

# Appendix 4E

## Preliminary Final Report

### Year Ended 30 June 2017

#### Haoma Mining NL

The following information must be given to ASX under listing rule 4.3.

1.

ACN	Year Ended	Previous Year Ended
008 676 177	30-Jun-17	30-Jun-16

2. **Results for announcement to the market**

				\$A'000
2.1	Revenues from ordinary activities	Up	3%	To 298
2.2	Loss from ordinary activities after tax attributable to members	Down	17%	(4,692)
2.3	Net comprehensive loss for the period attributable to members	Down	12%	(4,692)

2.4	Dividends (distributions)	Amount per security	Franked amount
	Final dividend / Interim dividend	Nil ¢	Nil ¢
	Previous corresponding period: Final dividend / Interim dividend	Nil ¢	Nil ¢
2.5	Record date for determining entitlements to the dividend:	<b>No dividend declared</b>	

**3. Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	<b>30 June 2017</b> <b>\$A'000</b>	30 June 2016 \$A'000
Revenues from ordinary activities	<b>298</b>	290
Other income	<b>290</b>	-
Expenses from ordinary activities	<b>(3,484)</b>	(4,035)
Borrowing costs	<b>(1,796)</b>	(1,915)
<b>Loss for the year from ordinary activities before tax</b>	<b>(4,692)</b>	(5,660)
Income tax on ordinary activities	-	-
<b>Net Loss after income tax expense for the year</b>	<b>(4,692)</b>	(5,660)
Other comprehensive income	-	311
<b>Total Comprehensive Income for the year attributable to members</b>	<b>(4,692)</b>	(5,349)

**Earnings per security**

Basic EPS (loss)	<b>-2.47 cents</b>	-2.98 cents
Diluted EPS (loss)	<b>-2.47 cents</b>	-2.98 cents

**Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	<b>30 June 2017</b> <b>\$A'000</b>	30 June 2016 \$A'000
<b>Loss from Ordinary activities before tax</b>	<b>(4,692)</b>	(5,660)
Other comprehensive income	-	311
<b>Net loss from ordinary activities after tax attributable to members</b>	<b>(4,692)</b>	(5,349)

<b>Revenue and Expenses from Ordinary Activities</b>		
Revenue from sales or services	<b>298</b>	290
Other income	<b>290</b>	-
<b>Revenues from Ordinary Activities</b>	<b>588</b>	290
Details of relevant expenses		
Operating costs	<b>(1,214)</b>	(1,286)
Restoration provision expensed	<b>62</b>	62
Exploration and development costs expensed	<b>(2,139)</b>	(2,651)
Depreciation and amortisation excluding amortisation of intangibles	<b>(193)</b>	(160)
<b>Expenses from Ordinary Activities</b>	<b>(3,484)</b>	(4,035)

**4. Condensed Consolidated Statement of Financial Position**

	<b>30 June 2017</b> <b>\$A'000</b>	30 June 2016 \$A'000
<b>Current Assets</b>		
Cash and cash equivalents	9	9
Trade and other receivables	107	61
Inventories	157	251
<b>Total Current Assets</b>	<b>273</b>	321
<b>Non-Current Assets</b>		
Exploration and evaluation	5,655	5,898
Property, Plant and Equipment	817	941
<b>Total Non-Current Assets</b>	<b>6,472</b>	6,839
<b>Total Assets</b>	<b>6,745</b>	7,160
<b>Current Liabilities</b>		
Trade and other payables	2,204	2,088
Interest bearing loans and borrowings	71,986	67,801
Provisions	249	211
<b>Total Current Liabilities</b>	<b>74,439</b>	70,100
<b>Non-Current Liabilities</b>		
Provisions	2,212	2,274
<b>Total Non-Current Liabilities</b>	<b>2,212</b>	2,274
<b>Total Liabilities</b>	<b>76,651</b>	72,374
<b>Net Liabilities</b>	<b>(69,906)</b>	(65,214)
<b>Equity</b>		
Contributed equity	60,608	60,608
Accumulated losses	(130,514)	(125,822)
<b>Equity attributable to Members of the Parent Entity</b>	<b>(69,906)</b>	(65,214)

**Notes to the Condensed Consolidated Statement of Financial Position**

<b>Capitalised Exploration and Evaluating Expenditure</b>	<b>30 June 2017 \$A'000</b>	<b>30 June 2016 \$A'000</b>
Opening balance	5,898	5,896
Expenditure incurred during the period	2,139	2,651
Expenditure written off during current period	(2,139)	(2,651)
Acquisitions, disposals, revaluation increments	(243)	2
<b>Closing balance in the Consolidated Statement of Financial Position</b>	<b>5,655</b>	<b>5,898</b>

**5. Condensed Consolidated Statement of Changes in Equity**

<b>Attributable to equity holders of the consolidated group</b>				
	Share Capital \$A'000	Available For Sale Reserve Reserve \$A'000	Accumulated Losses \$A'000	Total Equity \$A'000
<b>Balance at June 30, 2015</b>	60,608	(170)	(120,303)	(59,865)
Other Comprehensive Income for the year, net of tax	-	311	-	311
Gain on Disposal of Shares reclassified to Retained Earnings	-	(141)	141	-
Loss for the year	-	-	(5,660)	(5,660)
<b>Balance at June 30, 2016</b>	<b>60,608</b>	<b>-</b>	<b>(125,822)</b>	<b>(65,214)</b>
Loss for the year	-	-	(4,692)	(4,692)
<b>Balance at June 30, 2017</b>	<b>60,608</b>	<b>-</b>	<b>(130,514)</b>	<b>(69,906)</b>

## 6. Condensed Consolidated Statement of Cash Flows

	30 June 2017 \$A'000	30 June 2016 \$A'000
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	281	295
Other Income	290	-
Payments to suppliers and employees	(1,016)	(2,367)
Exploration and development expenditure	(1,870)	(1,484)
Interest and other costs of finance paid	(16)	(12)
<b>Net cash used in operating activities</b>	<b>(2,331)</b>	<b>(3,568)</b>
<b>Cash Flows From Investing Activities</b>		
Payment for purchases of property, plant & equipment	(69)	(58)
Payment for purchases of Mining Tenements	(7)	(2)
Proceeds from sale of Investments	-	461
<b>Net cash used in investing activities</b>	<b>(76)</b>	<b>401</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from borrowings from related parties	2,407	3,172
Payment of insurance premium funding	-	(8)
<b>Net cash provided by financing activities</b>	<b>2,407</b>	<b>3,164</b>
<b>Movement in cash held</b>	<b>-</b>	<b>(3)</b>
Cash at the beginning of the year	9	12
<b>Cash at end of year</b>	<b>9</b>	<b>9</b>

### Non-Cash Financing and Investing Activities

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

Interest accrued but not paid on funds advanced to the company for the year to June 30, 2017 was \$1.796 million (2016 - \$1.915 million). For further details refer to Note 11.

### Reconciliation of cash

Reconciliation of cash at the end of the period as shown in the consolidated statement of cash flows to the related items in the accounts is as follows:	30 June 2017 \$A'000	30 June 2016 \$A'000
Cash and cash equivalents	9	9
<b>Total cash at end of year</b>	<b>9</b>	<b>9</b>

## 7. Net Tangible Assets Per Security

Net tangible asset per security

(36.76) Cents

(34.30) Cents

8. Details of associates and joint venture entities including the name of the associate or joint venture entity and details of the reporting entity's percentage holding in each of these entities and – where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.

Name of entity	% Holding	Aggregate Share of profit/(losses)		Contribution to net profit	
		Current Period	Previous Period	Current Period	Previous Period
Daltons Joint Venture (with Giralda Resources Pty Ltd, an Atlas Iron Ltd subsidiary)	25%	Not Material	Not Material	Not Material	Not Material

9. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position:

### Group Operations

In 2016-17 Haoma's primary activities continued to be directed towards mineral exploration and research and development within its areas of interest in the Pilbara district of Western Australia and in the Ravenswood district in North Queensland.

Research and Development activities at Haoma's Bamboo Creek Pilot Plant conducted in conjunction with The University of Melbourne are focussed on developing new commercially viable processes for the assaying and extraction of gold and other precious metals when processing Bamboo Creek Tailings Concentrate and mineral ores from various Pilbara locations including Mt Webber.

### Test work at Bamboo Creek (See Note 1 below)

Haoma's Quarterly Activities Reports over the last year have advised shareholders of significant gold and PGM grades measured in both Bamboo Creek Tailings and Mt Webber drill hole samples using the Elazac Process.

The most recent update to shareholders was provided in Haoma's Quarterly Activities Report for the Quarter Ended June 30, 2017 released on July 31, 2017. Section 2 from that report advised shareholders of progress in relation to test work at Bamboo Creek as follows:

### *Activities Report for Quarter Ended June 30, 2017:*

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

#### **Significant Gold and Platinum grades measured in dore recovered from:**

- **Bamboo Creek Tailings, and**
- **'Slimes fraction' of Mt Webber Low Grade Iron Ore**

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



**Figure1:** Bamboo Creek Processing Plant

*During the Quarter test work trials were conducted at Bamboo Creek on Bamboo Creek Tailings and Mt Webber ore. Results were released to Haoma shareholders on July 13, 2017.*

*The trials using the Elazac Process were conducted on samples of:*

- (i) Bamboo Creek Tailings (up to 2 tonnes), and the*
- (ii) 'Slimes fraction' from low grade Mt Webber Iron Ore, supplied to Haoma by Atlas Iron.*

*The tests concentrated on optimising different combinations of ore concentrations, acids, heat and smelting fluxes. Smelting of concentrates recovered polymetallic dore containing significant quantities of precious metals when measured by XRF.*

**Results from Test Work Trials on Bamboo Creek Tailings**

*In the Haoma March 2017 Quarterly Report shareholders were advised physical gold produced calculated back to a Bamboo Creek Tailings sample 'head grade' of **462 g/t gold**.*

*Note: This is not the 'gold grade' of the Concentrate produced during the test but the 'gold grade' of the sample of Bamboo Creek Tailings. Test work is focusing on the Bamboo Creek Tailings as there are significant quantities of tailings to be processed if the process can be implemented.*

**Figure 2:** Bamboo Creek Tailings – gold bullion from concentrate fraction, Sample 118159B



The Elazac Process assay method used to achieve the above result has now been **repeated 4 times** (each sample 300g of concentrate).

Tests on **five Bamboo Creek Tailings samples** produced **polymetallic dore** which contained significant gold (Au) and platinum (Pt) grades as measured by XRF. The average grades **calculated back to the Bamboo Creek Tailings samples** were: **319g/t gold and 35g/t platinum**.

Below are the individual sample gold and platinum grades measured after being **calculated back to a Bamboo Creek Tailings 'head grade'**. (Platinum has now also been measured by XRF in the **polymetallic dore** recovered from the first test referred to above.)

**Table 1:**

<b>Test Number</b>	<b>Gold grade</b>	<b>Platinum grade</b>
1	462g/t	61g/t
2	209g/t	62g/t
3	664g/t	7g/t
4	46g/t	44g/t
5	214g/t	-
<b>Average</b>	<b>319g/t</b>	<b>35g/t</b>

In addition to the above five tests, two additional tests were conducted on a 4 kg sample of Bamboo Creek Tailings using a **'modified' Elazac Process**.

Two 300g sub-samples produced **polymetallic dore** with the grades of gold and platinum measured by XRF. The average gold and platinum grades **calculated back to the Bamboo Creek Tailings samples** were: **147g/t gold and 131g/t platinum**.

Below are the final individual sample gold and platinum grades measured after being **calculated back to a Bamboo Creek Tailings 'head grade'**. As can be seen in Table 2 the **'modified' Elazac Process** recovered more Platinum than the Elazac Process shown in Table 1.

**Table 2:**

<b>Test Number</b>	<b>Gold grade</b>	<b>Platinum grade</b>
6	163 g/t	61 g/t
7	131 g/t	201 g/t
<b>Average</b>	<b>147 g/t</b>	<b>131 g/t</b>

#### **Current Test Work Trials on Bamboo Creek Tailings**

A two tonne bulk sample of Bamboo Creek Tailings has now being processed using the Elazac Process.

Sub-samples of 20kg (a commercial quantity) are now being processed using different **combinations of ore concentrations, acids, heat and smelting fluxes**. The tests are not yet completed; shareholders will be advised of the results when available.

#### **Results from Test Work Trials on Mt Webber Iron Ore 'Slimes fraction'**

During July 2017 a 12 kg sample of low grade Mt Webber iron ore (54.85% Fe)<sup>2</sup> was beneficiated using a 'water wash' process. (See Appendix 2 for previous Haoma results when a 'water wash' process was used to beneficiate low grade Mt Webber iron ore (54.85% Fe).)

<sup>2</sup> The sample was provided to Haoma Mining by Atlas Iron from Atlas' M45/1209 lease where Atlas is now mining at Mt Webber. M45/1209 is adjacent to M45/1197 where Haoma has a **royalty entitlement** and a **right to access and explore**.

In addition to the upgraded 'iron ore fraction', a 2.4kg 'slimes fraction' was recovered representing 19.85% of the Mt Webber low grade iron ore.

Four 300g sub-samples were taken from the 2.4 kg 'slimes fraction' and assayed by the Elazac Process.

The tests produced **polymetallic dore** with the percentage of gold and platinum in the **polymetallic dore** measured by XRF.

On July 13, 2017 Haoma shareholders were advised the average precious metal grades measured over the four samples **calculated back to the Mt Webber Iron Ore 'Slimes fraction'** were: **117g/t gold and 151g/t platinum**.

Additional tests over the last 2 weeks were conducted on two of the four Mt Webber samples using a **'modified' Elazac Process**. Table 3 below shows the precious metal grades calculated back to the Mt Webber Iron Ore 'Slimes fraction'.

**Table 3:**

Average grades (Released July 13, 2017)	Gold grade	Platinum grade
Four samples	<b>117g/t</b>	<b>151g/t</b>
Two samples <b>re-treated</b> using a 'modified' Elazac Process	<b>85g/t</b>	<b>110g/t</b>
Two samples <b>NOT</b> re-treated	<b>148g/t</b>	<b>195g/t</b>

The polymetallic dore produced from the two **re-treated** samples (using a 'modified' Elazac Process) measured by XRF were: **3% gold and 3% platinum**. The dore grade of 6% combined gold and platinum is at a level that would be accepted by a precious metal refiner.

The latest Mt Webber results shows a significant up-grade in the quantity of gold and platinum measured in the dore recovered.

The average gold and platinum grades **calculated back to the Mt Webber Iron Ore 'Slimes fraction'** were: **888g/t gold and 946g/t platinum**.

**Table 4:**

**Mt Webber 'Slimes fraction'**

	Initial test results (See Table 3 above)		Results after re-treating two samples using 'modified' Elazac Process	
	Gold grade	Platinum grade	Re-treated Gold grade	Re-treated Platinum grade
Average precious metal grades of two samples	<b>85g/t</b>	<b>110g/t</b>	<b>888g/t</b>	<b>946g/t</b>

Haoma's latest results were achieved using traditional plant processing equipment which recovered precious metal dore from concentrates produced at Bamboo Creek.

The results confirm and up-grade the results presented at [Haoma's Annual General Meeting, February 14, 2017](#).

10. For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Accounting Standards). Not applicable

**11. Commentary on the results for the period.**

**Haoma's Group Consolidated Result**

Haoma Mining's consolidated financial result for the year ended June 30, 2017 is an after tax loss of \$4.692 million (2016: loss \$5.660 million) after charging depreciation and amortisation of \$0.19 million (2016: \$0.16 million), interest costs of \$1.796 million (2016: \$1.915 million) and group exploration, development and test work expenditure of \$2.139 million (2016: \$2.651 million).

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

At June 30, 2017 the principal debt to The Roy Morgan Research Centre Pty Ltd was \$39.22 million. Haoma has approved payment of interest on this debt at the 30 day commercial bill rate plus a facility margin of 1%. Interest will accrue until such time as the Board determines that the company is in a position to commence interest payments. Interest accrued for the 12 months to June 30, 2017 was \$1.767 million. Total interest accrued and unpaid to June 30, 2017 is \$29.986 million.

**11.1 The earnings per security and the nature of any dilution aspects:**

Refer Note 3.

**11.2 Returns to shareholders including distributions and buy backs:**

Nil

**11.3 Significant features of operating performance:**

Significant features of operating performance are disclosed in items 2 to 3 and at item 11 above. Also refer to [www.haoma.com.au](http://www.haoma.com.au) for copies of Activities Reports and other information releases.

**11.4 The results of segments that are significant to an understanding of the business as a whole:**

Not applicable

**11.5 A discussion of trends in performance:**

Not applicable

**11.6 Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified:**

Further information in relation to Haoma's operations and copies of information releases are available from Haoma's website at [www.haoma.com.au](http://www.haoma.com.au)

**12. Details of individual and total dividends or distributions and dividend or distribution payments.**

<b>Dividend or distribution payments:</b>	<b>Amount</b>	<b>Date on which each dividend or distribution is payable</b>	<b>Amount per security of foreign sourced dividend or distribution (if known)</b>
Not applicable	-	-	-

- 13.** Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan

Not applicable
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**14. Audited Accounts**

This report is based on accounts that are in the process of being audited. Consistent with prior year audit reports it is anticipated that the Independent Auditor's report will include an Emphasis of Matter in relation to Material Uncertainty Regarding Continuation as a Going Concern.

Upon completion of the audit, details of any qualifications (if any) will be immediately released.

The company has a formally constituted Audit Committee.



**Gary C. Morgan**  
Director  
August 31, 2017