HAOMA MINING NL

ANNUAL REPORT

JUNE 30, 2021

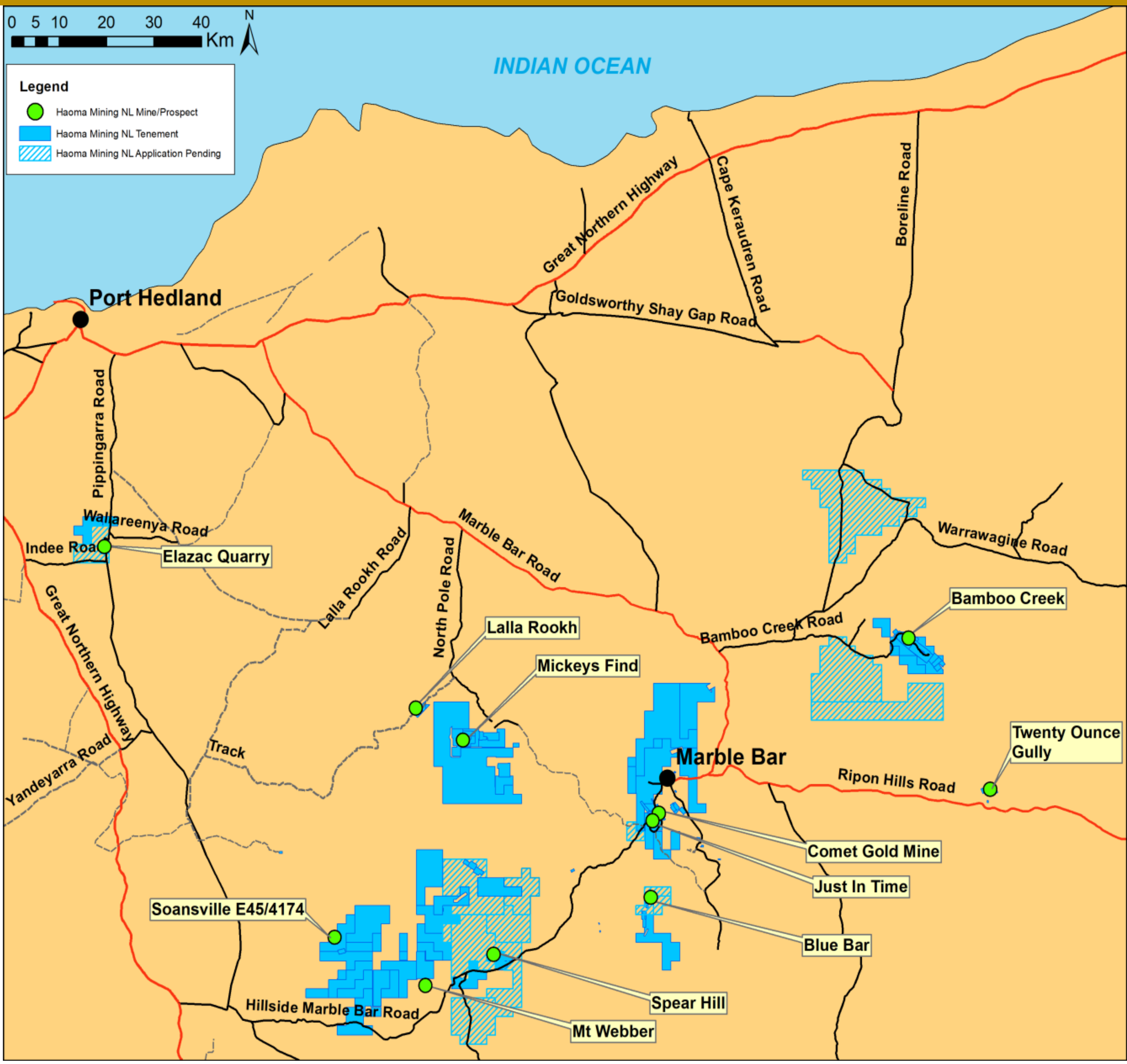

Figure 1: Location map of Haoma Mining NL Pilbara mining tenements

Directors
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Michele Levine, B.Sc (Hons), Env.St.
W. Timothy Carr Ingram

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James A Wallace, CA

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South Hedland, WA, 6440

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Ravenswood, Queensland 4816

Comet Mine Site
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Principal Bankers
Westpac Banking Corporation

Share Registry
PrimaryLedger Pty Limited
PO Box R697
Royal Exchange
Sydney NSW 1225

Auditors
BDO
Collins Square, Tower Four
Level 18
727 Collins Street
Melbourne, Victoria 3008

Solicitors
William Murray
Level 11, 379 Collins Street
Melbourne, Victoria 3000

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, iron ore, rare earths, lithium and other minerals, and utilise the most effective exploration and recovery techniques to extract minerals in the most efficient way with a strong commitment to health, safety and the environment.

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

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

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

CONTENTS

ANNUAL GENERAL MEETING

The Annual General Meeting of the members of Haoma Mining NL is to be held at:

Tonic House
Basement
386 Flinders Lane
Melbourne, Australia.
Wednesday March 16, 2022
Commencing at 9.30am.

All shareholders are encouraged to attend. Light refreshments will be available to members and guests following the meeting. A Notice of Meeting and proxy form will be mailed to shareholders.

CHAIRMAN'S REVIEW & REPORT ON OPERATIONS

1. Financial results

The financial statements for the Year to June 30, 2021 show that Haoma Mining recorded a consolidated loss of $4.68 million. The result is after expensing $1.85 million of costs associated with research and test work, interest charges of $0.85 million, depreciation and impairments of $0.42 million and rehabilitation provisions of $1.5 million.

My family investment company, The Roy Morgan Research Centre Pty Ltd, has continued to provide the funding needed for Haoma to conduct its research and development activities. The Haoma financial reports show the costs to date have been extensive and while revenues from activities are improving there is a current deficiency in net assets. At June 30, 2021 the direct funding of Haoma by The Roy Morgan Research Centre Pty Ltd was recorded at $45.75 million. Notional interest provided for in the financial statements but not yet credited on that debt is $38.6 million. These amounts do not include my family's equity investment.

2. Haoma's activities in Western Australia

2.1 Elazac Process test work on bulk samples of Mt Webber Iron Ore, Bamboo Creek Tailings and Spear Hill Tailings

2.1.1 Haoma's Elazac test work on two bulk samples of Mt Webber Iron Ore

1) On September 15, 2021, shareholders were advised that test work was conducted on **three separate bulk samples of 'goethite ore'** collected from the Dalton's 'Northern Zone' (Daltons North and Daltons Ridge, known as 'Lookout Point') north of the current Mt Webber mine pit. (Haoma believes the current **iron ore resource in the 'Northern Zone'** is **about 3+ million tonnes of lower grade 'goethite ore', (See Table 2 below).**

   Haoma's tests recovered **gold dore** from smelting the 'fines' fraction (<0.85mm) separated after crushing the three bulk samples to 10mm. The quantity of the **'fines <0.85mm'** fraction recovered varied for each of the three samples depending on the % Fe in each sample and whether the sample contained mainly 'large rocks' or 'fines' – in total about 3.4% of the bulk samples collected were <0.85mm fines.

   The gold grade in each sample varied. The average gold grade was 21.16g/t based on gold dore recovered from each of the three samples of 'fines <0.85mm' – obviously a significant result.

2) In December 2021 a **29.7kg sample** was selected from the **95 tonnes o**f **Mt Webber 'low grade iron ore' on the Bamboo Creek pad.** The 29.7kg sample was crushed to 10mm, mixed in water and the <0.85□m 'fines' fraction extracted (10.835kg, 36.38% of the 29.7kg sample).

   The Bamboo Creek test-work resulted in the recovery of **a Precious Metal Concentrate** (from the **extracted 'fines <0.85mm' fraction from Mt Webber iron ore) without smelting –** analyses by XRF measured:

   - **33.73% iron,**
   - **2.02% gold, and**
   - **6.59% PGM (Platinum Group Metals)**.

   The 'back calculated' gold grade of the 'fines <0.85mm' fraction was 28.48g/t gold.

2.1.2 Elazac Process test work on bulk samples of Bamboo Creek Tailings and Spear Hill Tailings

Since October 13, 2021, similar tests as conducted on **'fines <0.85mm' fraction from Mt Webber 'low grade iron ore'** were conducted in the Bamboo Creek Laboratory on samples of:

- 1.47kg of **Bamboo Creek Tailings,** and
- 16.8kg of **Spear Hill Tailings.** (See Haoma Mining Shareholder Report, June 15, 2021 and Update, September 15, 2021.)

Precious metal concentrates were recovered without smelting, the following XRF grades were measured in each concentrate sample recovered:

1. Bamboo Creek Tailings 'fines <0.75mm', concentrate recovered:

- **11.3% iron,**
- **0.69% gold, and**
- **9.21% PGM (Platinum Group Metals)**.

The 'back calculated' gold grade of the Bamboo Creek Tailings 'fines <0.75mm' was 13.86g/t gold.

2. Spear Hill Tailings, concentrate recovered:

- **43.57% iron,**
- **2.89% gold,**
- **6.50% PGM (Platinum Group Metals), and**
- **0.58% Rubidium, and**
- **10.4% Rare Earths**.

The 'back calculated' gold grade of Spear Hill Tailings was 80.72g/t gold.

Figure 1: Bamboo Creek Processing Plant, Pilbara WA.

Haoma has recently completed the **acquisition of machinery and equipment** needed to commence gold production at the Bamboo Creek Processing Plant. At present there are trucking delays caused by a shortage of available carriers to move equipment from Perth to Bamboo Creek.

While there are good water storage facilities at Bamboo Creek there has been no significant 'rains' during the current wet season. For this reason, nearby bore-fields are being upgraded to increase the supply of water.

2.2 Haoma's Mt Webber JV with Atlas Iron and Haoma's Iron Ore areas in the Pilbara

Haoma's geological management has been re-assessing all prior iron ore drilling data from the Daltons tenement (now M45/1197) where the Mt Webber iron ore mine is operated by Atlas Iron (owned by Hancock Prospecting).

Iron ore is mined from M45/1197 by Atlas Iron while Haoma receives a royalty and owns all other metals. (See details in Haoma's Shareholder Update of September 15, 2021.

Haoma's future royalty is based on the Excess Reserve over 24.37 million tonnes of the combined amount of remaining reserve and tonnes mined. The uplift payment per Excess Reserve is currently \$1.63 per tonne (\$1.38 indexed by CPI from the Sale Agreement date of March 23, 2012).

Haoma recently obtained from the **WA Department of Mines and Petroleum** the ***Atlas Iron, April 2015 Technical Annual Report for the period ending March 29, 2015***, covering M45/1197 (Atlas owned), E45/2922, E45/4474 & E45/4176 and numerous other tenements (all 100% Haoma owned) near the Mt Webber Mine (M45/1197).

While Atlas had previously provided Haoma with the 2014 Daltons North (M45/1197) shallow RC drilling data, the information Atlas provided to Haoma **excluded the LOI (Loss on Ignition) results!**

Haoma's re-assessment work included a re-tabulation of drill hole data using **an iron ore 'cut-off' grade >40% Fe. Table 1** below shows examples of wide intersections from 2014 Drill Hole assays from Haoma's **E45/2292** using an iron ore 'cut-off' grade >40% Fe **without LOI results**.

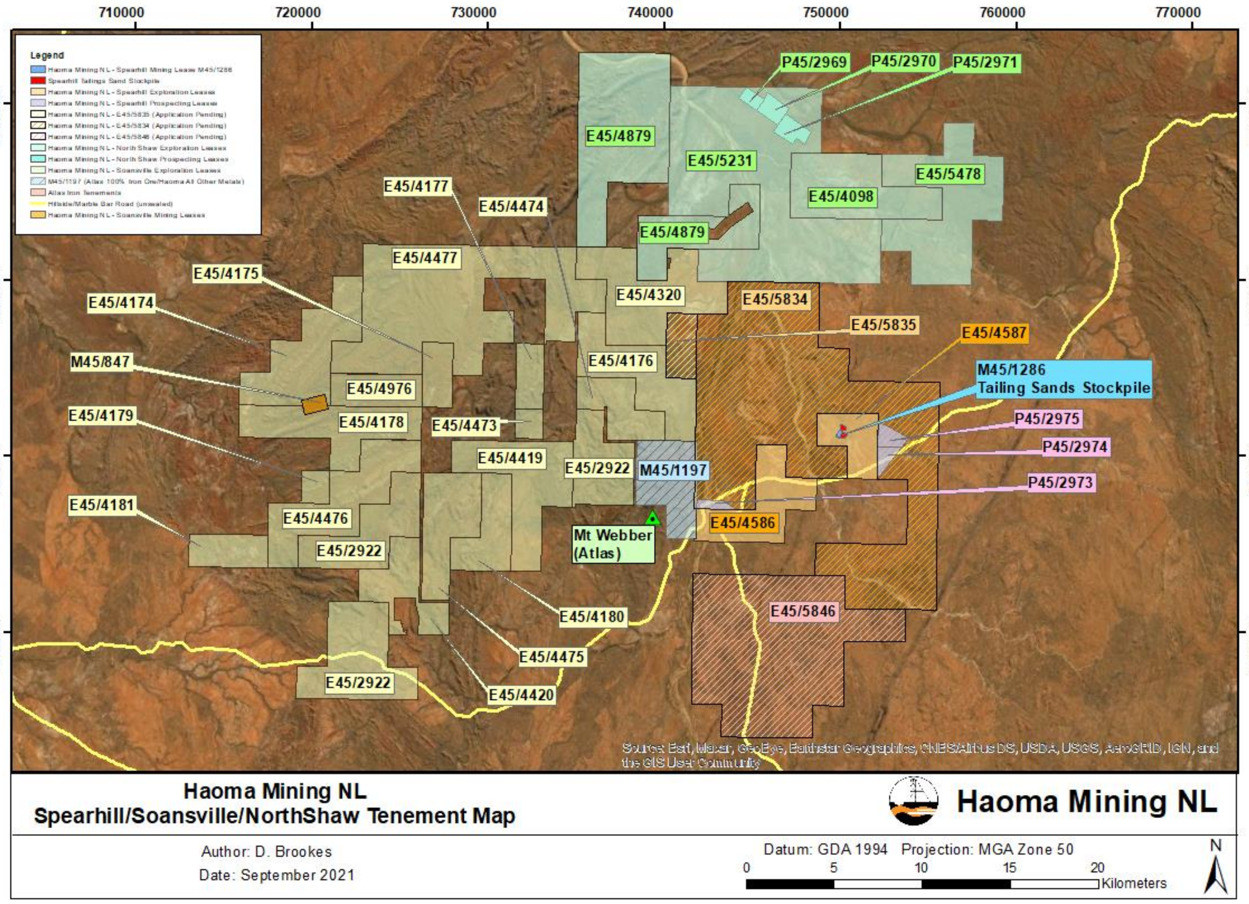
			Average Grade Over Intersection									
HoleID	Depth From (m)	Depth To (m)	Fe%	SiO2%	Al2O3%	TiO2%	CaO%	P%	S%	MgO%	MnO	Na2O%
MWRC1246	16	96	43.52%	31.56	1.05	0.05	0.03	0.04	0.05	0.06	0.4	0.02
MWRC1248	0	10	50.30%	16.16	4.11	0.12	1.27	0.12	0.02	0.17	0.01	0.06
MWRC1248	28	44	41.53%	39.02	1.34	0.03	0.02	0.05	0.03	0.03	0.05	0.01
MWRC1249	0	22	51.18%	20.05	0.95	0.02	0.01	0.05	0.08	0.03	0.2	0.01
MWRC1249	28	40	41.20%	39.91	1.52	0.06	0.03	0.02	0.05	0.04	0.03	0.01
MWRC1249	44	74	40.51%	36.81	0.87	0.04	0.04	0.01	0.09	0.08	0.98	0.02
MWRC1250	0	14	44.97%	29.62	1.8	0.06	0.17	0.09	0.04	0.16	0.02	0.03
MWRC1253	0	96	42.34%	33.66	1.18	0.05	0.08	0.03	0.04	0.07	0.47	0.03

Table 1: E45/2292 2014 Drill Hole intersections using an iron ore 'cut-off' grade >40%.

In Haoma's Shareholder Update of September 15, 2021, shareholders were advised of **Haoma's** current Indicated Iron Ore Resource estimates covering M45/1197 (including Mt Webber) and the surrounding areas to Soansville – see **Figure 2** below.

Location of Haoma's current Iron Ore Resource estimates - Mt Webber Region to Soansville	Potential Resource
'Waste Dump' at Mt Webber (M45/1197), available to Haoma when Atlas advises they will not be processing or exporting the iron ore content.	4+mt
North of the current Mt Webber Mine (M45/1197) at 'Lookout Point'. (Drilled and reported to Haoma by Giralia and Atlas prior to June 2018.)	3+mt
Below the current Mt. Webber Mine Pit (M45/1197) from which about 24mt of iron ore has been mined and sold by Atlas Iron to September 2021.	4+mt
Indicated Resources on **Haoma Mining 100% owned tenements** covering from outside **Mt Webber (**M45/1197) to **Soansville** (Based on drill hole and sampling data collected by Giralia and Atlas prior to June 2018)	6+mt
Total	**17+mt**

Table 2: Haoma's current Indicated Iron Ore Resource estimates – covering Mt Webber Region to Soansville.



<u>Figure 2:</u> Haoma Mining tenements held and applied for in the East Pilbara Region that adjoin or are near the Atlas Iron Mt Webber iron ore mine on M45/1197, including:

- **Mt Webber – E45/2922,**
- **Soansville/Hillside Project Tenement Group (C283/1997) - E45/4174, E45/4175, E45/4176, E45/4177, E45/4178, E45/4179, E45/4181, E45/4320, E45/4419, E45/4420, E45/4473, E45/4474, E45/4475, E45/4476, E45/4477, E45/4976, M45/847 and P45/3140, and**
- **Spear Hill Tenement Group (C145/2016) - M45/1286 (under application), E45/4586, E45/4587, E45/5834 (under application), E45/5835 (under application), and E45/5846 (under application).**

Because information in Table 1 above showed wide intersections of iron ore Haoma then prepared a complete updated analysis of previous Daltons North (M45/1197) drilling data **using an Fe 'cut off'of >40%** instead of >50%. (See **Table 3** below.)

Hole ID	GDA Easting	GDA Northing	Total Depth (m)	Depth From (m)	Depth To (m)	Fe %	Al2O3 %	K20 %	MgO %	MnO %	Na2O %	P %	S %	SiO %	TiO %	LOI %
MWRC1177	738959	7618759	118	14	30	53.4	3.1	0.0	0.1	0.2	0.0	0.2	0.0	9.5	0.2	10.2
MWRC1178	738921	7618687	118	38	106	48.8	4.1	0.0	0.0	0.1	0.0	0.1	0.0	15.6	0.2	9.5
MWRC1179	738513	7619076	76	0	18	54.7	1.6	0.0	0.0	0.0	0.0	0.0	0.0	10.4	0.1	9.1
MWRC1192	738565	7618998	52	0	14	52.4	3.8	0.1	0.1	0.0	0.0	0.0	0.0	9.9	0.3	10.4
MWRC1195	738712	7619099	40	0	10	52.9	6.4	0.0	0.1	0.1	0.0	0.1	0.0	6.1	0.4	10.7
MWRC1200	738795	7619557	90	0	38	45.1	1.2	0.0	0.1	0.6	0.0	0.6	0.0	24.8	0.0	8.5
MWRC1201	738864	7619518	82	0	22	55.3	1.3	0.0	0.1	0.4	0.0	0.4	0.0	8.8	0.0	9.9

Hole ID	GDA Easting	GDA Northing	Total Depth (m)	Depth From (m)	Depth To (m)	Fe %	Al2O3 %	K20 %	MgO %	MnO %	Na2O %	P %	S %	SiO %	TiO %	LOI %
MWRC1203	738889	7619587	76	0	10	51.1	2.5	0.1	0.1	0.9	0.0	0.9	0.0	11.7	0.1	10.7
MWRC1204	738870	7619607	70	0	30	44.9	1.8	0.0	0.1	0.2	0.0	0.2	0.0	27.4	0.1	5.9
MWRC1205	738736	7619399	70	0	10	52.6	1.8	0.1	0.1	2.2	0.0	2.2	0.0	10.4	0.1	9.7
MWRC1206	738714	7619417	46	20	34	41.9	0.6	0.0	0.0	1.0	0.0	1.0	0.0	31.0	0.0	7.0
MWRC1208	738817	7619453	46	0	22	52.5	2.1	0.0	0.0	0.2	0.0	0.2	0.0	13.3	0.1	8.8
MWRC1210	738775	7619524	58	0	14	48.6	2.1	0.1	0.0	1.8	0.0	1.8	0.0	18.2	0.0	7.9
MWRC1211	738809	7619505	46	0	44	43.0	1.1	0.0	0.0	0.5	0.0	0.5	0.0	28.5	0.0	8.0
MWRC1212	738842	7619483	52	0	42	47.7	1.7	0.0	0.1	0.5	0.0	0.5	0.0	20.2	0.1	8.8
MWRC1214	738832	7619582	60	0	22	47.8	1.7	0.1	0.1	0.4	0.0	0.4	0.0	19.6	0.1	9.3
MWRC1215	738856	7619569	58	0	20	52.6	1.4	0.0	0.0	0.5	0.0	0.5	0.0	12.2	0.0	10.2
MWRC1216	738879	7619555	70	0	24	54.4	1.4	0.0	0.1	0.4	0.0	0.4	0.0	8.7	0.0	10.6
MWRC1219	738732	7619451	70	14	36	47.2	0.8	0.0	0.0	0.1	0.0	0.1	0.0	22.7	0.0	8.6
MWRC1220	738671	7619539	64	0	24	52.0	2.1	0.1	0.3	1.5	0.1	1.5	0.0	9.1	0.2	11.3
MWRC1221	738710	7619511	76	0	26	42.0	0.8	0.0	0.0	0.6	0.0	0.6	0.0	30.7	0.0	7.4
MWRC1222	738743	7619489	82	0	40	49.8	2.2	0.0	0.0	0.5	0.0	0.5	0.0	16.1	0.1	9.6
MWRC1223	738882	7619503	88	0	18	47.4	1.3	0.0	0.0	0.1	0.0	0.1	0.0	23.1	0.1	7.2
MWRC1238	738532	7619110	64	0	32	46.6	5.3	0.0	0.1	0.1	0.0	0.1	0.0	17.4	0.3	9.3

Table 3: Atlas 2014 - ML 45/1197, Daltons North drilling assays using Fe cut off greater than 40%. Figure 4 below includes LOI readings for all samples shown.

Over the last nine months Directors have become aware that Haoma's Pilbara tenements could be of considerable value as assays from 'shallow' drilling and sampling across **ML 45/1197 and Haoma's** many nearby tenements show a large number contain **goethite (FeO+H_2O) with LOI, 8%-11%, and low impurities (aluminum and manganese oxide/asbestos).**

On October 13, 2021 Haoma Shareholders were advised (https://haoma.com.au/wp-content/uploads/2021/10/Haoma-Mining-NL-Shareholder-Update-October-13-2021.pdf) that recent 'smelting research' showed that when '**goethite' (say 10%)** was blended with **say 20% 'magnetite' and 70% 'hematite' then 'just gas' and 'no coking coal' was needed to produce 'Green steel'.**

*"The Mt Webber tenement and Haoma's many nearby tenements (now held 100% by Haoma) contain significant quantities of 'goethite' iron ore (FeO (H_2O)) which is usually of a lower iron ore grade than 'hematite' but contains fewer impurities and has a higher LOI (Loss on Ignition) of between 7% and 10% - **these features of 'goethite' mean that when blended with say 20% 'magnetite' and 70% 'hematite' the 'combined' iron ore mix can be smelted by an 'induction furnace' using just gas and no coking coal – resulting in low CO_2 emissions and 'Green steel'!"***

The lower cut off understandably shows **significantly more goethite iron ore** is available. (See Figure 4 below – ***'Mt Webber JV – Haoma Hillside E45-2922 & M45-1197 – Drilling Summary Map.'***)

Data shown in **Table 6** of the ***Atlas Iron, April 2015 Technical Annual Report for the period ending March 29, 2015*** lists for Daltons North (M45/1197) the following small **Indicated Resource** based on the shallow drilling and an Fe 'cut-off' >50%:

- **467,774t of Fe 55.05%,**
- **LOI average 8.12%, and**
- **low XRF readings for % MnO, % MgO & % Al_2O_3.**

In addition, Haoma's management knows from recent test work that **'wet beneficiation'** (after crushing 'goethite' to 10mm), which **extracts the '<0.85μm' fraction,** results in the **% Fe grade in the remaining iron ore (about two thirds) to be about 5% higher than the initial overall % Fe grade.** (See Haoma Shareholders Update, September 15, 2021)

Haoma understands there are **additional costs in using 'wet beneficiation'** to increase the % Fe grade in about two-thirds of goethite iron ore.

2.3 Atlas Iron results from RC exploration drilling at Daltons North and Daltons Ridge on M45/1197

Since Haoma's Shareholder update sent to shareholders on February 3, 2022, Haoma on February 21, 2022 received from Atlas Iron the following results of RC exploration drilling at Daltons North and Daltons Ridge on M45/1197. (See Table 4 below.)

The latest results will be used by Atlas in their model to estimate the iron ore resource at Daltons North and Daltons Ridge, north of the current Mt Webber Mine (M45/1197). The location of proposed additional RC drilling is shown in Figure 3 below.

HOLEID	From	To	Total	Fe	SiO2	Al2O3	P	LOI
MWRC1309	2m	18m	16m@	58.75	4.51	2.55	0.12	7.85
MWRC1310	2m	20m	18m@	57.02	8.2	1.42	0.11	7.3
MWRC1311	0m	11m	11m@	60.39	4.07	1.42	0.04	7.05
MWRC1312	0m	20m	20m@	53.05	11.68	3.34	0.1	8.2
MWRC1317	0m	10m	10m@	57.69	6.56	2.25	0.11	8.31

Table 4: Shallow mineralistion intercepts - Daltons North & Daltons Ridge Prospects (Jan 2022).

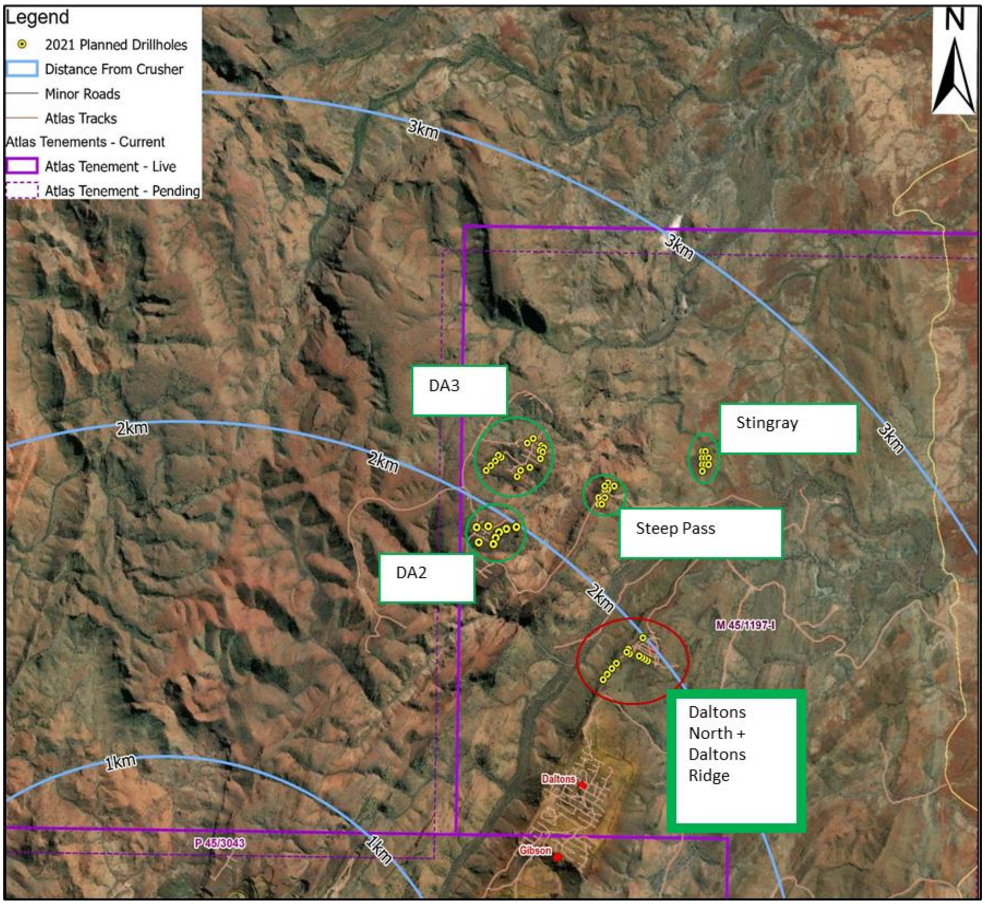


Figure 3: **Daltons North and Daltons Ridge sample locations.**

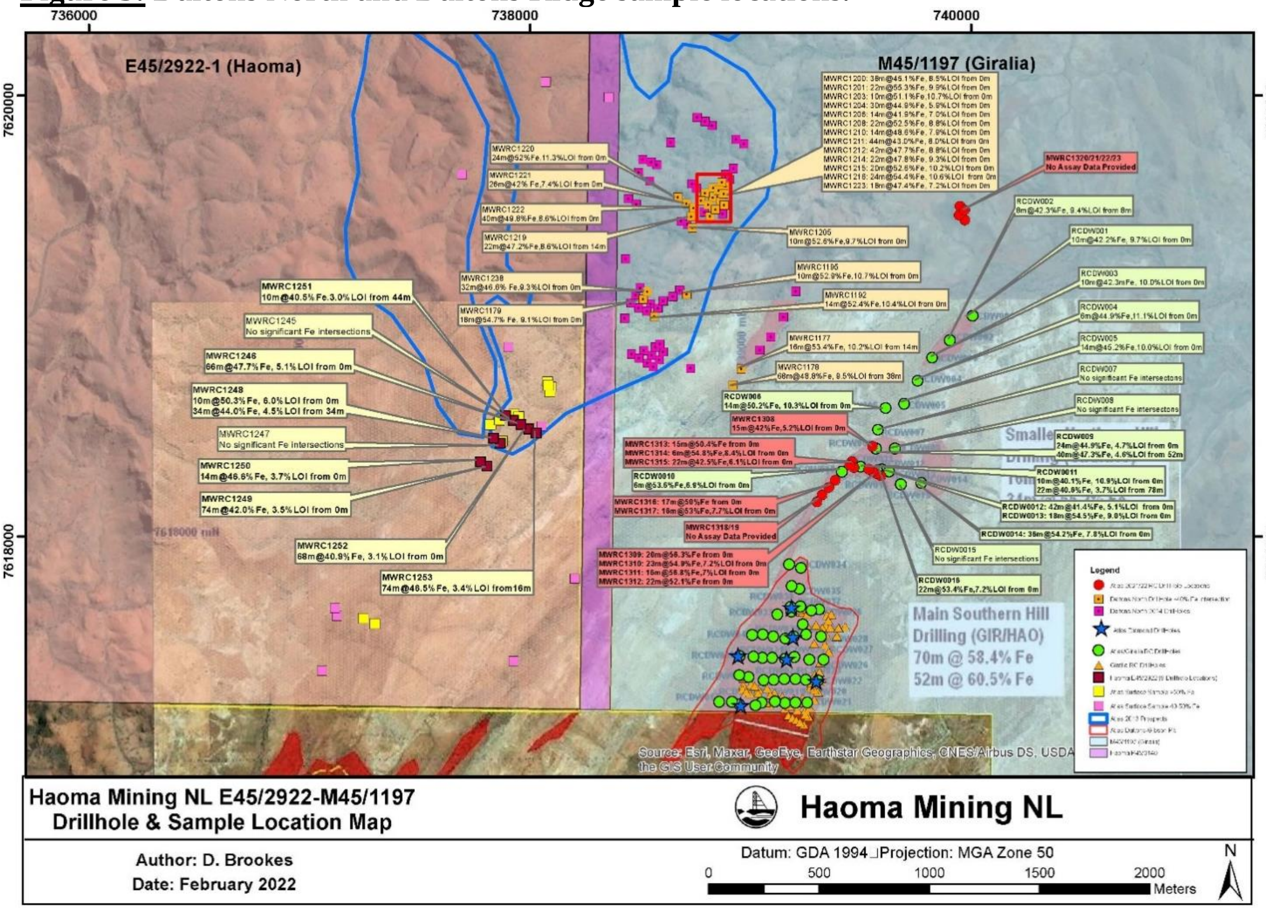


Figure 4: **Mt Webber JV– Haoma Hillside E45-2922 & M45-1197 – Drilling Summary Map including LOI for all samples and recent Daltons North and Daltons Ridge assay results (in red).**

2.4 USA National Academy of Science 'quote' covering Goethite

Haoma has become aware that the USA National Academy of Science released the following '**quote'** in November 2021. Haoma is also aware that Japanese refiners are working to replicate the findings below, it is also believed the Chinese have been in 'this space' since 2017.

Significant 'Quote'

We found at high pressure–temperature (P-T) that the goethite FeO_2H transforms to P-phase FeO_2 via a two-step dehydrogenation process. First it releases some hydrogen to form P-phase FeO_2Hx, and then it continuously releases the remaining hydrogen through prolonged heating. This work provides an important example that the dehydration reaction changes to dehydrogenation of FeO_2H at the lower mantle conditions and the cycles of hydrogen and water become separated.

Results

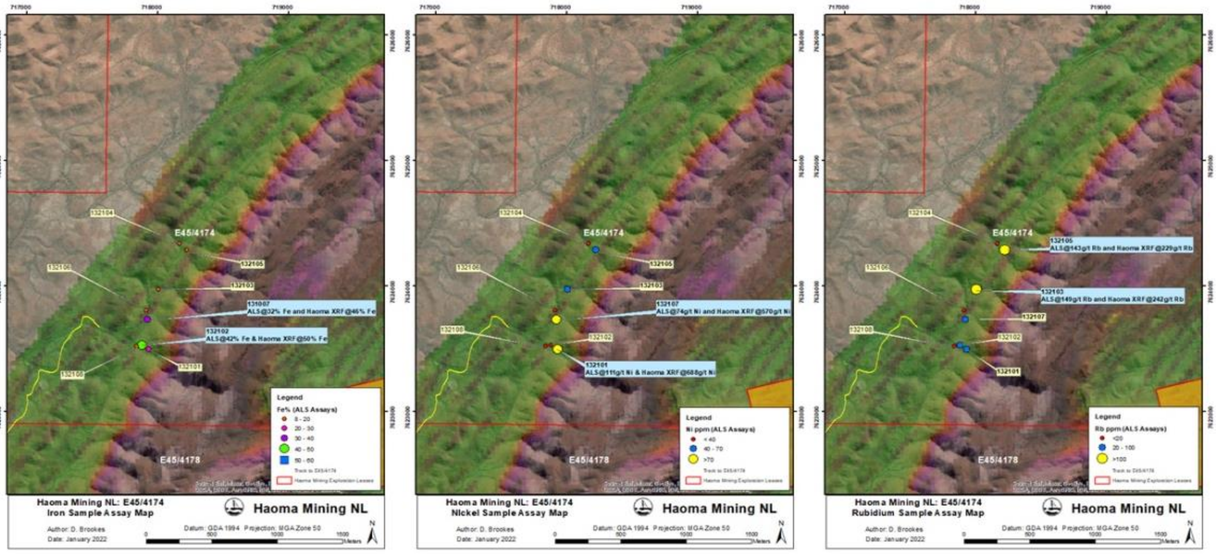
*High **P-T** experiments on FeO_2H were conducted in a diamond anvil cell (DAC) integrated with laser heating. The starting materials were either pre-compressed goethite (α-FeO_2H) powders in Ar or Ne pressure media or hematite (Fe_2O_3) in water pressure medium that is chemically equivalent to goethite as $Fe_2O_3 + H_2O = 2FeO2H$ (*13, 14*). Samples were gradually compressed to the target pressure range of 71–133 GPa, before being heated by a double-sided neodymium-doped yttrium aluminium garnet (Nd: YAG) laser up to 10 min. Using a synchrotron X-ray diffraction (XRD) technique, the cubic P phase was identified to form above 72 GPa and preserved in the temperature-quenched sample (*Fig. 1 A–C*). The P phase was stable at least up to 133 GPa and 2,000 K. The formation of the P phase was well reproduced in all experiments with a variety of samples and media over a wide pressure range.*

2.5 Soansville (E45/4174) proposed drilling program – 100% Haoma

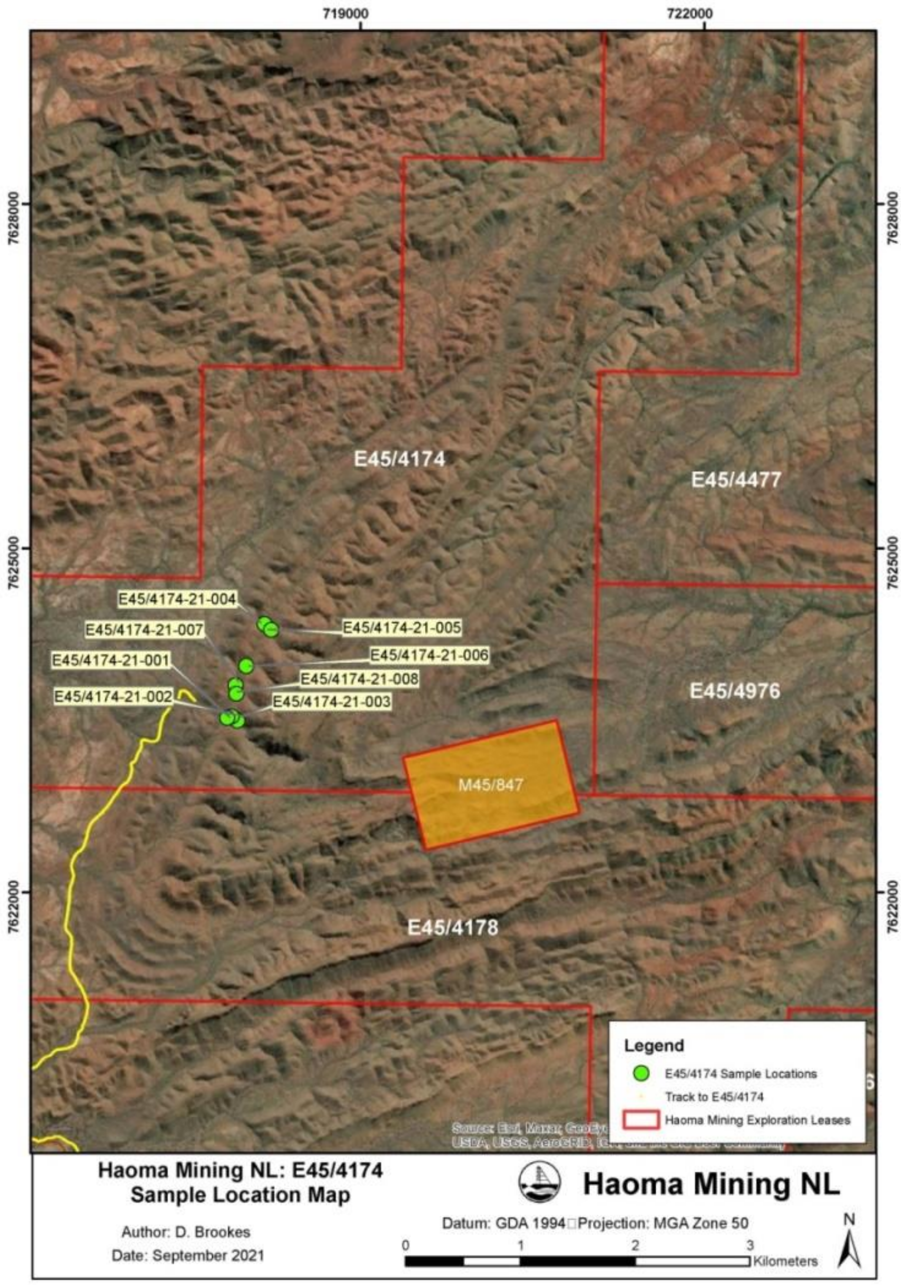
In the **Soansville** area**,** based on the positive surface sample assays shown below in Table 5 and Figures 5 and 6, Haoma will after the wet season undertake a drilling program to better define a shallow iron ore resource in the Soansville area. The drilling program will comprise **20 shallow holes to 20m depth**, over an area which covers up to 10km of outcrop.

Sample	ALS Assay	Haoma XRF
102 – iron, ALS	42.7%	50.36%
107 – iron, ALS	32.7%	46.31%
101 – nickel	111.5 g/t	688.0 g/t
107 – nickel	74.0 g/t	570.4 g/t
103 – rubidium	149.0 g/t	242.6 g/t
105 – rubidium	143.5 g/t	229.7g/t

<u>Table 5:</u> E45/4174 'surface' sample ALS assay and Haoma XRF assay results.



<u>Figure 5:</u> Soansville E45/4174 sample locations showing results for iron, nickel & rubidium.



<u>Figure 6:</u> E45/4174 surface sampling locations.

2.6 Pirra Lithium Pty Ltd - Haoma Mining and Calidus Resources Pilbara Lithium Exploration Venture

On February 21, 2022 Haoma shareholders were advised of the formation of Pirra Lithium Pty Ltd (ACN 656 564 457). Pirra Lithium is owned equally by Haoma Mining and Calidus Resources Limited (ASX: CAI).

Pirra Lithium has been assigned tenements and lithium rights across the most prospective lithium ground in each of the Haoma and Calidus portfolios. Under the terms of the Agreements between the parties Calidus will transfer 4 exploration leases to Pirra Lithium and will issue 1,461,262 Calidus ordinary shares to Haoma. Haoma has assigned its Lithium rights across its tenements to Pirra Lithium. The combined tenements and lithium rights cover 1,063km^2.

Announced Today, March 8, 2022:

Haoma is pleased to advise Haoma shareholders of an early discovery by Pirra Lithium of a significant lithium prospect at Spear Hill. Pirra Lithium has identified a substantial lithium-bearing pegmatite with a mapped strike length of more than 1km.

Pirra Lithium geologists collected thirty-four rock-chip samples of the pegmatite and the adjacent granitic country rocks. Assays of the pegmatite yielded 0.66%-2.34% Li_2O, with two samples of metasomatized country rock adjacent to the pegmatite yielding 2.78% and 2.91% Li_2O. (See assays in Table 6 below.)

Work is continuing to determine the full extent of the pegmatite and to identify other pegmatites in the vicinity. A maiden drilling program will be prepared, and Pirra Lithium will continue an aggressive exploration program elsewhere on its tenement package.

The Spear Hill area, about 50km SW of Marble Bar, is part of the historic Shaw River tin field. The area has been mined for alluvial tin since about 1893 with a little more than 6,500t of tin concentrate won from the field up until 1975.

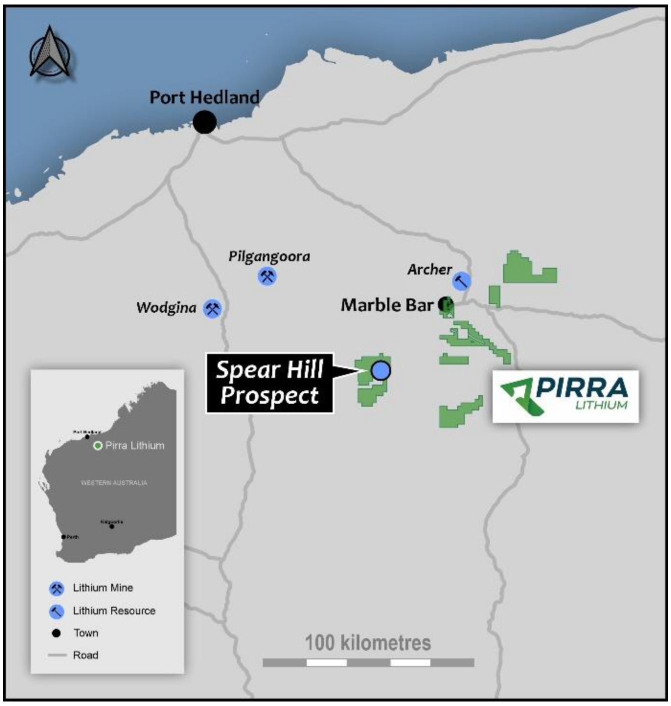


Figure 7 (a): Location of the Spear Hill area and tenement holdings and lithium rights of Pirra Lithium

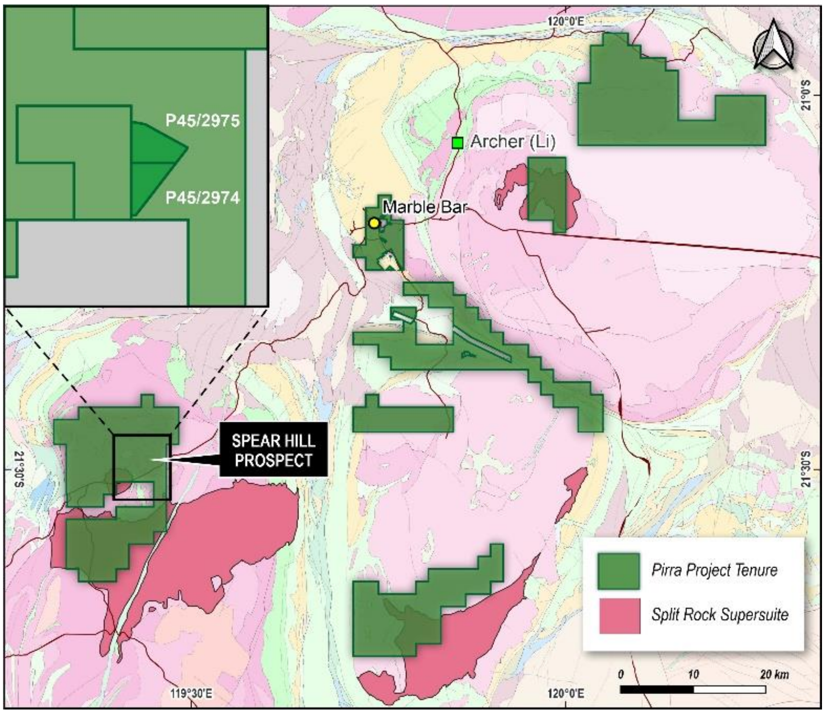


Figure 7 (b): Location of the Spear Hill area and tenement holdings and lithium rights of Pirra Lithium on a background of GSWA's 1:500,000 state bedrock geology and linear structures layers.

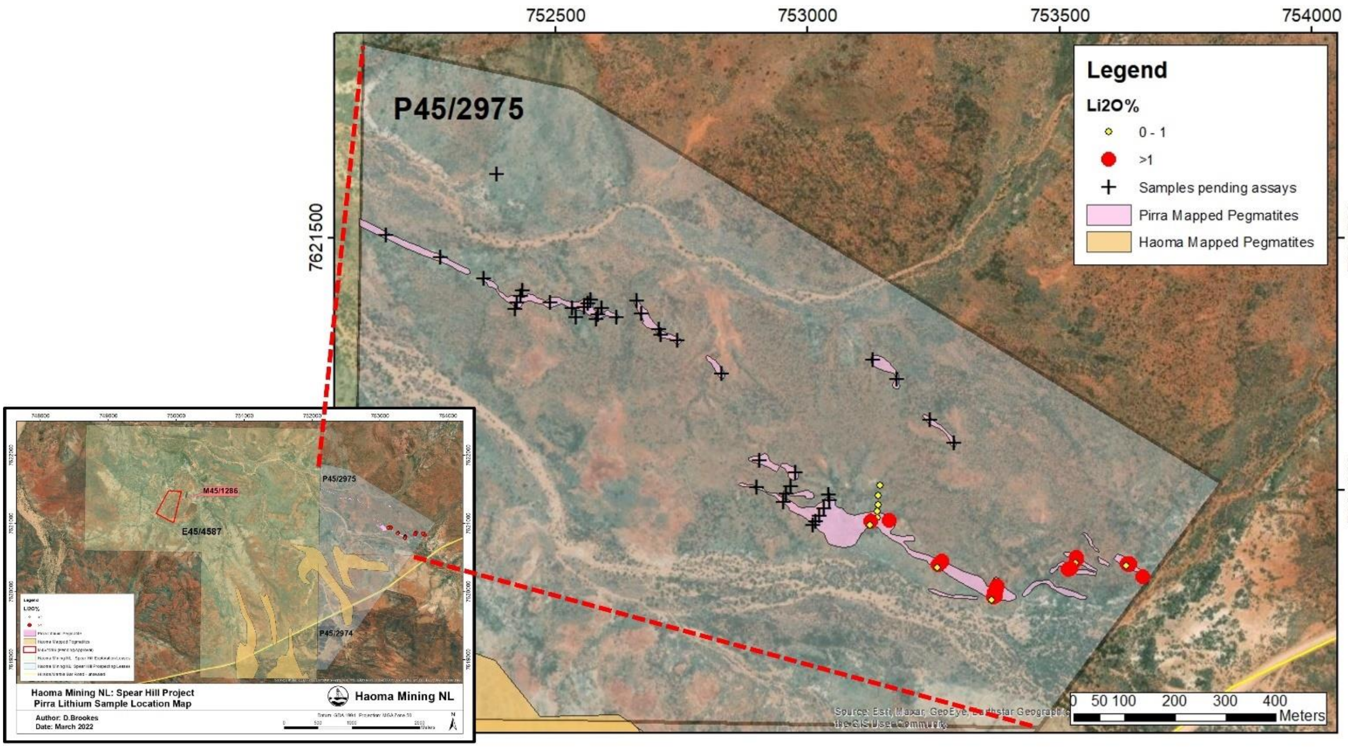


Figure 8: Haoma Mining Spear Hill Project Group showing Pirra Lithium sample locations.

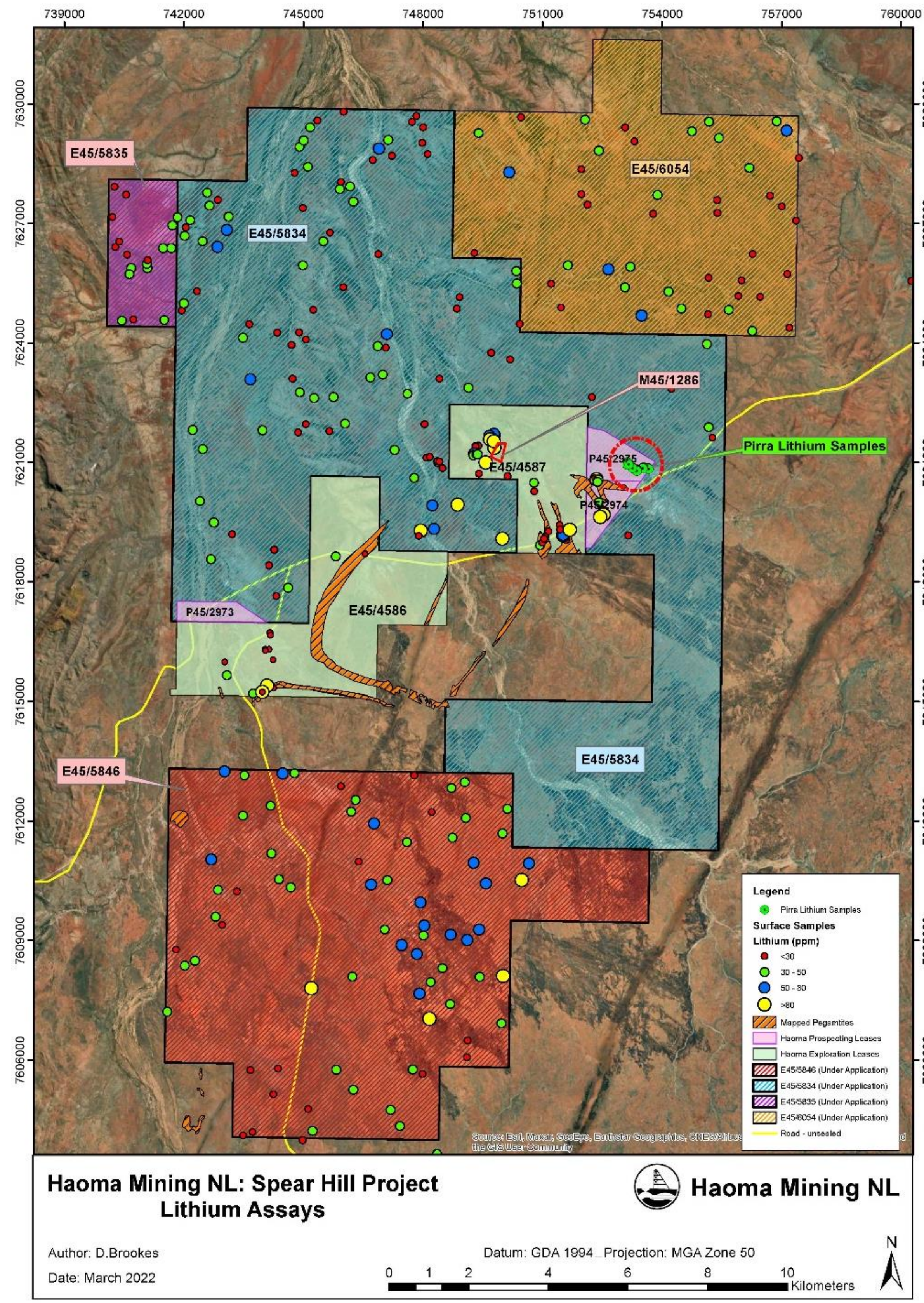


Figure 9: **Haoma Mining Spear Hill Project Group showing all Lithium assay results including recent rock chip sampling by Pirra Lithium.**

Pegmatite assays and mineralogy

Thirty-four rock chip samples were collected from the pegmatite, metasomatized country rock adjacent to the pegmatite, and background country rock. Samples were collected from five traverses perpendicular to the strike of the pegmatite. Along each traverse, samples were collected 3-12m apart to ensure that all the main components of the pegmatite, including lepidolite- and spodumene-poor zones, were sampled. At each site, the pegmatite was sampled according to the mineralogical proportions of both lithium minerals and barren minerals (feldspar and quartz) present in the outcrop. Samples ranged from fine grained to coarse grained, with the majority medium to coarse grained.

<u>Figure 10</u>: Samples of coarse spodumene (LHS) and coarse lepidolite (RHS) from samples sent for assay.

Assays for Li_2O, Cs, Rb, Fe, and P, are shown in Table 6 below. All Sn values were less than 141ppm and Ta values less than 378ppm. Samples of pegmatite returned values of Li_2O between 0.66% and 2.34%, with most between 1.31% and 2.34%. Samples of moderately to strongly altered granite adjacent to the pegmatite span a wide range from 0.43% to 2.91% Li_2O. Values for P and Fe in the pegmatite are, respectively, less than 300ppm and 0.57%, with the exception of sample CL009511 with 700 ppm P and 1.07% Fe; higher values are confined to samples consisting, wholly or partly, of metasomatized granite.

After initial discovery of the pegmatite and sampling, an interpreted fault-offset extension to the NW and a possible separate body about 200m to the NNE were identified. A further 40 rock-chip samples were collected and have been sent to the laboratory for priority assay. Results are pending.

<u>Figure 11:</u> Outcrop of the Spear Hill pegmatite.

Sample No.	Easting	Northing	Li2O (%)	Cs (ppm)	Rb (ppm)	Fe (%)	P (ppm)	Rock type and mineralogy
CL009501	753643	7620860	0.01	4	160	1.42	400	Weakly altered granite; no Lpd or Spd; mg
CL009502	753640	7620855	1.94	795	6375	1.24	200	Altered granite & pegmatite with ~5% Lpd; fg to cg
CL009503	753637	7620852	2.00	492	6895	0.31	<100	Pegmatite; ~25% Lpd & ~25% Spd; cg
CL009504	753634	7620855	1.72	475	5580	0.20	200	Pegmatite; ~40% Lpd & ~10% Spd; cg
CL009505	753632	7620850	0.54	197	2720	0.58	100	Moderately altered granite; no Lpd or Spd; fg to mg
CL009506	753665	7620829	1.61	533	5200	0.22	200	Pegmatite; ~30% Lpd & ~45% Spd; cg
CL009507	753539	7620872	0.02	11	140	2.05	500	Gneissic granite; no Lpd or Spd; fg to mg
CL009508	753534	7620867	1.98	501	5090	0.42	100	Strongly altered granite & pegmatite; ~20% Lpd & ~15% Spd; mg to cg
CL009509	753533	7620861	2.34	975	6910	0.16	100	Strongly altered granite & pegmatite; ~20% Lpd & ~10% Spd; mg to cg
CL009510	753532	7620856	0.26	128	1105	0.59	200	Weakly altered granite; no Lpd or Spd; mg
CL009511	753524	7620848	0.66	396	2625	1.07	700	Strongly altered granite & pegmatite; ~8% Lpd & no Spd; mg to cg
CL009512	753523	7620846	1.31	290	4025	0.19	300	Pegmatite; ~20% Lpd & ~45% Spd; cg
CL009513	753516	7620843	2.78	1220	8745	1.38	500	Moderately altered granite; no Lpd or Spd; mg
CL009514	753374	7620822	0.01	8	150	0.71	<100	Weakly altered granite; no Lpd or Spd; mg
CL009515	753376	7620811	2.91	1434	9510	3.41	600	Altered granite & amphibolite; no Lpd or Spd; fg to mg
CL009516	753374	7620807	2.15	350	5305	0.23	<100	Pegmatite; ~35% Lpd & ~35% Spd; mg to cg
CL009517	753375	7620803	2.25	397	5815	0.14	<100	Strongly altered granite & pegmatite; ~35% Lpd & ~10% Spd; mg to cg
CL009518	753371	7620798	2.09	449	6030	0.13	200	Strongly altered granite & pegmatite; ~23% Lpd & ~27% Spd; mg to cg
CL009519	753372	7620791	1.66	466	5365	0.36	<100	Strongly altered granite & pegmatite; ~22% Lpd & ~28% Spd; mg to cg
CL009520	753368	7620788	1.68	267	4760	0.25	<100	Strongly altered granite & pegmatite; ~20% Lpd & ~20% Spd; mg to cg
CL009521	753366	7620783	0.02	7	165	1.92	500	Gneissic granite & pegmatite; no Spd or Lpd; mg to cg
CL009522	753266	7620859	2.01	1238	7260	1.92	300	Heavily altered granite; ~5% Lpd; fg to mg
CL009523	753265	7620857	2.05	421	5725	0.15	<100	Strongly altered granite & pegmatite; ~45% Lpd & ~10% Spd; mg to cg
CL009524	753260	7620853	1.63	314	4775	0.16	<100	Strongly altered granite & pegmatite; ~33% Lpd & ~2% Spd; mg
CL009525	753258	7620848	0.01	5	160	0.93	100	Weakly altered granite & pegmatite; no Spd or Lpd; mg
CL009528	753144	7621009	0.01	13	170	1.05	<100	Weakly altered granite; no Lpd or Spd; mg

Sample No.	Easting	Northing	Li2O (%)	Cs (ppm)	Rb (ppm)	Fe (%)	P (ppm)	Rock type and mineralogy
CL009529	753141	7620989	0.01	7	195	0.88	<100	Weakly altered granite; no Lpd or Spd; mg to cg
CL009530	753140	7620972	0.01	5	350	0.50	<100	Weakly altered granite; no Lpd or Spd; mg to cg
CL009531	753139	7620959	0.26	139	1555	0.62	<100	Strongly altered granite; no Lpd or Spd; mg
CL009532	753139	7620946	0.43	648	3250	0.85	200	Altered granite & pegmatite; no Lpd & ~2% Spd; mg to cg
CL009533	753126	7620947	0.75	362	3020	0.67	100	Strongly altered granite & pegmatite; ~15% Lpd & ~15% Spd; fg to cg
CL009534	753126	7620939	1.29	379	4460	0.23	<100	Strongly altered granite & pegmatite; ~18% Lpd & ~2% Spd; mg to cg
CL009535	753124	7620932	0.81	510	3385	0.57	200	Pegmatite; no Lpd & ~2% Spd; cg
CL009551	753162	7620940	1.89	390	4765	0.10	<100	Strongly altered granite & pegmatite; ~30% Lpd & ~5% Spd; cg

Table 6: Li_2O, Cs, Rb, Fe, and P values for rock-chip assays from the lithium pegmatite on P45/2975. Also included is a brief description of each sample, a visual estimate of the abundance of lithium-bearing minerals (Lpd = lepidolite, Spd = spodumene) and grainsize (fg = fine grained, mg = medium grained, cg = coarse grained).

2.7 Hard Rock Sales from Elazac Quarry, Cookes Hill (M45/1186)

Haoma's hard rock Elazac Quarry at Cookes Hill (M45/1186) is operated under licence by Brookdale Contracting.

During the Year Ended June 30, 2021 Haoma sold 194,017 tonnes of 'hard rock' to Brookdale Contractors. These sales provided revenue of $643,636.

In the following 6 months to December 31, 2021, Haoma sold 259,337 tonnes of 'hard rock' to Brookdale Contracting, generating revenue of $957,197.

The 'quantity' of rock sales from the Elazac Quarry is expected to be maintained as significant upgrades to Port Hedland Port facilities have been announced, and ongoing infrastructure work being undertaken in the East Pilbara Region is expected to be maintained at current level.

Revenues for the previous two years and for the current year to date (July to December 2021) are shown in Table 7 below.

	2020	2021	2022 (6 months)
Ballast	-	$110,532	$339,489
Rock Armour	$349,948	$195,983	$617,708
July – December Total	**$349,948**	**$306,515**	**$957,197**
January – June Total	$422,444	$337,121	
Full Year Total	**$772,392**	**$643,636**	

Table 7: Sales from Haoma's Elazac Quarry.

3. Haoma's Activities at Ravenswood, Queensland

3.1 Exploration Activities

In Queensland, Haoma's exploration activities in 2021 were significantly limited by movement restrictions imposed by governments to control the impact of the Covid-19 pandemic. Bulk sample trials and processing was delayed. The proposed sampling program is now anticipated to start in Quarter 4, 2022.

Haoma surrendered two exploration leases EPM17832 and EPM14038 during 2021.

This decision was based on several factors including:

- prioritising its activities and resources on the existing mining leases as its core assets as they have known resources ready for commerciality.
- As these two EPM's are isolated to the south of the project area, the distance from these EPM's to any processing location for the project group is deemed too far and not economical.
- All mining leases and the remaining EPM 8771 will be retained to reduce the size and project geographical footprint

Haoma's Senior Geologist has commenced work to consolidate and re-examine all legacy drill-hole and sampling results. This information will guide a further targeted exploration program after the bulk sample trials.

3.2 Haoma's Top Camp Road House, Ravenswood, Queensland

Refurbishment and upgrade work at the **Top Camp Roadhouse, Ravenswood** is continuing.

Recently the retail shop area, product shelving and customer access was expanded. In addition, product lines in the shop were increased, and operating hours extended to facilitate catering for the local community and contractors, some of whom use the Top Camp facilities for accommodation.

The **Top Camp 'park amenities'** have been repaired and refurbished and new facilities added for the benefit of residents. It is expected that these modifications will support an increase in tourist visitation to the area.

A **back-up generator** has been connected to ensure power is always available to the Top Camp 'shop', accommodation and 'camp' facilities.

Access roads into and around Top Camp were recently re-surfaced, and new fuel bowsers added to service visiting vehicles.

The above upgrades and major contributions by Top Camp Managers', Cathy Mew and Mark Farris, have since September 2021 added to Top Camp revenue from **increased retail sales** and **accommodation bookings.**

New accommodation (subject to Council approval) is expected to be added in the next six months plus a swimming pool for the benefit of patrons.

Haoma shareholders travelling through the 'district' are welcome to call in at Top Camp and stay at a 50% discounted 'cabin' rate. To book, **please call Cathy Mew on (07) 4770 2168.**

Figure 12: **Aerial view of Haoma's Top Camp, Ravenswood, Queensland.**

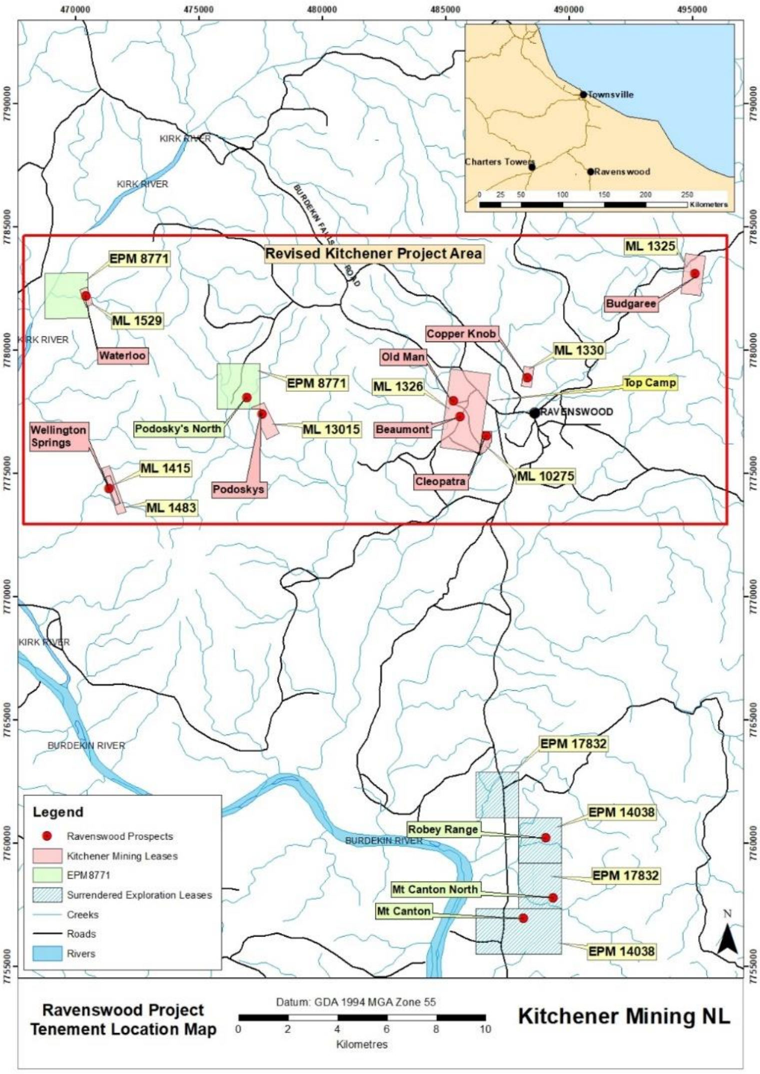


Figure 13: Locations of Ravenswood tenements

4. Acknowledgements

The Directors wish to acknowledge and express their appreciation to all those who during the last year have contributed to the company's activities in the Pilbara and Ravenswood districts. In particular, the Board's thanks go to Mr. Peter Cole, Prof. Peter Scales, Mr. Hugh Morgan, Mr. Peter Williams and other consultants who have contributed to help **Haoma solve the gold, silver and Platinum Group Metals (PGM) assay problem associated with Pilbara ores; and the extraction of gold, silver, PGM and other metals from Pilbara ores**.

The Board also acknowledges the significant efforts of those personnel working at the remote Pilbara and Ravenswood operations. These people include Tristin Cole, Steven Wilson and geologist Darren Brookes at Bamboo Creek, Gerard Poot at the Comet Gold Mine and Tourist Centre, Geoffrey Myers at the Normay Gold Mine, and Cathy Mew and Mark Farris at Top Camp, Ravenswood.

Yours sincerely

Gary C. Morgan
Chairman

March 8, 2022

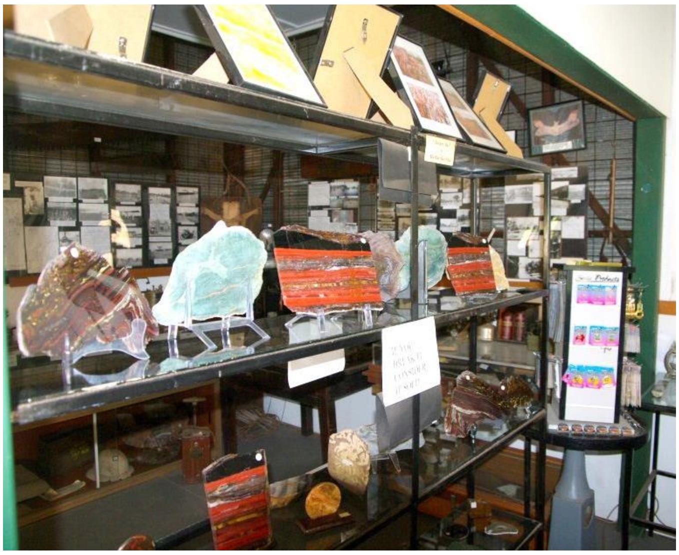
<u>Figure 14:</u> Comet Gold Mine Tourist Centre, Conglomerate Formations are on the right.

<u>Figures 15(a) and 15(b):</u> Historic Comet Gold Mine Plant.

<u>Figures 16(a) & 16(b):</u> Comet Gold Mine Blackstone Diesel Power Engine.

<u>Figure 17:</u> Comet Gold Mine Ruston Diesel Power Engine.

<u>Figure 18:</u> Comet Gold Mine National Diesel Power Engine.



<u>Figures 19(a) and 19(b):</u> Inside Comet Mine Tourist Centre.

<u>Figure 20:</u> Bamboo Creek Processing Plant.

<u>Figure 21:</u> Bamboo Creek Processing Plant.

<u>Figure 22:</u> Bamboo Creek Tailings Storage with Bamboo Creek Processing Plant in background.

Figure 23: **Bamboo Creek Plant, Bamboo Creek Valley and Bamboo Creek Range (right) which contains gold mineralisation.**

HAOMA MINING NL

FINANCIAL STATEMENTS & REPORTS

FOR THE YEAR ENDED

JUNE 30, 2021

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

FINANCIAL STATEMENTS AND NOTES
INDEX

The Directors of Haoma Mining NL present their report on the company and its consolidated entities (referred to hereafter as the Group) for the financial year ended June 30, 2021.

DIRECTORS

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

Gary Cordell Morgan (Chairman)
Michele Levine
Wilton Timothy Carr Ingram

COMPANY SECRETARY

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

James A. Wallace CA

PRINCIPAL ACTIVITIES

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

OPERATING AND FINANCIAL REVIEW

The Annual Operating and Financial Review should be read in conjunction with the financial statements for the year ended June 30, 2021. During the year Haoma's core operations continued to be focused on mineral exploration and research and development at its primary area of interest in the Pilbara district of Western Australia and in the Ravenswood district in North Queensland. Activities at Haoma's Bamboo Creek Pilot Plant conducted in conjunction with The University of Melbourne were focused on developing new commercially viable processes for the assaying and extraction of gold, other precious metals and Rare Earths from processing Bamboo Creek Tailings Concentrate and mineral ores from various Pilbara locations including Mt Webber.

Haoma's Activities Reports have continued to provide shareholders with updates of major developments in the company's operations and of the significant gold and other precious metal grades measured in both Bamboo Creek Tailings and Mt Webber ore samples using the Elazac Process. All updates are published on Haoma's website at www.haoma.com.au.

Operating Results and Financial Position

The consolidated loss of the Group for the year ended June 30, 2021 was $4,682,634. This compares with the loss for the year ended June 30, 2020 of $4,958,778. The net comprehensive loss for the year attributable to members was $4,682,634 (2020: loss $4,958,778).

The consolidated Statement of Financial Position at June 30, 2021 shows a deficiency of net assets of $84,991,943 (2020: deficiency $80,304,147). As detailed in Note 2(b) to the financial statements, almost all funding for Haoma's operations is provided by The Roy Morgan Research Centre Pty Ltd, a company owned and controlled by Haoma's Chairman, Gary Morgan. The Independent Auditor's Report for the year to June 30, 2021 includes a 'Material Uncertainty' statement in relation to Going Concern and the reliance of Haoma on ongoing financial support provided by The Roy Morgan Research Centre Pty Ltd.

The Roy Morgan Research Centre Pty Ltd has provided an assurance to the Board that it will continue to ensure funds are available to the company to fund operations for a period of at least 12 months from the date of this report.

At June 30, 2021 the debt to The Roy Morgan Research Centre Pty Ltd was $45.749 million (2020: $43.372 million). Haoma has approved payment of interest on the debt calculated monthly at the average 30 day commercial bill rate plus a facility margin of 1%. Although interest is calculated monthly, it will accrue until Haoma has attained a financial position represented by a positive net asset ratio and the Board determines that the company is in a financial position to commence interest payments. Total interest accrued and unpaid to June 30, 2021 is $36.148 million (2020: $35.316 million).

Future Developments, Prospects and Business Strategies

Haoma's test work program in relation to the Elazac Process and how it may be commercially exploited in relation to various Pilbara ores is ongoing.

Haoma provides information in relation to developments and future direction of operations via Activities Updates that are periodically sent to shareholders and other interested persons. The Activities Updates are published on the company website at www.haoma.com.au which also contains copies of all previous updates.

DIVIDENDS

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Apart from matters already described above, there were no significant changes in the state of affairs of Haoma during the year to June 30, 2021.

EVENTS SUBSEQUENT TO THE REPORTING DATE

Impact of Covid-19

Due to the size and remote locations of Haoma's operations, Haoma has not experienced any significant or long term effect as a consequence of Covid-19. Haoma was eligible for the JobKeeper business subsidy due to an initial decline in revenues in March-April 2020 but did not continue to participate in JobKeeper beyond September 2020. Travel restrictions and interstate border closures during the pandemic resulted in some of Haoma's staff at Bamboo Creek having to remain on site and not able to return home. Alternative arrangements for rest and recreation were required.

ENVIRONMENTAL ISSUES

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

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

ACKNOWLEDGEMENTS

The Board wishes to acknowledge and express its appreciation to all those who during the last year have contributed to the company's activities in the Pilbara and Ravenswood districts. In particular, the Board's thanks go to Mr. Peter Cole, Prof. Peter Scales, Mr. Hugh Morgan and other consultants who have contributed to helping solve the gold assay problem with Pilbara ores; and the extraction of gold and other metals from Pilbara ores.

The Board also acknowledges the significant efforts of those personnel working at the remote Bamboo Creek and Ravenswood operations.

INFORMATION ABOUT DIRECTORS AND OFFICERS

Gary Cordell **MORGAN**, B.Comm	Chairman
Appointment Date:	May 10, 1991
Experience:	Executive Chairman of Roy Morgan Research Ltd and is a member of a number of research and marketing organisations.
Interest in Shares and Options:	Indirect and beneficial interest in 128,182,961 Haoma Mining shares via directorships and interests in Leaveland Pty Ltd and Elazac Pty Ltd. Holds no interest in any options to acquire shares.
Directorships held in other listed entities:	Nil
Special Responsibilities:	Audit Committee
Michele **LEVINE**, B.Sc (Hons), Env. St	Non-Executive Director
Appointment Date:	August 8, 1994
Experience:	Director and CEO of Roy Morgan Research Ltd.
Directorships held in other listed entities:	Nil
Interest in Shares and Options:	Indirect and beneficial interest in 3,150,000 Haoma Mining shares via interest in the Levine Family Trust. Direct interest in 16,194 shares. Total interests: 3,166,194 shares
Special Responsibilities:	Nil
Wilton Timothy Carr **INGRAM**	Non-Executive Director
Appointment Date:	November 10, 2015
Experience:	Mr Ingram has operated his own businesses in Australia and Hong Kong engaged in various fields including finance, corporate advice and marketing. Mr Ingram has extensive skills in planning, communication and business development analysis to complement his broad base financial skills.
Directorships held in other listed entities:	Nil
Interest in Shares and Options:	Indirect interest in 200,000 Haoma Mining shares via shareholding and directorships in Loftus Group Ltd. Total interests: 200,000 shares.
Special Responsibilities:	Nil
James **WALLACE** B.Ec, CA	Company Secretary
Appointment Date:	November 21, 1997
Experience:	Chartered Accountant and Commercial Manager.
Directorships held in other listed entities	Nil
Interest in Shares and Options	Indirect interest in 100,000 Haoma Mining shares via membership of a self-managed superannuation fund.
Special Responsibilities	Audit Committee Secretary

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 20 (Related Party Information) to the financial statements.

DIRECTORS' MEETINGS

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

	Full meetings of Directors	Meetings of Audit Committee
Number of meetings held:	3	1
Number of meetings attended by:		
Mr. G C Morgan	3	1
Ms. M Levine	3	-
Mr. T Ingram	2	-

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

SHARES UNDER OPTION

The Board of Directors granted 4.3 million share options to directors, employees and consultants with an exercise price of 30 cents per share and expired on December 31, 2019. These were exercised during the year ended June 30, 2020. For further information on the valuation of options, please refer to Note 18 to the Financial Statements.

INDEMNIFICATION OF OFFICERS AND AUDITORS

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

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

PROCEEDINGS ON BEHALF OF ENTITY

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

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

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included at page 5.

NON-AUDIT SERVICES

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

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

Gary C. Morgan
Chairman

Melbourne,
July 29, 2022

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Melbourne VIC 3008
GPO Box 5099 Melbourne VIC 3001
Australia

DECLARATION OF INDEPENDENCE BY KATHERINE ROBERTSON TO THE DIRECTORS OF HAOMA MINING NL

As lead auditor of Haoma Mining NL for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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

2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Katherine Robertson

Katherine Robertson

BDO Audit Pty Ltd

Melbourne, 29 July 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOM

FOR THE YEAR ENDED JUNE 30, 2021

	Note	CONSOLIDATED 2021 $	2020 $
Continuing Operations			
Sale of gold and silver		**79,490**	87,689
Accommodation Revenue		**465,669**	289,867
Rock Sales		**643,636**	703,275
Royalty income		**-**	27,735
Revenue		**1,188,795**	1,108,566
Other income	3(a)	**710,808**	62,500
Cost of sales	3(b)	**(543,252)**	(557,882)
Test work and plant configuration expenditure		**(1,854,605)**	(2,494,381)
Exploration and tenement costs expensed		**(757,638)**	(631,415)
Administration and compliance expense	3(c)	**(661,387)**	(835,878)
Finance costs	3(d)	**(845,367)**	(1,352,754)
Depreciation and amortisation costs	3(e)	**(153,893)**	(180,381)
Movement in Rehabilitation Provision	15	**(1,498,095)**	(77,153)
Impairment of Exploration and Evaluation Asset	12	**(268,000)**	-
Loss before income tax		**(4,682,634)**	(4,958,778)
Income tax expense	4	**-**	-
Loss for the year after tax		**(4,682,634)**	(4,958,778)
Other comprehensive income			
Total comprehensive loss for the year attributable to members of Haoma Mining NL, net of tax		**(4,682,634)**	(4,958,778)
Earnings per share (cents per share)			
- Basic loss per share for the year attributable to ordinary equity holders of the parent	5	**(2.34)**	(2.50)
- Diluted loss per share for the year attributable to ordinary equity holders of the parent	5	**(2.34)**	(2.50)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

		CONSOLIDATED	
	Note	**2021**	2020
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	7	**9,695**	11,131
Trade and other receivables	8	**177,081**	229,458
Inventories	9	**240,571**	206,811
Total Current Assets		**427,347**	447,400
Non-current Assets			
Property, plant and equipment	11	**621,088**	600,934
Exploration and evaluation	12	**5,204,650**	5,472,650
Other Assets		**97,508**	-
Total Non-Current Assets		**5,923,246**	6,073,584
TOTAL ASSETS		**6,350,593**	6,520,984
LIABILITIES			
Current Liabilities			
Trade and other payables	13	**1,894,138**	1,991,562
Interest bearing loans and borrowings	14	**84,358,337**	81,150,032
Provisions	15	**222,390**	313,962
Total Current Liabilities		**86,474,865**	83,455,556
Non-Current Liabilities			
Provisions	15	**4,867,671**	3,369,575
Total Non-Current Liabilities		**4,867,671**	3,369,575
TOTAL LIABILITIES		**91,342,536**	86,825,131
NET LIABILITIES		**(84,991,943)**	(80,304,147)
EQUITY			
Contributed equity	16	**63,970,546**	63,975,708
Accumulated losses		**(148,962,489)**	(144,279,855)
TOTAL SHAREHOLDERS' EQUITY DEFICIENCY		**(84,991,943)**	(80,304,147)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2021

CONSOLIDATED	Share Capital $	Share Based Payments Reserve $	Accumulated Losses $	Total Equity $
Balance at July 1, 2019	62,431,199	258,972	(139,321,077)	(76,630,906)
Loss after income tax for the year ………………………	-	-	(4,958,778)	(4,958,778)
Total comprehensive income for the year ……………………...	-	-	(4,958,778)	(4,958,778)
Transactions with owners in their capacity as owners				
Issue of Ordinary Shares……………………………………	-	-	-	-
Share Capital Buy-back……………………………………..	(4,463)	-	-	(4,463)
Proceeds from Exercise of Share options…………………	1,290,000	-	-	1,290,000
Share Based Payments …………………………………….	258,972	(258,972)	-	-
Total transactions with owners in their capacity as owners, for the year	1,544,509	(258,972)	-	1,285,537
Balance at June 30, 2020…………………………………	**63,975,708**	**-**	**(144,279,855)**	**(80,304,147)**
Balance at July 1, 2020	63,975,708	-	(144,279,855)	(80,304,147)
Loss after income tax for the year ………………………	-	-	(4,682,634)	(4,682,634)
Total comprehensive income for the year ……………………...	-	-	(4,682,634)	(4,682,634)
Transactions with owners in their capacity as owners:				
Issue of Ordinary Shares……………………………………	-	-	-	-
Share Capital Buy-back……………………………………	(5,162)	-	-	(5,162)
Total transactions with owners in their capacity as owners, for the year	(5,162)	-	-	(5,162)
Balance at June 30, 2021…………………………………	**63,970,546**	**-**	**(148,962,489)**	**(84,991,943)**

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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	CONSOLIDATED 2021 $	2020 $
Cash flows from operating activities			
Receipts from customers		**1,240,409**	394,612
Other income		**710,808**	631,304
Payments to suppliers and employees		**(1,895,972)**	(1,279,023)
Exploration and development expenditure		**(2,142,902)**	(2,462,979)
Interest paid		**(13,881)**	(24,344)
Net cash used in operating activities	7(b)	**(2,101,538)**	(2,740,430)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(174,046)**	(31,634)
Deposit for Restricted Cash		**(97,509)**	-
Net cash used in investing activities		**(271,555)**	(31,634)
Cash flows from financing activities			
Net movement in Loan funding from related parties		**2,376,819**	1,894,352
Proceeds from Issue of Shares		**-**	720,000
Payments to Shareholders - Haoma capital shares buy back		**(5,162)**	(4,463)
Net cash provided by financing activities		**2,371,657**	2,609,889
Net decrease in cash held		**(1,436)**	(162,175)
Cash and cash equivalents at the beginning of the financial year		**11,131**	173,306
Cash and cash equivalents at the end of the financial year	7(a)	**9,695**	11,131
Non cash financing activities			
Issue of shares funded by related party loan		**-**	360,000
Issue of shares funded by trade creditors		**-**	210,000

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

1 *CORPORATE INFORMATION*

The financial report of Haoma Mining NL for the year ended June 30, 2021 was authorised for issue in accordance with a resolution of the Directors on July 29,2022.

Haoma Mining is an unlisted public company, incorporated and domiciled in Australia. The company's registered office is Tonic House, 386 Flinders Lane, Melbourne. The principal activities of the Group during the financial year were mineral exploration, the analysis of mineral deposits and the advancement of ore processing and extraction technology.

2 *STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES*

(a) Basis of Preparation

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

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

(b) Going Concern

The Consolidated Group produced a net loss of $4,682,634 (2020: $4,958,778) for the year ended 30 June 2021, had net current liabilities of $86,047,518 (2020: $83,008,156), had negative shareholder's equity of $84,991,943 (2020: $80,304,147) and had negative cash flows from operating activities of $2,101,538 (2020: $2,740,430). The ability of the entity to continue as a going concern is dependent on the ongoing financial support from related parties, which indicates a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern.

To support the ongoing operations of the Group, The Roy Morgan Research Centre Pty Ltd (a company owned and controlled by Haoma's Chairman and majority shareholder, Mr. Gary Morgan) has provided an undertaking that it will make funds available to the consolidated entity to ensure that there is no shortfall of funding required for operations for a period of at least 12 months from the date of this report.

At June 30, 2021 the total debt owing in respect of funds provided to Haoma by related parties was $45,749,186 (2020: $43,372,367) along with accrued interest of $38,609,151 (2020: $37,777,665). The related parties have all confirmed that payment of monies owed by Haoma will not be required until such time as Haoma's Board of Directors determine that the company is able to commence repayments without adverse financial consequences to the consolidated entity. The Board of Directors is therefore satisfied that the going concern assumption is the appropriate basis for preparation of the financial report.

For the reasons detailed above, the financial statements have been prepared on the basis that the consolidated entity is a going concern, which contemplates the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business at the amounts stated in the financial statements.

If the consolidated entity is unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial report. The report does not include any adjustments relating to the recoverability and classification of recorded asset carrying amounts or the amounts and classification of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they become due and payable.

(c) Statement of Compliance

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

New, revised or amending Accounting Standards and Interpretations adopted

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

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

(d) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2021 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities (including special purpose entities) over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. They are de-consolidated from the date that control ceases. Controlled entities are detailed in Note 10.

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

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

Significant accounting judgements

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

Exploration and Mining Lease Commitments

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

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

The expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as metal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure. It is reasonably possible that the underlying assumptions may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining plant and equipment, mining infrastructure and mining development assets.

Rehabilitation Provision
A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The consolidated entity's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The consolidated entity recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

(f) Revenue Recognition
When in production, the Group's primary source of revenue is from the sale of precious metals, specifically gold and silver. Revenue is recognised at a point of time when performance obligations are satisfied; generally when the customer claims control of promised goods or services. Revenue from the sale of precious metal is therefore recognised upon supply of refined metal to the customer or on delivery against forward sale contracts. Other sources of revenue are recognised on the following basis:

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

The Group operates retail outlets at Comet Mine Tourist Centre at Marble Bar WA and at its Top Camp facility at Ravenswood, Queensland. Revenue from retail operations is recognised when the performance obligation has been satisfied, generally at the point of sale.

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

Haoma has negotiated royalty contracts with companies for materials mined from Haoma's tenements. Revenue is recognised upon confirmation that a royalty entitlement has been earned in accordance with the royalty agreement.

Revenue earned under 'Right to Mine' Agreements in respect to Group tenements is first applied against capitalised exploration costs in respect to those tenements. Revenue in excess of capitalised exploration is taken direct to income.

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

Revenue gains or losses from the sale of exploration and mining assets are recognised upon completion.

Government grants relating to costs are deferred and recognised on profit or loss over the period necessary to match them with the costs that they are intended to compensate.

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.

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

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

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

(h) Impairment of assets

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

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

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

(i) Income Tax

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

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

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

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

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

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

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

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

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

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

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

(j) Borrowing Costs

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

(k) Cash and cash equivalents

For the purposes of the Consolidated statement of cash flows, cash and cash equivalents includes:

- cash at bank, cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- investment in money market instruments with less than 14 days to maturity.

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

(l) Inventories

Inventories are measured and valued as follows:

- Purchased consumables and materials are counted and valued at the lower of cost and net realisable value

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.

(m) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses..

(n) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

<u>Financial assets at fair value through profit or loss</u>

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

<u>Financial assets at fair value through other comprehensive income</u>

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

<u>Impairment of financial assets</u>

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

(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 and any impairment in value.

Plant and equipment

Plant and equipment is shown at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the cost of replacement parts that are eligible for capitalisation. The subsequent carrying amount of plant and equipment is reviewed annually at financial year end by Directors to ensure it is not in excess of the recoverable amount of these assets. Recoverable amount is the greater of fair value less costs to sell and value in use determined by discounted net cash flows.

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

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	4-25%

(p) Exploration and development expenditure

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

The Directors have determined in which instances it is appropriate to capitalise or expense costs spent on these areas in the year to June 30, 2021.

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.

(q) Interest in Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income.

Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

(r) 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.

(s) Employee Leave Benefits and Entitlements

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

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

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

Liabilities for employer superannuation contributions are expensed when incurred.

(t) Provisions

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

Provision for Rehabilitation Costs

Rehabilitation costs are costs that are expected to be incurred as a consequence of the 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 profit or loss and an increase in the provision).

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

(u) 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.

(v) Earnings per share

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

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

- costs of servicing equity (other than dividends);

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

- 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.

(w) Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

● during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.

● from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification. .

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	CONSOLIDATED	
	2021	2020
	$	$
3 *REVENUE & EXPENSES*		
Continuing Operations		
(a) Other Income		
Other Income (i)	**37,500**	62,500
Uplift payments from Mt Webber	**601,248**	-
Compensation from Atlas Iron on Comet Mine	**72,060**	-
	710,808	62,500
(b) Cost of Sales		
Consumables	**141,730**	152,605
Other cost of sales	**401,522**	405,277
	543,252	557,882
(c) Administration and compliance expense		
Corporate service costs	**562,938**	488,435
Legal and compliance costs	**160,709**	86,682
Management fees	**(62,260)**	260,761
	661,387	835,878
(d) Finance Costs		
Director related entities loans	**831,486**	1,328,409
Bank charges	**11,552**	19,917
Interest charges	**2,329**	4,428
	845,367	1,352,754
(e) Depreciation of non-current assets		
Property, plant and equipment	**153,893**	180,381
	153,893	180,381
(f) Employee benefits expense		
Wages and salaries (ii)	**1,191,693**	1,473,261
Superannuation	**105,646**	116,924
Annual leave	**14,599**	13,318
	1,311,938	1,603,503

(i) *Cashflow Boost Grant received from the Australian Tax Office (ATO)*

(ii) *Net of Jobkeeper subsidy of $121,500 in 2021 (2020: $54,000)*

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	CONSOLIDATED	
	2021	2020
	$	$

4 *INCOME TAX*

The amount provided in respect of income tax differs from the prima facie benefit on operating loss. The difference is reconciled as follows:

Operating loss before income tax	**(4,682,634)**	(4,958,778)
Prima facie income tax (benefit) calculated at 30%		
Economic entity	**(1,404,790)**	(1,487,633)
Tax effect of temporary differences:		
Deferred tax assets not recognised	**1,404,790**	1,487,633
Income tax expense	**-**	-

Net deferred tax assets which have not been brought to account comprise:		
Income tax losses and timing differences	**15,019,732**	14,451,141
Deferred income tax liability	**(1,561,395)**	(1,641,795)
	13,458,337	12,809,346

Deferred tax liabilities from exploration and evaluation assets of $5,204,650 at 30% (2020: $5,472,650 at 30%) that have arisen in the course of normal operations have been offset against unutilised deferred tax assets and as such have not been shown separately.

This benefit for tax losses will only be obtained if:

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	CONSOLIDATED	
	2021	2020
	$	$

5 *EARNINGS PER SHARE*

Net loss attributable to ordinary equity holders or the parent from continuing operations	**(4,682,634)**	(4,958,778)
Weighted average number of ordinary shares for basic earnings per share	**199,986,227**	198,035,223
Weighted average number of ordinary shares adjusted for the effect of dilution	**199,986,227**	198,035,223

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

Basic earnings per share (cents per share)	**(2.34)**	(2.50)
Diluted earnings per share (cents per share)	**(2.34)**	(2.50)

6 *DIVIDENDS PAID AND PROPOSED*

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

Franking credit balance

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

Franking account balance at July 1	**685,523**	685,523
Other movements	**-**	-
Franking account balance at June 30	**685,523**	685,523

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	$	$

7 *CASH AND CASH EQUIVALENTS*

(Current)

(a) Reconciliation to Statement of Cash Flows

Cash at the end of the financial year as shown in the Statement of Cash Flows reconciled to items in the Statement of Financial Position as follows

	2021	2020
Cash and cash equivalents	**9,695**	11,131

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

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

	2021	2020
Loss after income tax	**(4,682,634)**	(4,958,778)
Depreciation and amortisation expense	**153,893**	180,381
Accrued interest - director related entity	**831,486**	1,328,409
Impairment of capitalised exploration and evaluation assets	**268,000**	-
Changes in assets and liabilities:		
(Increase)/Decrease in trade debtors and other receivables	**51,614**	(145,149)
Decrease / (Increase) in prepayments	**764**	(4,743)
Decrease/(Increase) in inventories	**(33,760)**	112,719
Increase/(Decrease) in trade creditors and other creditors	**(97,424)**	539,562
Increase in provisions	**1,406,523**	207,167
Net cash used in operating activities	**(2,101,538)**	(2,740,432)

8 *TRADE AND OTHER RECEIVABLES*

(Current)

	2021	2020
Trade and other receivables	**165,981**	217,594
Prepayments	**11,100**	11,864
	177,081	229,458

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	CONSOLIDATED	
	2021	2020
	$	$

9 *INVENTORIES*

(Current)

Consumables and spare parts	**240,571**	206,811
	240,571	206,811

10 *CONTROLLED ENTITIES*

Investments in Controlled Entities	**Country of Incorporation**	**Percentage owned 2021 %**	Percentage owned 2020 %
Parent Entity			
Haoma Mining NL	Australia	-	-
North West Mining NL	Australia	100	100
Exploration Geophysics Pty Ltd	Australia	100	100
Kitchener Mining NL	Australia	100	100
Shares held by Kitchener Mining NL			
- Bamboo Creek Management Pty Ltd	Australia	100	100

	CONSOLIDATED	
	2021	2020
	$	$

11 *PROPERTY, PLANT & EQUIPMENT*

(Non-current)

Property, Plant and Equipment at cost	**10,935,930**	10,761,883
Accumulated depreciation	**(10,314,842)**	(10,160,949)
Net carrying amount	**621,088**	600,934

Movements in carrying amounts

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

Opening balance at July 1	**600,934**	749,681
Additions	**174,047**	31,634
Depreciation	**(153,893)**	(180,381)
Net Carrying Amount	**621,088**	600,934

12 *EXPLORATION & EVALUATION*

(Non-current)

Exploration and Evaluation expenditure

Net carrying amount	**5,204,650**	5,472,650

Movements in carrying amounts

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

Opening balances July 1	**5,472,650**	5,472,650
Impairment recognised for surrendered QLD Tenements	**(268,000)**	-
Net carrying amount	**5,204,650**	5,472,650

		CONSOLIDATED	
		2021	2020
		$	$

13 *TRADE AND OTHER PAYABLES*

(Current)

	2021 $	2020 $
Trade creditors and accruals	**326,912**	564,815
Other creditors	**226,002**	185,523
	552,914	750,338
Related party payables:		
Director's fees	**1,327,174**	1,227,174
Elazac Mining Pty Ltd	**14,050**	14,050
	1,341,224	1,241,224
	1,894,138	1,991,562

Due to the short-term nature of trade creditors, their carrying value is assumed to approximate their fair value. The Group's payment policy is that creditors are paid within payment terms or as otherwise negotiated. As a consequence no discounts or penalty payments arise.

14 *INTEREST BEARING LOANS AND BORROWINGS*

(Current)

		2021 $	2020 $
Amount due to Director related entity (Secured)	(a)	**45,749,186**	43,372,367
Accrued interest - Director related entity	(a)	**36,148,571**	35,316,482
Accrued interest - Director loans	(c)	**2,460,580**	2,461,183
		84,358,337	81,150,032

(a) Funding for the company's ongoing operations is being provided by The Roy Morgan Research Centre Pty Ltd., a company owned and controlled by Haoma's Chairman and majority shareholder, Gary Morgan. The Roy Morgan Research Centre Pty Ltd has provided an assurance to the Board that it will continue to ensure funds are available to the company to fund operations for a period of at least 12 months from the date of this report.
(b) Accrued interest of $2,460,580 is comprised of $77,982 relating to the loan from Michele Levine, the balance is accrued to Gary Morgan.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	CONSOLIDATED 2021 $	2020 $

15 *PROVISIONS*

	2021 $	2020 $
(Current)		
Provision for employee benefits	**222,390**	313,962
(Non-current)		
Provision for rehabilitation		
Opening balances July 1	**3,369,575**	3,292,422
Amounts charged to profit or loss		
Change in Assumptions	**100,156**	78,646
Change in Liability	**1,397,939**	(1,493)
Closing balances June 30	**4,867,671**	3,369,575

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

16 *CONTRIBUTED EQUITY & RESERVES*

		2021 $	2020 $
(a) Share Capital			
Issued Shares - Ordinary shares fully paid		**63,970,546**	63,975,708
(b) Movements in Ordinary Share Capital		**Number of Shares**	$
Contributed Equity			
July 1, 2019	Opening balance	**195,713,711**	62,431,199
	Share options exercised	**4,300,000**	1,548,972
	Share Capital Buy-back	**(18,596)**	(4,463)
June 30, 2020	Balance	**199,995,115**	63,975,708
July 1, 2020	Opening balance	**199,995,115**	63,975,708
	Share Capital Buy-back	**(21,416)**	(5,162)
June 30, 2021	Balance	**199,973,699**	63,970,546

16 *CONTRIBUTED EQUITY & RESERVES (continued)*

(c) Ordinary Shares

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

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

	CONSOLIDATED	
	2021	2020
	$	$
(d) Reserves		
Share Based Payment Reserve		
Opening balance …………	**-**	258,972
Share options issued…………	**-**	-
Transfer to contributed equity …………	**-**	(258,972)
	-	-

The share option reserve records the fair value of unexercised options at issue date.

17 *COMMITMENTS & CONTINGENCIES*

(i) Exploration & expenditure commitments

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

Within one year …………	**3,135,000**	3,017,840
After one year but not more than five years …………	**8,042,457**	8,166,005
Longer than five years …………	**10,460,595**	10,497,565
	21,638,052	21,681,410

The Department of Mines & Petroleum (Western Australia) has agreed that, under the current circumstances, expenditure on testing Pilbara bulk ore samples using the Elazac Process at Kitchener Mining NL’s Bamboo Creek mine site is eligible expenditure for the purpose of determining compliance with minimum expenditure requirements.

(ii) Financial support for controlled Entity

The Parent Entity has provided a "letter of support" to its controlled entity, Kitchener Mining NL, confirming that Haoma Mining NL will not call upon amounts due to it by Kitchener Mining NL unless Kitchener Mining NL has the capacity to pay. Total Kitchener Mining NL liabilities due at June 30, 2021 were $ 7,333,772 (2020: $6,266,607).

17 *COMMITMENTS & CONTINGENCIES (continued)*

Contingent Liabilities

Management Fee

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

Tenement Rehabilitation Bank Guarantees

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

At the reporting date, Haoma has provided bank guarantees to the Western Australia and Queensland State Governments totalling $208,289. Security for the bank guarantees has been provided by Gary Morgan.

18 *SHARE BASED PAYMENTS*

Issue of Share Options

No options to acquire shares in Haoma Mining were issued during the year ended June 30, 2021 and there were no outstanding share options on issue at that date. In the June 30, 2020 financial year, 4,300,000 share options were exercised at an exercise price of 30 cents per share. There share options had previously been issued in December, 2018.

2020	**Expiry Date**	**Exercise Price**	**Balance at start of the year**	**Granted during the year**	**Exercised during the year**	**Lapsed / Forfeited during the year**	**Balance at end of the year**	**Value of Options at grant date ($)**
Directors / KMP	31-Dec-19	0.30	3,600,000	-	(3,600,000)	-	-	216,814
James Wallace	31-Dec-19	0.30	700,000	-	(700,000)	-	-	42,158
			4,300,000	**-**	**(4,300,000)**	**-**	**-**	**258,972**

	2021 CONSOLIDATED		2020 CONSOLIDATED	
	Number of Options	**Weighted Average Exercise Price $**	Number of Options	Weighted Average Exercise Price $
Outstanding at the beginning of the year …	-	-	4,300,000	0.30
Share options …………………………………	-	-	-	-
Granted………………………………………	-	-	-	-
Forfeited ……………………………………	-	-	-	-
Exercised ……………………………………	-	-	(4,300,000)	0.30
Expired ………………………………………	-	-	-	-
Outstanding at year-end ……………………	-	-	-	-
Exercisable at year-end ……………………	-	-	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

	2021 $	2020 $

19 *AUDITORS REMUNERATION*

	2021 $	2020 $
Remuneration of the auditor of the Group:		
- auditing and reviewing the financial statements	**72,500**	67,000
	72,500	67,000

20 *RELATED PARTY INFORMATION*

Directors

Persons holding the position of Director of Haoma Mining NL during the financial year were Gary Cordell Morgan, Michele Levine and Wilton Timothy Carr Ingram.

Directors and Director-Related Entities

	Roy Morgan Research Ltd	The Roy Morgan Research Centre Pty Ltd	Elazac Mining Pty Ltd	Leaveland Pty Ltd	Elazac Pty Ltd
Mr. Gary Morgan	Director	Director	Director	Director	Director
Ms. Michele Levine	Director	-	-	-	-
Mr. Timothy Ingram	-	-	Director	-	-

Other transactions with Directors and Director-Related Entities

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

To June 30, 2021 the total funding provided by The Roy Morgan Research Centre Pty Ltd was $45,749,186 (2020: $43,372,367). The Board of Haoma has approved payment of interest on funds advanced by Mr. Morgan or entities associated with him at the 30 day commercial bill rate plus a 1% margin. Interest accrues but will not be paid until such time as Haoma has attained a financial position represented by a positive net asset ratio and the Board determines that the company is in a financial position to commence interest payments. During the year to June 30, 2021, interest accrued on the funds advanced by The Roy Morgan Research Centre Pty Ltd was $832,089 (2020: $1,323,512), with total accrued interest amount to $36,148,571 (2020: $35,316,482).

Other transactions with Senior Management

The services of Mr. Peter Cole as General Manager for WA are provided to Haoma by Peter Cole and Associates Pty Ltd for which it received consulting fees with amounts payable at 30 June 2021 for $208,740 (2020: $187,400). Mr. Cole was granted an extension to pay for his exercise of share options.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

20 *RELATED PARTY INFORMATION (continued)*

Related Party Transactions – Economic Entity

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

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

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

The Roy Morgan Research Centre Pty Ltd is entitled to management fees from Kitchener Mining NL of $1,000,000 for the financial years from 1 July, 1989, to 30 June, 1993. The management fees were treated as an accrued liability for the year ended June 30, 2004. However, due to the uncertainty of future profits, the liability has been reversed. For the year ended since June 30, 2015 this has been treated as a contingent liability. The amount is payable when Kitchener Mining NL resumes mining operations and has an operating profit in excess of $500,000 pa. This debt is non-interest bearing.

Holding Company Transactions with Subsidiaries

No interest has been charged on the remaining balance. The balance receivable at June 30, 2021 was $4,406,808. A provision for impairment loss has been fully provided against this amount.

Receivables from controlled entities have no fixed repayment term. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired.

	CONSOLIDATED	
	2021	2020
	$	$
Key Management Personnel Compensation		
The aggregate compensation of the Key Management Personnel is set out below:		
Short term employee benefits	**308,740**	287,400
Post employment benefits	**9,500**	9,500
Share based payments	**-**	-
	318,240	296,900

21 *FINANCIAL RISK MANAGEMENT AND POLICIES*

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

21 *FINANCIAL RISK MANAGEMENT AND POLICIES*

The Group and Haoma hold the following financial instruments:

	CONSOLIDATED	
	2021	2020
	$	$
Financial Assets		
Cash and cash equivalents	**9,695**	11,131
Trade and other receivables	**177,081**	229,458
Total Financial Assets	**186,776**	240,589
Financial Liabilities		
Trade and other payables	**1,894,138**	1,991,562
Borrowings	**84,358,337**	81,150,032
Total financial liabilities	**86,252,475**	83,141,594

Risk Exposure and Responses

Interest Rate Risk

Assets

Haoma's exposure to the risk of changes in market interest rates primarily relates to movements in cash deposit and borrowing rates. Risk is managed by continuous monitoring of these movements.

The Group's cash at bank and on hand had a weighted average floating interest rate at year end of 0.01% (2020: 0.01%).

Liabilities

Haoma's exposure to market interest rates relates primarily to the on-going funding provided by The Roy Morgan Research Centre Pty Ltd. The weighted average floating interest rate at year end was 1.04% (2020: 1.72%).

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

21 *FINANCIAL RISK MANAGEMENT AND POLICIES (continued)*

Interest Rate Risk
The following sensitivity analysis is based on the interest rate risk exposure in existence at June 30, 2021.

At June 30, 2021, if interest rates had moved as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	CONSOLIDATED			
	Post tax loss higher / (lower)		**Equity higher / (lower)**	
	2021	2020	**2021**	2020
	$	$	**$**	$
Financial Liabilities				
Borrowings				
Consolidated				
+ 0.75% (75 basis points) …………………………………………	**632,688**	608,625	**(632,688)**	(608,625)
- 0.75% (75 basis points) …………………………………………	**(632,688)**	(608,625)	**632,688**	608,625

The movements in loss are due to higher/lower interest costs from variable rate debt and cash balances.
The sensitivity in financial assets is higher/lower taking into account interest rate volatility.
The sensitivity in financial liabilities is relatively unchanged. Management believes the risk exposures as at the reporting date are representative of the risk exposure inherent in the financial liabilities. A movement of + / - 0.75% is selected because of review of recent interest rate movements and economic data suggests this range is reasonable.

Credit Risk

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

21 *FINANCIAL RISK MANAGEMENT AND POLICIES (continued)*

Liquidity Risk

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

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

CONSOLIDATED	**< 6 months**	**6-12 months**	**1-5 years**	**> 5 years**	**Total**
	$	**$**	**$**	**$**	**$**
Year Ended June 30, 2021					
Financial Assets					
Cash and cash equivalents	**9,695**	**-**	**-**	**-**	**9,695**
Receivables and other receivables	**177,081**	**-**	**-**	**-**	**177,081**
	186,776	**-**	**-**	**-**	**186,776**
Financial Liabilities					
Trade and other payables	**1,894,137**	**-**	**-**	**-**	**1,894,137**
Interest bearing liabilities	**84,358,337**	**-**	**-**	**-**	**84,358,337**
	86,252,474	**-**	**-**	**-**	**86,252,474**
Year Ended June 30, 2020					
Financial Assets					
Cash and cash equivalents	11,131	-	-	-	11,131
Receivables and other receivables	229,458	-	-	-	229,458
	240,589	-	-	-	240,589
Financial Liabilities					
Trade and other payables	1,991,562	-	-	-	1,991,562
Interest bearing liabilities	81,150,032	-	-	-	81,150,032
	83,141,594	-	-	-	83,141,594

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

21 *FINANCIAL RISK MANAGEMENT AND POLICIES (continued)*

Commodity Price risk

Haoma is exposed to commodity price risk. These commodity prices can be volatile and are influenced by factors beyond the Group's control. As the Group is currently engaged in exploration and development activities, no significant sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivate transactions have been used to manage commodity price risk. The group does not have a material commodity price exposure at this time.

Capital risk management

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

Haoma is not exposed to any externally imposed capital requirements.

	CONSOLIDATED	
	2021	2020
	$	$
Financing Facilities Available		
At reporting date, the following financing facilities has been negotiated and were available:		
Total facilities		
- Business lending - bank guarantees	**208,289**	208,289
	208,289	208,289
Facilities used at reporting date		
- Business lending - bank guarantees	**208,289**	208,289
	208,289	208,289
Facilities unused at reporting date		
- Business lending - bank guarantees	**-**	-
	-	-
Total facilities	**208,289**	208,289

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

22 *PARENT ENTITY FINANCIAL INFORMATION*

(a) Summary Financial Information

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

	2021 **$**	2020 $
Statement of Financial Position		
Current Assets	**427,347**	447,400
Non-current assets	**5,191,245**	5,073,584
Total assets	**5,618,592**	5,520,984
Current liabilities	**85,816,609**	82,841,100
Non-current liabilities	**2,598,963**	2,124,232
Total liabilities	**88,415,572**	84,965,332
Net Liabilities	**(82,796,980)**	(79,444,348)
Equity		
Contributed equity	**63,970,546**	63,975,708
Accumulated Losses	**(146,767,526)**	(143,420,056)
Total Shareholders' Deficiency	**(82,796,980)**	(79,444,348)
Loss for the year	**(3,347,470)**	(4,886,589)
Total comprehensive income	**(3,347,470)**	(4,886,589)

(b) Guarantees entered into by the parent entity

Haoma Mining NL has provided guarantees, indemnities and financial support as follows:

- A ‘letter of support’ has been provided by Haoma Mining NL to its controlled entity, Kitchener Mining NL to the amount necessary to ensure it can meet its obligations when they fall due.

(c) Contingent liabilities of the parent entity

Contractual commitments for exploration and expenditure costs exist for Haoma Mining NL. Minimum expenditure commitments of $21,638,052 (2020: $21,681,410) are necessary to maintain current rights of tenure to mining tenements. Refer to Note 17.

23 *INTEREST IN JOINT VENTURES*

In February 2021, the transfer of the 75% interest held by Giralia Resources Pty Ltd in tenement E45/2922 was completed. This final transaction concluded the Joint Venture agreement with Haoma Mining NL. Giralia is owned by the Hancock Prospecting Group of companies.

24 *EVENTS AFTER THE REPORTING DATE*

In January 2022, Haoma executed a Binding Terms Sheet with Calidus Resources Ltd (ASX: CAI) for each entity take a 50% shareholding in a new Lithium exploration company, Pirra Lithium Pty Ltd. Haoma assigned its Lithium rights over specifically identified Haoma held tenements to Pirra Lithium. Financial consideration and further details of the transactions are included in Shareholder Updates issued to shareholders on January 18 and February 22, 2022 and which are published on Haoma's website.

Directors' Declaration

The Directors' of Haoma Mining NL declare that:

1. In the directors' opinion the financial statements and notes on pages 9 to 40 and the remuneration disclosures set out on pages 4 to 6, are in accordance with the Corporations Act 2001, including:

   (a) giving a true and fair view of the Consolidated Group's financial position as at June 30, 2021 and of its performance for the financial year ended on that date; and

   (b) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements.

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

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

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

This declaration is made in accordance with a resolution of the Board of Directors pursuant to section 295 (5) (a) of the Corporations Act 2001.

Gary Morgan
Chairman

Melbourne
July 29, 2022

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Fax: +61 3 9602 3870

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Melbourne VIC 3008
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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Haoma Mining NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Haoma Mining NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of Haoma Mining NL, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 2(b) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Group's annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

Katherine Robertson

Katherine Robertson
Director

Melbourne, 29 July 2022

ADDITIONAL INFORMATION

A. 21 Largest Shareholders as at June 30, 2022

Shareholders	Shareholding	
	No. of shares	% held
Leaveland Pty Ltd	115,000,000	57.51
Aldinga Way Pty Ltd	18,224,315	9.11
Elazac Pty Ltd	11,339,704	5.67
Michele and Alexandra Levine	3,201,194	1.60
Konrad & Mary Christina Schroeder	2,480,000	1.24
George S Harris Superannuation	2,220,035	1.11
Charles & Sandra Curwen	1,992,000	1.00
GC & GJ Morgan	1,869,257	0.93
Geoffrey Mark Cottle	1,766,934	0.88
Etonwood Management Pty Ltd	1,504,500	0.75
Edwin & Susan Davies	1,400,000	0.70
Peter Cole & Associates Pty Ltd	1,105,000	0.55
PYC Investments Pty Ltd	1,010,000	0.51
Selstock Pty Ltd	1,010,000	0.51
First Charnock Pty Ltd	1,000,000	0.50
Peter Joseph Scales	1,000,000	0.50
Nicholas & Helen Meredith Ingram	910,000	0.46
Tara Leigh Pty Ltd	874,554	0.44
Archarl Pty Ltd	796,875	0.40
Gregory Young Pty Ltd	700,000	0.35
Harry Cooper	600,000	0.30
	170,004,368	**85.02**
Total Shares on Issue	**199,958,190**	

B. Substantial Shareholders

Name	Number of Shares	Class of Share
Leaveland Pty Ltd	115,000,000	Ordinary
Aldinga Way Pty Ltd	18,224,315	Ordinary
Elazac Pty Ltd	11,339,704	Ordinary

C. Distribution of Equity Securities

(i). Ordinary shares issued by Haoma Mining NL

Range of Shares held	# of Shareholders
1 - 1,000	635
1,001 - 5,000	788
5,001 - 10,000	279
10,001 - 100,000	361
100,001 - and over	79
Total	**2,142**

(ii) There were 1,423 holders with less than a marketable parcel of 5,000 shares comprising a total of 2,071,701 ordinary shares.

(iii) The twenty one largest shareholders holding in total 85.02% of the issued capital.

D. Class of Shares and Voting Rights

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

ADDITIONAL INFORMATION

E. Mining Tenement Summary

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

(i) Pilbara, Western Australia

Bamboo Creek	E45/3217 E45/4118 E45/5317 E45/5318 M45/480 M45/481 M45/874 P45/2948 to P45/2952 P45/2969 to P45/2971 L45/72 L45/174
Blue Bar	M45/591 M45/906 P45/2966
Cookes Hill / Wallaringa	E45/4116
Copenhagen	M45/682 P45/2982
Daltons - North Shaw / Kingsway	E45/2922 E45/4174 E45/4175 E45/4176 E45/4177 E45/4178 E45/4179 E45/4180 E45/4181 E45/4320 E45/4419 E45/4420 E45/4473 E45/4474 E45/4475 E45/4476 E45/4477 M45/1197
Grace Project	E45/3655 E45/4850
Lalla Rookh	M45/442
Marble Bar	E45/4060 E45/4069 E45/4070 E45/4651 E45/5479 M45/515 M45/607 P45/2893
Mickey's Find	M45/328
Normay	M45/302 L45/86
North Pole	E45/5440 M45/329
North Shaw	E45/3940 E45/4098 E45/5044 L45/60 P45/2873 P45/2874 P45/2875 P45/2876
Soansville	E45/4976
Spear Hill /Hillside	E45/4586 E45/4587 P45/2973 P45/2974 P45/2975
Stubbs Tassie Queen	P45/2985
Others	E45/4879 E45/5230 E45/5354 E45/5441

(ii) Linden, Western Australia

Golden Ridge	M26/534	(Northern Star (HBJ) Pty Ltd is the beneficial owner of this tenement. Haoma has retained legal title and is entitled to royalties from gold produced.)

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

Pilbara, Western Australia

Apex	P45/2979
20oz Gully	M45/411 P45/2961 P45/2962 P45/2963
Bamboo Creek	P45/2946 P45/2947 P45/2967 P45/2968
Big Stubby	M45/57 M45/284 M45/453 M45/554
Comet	G45/21 M45/14 M45/16 M45/385 M45/438 M45/459 M45/478 L45/4 L45/12 L45/37
Copper Hills / Stirling	G45/36 M45/238 M45/346 M45/357 M46/177
Danks Areas	M45/692
Lalla Rookh	M45/648 M45/649
Lionel	M46/43 M46/44
Marble Bar	M45/678 P45/2964 P45/2965 P45/2980 P45/2981
McKinnon	M45/490 M45/606 M45/873
Mercury Hill	M45/588
Mustang	M45/680 P45/2954 P45/2955 P45/2956 P45/2957 P45/2958
North Pole	M45/395 M45/514 M45/650 M45/651 M45/665
Soansville	M45/847
Tassie Queen	M45/76 M45/235 M45/296 M45/297 M45/655
Wallaringa	E45/2983 M45/1186
Wyman (Coronation)	P45/3000

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

i) Bamboo Creek, Western Australia

M45/480 M45/481 L45/72 P45/2948 P45/2949 P45/2950

(ii) Ravenswood, Queensland

Budgerie	ML1325	Barrabas	EPM8771
Old Man & Copper Knob	ML1326 ML1330		
Wellington Springs	ML1415 ML1483		
Waterloo	ML1529		
Podoskys	ML10315		