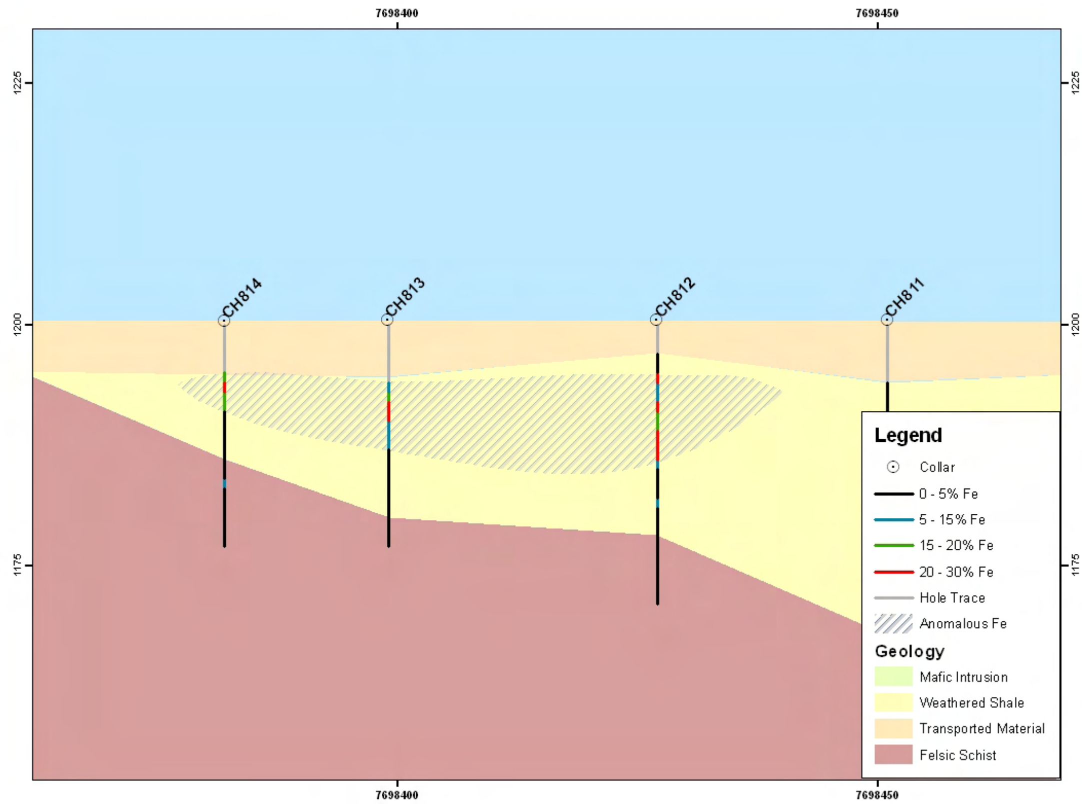


Figure 4: Eastern RAB Drill Line - Northern Portion

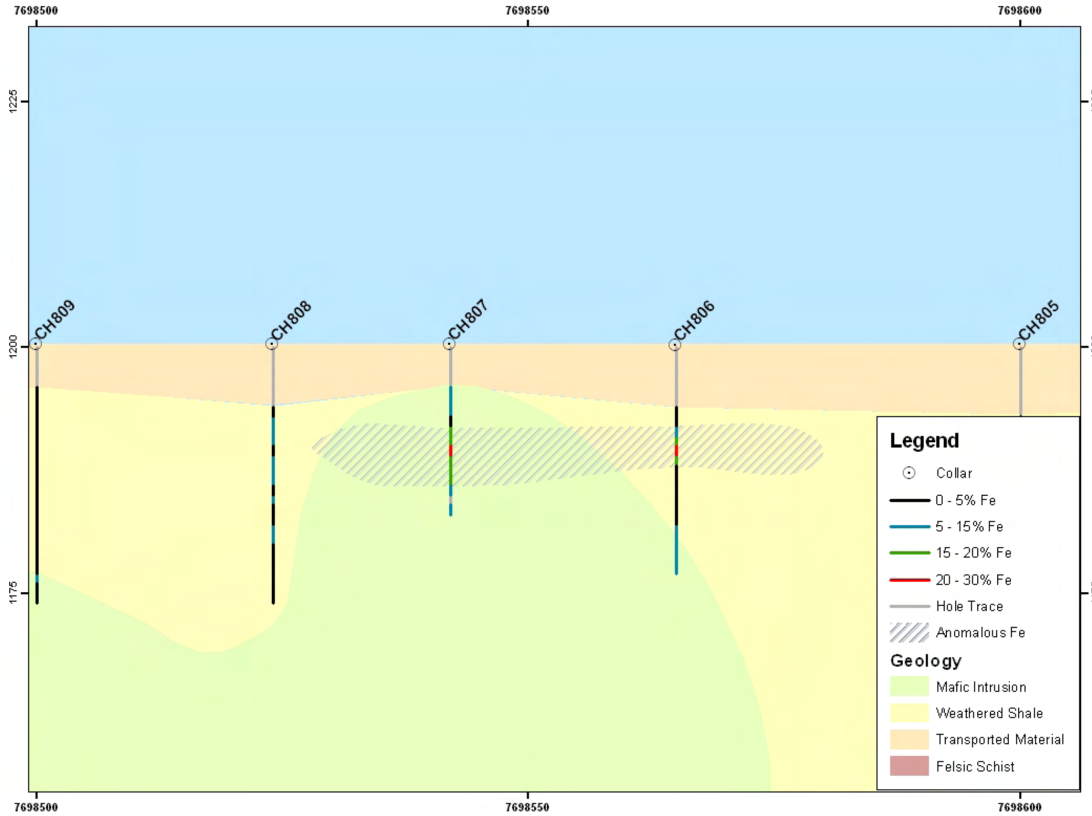
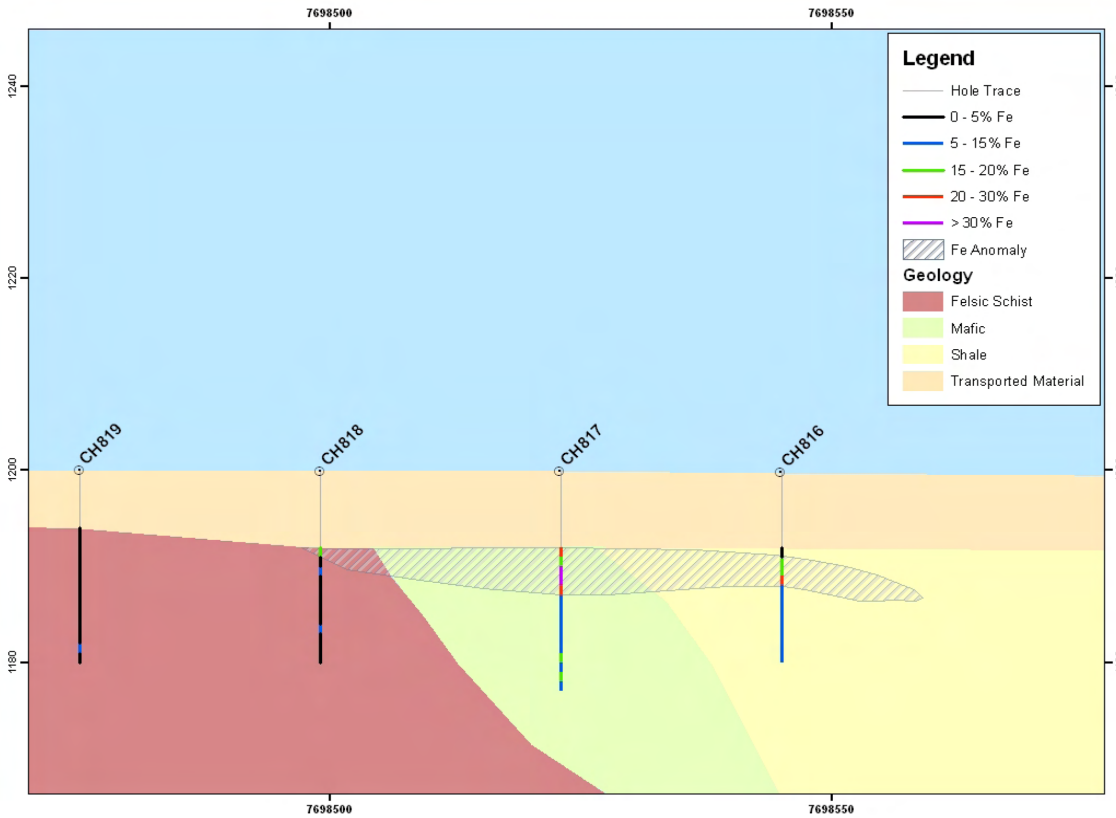


Figure 5: Western RAB Drill Line - Northern Portion



4 Warrawoona – Marble Bar, Pilbara, WA (M45/671, M45/547)

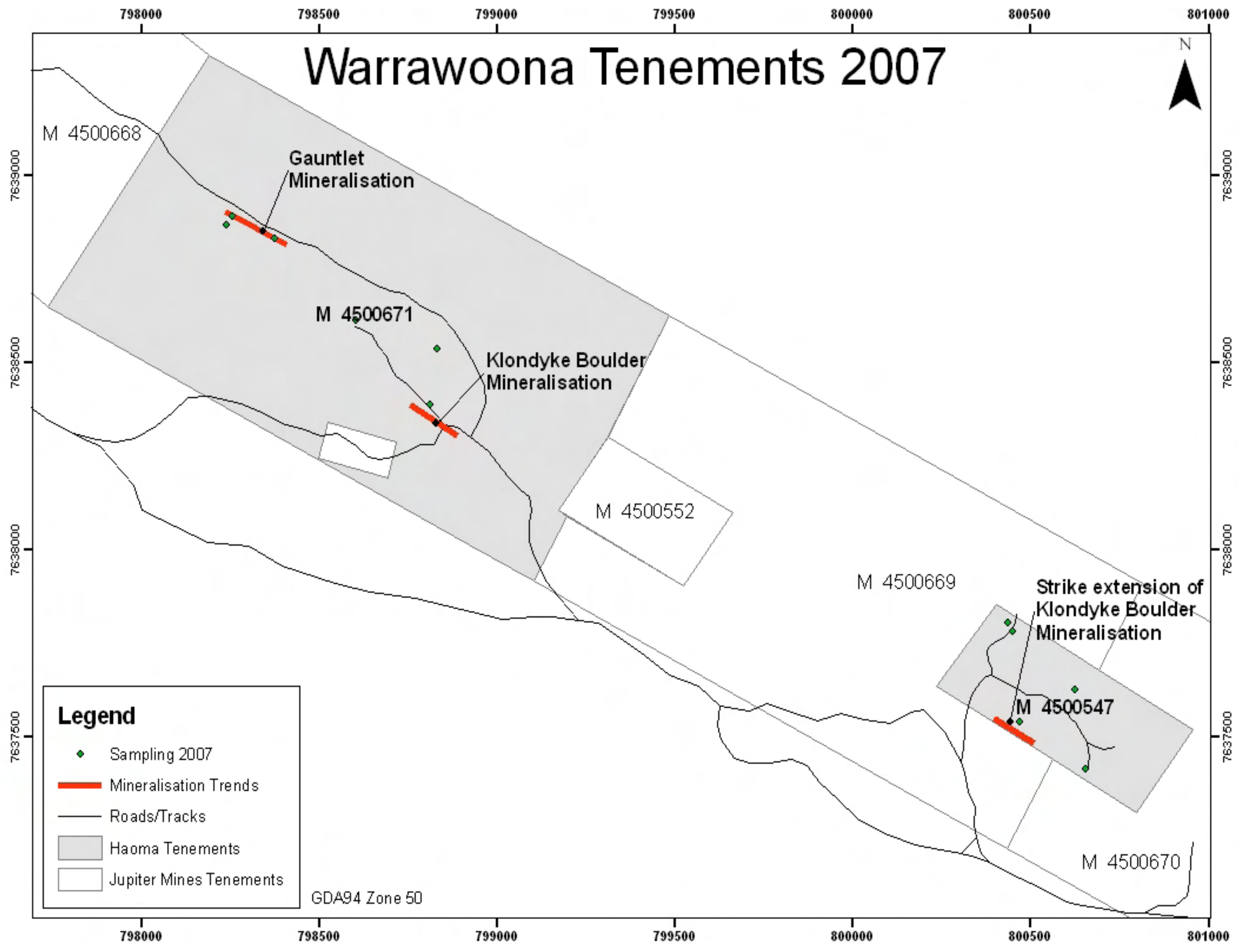
During the June 2007 Quarter a site visit was conducted on Warrawoona tenements to validate the collar position of historic drill holes. Twelve samples were taken and analysed for gold and silver at the Bamboo Creek Laboratory. The majority of samples (See Table 6 and Figure 6) were anomalous with samples W009, W011 and W012 being from the old workings at Gauntlet (the old workings are approximately 130 metres in length).

Table 6: Warrawoona - Geochemical Samples

SAMPLE NO	GDA94E	GDA94N	TYPE	Au g/t	Ag g/t
W001	800469	7637542	Rock Chip	0.31	0.16
W002	800447	7637781	Rock Chip	0.04	0.23
W003	800436	7637804	Rock Chip	0.07	0.32
W004	800625	7637626	Rock Chip	4.43	0.12
W005	800653	7637415	Rock Chip	0.74	0.16
W006	798810	7638388	Rock chip	0.22	0.23
W007	798602	7638613	Rock chip	0.15	0.10
W008	798830	7638538	Rock chip	1.84	0.18
W009	798372	7638832	Rock chip	0.73	0.24
W011	798239	7638869	Rock chip	2.28	0.15
W012	798254	7638892	Rock chip	8.24	0.20

The above Table 6 of exploration results was prepared on July 25, 2007 by Ms Sandra McKenzie who is a Competent Person under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and she consents to the inclusion of the information in the form and context in which it appears. Ms McKenzie is a member of the AIMM and has relevant experience in relation to the exploration activities.

Figure 6: Warrawoona - Sample Location and Mineralisation



5 Nickol Bay–Karratha (M47/577, M47/435, M47/127, M47/421, M47/401, M47/87, M47/455)

In September 2007 a site visit and inspection was conducted at the Nickol Bay tenements in Karratha, with sampling being conducted on several of the tenements.

The old workings and scrapings on tenements M47/87, M47/401, M47/421 and M47/127 were sampled for gold. The only sample to return significant gold values was sample NB-005 which had a grade of 7.60 g/t Au.

Several outcrops of Banded Iron Formation (BIF) were encountered on tenement M47/455. Two of the small outcrops were sampled returning high iron percentages, with low aluminium percentages. Significant results were reported in Haoma's September 2007 Quarterly Activities Report.

Figure 7: Nickol Bay Tenement - M47/455, Banded Iron Formation (BIF)

Figure 8:

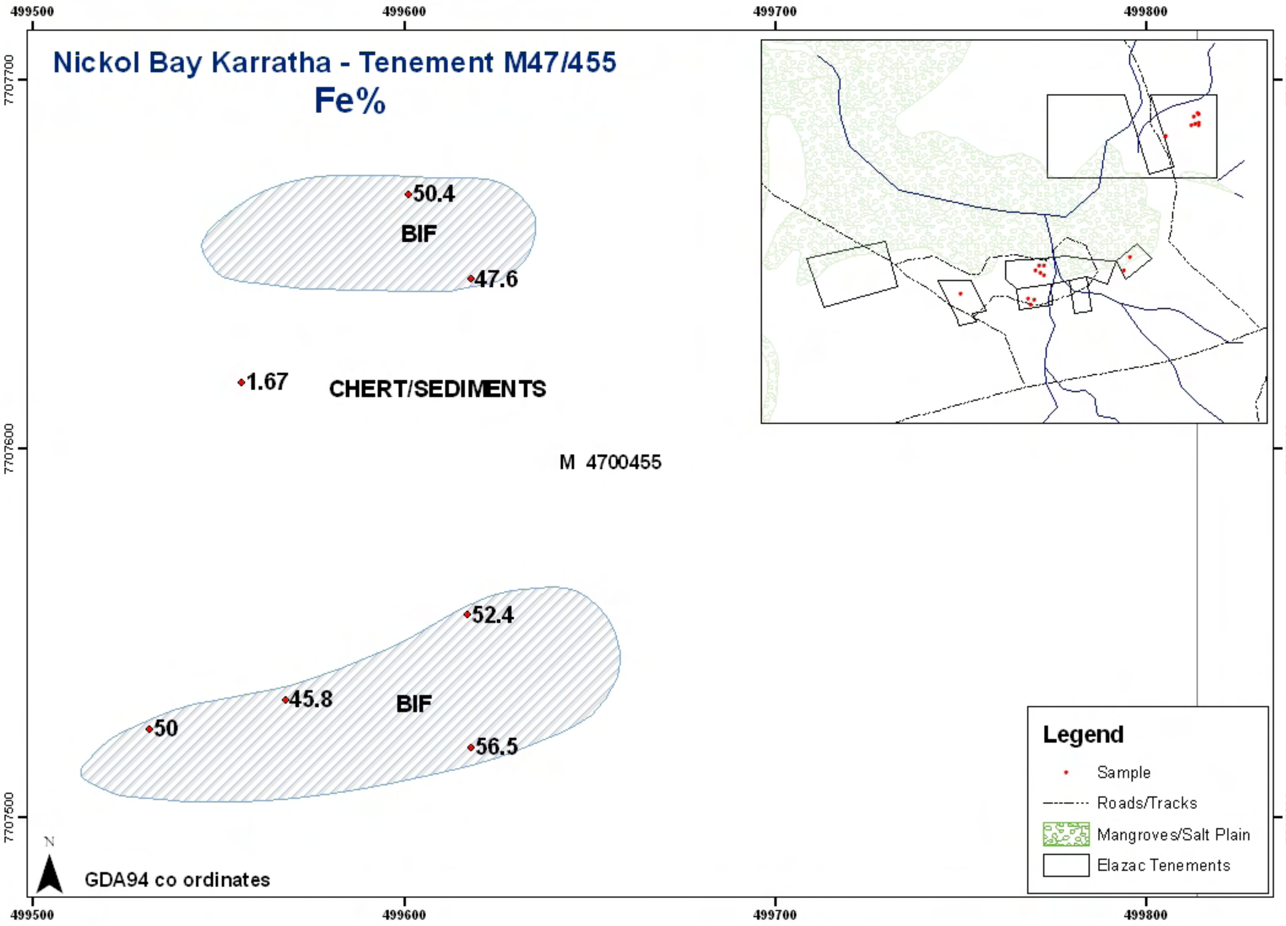


Figure 8 above shows the known extent of the BIF, however mapping was not conducted during the September site visit. Mapping during the December 2007 Quarter is expected to increase the extent of the ore body.

6. Daltons Joint Venture with Giralia Resources NL (25% Haoma Mining, 75% Giralia Resources) (E45/2186, E45/2187)

Haoma holds a 25% interest at the Daltons Nickel Joint Venture with Giralia Resources NL. The Daltons area is located 150 kilometres south of Port Headland in the Pilbara region of Western Australia. Haoma has retained in the area the right to all gold/silver and tin/tantalum mineralisation. Giralia provided the following report in respect of activities for the Year Ended June 30, 2007.

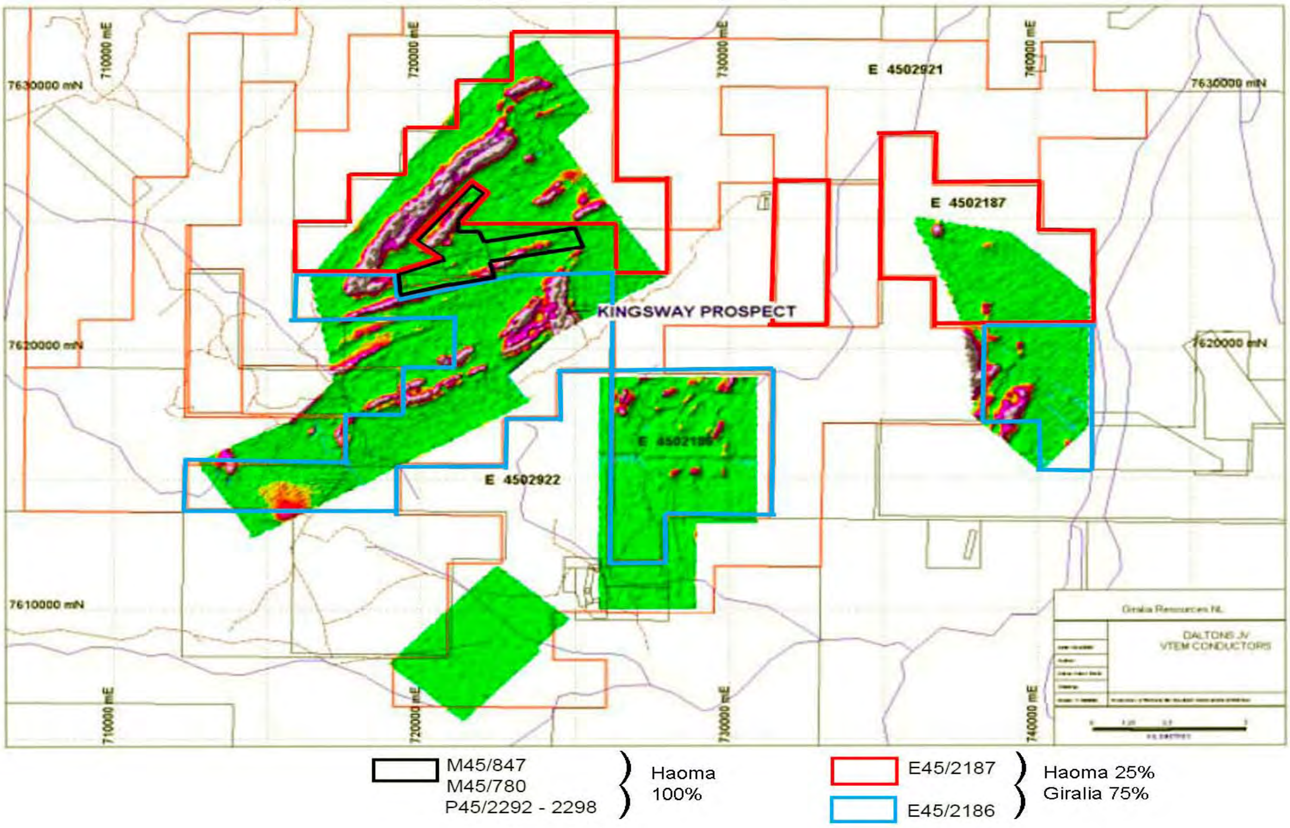
"Assay results were received from minor disseminated sulphides intersected in altered ultramafics above the footwall ultramafic contact in hole RDDN033 for a total depth 321 metres which was completed in the March Quarter at the Kingsway Prospect. RDDN033 intersected the basal ultramafic contact much higher in the hole than anticipated, suggesting a significant fault displacement or other structural complexity in the footwall contact. The hole was targeted below and east of previous significant recent intersections including 3.5 metres @ 1.61% nickel, 0.85% copper, 0.81g/t PGE in RDDN029, and 0.15metres @ 5.82% nickel, 1.41% copper and 1.35g/t PGE but failed to test the target position.

Field follow up is planned for the upcoming Quarter of the major detailed (1,479 line kilometre, 150 meter line spaced) VTEM airborne electromagnetic survey flown by Falconbridge over the

Daltons property late in 2006, just prior to its notice of withdrawal from a farm-in agreement at Daltons following its takeover by Xstrata. The final processed VTEM data indicates over 100 first rank conductors (See Figure 9 below). Many of the conductivity features are associated with ultramafic units, and are prospective for nickel sulphide mineralisation.

A review of the iron ore potential of the Dalton's Joint Venture tenements was initiated using available geological information and VTEM data, with a focus on channel iron style mineralisation, similar to that at Abydos to the west of the Daltons project".

Figure 9: Daltons Area: VTEM (late time conductors) - (Haoma 25%, Giralia 75% and 100% Haoma tenements in black)



7. Tribute Agreement to Mine Dolerite from Cookes Hill (ML 45/1005)

In May 2007, BGC Contracting Pty Ltd commenced mining of Dolerite from Haoma's Cookes Hill lease. The mined material is being used in the construction of the Fortescue Metals Group railway line from the Cloud Break Iron Ore Project to the shipping terminal at Port Hedland. Haoma receives a royalty of 45 cents per tonne of dolerite mined.

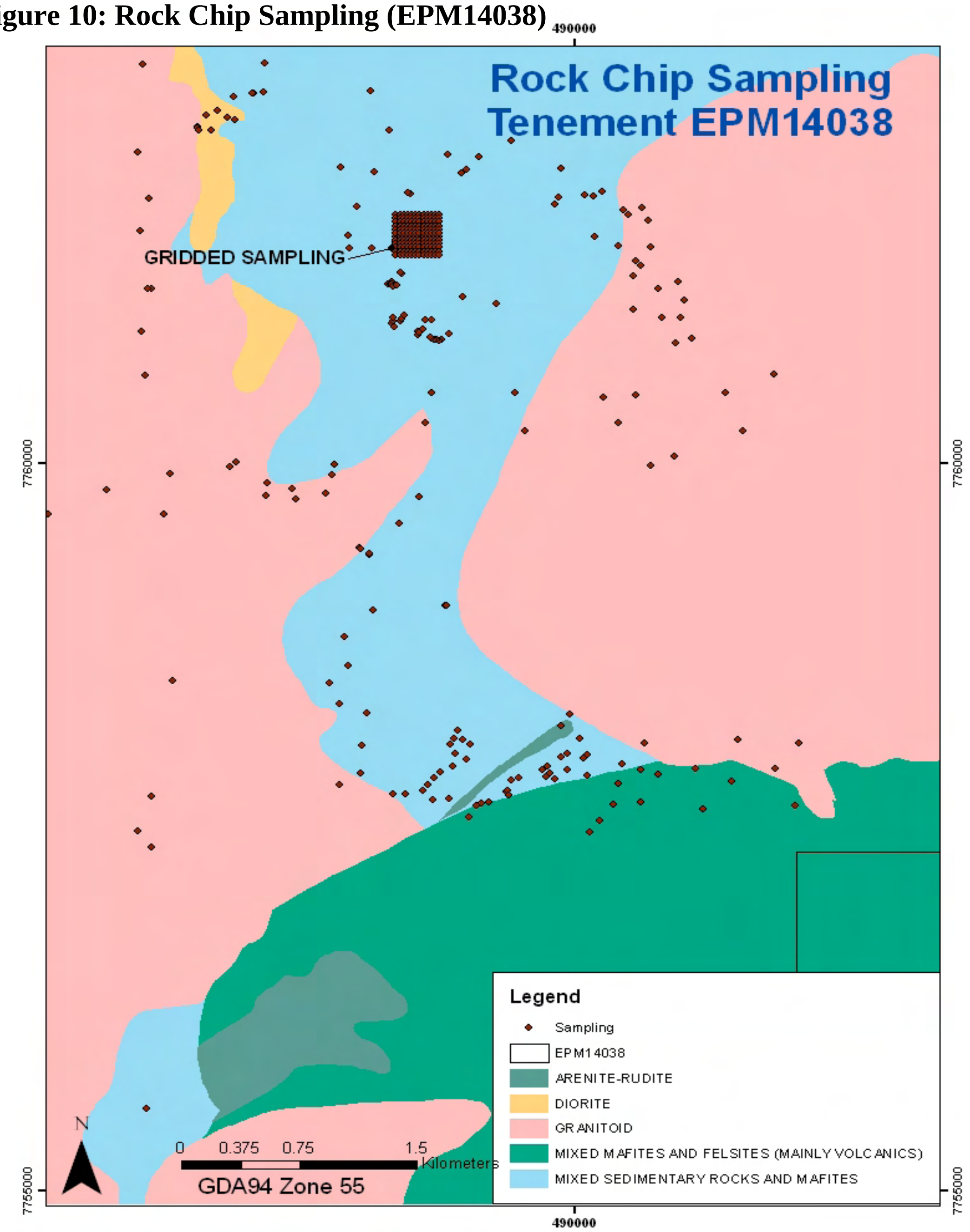
BGC Contracting expects to mine a minimum of 1.0 million tonnes of dolerite over a twelve month period. To the end of September a total of 183,626 tonnes has been mined with Haoma having earned and received royalties of $82,632.

8. Queensland Exploration Activities

Mt Canton Prospect (EPM 14038)

The Mount Canton North Prospect was recently extensively explored during a rock chip sampling programme and included areas to the south east of Mount Canton North and both sides of the Burdekin Dam highway to the Carse O'Gowrie Homestead. A small sector to the south and east of the Carse O'Gowrie Homestead with an area draining from the eastern side of Mount Canton is yet to be sampled. Figure 10 below shows the extensive areas which have been sampled to date.

Figure 10: Rock Chip Sampling (EPM14038)



A grid sampling program was initiated over a previously reported anomalous lead (Pb) sample (Sample R7122 – 1.14% Pb). Results highlighted a **significant Pb and silver (Ag) anomaly (175m x 50m) which is still open to the south west**. In the next year grid sampling will be extended in the south westerly direction. Significant results returned from the sampling program are tabulated in Figure 11 below:

Figure 11: Rock Chip Sample Locations (EPM14038)

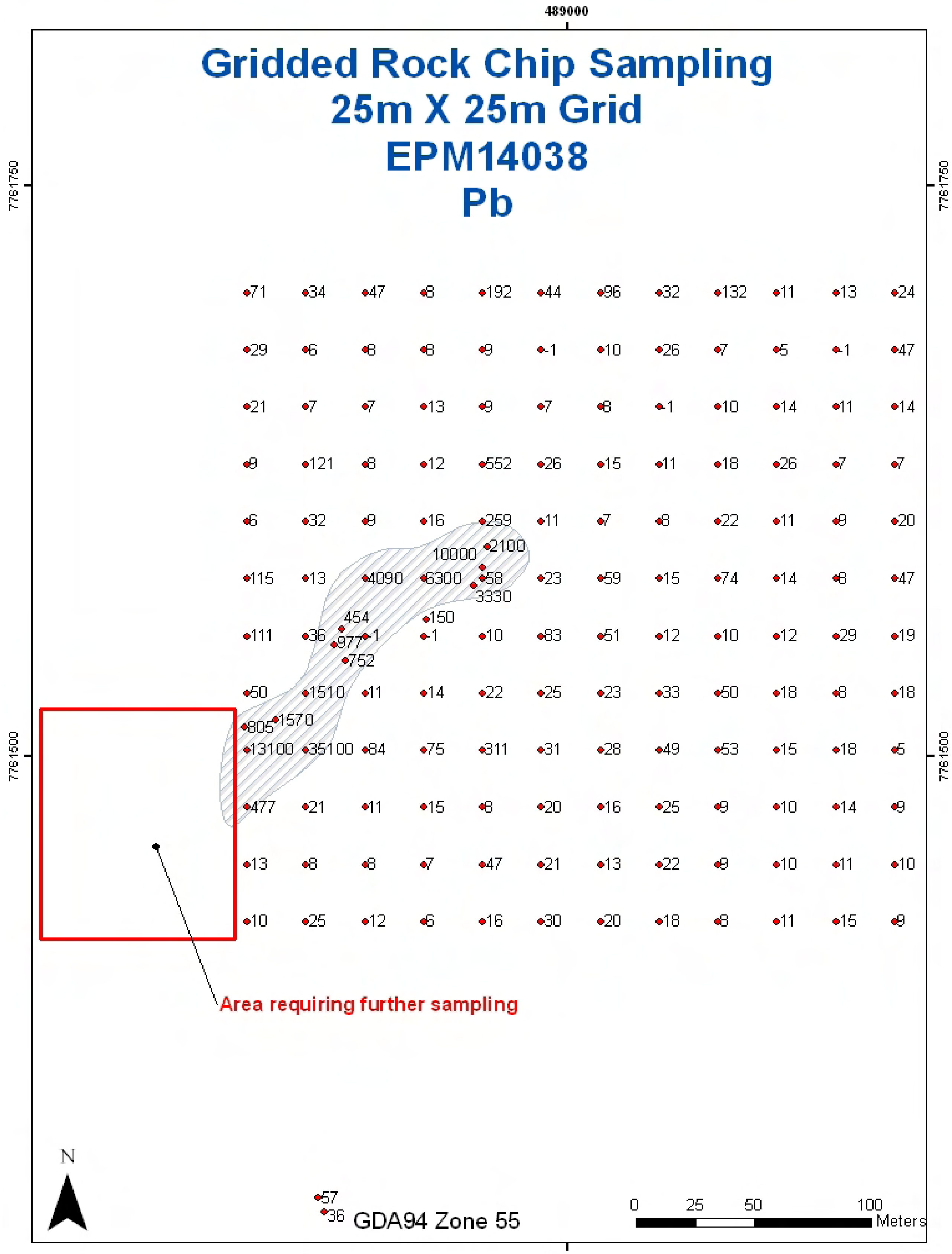


Table 7: Mt Canton – Significant Pb and Ag Results from Rock Chips

Sample Number	GDA Easting	GDA Northing	Au g/t	Ag g/t	As g/t	Cu ppm	Pb ppm	Zn ppm
R7115	488863	7761513	0.00	1	4	114	805	53
R7116*	488876	7761516	0.00	2	-1	103	1,570	26
R7118	488901	7761549	0.00	6	25	271	977	25
R7119	488906	7761542	0.00	6	19	480	752	68
R7121*	488960	7761575	0.01	8	11	276	3,330	139
R7122*	488964	7761583	0.00	16	8	146	11,400	65
R7123*	488966	7761592	0.00	5	7	138	2,100	62
R7163	489309	7762017	0.00	2	69	276	865	626
R6985	488889	7761528	0.00	5	27	32	1,510	32
R6996	488864	7761503	0.00	18	9	784	13,100	158
R6997	488889	7761503	0.06	31	28	501	35,100	101
R6940	488964	7761628	0.00	12	11	285	552	63
R6962	488914	7761578	0.00	3	-1	156	4,090	43
R6963	488939	7761578	0.02	10	8	818	6,300	178

* These samples previously reported in the June 30, 2007 Quarterly Report, see Section 4.3 – Table 7.

Table 7 of exploration results was prepared on October 22, 2007 by Ms Sandra McKenzie who is a Competent Person under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and she consents to the inclusion of the information in the form and context in which it appears. Ms McKenzie is a member of the AIMM and has relevant experience in relation to the exploration activities.

9. Issue of Share Options

At the 2005 Annual General Meeting shareholders approved the issue of 4,900,000 share options to a director, consultants and a number of employees of the company. The share options were open for exercise within a two year period and have an exercise price of 10c per share. None of the options have been exercised. On September 28, 2007 the Board of Haoma resolved to issue further share options to a director, consultants and employees if none of the 2006 options are exercised before the expiry date on November 7, 2007. In total it is proposed to issue 7,150,000 share options at an exercise price of 10c per share. Full details of the option issue along with voting resolutions will be included in the 2007 Annual General Meeting information pack to be sent to shareholders.

Finally, I would like to express the Board's appreciation to all those who have helped during the last 12 months with Haoma's activities in the Pilbara and Ravenswood Districts. In particular, the Boards thanks go to Mr Peter Cole, Prof Peter Scales, Mr Hugh Morgan who have all contributed to solving the Pilbara assay and metallurgical problems. In addition the Board would like to thank Mr Tristin Cole, Mr Steve Wilson, Mr Bob Ward. Mr Evan Emery, Mr Scott Panton and all others who have been involved in re-engineering the Bamboo Creek Plant; our geologist, Ms Sandra McKenzie for her significant contribution in upgrading Haoma's Western Australia and Queensland tenements. And finally Mr Victor Roberts at the Comet Mine and Mr David Toland in Ravenswood.

Gary C. Morgan
Chairman

November 1, 2007

Comet Gold Mine Tourist Centre and Museum, near Marble Bar

HAOMA MINING NL

ANNUAL FINANCIAL STATEMENTS & REPORTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2007

DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors, the Directors' present their report on the company and its controlled entities for the financial year ended June 30, 2007.

DIRECTORS

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

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

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

COMPANY SECRETARIES

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

Jillian S. Jepson CA.(resigned August 31, 2007)
James A. Wallace CA

PRINCIPAL ACTIVITIES

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

OPERATING RESULTS

The consolidated loss of the Economic Entity for the financial year to June 30, 2007, was $7,895,563 (2006 – loss $5,644,806).

DIVIDEND

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

REVIEW OF OPERATIONS AND RESULTS

During the year ended June 30, 2007, Haoma's primary area of activity continued to be exploration, research and development activities at its areas of interest in the Pilbara region of Western Australia and the Ravenswood/Charters Towers district in North Queensland.

Research and investigation work at the company's Processing Plant and Laboratory at Bamboo Creek in the Pilbara Region of Western Australia was ongoing and focused on developing a true assay method for the complex Pilbara gold ores. In conjunction with this research, test-work was extended to determining the best commercially viable method for processing and production of gold from Pilbara ores. All test-work was performed under the supervision of consultants, Mr. Peter Cole, Registered Manager and metallurgical consultant Dr. Peter Scales.

In November 2006, the Bamboo Creek Vat processing facility re-commenced leaching of Kitchener low grade ore. In conjunction with the vat leaching, between October 12, 2006 and January 26, 2007, 31,096 tonnes of similar Pilbara ore types with an average plant feed grade (by Aqua Regia assay) of 0.9g/t gold were processed at the Bamboo Creek Plant. Using the Elazac Assay Method, the grade of the cyanide measured gold was 6.14g/t gold. Results of processing were published in Haoma's Activities Report for the Quarter Ended December 31, 2006 released to the ASX on February 16, 2007.

However, problems associated with the final extraction of gold into "gold bars" and various plant maintenance issues required that the Bamboo Creek Processing Plant be returned to care and maintenance effective from February 12, 2007. This was despite a dedicated workforce, working as a team to overcome operational problems. It is estimated that for the Bamboo Creek Mine to be economically viable, a minimum throughput of 1 million tonnes per year is required.

Significant additional funding is required to improve plant reliability and increase processing capacity to the required level. These funds are unlikely to be available until it can be shown the amount of gold produced from processing different ore parcels through the Bamboo Creek Processing Plant is about the same as measured from Plant samples when subjected to Elazac Assay Method cyanide leach tests in the Bamboo Creek Laboratory or another laboratory.

Haoma continues to pursue other opportunities for development of its interests in Western Australia and Queensland. Ongoing exploration at a number of prospects and other areas of interest in the Pilbara region have yielded some promising results and have been reported in the company's Activities Reports to the ASX. Haoma also continues to maintain an active interest in joint venture activities with other exploration companies.

At Ravenswood in North Queensland, follow-up exploration on a number of tenements containing previously identified prospects were inconclusive. Further investigation of the most promising areas is planned.

FINANCIAL POSITION

The consolidated financial position shows a deficiency of net assets at June 30, 2007 of $17,756,568 (2006 – deficiency $9,861,005). Funding for the company's ongoing operations is presently being provided by Leaveland Pty Ltd. Leaveland is Haoma's principal shareholder and is owned and controlled by Haoma's Chairman, Mr Gary Morgan. Leaveland Pty Ltd has provided an assurance to the Board that it will continue to ensure funds are made available to the company to fund care and maintenance operations for a period of at least 12 months from the date of this report. At the date of this report, Leaveland Pty Ltd has provided in excess of $20 million of financial support to the Group.

In May 2006, Haoma entered into an agreement to sell its Linden tenements to Deepstrike Resources Ltd for $1.5 million. At June 30, 2007 the sale had not been completed although Deepstrike have paid $200,000 of the acquisition price. Consideration for the sale comprises $500,000 cash plus a placement of Deepstrike shares with $1million equivalent value. In addition, Deepstrike have contracted to purchase the Second Fortune Mining Camp at Linden for $275,000 and have paid $50,000 towards that transaction. Completion of both sale transactions is expected to take place in late 2007 or early 2008. The Linden assets are included in the Balance Sheet as assets held for sale.

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, 2007.

EVENTS SUBSEQUENT TO BALANCE DATE

Except for the above disclosures, no other matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Economic Entity, the results of those operations, or the state of affairs of the Economic Entity in future financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

During 2007/08, it is expected that operations at The Bamboo Creek Processing Plant will predominantly be directed to ongoing test-work with the Elazac Assay Method using ores sourced from Haoma's Pilbara areas and the development of commercially viable methods for processing and production of gold from Pilbara ores. While this work is undertaken, the Bamboo Creek Processing Plant will essentially remain on care and maintenance.

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

ENVIRONMENTAL ISSUES

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

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

INFORMATION ABOUT DIRECTORS AND OFFICERS

Gary Cordell **MORGAN**, B.Comm	Chairman
Appointment Date:	May 10, 1991
Experience:	Executive Chairman of Roy Morgan Research Pty Ltd. He is a member of a number of research and marketing organizations.
Interest in Shares and Options:	Indirect and beneficial interest in 128,182,961 shares in Haoma Mining NL via Directorships and interest in Leaveland Pty Ltd, Roy Morgan Research Pty Ltd and G&G Morgan Superannuation Fund.
Directorships held in other listed entities:	Nil
Special Responsibilities:	Nil

John Lachlan Charles **McINNES**, B.Comm, FCA	Non-executive Director
Appointment Date:	May 10, 1991
Experience:	Chartered Accountant and Director in accounting firm Mutual Trust Pty Ltd. He is a Registered Company Auditor and is Chairman of the Company's Audit Committee. Mr. McInnes is also a Director of other companies associated with Haoma's Chairman, Mr. Gary Morgan.
Directorships held in other listed entities:	Trustee of Melbourne and Olympic Parks.
Interest in Shares and Options:	Indirect interest in 126,379,704 shares in Haoma Mining NL via Directorships in Leaveland Pty Ltd and Roy Morgan Research Pty Ltd. Indirect and beneficial interest in 1,500,000 shares in Haoma Mining NL via Directorship and interest in Etonwood Management Pty Ltd. Direct interest in 4,500 shares.
Special Responsibilities:	Chairman of Audit Committee.

Michele **LEVINE**, B.Sc (Hons), Env. St	Executive Director
Appointment Date:	August 8, 1994
Experience:	Director and Chief Executive Officer of Roy Morgan Research.
Directorships held in other listed entities:	Nil
Interest in Shares and Options:	Indirect interest in 4,919,452 shares in Haoma Mining NL via Directorship in Roy Morgan Research Pty Ltd. Indirect and beneficial interest in 1,319,000 shares in Haoma Mining NL via interest in the Levine Family Superannuation Fund and Levine Family Trust. Direct interest in 12,000 shares. Options to acquire 2,000,000 shares.
Special Responsibilities:	Nil

Jill JEPSON B.Ec, CA	Company Secretary
Appointment Date:	February 5, 2005 (Resigned August 31, 2007)
Experience:	Chartered Accountant and CFO of Roy Morgan Research.
Directorships held in other listed entities	Nil
Interest in Shares and Options	Shares – 28,000, and options to acquire 50,000 shares
Special Responsibilities	Nil

James WALLACE B.Ec, CA	Company Secretary
Appointment Date:	November 21, 1997
Experience:	Chartered Accountant
Directorships held in other listed entities	Nil
Interest in Shares and Options	Options to acquire 100,000 shares
Special Responsibilities	Audit Committee

No Director, during or since the end of the financial year, has received or become entitled to receive a benefit by reason of a contract made by the Company or a related body corporate with the Director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest other than as shown in Note 25 (Related Party Information) to the financial statements. During the year Roy Morgan Research Pty Ltd, a company associated with Gary Morgan, Michele Levine and John McInnes provided administrative support and services to the Company. Roy Morgan Research Pty Ltd billed Haoma $130,872 during the year for those services.

REMUNERATION REPORT

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

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

Principles used to determine the nature and amount of remuneration

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

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

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

During the year, there were no alterations or modifications to share-based payment transactions granted as compensation to key management personnel. Details of equity instruments including options and rights over equity instruments provided as compensation to key management personnel including instruments granted, exercised, vested or lapsed during the reporting period are disclosed in Note 22 Share Based Payments.

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

Details of remuneration

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

The Key Management Personnel of Haoma Mining and the Group include all Directors and the General Manager, Mr. Peter Cole.

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. The following Table 1 details remuneration paid to members of the Group Executive for the year ended June 30, 2007.

Table 1: Remuneration of Key Management Personnel

2007		**Short-term benefits**			**Post employment benefits**	**Share based payments**		
Name	**Period of responsibility**	**Salary & Director Fees**	**Bonus**	**Non-Cash Benefits**	**Super**	**Options**	**Total**	**Performance Related**
		$	**$**	**$**	**$**	**$**	**$**	**%**
Executive Directors								
Gary Morgan (*)	Full year	40,000	--	--	--	--	40,000	--
Michele Levine (*)	Full year	40,000	--	--	3,600	--	43,600	--
Non-Executive Director								
John McInnes (*)	Full Year	40,000	--	--	3,600	--	43,600	--
Key Management Personnel								
Peter Cole	Full Year	165,600	--	--	--	--	165,600	--
Total		**285,600**	--	--	**7,200**	**--**	**292,800**	**--**

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

2006		**Short-term benefits**			**Post employment benefits**	**Share based payments**		
Name	**Period of responsibility**	**Salary & Director Fees**	**Bonus**	**Non-Cash Benefits**	**Super**	**Options**	**Total**	**Performance Related**
		$	**$**	**$**	**$**	**$**	**$**	**%**
Executive Directors								
Gary Morgan (*)	Full year	40,000	--	--	--	--	40,000	--
Michele Levine (*)	Full year	40,000	--	--	3,600	26,200	69,800	--
Non-Executive Director								
John McInnes (*)	Full Year	40,000	--	--	3,600	--	43,600	--
Key Management Personnel								
Peter Cole	Full Year	165,600	--	--	--	3,275	168,875	--
Total		**285,600**	--	--	**7,200**	**29,275**	**322,275**	**--**

Service agreements

Remuneration and other terms of employment for the Directors and other Key Management Personnel are formalised in service agreements. The remuneration is not dependent on satisfaction of predetermined performance criteria, however, a bonus can be paid to senior management at the discretion of the Board.

Share based compensation

At the 2005 Annual General Meeting shareholders approved the issue of 2,000,000 share options to Director Michele Levine with an exercise price of $0.10. Shareholders also approved the issue of options to other consultants, employees and officers of the company as detailed in the schedule below. The options were issued in recognition of past efforts.

The non-renounceable options may be converted to an equivalent number of Haoma Mining NL shares subject to continuous performance and Directors' approval.

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

The value of options granted to Directors and Key Management Personnel is the assessed fair value at grant date of the options. Fair values at grant date are determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the share price at grant date, the expected volatility of the underlying share and the expected dividend yield and the risk-free interest rate for the term of the option.

Options are approved for issue by the Board. The options have an exercise price of $0.10 per share and are exercisable on or before November 11, 2007. The options are non-renounceable, hold no voting or dividend rights and are not transferable.

The options expire November 11, 2007. At the date of the report no options had been exercised.

Details of options over ordinary shares in the Company provided to each Officer and Key Management Personnel are set out in the Table 2 below.

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

During the year to June 30, 2007 there were no performance related share based payments or options granted, exercised or lapsed in which any Directors or Key Management Personnel were entitled.

2006	**Options Granted**	**Options Granted as part of remuneration**	**Total remuneration represented by options**	**Options Exercised**	**Options Lapsed (8/8/05)**	**Total**
		$	%	$	$	$
Company Officer						
Michele Levine – Director	2,000,000	26,200	17.4	-	(1,200)	26,200
Jill Jepson - Secretary	50,000	655	-	-	(6,720)	1,310
Jim Wallace – Secretary	100,000	1,310	-	-	(13,440)	1,310
Key Management Personnel						
Peter Cole	250,000	3,275	1.9	-	(33,600)	3,275
	2,400,000	31,095	19.3	-	(134,960)	31,095

For details on the valuation of the options, including models and assumptions used, refer to Note 22 to the financial statements. There have been no alterations to the terms and conditions of options granted in recognition for past services since the grant date.

DIRECTORS' MEETINGS

During the financial year there were five 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:

	Full meetings of Directors	Meetings of Audit Committee
Number of meetings held:	5	2
Number of meetings attended by:		
Mr. G C Morgan	5	-
Ms. M Levine	5	-
Mr. J McInnes	5	2

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 for the year ended June 30, 2007 is included at page 8.

NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services by external Auditor firm, PKF is compatible with the general standard of independence for auditors imposed by the *Corporations Act* 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons;

- the auditors at no time acted in a management or decision making capacity for the company;
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in APES110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethics Standards Boards

The following fees for non-audit services were paid to PKF during the year June 30, 2007.

Taxation Compliance Services: $17,750

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

Gary C. Morgan
Chairman

Melbourne,
September 28, 2007

PKF

Chartered Accountants
& Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF HAOMA MINING NL

As lead auditor for the audit of Haoma Mining NL for the year ended 30 June 2007, I declare that, to the best of my knowledge and belief, there have been:

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

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

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

R A Dean
Partner
PKF
Chartered Accountants

28 September 2007
Melbourne

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CORPORATE GOVERNANCE STATEMENT

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

Unless otherwise disclosed below, best practice recommendations of the Australian Stock Exchange (ASX) Corporate Governance Council have been applied for the entire financial year ended 30 June 2007.

COMPOSITION OF THE BOARD

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

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

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

To ensure the Board is well equipped to discharge it's responsibilities it has established guidelines for the nomination and selection of Directors and for the operation of the Board. The Non-Executive Director is a leader in his field and holds senior positions in other Australian companies.

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

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

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

Accordingly, Haoma does not comply with ASX Corporate Governance Council Best Practice Recommendation 2.1 to 2.4 regarding independence. The relevance of this non-compliance must be considered in light of the fact that entities controlled by Mr. Gary Morgan hold shares in the company representing over 63% of the issued capital. Haoma is not a large company with a broad spread of shareholders. It is a company controlled and managed by Mr. Morgan in which outside shareholders have the opportunity to invest because it has ASX listing. The extent of Mr. Morgan's personal and financial commitment to Haoma is not new and is well known to the market. The overwhelming majority of current shareholders acquired their shares in the full knowledge of that relationship.

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

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

The ASX Corporate Governance Council Best Practice Recommendations recommends that the company has an Audit, Nomination, and Executive Remuneration Committee and in the case of Haoma the members of the Board fulfils that role.

TRADING POLICY

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

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

AUDIT COMMITTEE

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

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

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

TIMELY AND BALANCED DISCLOSURES

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

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

RESPECTING THE RIGHTS OF SHAREHOLDERS

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

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

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

The auditors attend the Annual General Meeting each year.

RISK MANAGEMENT

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

PERFORMANCE EVALUATION

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

Although Haoma does not comply with the ASX Corporate Governance Council Best Practice Recommendation 8 regarding 'performance evaluation', it is considered that the size of the company and the structure of the Board do not necessitate full compliance with this recommendation.

REMUNERATION COMMITTEE

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

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

OTHER INFORMATION

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

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

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

INCOME STATEMENT

FOR THE YEAR ENDED JUNE 30, 2007

	Note	*CONSOLIDATED* 2007 $	2006 $	*PARENT* 2007 $	2006 $
Continuing Operations					
Sale of goods		**77,800**	50,237	**77,800**	50,237
Retail sales		**130,943**	414,793	**130,943**	414,793
Finance revenue		**748**	576	**748**	576
Revenue	3(a)	**209,491**	465,606	**209,491**	465,606
Other income	3(b)	**275,000**	51,860	**275,000**	51,860
Cost of sales		**(499,385)**	(906,667)	**(499,385)**	(906,667)
Test work and plant configuration expenditure		**(4,318,007)**	(1,665,941)	**(4,305,585)**	(1,657,225)
Exploration and tenement costs expensed		**(576,389)**	(702,031)	**(541,201)**	(652,548)
Administration and compliance expense	3(c)	**(533,726)**	(855,363)	**(425,275)**	(777,437)
Finance costs	3(d)	**(1,769,547)**	(1,344,464)	**(1,769,381)**	(1,344,459)
Depreciation and amortisation costs	3(e)	**(618,776)**	(623,616)	**(571,577)**	(576,418)
Allowance for doubtful debts – inter company loan	3(f)	**--**	--	**(115,079)**	(137,239)
Provision for rehabilitation		**(64,224)**	--	**(21,439)**	--
Write down of carrying value of inventory		**--**	--	**--**	--
Impairment of plant and equipment		**--**	--	**--**	--
Share option expense		**--**	(64,190)	**--**	(64,190)
Loss before income tax expense		**(7,895,563)**	(5,644,806)	**(7,764,431)**	(5,598,717)
Income tax expense	4	**--**	--	**--**	--
Net loss attributable to members of the parent entity		**(7,895,563)**	(5,644,806)	**(7,764,431)**	(5,598,717)
Earnings per share (cents per share) - basic loss for the year attributable to ordinary equity holders of the parent	5	**(4.09)**	(2.92)		
Diluted earnings (loss) per share (cents per share)	5	**(4.09)**	(2.92)		

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

BALANCE SHEET
AT JUNE 30, 2007

	Note	CONSOLIDATED 2007 $	CONSOLIDATED 2006 $	PARENT 2007 $	PARENT 2006 $
ASSETS					
Current Assets					
Cash and cash equivalents	7	**24,003**	17,559	**21,753**	7,729
Trade and other receivables	8	**43,579**	57,215	**43,579**	57,215
Inventories	9	**330,544**	427,888	**330,544**	427,888
		398,126	502,662	**395,876**	492,832
Non-Current Assets classified as held for sale	10	**1,525,000**	1,450,000	**1,525,000**	1,450,000
Total Current Assets		**1,923,126**	1,952,662	**1,920,876**	1,942,832
Non-Current Assets					
Other financial assets	11	**--**	--	**--**	--
Property, plant and equipment	13	**1,918,890**	2,326,544	**1,842,763**	2,203,218
Exploration and evaluation	14	**6,035,000**	6,035,000	**5,035,000**	5,035,000
Total Non-Current Assets		**7,953,890**	8,361,544	**6,877,763**	7,238,218
TOTAL ASSETS		**9,877,016**	10,314,206	**8,798,639**	9,181,050
LIABILITIES					
Current Liabilities					
Trade and other payables	16	**1,378,426**	1,270,547	**1,163,316**	1,089,007
Interest bearing loans and borrowings	17	**23,838,023**	16,130,872	**23,838,023**	16,130,872
Provisions	18	**56,006**	15,426	**56,006**	15,426
Income tax payable	19	**685,522**	685,522	**685,522**	685,522
Total Current Liabilities		**25,957,977**	18,102,367	**25,742,867**	17,920,827
Non-Current Liabilities					
Interest bearing loans and borrowings	17	**298,383**	759,842	**298,382**	759,842
Provisions	18	**1,377,224**	1,313,002	**459,113**	437,673
Total Non-Current Liabilities		**1,675,607**	2,072,844	**757,495**	1,197,515
TOTAL LIABILITIES		**27,633,584**	20,175,211	**26,500,362**	19,118,342
NET ASSETS / (LIABILITIES)		**(17,756,568)**	(9,861,005)	**(17,701,723)**	(9,937,292)
EQUITY					
Equity attributable to equity holders of the parent					
Contributed Equity	20	**60,241,791**	60,241,791	**60,241,791**	60,241,791
Reserves	20	**6,247,105**	6,247,105	**5,132,222**	5,132,222
Accumulated Losses	20	**(84,245,464)**	(76,349,901)	**(83,075,736)**	(75,311,305)
TOTAL SHAREHOLDERS' EQUITY/(DEFICIENCY)		**(17,756,568)**	(9,861,005)	**(17,701,723)**	(9,937,292)

The above Balance Sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2007

	Attributable to equity holders of the consolidated group				
CONSOLIDATED	Share Option Reserve	Share Capital	Reserves (note 20)	Accumulated Losses	Total Equity
	$	**$**	$	**$**	$
Balance brought forward June 30, 2005	470,960	59,770,831	6,182,915	(70,705,095)	(4,280,389)
Share options expired	(470,960)	470,960	--	--	--
Share options issued	64,190	--	--	--	64,190
Total income and expense for the period recognised directly in equity					
(Loss) for the period				(5,644,806)	(5,644,806)
Balance at June 30, 2006	64,190	60,241,791	6,182,915	(76,349,901)	(9,861,005)
Share options expired	--	--	--	--	--
Total income and expense for the period recognised directly in equity					
(Loss) for the period	--	**--**	--	(7,895,563)	(7,895,563)
At June 30, 2007	64,190	60,241,791	6,182,915	(84,245,464)	(17,756,568)

	Attributable to equity holders of the parent				
PARENT	Share Option Reserve	Share Capital	Reserves	Accumulated Losses	Total Equity
	$	**$**	$	**$**	$
Balance brought forward June 30, 2005	470,960	59,770,831	5,068,032	(69,712,588)	(4,402,765)
Share options expired	(470,960)	470,960	--	--	--
Share options issued	64,190	--	--	--	64,190
Total income and expense for the period recognised directly in equity					
(Loss) for the period	-	**-**	-	(5,598,717)	(5,598,717)
Balance at June 30, 2006	64,190	60,241,791	5,068,032	(75,311,305)	(9,937,292)
Share options expired	--	--	--	--	--
Total income and expense for the period recognised directly in equity					
(Loss) for the period	--	**--**	**--**	(7,764,431)	(7,764,431)
At June 30, 2007	64,190	60,241,791	5,068,032	(83,075,736)	(17,701,723)

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes, refer to note 20.

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2007

	Note	*CONSOLIDATED*		*PARENT*	
		2007	2006	**2007**	2006
		$	$	**$**	$
Cash flows from operating activities					
Receipts from customers		**77,800**	53,708	**77,800**	53,708
Interest received		**748**	576	**748**	576
Other income		**139,669**	418,822	**136,740**	418,822
Payments to suppliers and employees		**(5,207,436)**	(3,726,448)	**(5,117,203)**	(3,644,419)
Interest paid		**(90,391)**	(122,713)	**(90,225)**	(122,708)
Net cash used in operating activities	7	**(5,079,610)**	(3,376,055)	**(4,992,140)**	(3,294,021)
Cash flows from investing activities					
Purchase of property, plant and equipment		**(211,122)**	(174,923)	**(211,122)**	(174,923)
Proceeds from sale of property, plant and equipment		**200,000**	118,456	**200,000**	118,456
Exploration and development expenditure		**(576,389)**	(702,031)	**(541,201)**	(652,549)
Advances from (to) related entity		**1,000**	--	**(114,078)**	(137,239)
Net cash used in investing activities		**(586,511)**	(758,498)	**(666,401)**	(846,255)
Cash flows from financing activities					
Loan funding from related parties		**6,135,160**	4,593,365	**6,135,160**	4,593,365
Repayment of lease liability		**(462,595)**	(470,463)	**(462,595)**	(470,463)
Net cash provided by financing activities		**5,672,565**	4,122,902	**5,672,565**	4,122,902
Net decrease in cash held		**6,444**	(11,651)	**14,024**	(17,374)
Cash at the beginning of the financial year		**17,559**	29,210	**7,729**	25,103
Cash at the end of the financial year	7	**24,003**	17,559	**21,753**	7,729

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

1 *CORPORATE INFORMATION*

The financial report of Haoma Mining NL for the year ended June 30, 2007 was authorized for issue in accordance with a resolution of the Directors on Friday, September 28th, 2007.

Haoma Mining is a listed public company, incorporated and domiciled in Australia.

2 *STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES*

(a) Basis of Preparation

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

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 measured at its Net Present Value. The financial report is presented in Australian dollars.

(b) Going Concern

The financial statements have been prepared on the basis of the going concern principle. That principle contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. At June 30, 2007, the Economic Group recorded a consolidated loss of $7,895,563 for the year, has total net liabilities of $27,633,584 and negative shareholders equity of $17,756,568.

To support the ongoing operations of the Group, Leaveland Pty Ltd, (Haoma's principal shareholder which is owned and controlled by Mr. Gary Morgan) has provided an undertaking that it will make funds available to the company 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, 2007 the total debt owing in respect of funds provided to Haoma by Leaveland Pty Ltd is $20,315,912. (2006: $14,180,752).

(c) Statement of Compliance

The financial report of Haoma Mining NL as a consolidated group and as an individual parent entity complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto complies with International Financial Reporting Standards (IFRS). The parent entity has elected to apply the relief provided to parent entities in respect of certain disclosure requirements contained in AASSB 132 *Financial Instruments: Disclosure and Presentation*.

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

(d) Principles of Consolidation

The financial report comprises the Economic Group of Haoma Mining NL and its controlled entities, and Haoma Mining NL as an individual Parent Entity. The financial reports of all subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

A controlled entity is any entity controlled by Haoma Mining NL. Control exists where Haoma has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Haoma to achieve the objectives of Haoma. Controlled entities are detailed in Note 12 to the financial statements.

In preparing the financial statements, the financial impact of all inter-company balances and transactions between entities in the economic group during the year have been eliminated. The operating results of controlled entities are included from the date control was obtained or until the date control ceased.

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

(i) Significant accounting judgements

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

Exploration and Mining Lease Commitments

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

(ii) Significant accounting estimates and assumptions

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

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black Scholes model and assumptions detailed in note 22. The Group measures the cost of cash-settled share-based payments at fair value at the grant date taking into account the terms and conditions upon which the instruments were granted (see in note 22).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

(f) Revenue Recognition

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

Other sources of revenue are recognised on the following basis:

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

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

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

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

(g) 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.

(h) Impairment of assets

The Group assesses at each reporting date 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

(i) Foreign Currency Transactions and Balances

Foreign currency transactions are converted to Australian currency at the rate of exchange applicable at the date of each transaction. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date.

The gains and losses from conversion of assets and liabilities, whether realised or unrealised, are recognised as they arise.

(j) Income Tax

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

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

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

Deferred income tax liabilities are recognised for all taxable temporary differences except when:

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

Deferred income tax assets are recognised for all deductible temporary differences, carry forward unused tax assets and unused tax losses, to the extent that it is probable that future taxable profits will be available to utilise the benefit of those deductible temporary differences, carry forward tax credits and tax losses, except when:

- the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, does not affect either accounting profit or taxable income; or
- the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that taxable income will be generated in the foreseeable future against which the temporary difference will reverse.

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

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

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

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

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

(k) Borrowing Costs

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

(m) Inventories

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

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

(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) Property, plant and equipment

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

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 capitalization. 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 assessed on the basis of the expected net cash flows which will be received from the utilization of the assets and subsequent disposal. The expected net cash flows are not been discounted to present values in determining recoverable amounts.

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

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

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

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

(p) Leased Assets – Group as lessee

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

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

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

The gain or loss on a sale and leaseback finance agreement in respect to an asset is considered to be an adjustment to fair value for the asset and is charged as an expense to profit and loss.

(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.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. In October 2005, Haoma commissioned an independent valuation by Golder Associates of the Haoma Mining Group mineral tenements to determine whether the carrying value was appropriate. The value of Exploration and Development expenditure adopted in the June 30, 2007 accounts is based upon a year end review of tenement carrying values using the Golder Valuation report as a reference document. It is not considered that the carrying amounts differ materially from the fair value of these assets at balance date.

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.

(r) Interest in Joint Ventures

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

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

Expenses incurred in common by the joint venture are borne by each joint venturer according to agreed percentages as established in the respective joint venture agreements. Some agreements contain farm-in clauses whereby one or more

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

of the joint venture parties acquires or may increase an ownership interest in a controlled asset by agreeing to fund an initial amount of expenditure.

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

(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 balance date. A current liability is recognised in respect of benefits and entitlements expected to be paid within one year and a non current liability is recognised for benefits and entitlements expected to be paid later than one year.

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

Long service leave and other entitlements expected to be payable later than one year are measured at the present value of the estimated future cash flows to be made for those benefits. In determining the extent of liability, consideration is given 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 Restoration Costs

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

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

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

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

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

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

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

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

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

(y) Impact of new or revised Australian Accountings Standards that are not yet effective

At the date of authorisation of the financial report, the following Standards were in issue but not yet effective:

- AASB 7 "Financial Instruments: Disclosure" (and amendment made to other standards by AASB 2005-10) effective for annual reporting periods beginning on or after January 1, 2007.
- AASB 8 "Operating Segments" effective for annual reporting periods beginning on or after January 1, 2009.

The directors anticipate that the adoption of these Standards in future periods will have no material financial impact on the financial statements of the company or the Group

3 *REVENUES & EXPENSES*

	CONSOLIDATED		*PARENT*	
	2007	2006	**2007**	2006
	$	$	**$**	$
Revenues and expenses from continuing operations				
(a) Revenue				
Gold sales	**74,539**	46,208	**74,539**	46,208
Silver sales	**3,261**	4,029	**3,261**	4,029
	77,800	50,237	**77,800**	50,237
Retail sales	**130,943**	414,793	**130,943**	414,793
Finance revenue – bank interest	**748**	576	**748**	576
	209,491	465,606	**209,491**	465,606
Analysis of finance revenue				
Bank interest received	**748**	576	**748**	576
(b) Other Income				
Net gains on disposal of property, plant and equipment	**275,000**	51,860	**275,000**	51,860
(c) Administration and Compliance expense				
Corporate service costs	**208,658**	232,931	**100,207**	155,005
Legal and Compliance Costs	**194,196**	297,432	**194,196**	297,432
Management Fees	**130,872**	325,000	**130,872**	325,000
	533,726	855,363	**425,275**	777,437
(d) Finance costs				
Director related loan	**1,573,127**	991,599	**1,573,127**	991,599
Bank loans and overdrafts	**84,347**	125,457	**84,347**	125,452
Bank charges	**13,880**	19,209	**13,714**	19,209
Current tax liability	**98,193**	208,199	**98,193**	208,199
	1,769,547	1,344,464	**1,769,381**	1,344,459
(e) Depreciation of non-current assets				
Property, plant and equipment	**305,782**	310,081	**258,583**	262,882
Leased Assets	**312,994**	313,535	**312,994**	313,536
Total depreciation and amortisation costs	**618,776**	623,616	**571,577**	576,418
(f) Allowance for doubtful debt – inter company				
Allowance for doubtful debt - Inter-co loan	**--**	--	**115,079**	137,239
(g) Employee Benefits Expense				
Wages and salaries	**1,113,481**	1,000,332	**1,113,481**	1,000,332
Superannuation	**116,624**	95,067	**116,624**	95,067
Annual Leave	**4,275**	19,862	**4,275**	19,862
	1,234,380	1,117,880	**1,234,380**	1,117,880

4 *INCOME TAX*

	CONSOLIDATED		*PARENT*	
	2007 **$**	2006 $	**2007** **$**	2006 $
The amount provided in respect of income tax differs from the amount prima facie payable on operating profit. The difference is reconciled as follows:				
Operating loss before income tax	**(7,895,563)**	(5,644,806)	**(7,764,431)**	(5,598,717)
Prima facie income tax expense (benefit) calculated at 30% (2006 - 30%)				
- Economic Entity	**(2,368,669)**	(1,693,442)		--
- Parent Entity	**--**	--	**(2,329,329)**	(1,679,615)
- Other Members of the Income Tax Consolidated Group	**--**	--	**(39,340)**	(13,827)
Tax effect of temporary differences: Non-deductible amount related to transactions within tax consolidated group	**--**	--	**--**	--
Tax losses not recognised - Economic Entity	**2,368,669**	1,693,442	**2,368,669**	1,693,442
Income tax expense (benefit) attributable to operating profit	--	--	--	--
Deferred tax assets which have not been brought to account comprise:				
Income tax losses	**9,320,100**	6,851,203		
Other temporary differences	**(1,380,531)**	(1,747,938)		
	7,939,579	5,103,265		

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

The consolidated group has no franking credits available.

This benefit for tax losses will only be obtained if:

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

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

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

5 *EARNINGS PER SHARE*

	CONSOLIDATED	
	2007 **$**	2006 $
Net loss attributable to ordinary equity holders of the parent from continuing operations	**(7,895,163)**	(5,644,806)
Weighted average number of ordinary shares for basic earnings per share	**192,993,655**	192,993,655
Effect of dilution:		
Share options		
Weighted average number of ordinary shares for adjusted for the effect of dilution	**192,993,655**	192,993,655
Weighted average number of converted, lapsed or cancelled potential ordinary shares included in diluted earnings per share.	**--**	--
There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements		
Earnings (loss) per share	**(4.09)**	(2.92)

The weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share and diluted earnings per share was 192,993,655 (2006: 192,993,655).

The loss for the year used in the calculation of basic and diluted earnings per share is $7,895,163 (2006: loss $5,644,806).

As at 30 June 2007 the company has on issued options over unissued capital (refer to note 20). As the exercise of these options would decrease basic loss per share, these options are not considered dilutive.

6 *DIVIDENDS PAID AND PROPOSED*

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

	CONSOLIDATED		PARENT	
	2007	2006	**2007**	2006
	$	$	**$**	$

7 *CASH AND CASH EQUIVALENTS*

(Current)

Reconciliation to Cash Flow Statement				
Cash at bank and in hand	**24,003**	17,559	**21,753**	7,729

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

Reconciliation of net loss after tax to net cash flows from operations

Net Loss	**(7,895,563)**	(5,644,806)	**(7,764,431)**	(5,598,717)
Depreciation / Amortisation				
- Property, Plant and equipment	**618,776**	623,616	**571,577**	576,417
Options expense	**--**	64,190	**--**	64,190
Net profit on disposal of property, plant and equipment	**(275,000)**	(51,860)	**(275,000)**	(51,860)
Capitalised interest - director related loan	**935,436**	991,599	**935,436**	991,599
Capitalised interest – director related entity	**637,691**		**637,691**	
Impairment write-down of capitalised exploration & evaluation assets	**576,389**	702,031	**541,201**	652,548
Allowance for doubtful debts – inter-company loan	**--**	--	**115,078**	137,239
Changes in operating assets and liabilities:				
(Increase) decrease in inventories	**97,344**	154,730	**97,344**	154,730
(Increase) decrease in trade and other receivables	**5,800**	7,500	**5,800**	7,500
(Increase) decrease in prepayments	**7,836**	2,744	**7,836**	2,744
(Increase) decrease in deferred tax asset	**--**	--	**--**	--
(Decrease) increase in deferred tax liability	**--**	--	**--**	--
(Decrease) increase in trade and other creditors	**106,878**	(193,999)	**73,309**	(190,146)
(Decrease) increase in provisions	**104,803**	(31,800)	**62,019**	(40,265)
Net cash used in operating activities	**(5,079,610)**	(3,376,055)	**(4,992,140)**	(3,294,021)

8 *TRADE AND OTHER RECEIVABLES*

(Current)

Trade and other receivables	**43,579**	49,379	**43,579**	49,379
Prepayments	**--**	7,836	**--**	7,836
	43,579	57,215	**43,579**	57,215
Related bodies corporate:				
Kitchener Mining NL	**--**	--	**3,826,148**	3,711,070
Allowance for doubtful debt	**--**	--	**(3,826,148)**	(3,711,070)
	43,579	57,215	**43,579**	57,215

9 *INVENTORIES*

(Current)

Stores of consumables and spare parts	**330,544**	427,888	**330,544**	427,888

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

	CONSOLIDATED		PARENT	
	2007	2006	**2007**	2006
	$	$	**$**	$

10 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

(Current)

	CONSOLIDATED 2007 $	CONSOLIDATED 2006 $	PARENT 2007 $	PARENT 2006 $
Mining leases and property held for sale	**1,525,000**	1,450,000	**1,525,000**	1,450,000
Opening Balance	**1,450,000**	--	**1,450,000**	--
Transfer from Exploration & Evaluation expenditure	**--**	1,500,000	**--**	1,500,000
Second Fortune Mining Camp	**275,000**	--	**275,000**	--
Deposit received	**(200,000)**	(50,000)	**(200,000)**	(50,000)
	1,525,000	1,450,000	**1,525,000**	1,450,000

Held for Sale Assets consists of Linden tenements located in the Eastern Goldfields Region of Western Australia. These include tenements E39/293, E39/379, E39/428, M39/385, M39/386, M9/387, M39/500, M39/629, M39/650, M39/780, M39/781, M39/782, M39/794, M39/785, P39/2974 and P39/2976. Haoma Mining executed a Contract for Sale of these assets to Deepstrike Resources Ltd in May 2006. A Deed of Variation was signed January 9, 2007 to include the sale of the Second Fortune Mining Camp. The camp is located on the Linden tenements.

Deposit and progress payments of the sale price totaling $250,000 have been received to June 30, 2007. The balance of the consideration comprising $525,000 cash and $1,000,00 shares is due under a ongoing payment installment program and when Deepstrike Resources successfully complete an initial capital raising and attain admission to the Australian Stock Exchange main board.

11 OTHER FINANCIAL ASSETS

(Non-current)

	CONSOLIDATED 2007 $	CONSOLIDATED 2006 $	PARENT 2007 $	PARENT 2006 $
Controlled Entities - Unlisted securities at cost	**--**	--	23,204,784	23,204,784
Less accumulated impairment	**--**	--	(23,204,784)	(23,204,784)
	--	--	**--**	--

12 CONTROLLED ENTITIES

(Non-current)

Investment In Controlled Entities	**Country of Incorporation**	**Percentage Owned**	Percentage Owned
		2007	2006
Parent Entity		%	%
Haoma Mining NL	Aust	-	-
North West Mining NL	Aust	100	100
Exploration Geophysics Pty Ltd	Aust	100	100
Kitchener Mining NL	Aust	100	100
Shares held by Kitchener Mining NL			
- Bamboo Creek Management Pty Ltd	Aust	100	100

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

13 *PROPERTY, PLANT & EQUIPMENT*

	CONSOLIDATED			*PARENT*		
	Plant & Equipment **$**	Leased Assets $	Total $	Plant & Equipment **$**	Leased Assets $	Total $
(Non-current)						
Year ended June 30, 2006						
At June 30, 2007						
Cost or fair value	5,501,120	2,098,217	7,599,337	2,486,200	2,098,217	4,584,417
Accumulated depreciation	(4,816,484)	(863,963)	(5,680,447)	(1,877,691)	(863,963)	(2,741,654)
Net carrying amount	684,636	1,234,254	1,918,890	608,509	1,234,254	1,842,763
At June 30, 2006						
Cost or fair value	5,289,998	2,098,217	7,388,215	2,275,078	2,098,217	4,373,295
Accumulated depreciation	(4,510,702)	(550,969)	(5,061,671)	(1,619,108)	(550,969)	(2,170,077)
Net carrying value	779,296	1,547,248	2,326,544	655,970	1,547,248	2,203,218
Balance at July 1, 2006	779,296	1,547,248	2,326,544	655,970	1,547,248	2,203,218
Additions	211,122	--	211,122	211,122	--	211,122
Disposals	--	--	--	--	--	--
Depreciation / Amortisation	(305,782)	(312,994)	(618,776)	(258,583)	(312,994)	(571,577)
Balance at June 30, 2007	684,636	1,234,254	1,918,890	608,509	1,234,254	1,842,763
Balance at July 1, 2005	926,841	1,864,993	2,791,834	756,313	1,864,993	2,621,306
Additions	174,923	--	174,923	174,923	--	174,923
Disposals	(12,384)	(4,209)	(16,593)	(12,384)	(4,209)	(16,593)
Depreciation / Amortisation	(310,084)	(313,536)	(623,620)	(262,882)	(313,536)	(576,418)
Balance at June 30, 2006	779,296	1,547,248	2,326,544	655,970	1,547,248	2,203,218

14 *EXPLORATION & EVALUATION*

	CONSOLIDATED		*PARENT*	
	2007 **$**	2006 $	**2007** **$**	2006 $
(Non-Current)				
Opening balances at July 1	**6,035,000**	7,535,000	**5,035,000**	6,535,000
Additions	**576,389**	702,031	**541,201**	652,548
Transfer to Assets classified as held for sale (Note 10)	**--**	(1,500,000)	**--**	(1,500,000)
Impairment write down	**--**	--	**--**	--
Exploration and evaluation costs written off	**(576,389)**	(702,031)	**(541,201)**	(652,548)
Carrying amount at the end of the year	**6,035,000**	6,035,000	**5,035,000**	5,035,000

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

		CONSOLIDATED		*PARENT*	
		2007	2006	**2007**	2006
		$	$	**$**	$

15 *INTANGIBLES*

(Non-current)				
Goodwill on consolidation	**18,867,536**	18,867,536	--	--
Accumulated impairment	**(18,867,536)**	(18,867,536)	--	--
Net carrying amount	**--**	--	--	--

16 *TRADE AND OTHER PAYABLES*

(Current)				
Trade creditors & accruals	**294,193**	639,911	**259,083**	578,371
Other creditors	**554,855**	377,136	**554,855**	377,136
	849,048	1,017,047	**813,938**	955,507
Related party payables				
Director's fees payable to Director related entities	**360,000**	240,000	**180,000**	120,000
Amount payable to Roy Morgan Research Centre	**154,878**	--	**154,878**	--
Elazac Mining Pty Ltd	**14,500**	13,500	**14,500**	13,500
	1,378,426	1,270,547	**1,163,316**	1,089,007

17 *INTEREST BEARING LOANS AND BORROWINGS*

(Current)	Maturity				
Amount due to Director related entity	> 1 year	**20,315,912**	--	**20,315,912**	--
Accrued interest – Director related entity	> 1 year	**637,691**	--	**637,691**	--
Amount due to director (unsecured)	> 1 year	**--**	14,180,752	**--**	14,180,752
Accrued interest – Director loan	> 1 year	**2,382,597**	1,447,161	**2,382,597**	1,447,161
Amounts due under Hire purchase contracts (note 21)	1 to 2 years	**501,823**	502,959	**501,823**	502,959
		23,838,023	16,130,872	**23,838,023**	16,130,872
(Non-current)					
Amounts due under Hire purchase contracts (note 21)	1.5 years	**298,383**	759,842	**298,383**	759,842
		298,383	759,842	**298,383**	759,842

18 *PROVISIONS*

(Current)				
Provision for employee benefits	**56,006**	15,426	**56,006**	15,426
(Non-current)				
Provision for rehabilitation costs	**1,377,204**	1,313,002	**459,113**	437,673

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2007

	CONSOLIDATED		*PARENT*	
	2007	2006	**2007**	2006
	$	$	**$**	$

19 *TAX LIABILITIES*

(Current)				
Income Tax	**685,522**	685,522	**685,522**	685,522

20 *CONTRIBUTED EQUITY & RESERVES*

Contributed Equity				
Ordinary shares - 192,993,655	**59,770,831**	59,770,831	**59,770,831**	59,770,831
Share options	**470,960**	470,960	**470,960**	470,960
	60,241,791	60,241,791	**60,241,791**	60,241,791
Ordinary shares - Issued and fully paid	**59,662,124**	59,662,124	**59,662,124**	59,662,124

The company does not have a limited authorised capital and issued shares have no par value.

Options

i. For information relating to the Consolidated Entity's option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end , refer to Note 22 Share Based Payments.

ii. For information relating to share options issued to Key Management Personal during the year, refer to Note 22..

Reserves				
Capital profits	**6,178,490**	6,178,490	**5,063,607**	5,063,607
Forfeited shares	**4,425**	4,425	**4,425**	4,425
Share option reserve	**64,190**	64,190	**64,190**	64,190
Reserves Total	**6,247,105**	6,247,105	**5,132,222**	5,132,222

(a) Capital profits reserve				
Opening Balance	**6,178,490**	6,178,490	**5,063,607**	5,063,607
Movements during the year	**--**	--	**--**	--
Closing Balance	**6,178,490**	6,178,490	**5,063,607**	5,063,607

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

(b) Forfeited Shares				
Opening Balance	**4,425**	4,425	**4,425**	4,425
Movements during the year	**--**	--	**--**	--
Closing Balance	**4,425**	4,425	**4,425**	4,425

The forfeited share reserve records the forfeit of shares.

(c) Share option reserve				
Opening Balance	**64,190**	470,960	**64,190**	470,960
Movements during the year	**--**	(406,770)	**--**	(406,770)
Closing Balance	**64,190**	64,190	**64,190**	64,190

The share option reserve records the value of the options issued and lapsed.

Accumulated Losses				
Balance at July 1	**(76,349,901)**	(70,705,095)	**(75,311,305)**	(69,712,588)
Net loss for the year	**(7,895,563)**	(5,644,806)	**(7,764,731)**	(5,598,717)
Accumulated losses at the end of the year	**(84,245,464)**	(76,349,901)	**(83,075,736)**	(75,311,305)

	CONSOLIDATED		*PARENT*	
	2007	2006	**2007**	2006
	$	$	**$**	$

21 *COMMITMENTS & CONTINGENCIES*

HP and Finance Leases				
Capital Items Leased				
Mining Equipment	**2,098,217**	2,098,217	**2,098,217**	2,098,217
(Payable - Minimum lease payments)				
Lease and Hire Purchase Commitments Payable				
- Within one year	**555,846**	581,757	**555,846**	581,757
- After one year but not more than five years	**298,787**	809,443	**298,787**	809,443
Minimum lease payments	**854,633**	1,391,200	**854,633**	1,391,200
Less future finance charges	**(54,427)**	(128,399)	**(54,427)**	(128,399)
Present value of minimum lease payments	**800,206**	1,262,801	**800,206**	1,262,801
Current liability	**501,823**	502,959	**501,823**	502,959
Non-current liability	**298,383**	759,842	**298,383**	759,842
	800,206	1,262,801	**800,206**	1,262,801

(i) Exploration & expenditure commitments

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

Within one year	**1,996,284**	2,014,742	**1,747,070**	1,766,997
After one year but not more than five years	**5,028,078**	5,053,426	**4,137,065**	4,147,556
Longer than five years	**3,607,542**	4,545,004	**3,607,542**	4,340,253
	10,631,904	11,613,172	**9,491,677**	10,254,806

Expenditure on tenements will only be incurred where the Consolidated Entity believes that future expenditure can be recovered from either sale or future mining operations.

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

(ii) Financial support for controlled Entity

The Parent Entity has provided a "letter of support" in respect of the financial support to its controlled entity, Kitchener Mining NL. Total Kitchener Mining NL liabilities at June 30, 2007 was $4,959,370 (2006: $4,767,940)

21 *COMMITMENTS & CONTINGENCIES (continued)*

Contingent Liabilities
Native Title

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

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

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

Management Fee

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

Bank Guarantee
The entity has in place guarantees of $385,000 (2006: $385,000) relating to rehabilitation requirements on its tenements.

22 *SHARE BASED PAYMENTS*

Employee & Consultants Share Options

The following share based payment arrangements existed at June 30, 2007

On January 31, 2006 the Consolidated Entity issued 4,900,000 Share Options to nominated employees, consultants and a director of the Consolidated Entity. The Share Options entitle the holder to take up the same number of ordinary shares at an exercise price of $0.10 each. The options are exercisable on or before November 11, 2007. The options are non-renounceable, hold no voting or dividend rights and are not transferable. At balance date, the 4,900,000 share options were un-exercised.

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

The model inputs for options granted during the year ended 30 June 2006 included:

(a) Options are granted to nominated employees, consultants and director at a strike value of $0.10
(b) Exercise price $0.10
(c) Grant date: January 31, 2006
(d) Expiry date: November 11, 2007
(e) Share price at grant date: $0.041
(f) Expected price volatility of the Company's shares: 2%
(g) Risk free interest rate: 7.5%
(h) Vested Date: January 31, 2006

	CONSOLIDATED		*PARENT*	
	2007	2006	**2007**	2006
	$	$	**$**	$
Share options issued	**-**	64,190	**-**	64,190

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

22 *SHARE BASED PAYMENTS (continued)*

	CONSOLIDATED				PARENT			
	2007		2006		**2007**		2006	
	Number of Options	**Weighted Average Exercise Price $**	Number of Options	Weighted Average Exercise Price $	**Number of Options**	**Weighted Average Exercise Price $**	Number of Options	Weighted Average Exercise Price $
Outstanding at the beginning of the year	**4,900,000**	**0.10**	4,900,000	0.10	**4,900,000**	**0.10**	4,900,000	0.10
Granted	**--**	**0.10**	4,900,000	0.10	**--**	**0.10**	4,900,000	0.10
Forfeited	**--**	**--**	--	--	**--**	**--**	--	--
Exercised	**--**	**--**	--	--	**--**	**--**	--	--
Expired	**--**	**0.10**	4,900,000	0.10	**--**	**0.10**	4,900,000	0.10
Outstanding at year-end	**4,900,000**	**0.10**	4,900,000	0.10	**4,900,000**	**0.10**	4,900,000	0.10
Exercisable at year-end	**4,900,000**	**0.10**	4,900,000	0.10	**4,900,000**	**0.10**	4,900,000	0.10

23 *AUDITORS REMUNERATION*

	Note	CONSOLIDATED **2007** **$**	2006 $	PARENT **2007** **$**	2006 $
Remuneration of the auditor of the Economic Entity:					
- auditing and reviewing the financial accounts		**37,000**	41,500	**37,000**	41,500
- taxation services		**17,750**	63,422	**17,750**	63,422
Total Remuneration		**54,750**	104,922	**54,750**	104,922

24 *SEGMENT INFORMATION*

(a) Business segments
The Economic Entity operates predominantly in the minerals sector. Operations comprised exploration, evaluation, development and mining.

(b) Geographical segments
The Economic Entity operates exclusively in Australia.

25 *RELATED PARTY INFORMATION*

Directors
The name of each person holding the position of Director of Haoma Mining NL during the financial year is:
Gary Cordell Morgan,
Michele Levine, and
John Lachlan Charles McInnes.
All of these persons were directors at 30 June 2007.

Director-Related Parties
Roy Morgan Research Pty Ltd is a company of which Mr. Morgan, Mrs. Levine and Mr. McInnes are Directors. Mrs. Levine is also the Chief Executive Officer.
The Roy Morgan Research Centre Pty Ltd is a company of which both Mr. Morgan and Mr. McInnes are Directors.
Elazac Mining Pty Ltd is a company of which Mr. Morgan and Mr. McInnes are Directors.
Leaveland Pty Ltd is a company of which both Mr. Morgan and Mr. McInnes are Directors.
Elazac Pty Ltd is a company of which both Mr. Morgan and Mr. McInnes are Directors.
Mrs. Genevieve Morgan is the spouse of Mr. Gary Morgan.

Other transactions with Directors and Director-Related Entities – Parent Entity
During the year Roy Morgan Research Pty Ltd provided significant administrative support and services to Haoma Mining NL. That support is continuing. Roy Morgan Research charged a management fee of $130,872 for those services (2006: $325,000)

Funding for the company's ongoing operations is presently being provided by Leaveland Pty Ltd. Leaveland is Haoma's principal shareholder and is owned and controlled by Haoma's Chairman, Mr. Gary Morgan. In February 2007, Leaveland acquired the debt owed to Gary and Genevieve Morgan by Haoma in respect to funding provided to the company to that date. To June 30, 2007 the total funding provided by Leaveland, including the debt acquired is $20,315,913 (2006: $ 14,180,753). The Board of Haoma previously approved payment of interest on funds advanced by Mr. Morgan or entities associated with him at the 30 day commercial bill rate plus a 2% margin. The interest accrues but will not be paid until such time as the Board determines that the company is in a financial position to commence interest payments. During the year to June 30, 2007, interest accrued on the funds advanced by Mr Morgan and then Leaveland was $1,573,127 (2006: $991,599)

Further information about Director related payables is disclosed in Notes 16 and 17

Related Party Transactions – Economic Entity
On April 6, 1993 an agreement was reached between Kitchener Mining NL, Leaveland Pty Ltd and Elazac 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, 2006 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.

During the year Haoma Mining NL advanced funds to Kitchener Mining NL of $115,079 (2006: $137,240). No interest has been charged for the financial year ended June 30, 2007 (2006: interest charged $nil). The balance payable at June 30, 2007 was $3,826,148 (2006: $3,711,070) and has been fully provided against.

25 *RELATED PARTY INFORMATION (continued)*

	Note	CONSOLIDATED 2007 $	2006 $	PARENT 2007 $	2006 $

Key Management Personnel Compensation

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

	Consolidated 2007 $	Consolidated 2006 $	Parent 2007 $	Parent 2006 $
Short term employee benefits	285,600	285,600	285,600	285,600
Post employment benefits	7,200	7,200	7,200	7,200
Other long-term benefits	--	--	--	--
Termination benefits	--	--	--	--
Share based payment	--	29,275	--	29,275
	292,800	**322,275**	**292,800**	**322,275**

26 *FINANCIAL INSTRUMENTS*

(a) Interest Rate Risk

The Economic Entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

(i) Financial Assets **30 June 2007**

Financial Instruments	Floating Interest Rate $	Non-interest bearing $	Total amount as per balance sheet $
Cash	24,003	--	24,003
Receivables – Other	--	43,579	43,579
Total financial assets	24,003	43,579	67,582
Weighted Av. Interest Rate	1.25%		

(ii) Financial Liabilities

	Floating Interest Rate $	Fixed interest rate maturing in: 1 year or less $	Over 1 to 5 years $	Non-interest bearing $	Total Amount as per balance sheet $
Trade creditors and accruals	--	--	--	624,193	624,193
Other creditors	--	--	--	584,855	584,855
Amounts due to related parties	23,336,200	--	--	169,378	23,505,578
Hire Purchase	800,206	--	--	--	800,206
Total financial liabilities	24,136,406	--	--	1,378,426	25,514,832
Weight Av. Interest Rate	8.1%				

26 *FINANCIAL INSTRUMENTS (continued)*

(i) Financial Assets **30 June 2006**

Financial Instruments	Floating Interest Rate	Non-interest bearing	Total amount as per balance sheet
	$	$	$
Cash	17,559	--	17,559
Receivables - Other	--	57,215	57,215
Total financial assets	17,559	57,215	74,774
Weighted Av. Interest Rate	1.55%		

(ii) Financial Liabilities

	Floating Interest Rate	Fixed interest rate maturing in: 1 year or less	Over 1 to 5 years	Non-interest bearing	Total Amount as per balance sheet
	$	$	$	$	$
Trade creditors and accruals	--	--	--	639,912	639,912
Other creditors	--	--	--	390,635	390,635
Amounts due to Directors	15,627,913	--	--	--	15,627,913
Hire Purchase	1,262,801	--	--	--	1,262,801
Total financial liabilities	16,890,714	-	-	1,030,547	17,921,261
Weight Av. Interest Rate	7.82%				

(b) Net Fair Values of financial Assets and Liabilities

The carrying amount of each financial asset and liability as recognised in the balance sheet is considered to be equivalent to the net fair value

(c) Credit Risk Exposure

The maximum credit risk exposure for each class of financial assets is represented by the carrying amounts of the class of asset.

(d) Financing Facilities Available

At reporting date, the following financing facilities have been negotiated and were available:

Total facilities				
- Business Visa Card	**15,000**	15,000	**15,000**	15,000
-Revolving lease/hire purchase	**800,206**	1,391,200	**800,206**	1,978,085
Facilities used at reporting date				
- Business Visa Card	**942**	3,149	**942**	1,957
-Revolving lease/hire purchase	**800,206**	1,391,200	**800,206**	1,978,085
Facilities unused at reporting date				
- Business Visa Card	**14,058**	11,851	**14,058**	13,043
-Revolving lease/hire purchase	**--**	--	**--**	--

Directors' Declaration

The Directors of Haoma Mining NL
declare that:

1. the financial statements and notes as set out on pages 12 to 38 are in accordance with the Corporations Act 2001 and:
   (a) comply with Accounting Standards and Corporations Regulations and,

   (b) give a true and fair view of the financial position of the Company and Economic Entity as at 30 June 2007 and of their performance for the year ended on that date;

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

3. 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 28th, 2007

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

PKF
Chartered Accountants
& Business Advisers

Report on the Financial Report

We have audited the accompanying financial report of Haoma Mining NL, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes 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.

We have also audited the remuneration disclosures contained in the directors' report. As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), as required by Accounting Standard AASB 124 Related Party Disclosures under the heading "remuneration report" within the directors' report and not in the financial report.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, the financial report of the consolidated entity, comprising the financial statements and notes, complies with International Financial Reporting Standards, but that the financial report of the company does not comply.

Auditor's Responsibility

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

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

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

Independence

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

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PKF
Chartered Accountants
& Business Advisers

Auditor's 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 company's and consolidated entity's financial position as at 30 June 2007 and of its performance for the year ended on that date; and

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

(b) the consolidated financial statements and notes also comply with International Financial Reporting Standards, except where the company has elected to apply the relief provided to parent entities in respect of certain disclosure requirements contained in AASB 132 "Financial Instruments: Disclosure and Presentation".

Auditor's Opinion on the AASB 124 Remuneration Disclosures Contained in the Directors' Report

In our opinion the remuneration disclosures that are contained in the directors' report and identified as being subject to audit comply with Accounting Standard AASB 124.

PKF

PKF
Chartered Accountants

R A Dean
Partner

28 September 2007
Melbourne

STOCK EXCHANGE - ADDITIONAL INFORMATION

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

A. 20 Largest Shareholders as at August 31, 2007

Shareholders	Number of Shares #	%
Leaveland Pty Ltd	121,420,252	62.91
WMC Ltd	10,000,000	5.18
Roy Morgan Research Pty Ltd	4,919,452	2.55
ANZ Nominees Ltd	2,123,912	1.10
Gary and Genevieve Morgan	1,843,257	0.96
Etonwood Management Pty Ltd	1,500,000	0.78
Liliana Teofilova	1,500,000	0.78
PYC Investments Pty Ltd	1,410,000	0.73
Joseph and Michele Levine	1,319,000	0.68
Sandra Stuart Curwen	1,108,650	0.57
Modvet Pty Ltd	1,014,666	0.53
Edwin Leigh Davies	1,000,000	0.52
J. Van Beelen	900,000	0.47
Zodiac Capital Ltd	736,409	0.38
Ianaki Semerdziev	679,061	0.35
Harry Cooper	600,000	0.31
Sandra & Charles Curwen	587,350	0.30
Leigh Imbesi	584,000	0.30
Kalambur Anantharaman	570,000	0.30
HSBC Custody Nominees (Australia) Ltd	509,014	0.26
	154,325,023	**79.96**

B. Substantial Shareholders

Name	Number of Shares	Class of Share
Leaveland Pty Ltd	121,420,252	Ordinary
WMC Ltd	10,000,000	Ordinary

C. Distribution of Equity Securities

(i). Ordinary shares issued by Haoma Mining NL

Range of Shares held	# of Shareholders
1 - 1,000	670
1,001 - 5,000	881
5,001 - 10,000	322
10,001 - 100,000	498
100,001 - and over	95
Total	**2,466**

(ii) There were 1,930 holders of less than a marketable parcel of 13,889 ordinary shares.

(iii) The twenty largest shareholders hold between them 79.96% of the issued capital.

D. Class of Shares and Voting Rights

The Parent Entity's 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 Stock Exchange Limited.

STOCK EXCHANGE - ADDITIONAL INFORMATION

F. Mining Tenement Summary

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

(i) Pilbara, Western Australia

Bamboo Creek	M45/885 M45/874 M45/1153 M45/1154 M45/1155 M45/1156 P45/2342 P45/2097 G45/51
Blue Bar	M45/591 M45/796 M45/906
Copenhagen	M45/682 P45/2391
Lalla Rookh	M45/442
Marble Bar	M45/982 M45/985 M45/515 M45/607 E45/1273 E45/1869 E45/1913 E45/2041 M45/981
North Pole	L45/86 M45/302 M45/328 M45/329 E45/2532
North Shaw	M45/1009 E45/2188 E45/2189 E45/2784 L45/60
Spear Hill	M45/980
Tabba Tabba	P45/2311
Yundamindra	P39/4525 P39/4526 P39/4527 E39/1232

(ii) Linden, Western Australia

Golden Ridge M26/534

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

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

Pilbara, Western Australia

Apex	M45/705 P45/2133
20oz Gully	M45/840 M45/869 P45/2227 P45/2301 P45/2329 P45/2330 P45/2336
Bamboo Creek	M45/723 M45/781
Big Stubby	M45/57 M45/284 M45/453 M45/554
Blue Bar	M45/702 M45/724 P45/2125 P45/2127 P45/2226
Comet	G45/21 M45/14 M45/16 M45/385 M45/438 M45/459 M45/459 M45/478 L45/4 L45/12 L45/37
Cookes Hill	M45/1031 M45/1032 M45/1033 M45/1034 M45/1035 M45/1036 E45/1562
Coongan	M46/160
Copper Hills / Stirling	G45/36 M45/238 M45/346 M45/357
Copenhagen	M45/240
Coronation	M45/672 M45/857 P45/2333
Fieldings Gully	M45/521
Lalla Rookh	M45/648 M45/649
Lionel	M46/43 M46/44
Marble Bar	M45/589 M45/618 M45/678 M45/679 M45/706 M45/774 M45/851 M45/927 M45/1028 M45/1029 P45/2231 P45/2275 P45/2356
McKinnon	M45/490 M45/606 M45/873
Mercury Hill	M45/588 M45/773
Mustang	M45/680 M45/731 M45/747 P45/2134 P45/2250 P452251 P45/2269 P45/2288 P45/2331
Nickol River	M47/87 M47/127 M47/401 M47/421 M47/435 M47/455 M47/577 G47/538
North Pole	M45/395 M45/514 M45/650 M45/651 M45/665 M45/733 M45/734 E45/2191
Salgash	M45/848 M45/849 M45/850
Sharks Gully	M45/758 M45/692
Soansville	M45/748 M45/780 M45/847 P45/2292 P45/2293 P45/2294 P45/2295 P45/2296 P45/2297 P45/2298
Tassie Queen	M45/76 M45/235 M45/296 M45/297 M45/655 M45/795
Warrawoona	M45/547 M45/671 M45/824 P45/2316

Wyman Well	M45/823	E45/1249	P45/2317

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

i) Bamboo Creek, Western Australia

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

(ii) Ravenswood, Queensland

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

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

North Shaw Western Australia	E45/2186	E45/2187

(e)

Linden Tenements under agreement for sale to Deepstrike Resources

E39/ 293	E39/379	E39/428	P39/2974	P39/2975	P39/2976	L39/12	L19/13	L39/14
M39/255	M39/385	M39/386	M39387	M39/629	M39/649	M39/650	M39/780	M39/781
M39/782	M39794	M39/795	M39/500					

Above: Bamboo Creek tailings.

Below: Bamboo Creek flotation circuit.

RAB drilling at Cookes Hill, June 2007.

BGC Contracting mining Dolerite on Haoma's Cookes Hill lease.

Gold Bar produced from test work at Bamboo Creek, October 2007.

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