

Appendix 4E

Preliminary Final Report

Year Ended 30 June 2014

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-14	30-Jun-13

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

				\$A'000
2.1	Revenues from ordinary activities	Down	40.13%	To 379
2.2	Loss from ordinary activities after tax attributable to members		-	(8,589)
2.3	Other comprehensive income / (loss)			
	Items that will not be reclassified subsequently to profit and loss			
	Unrealised loss on fair value adjustment to investment in Exterra Resources Ltd			(40)
2.4	Net comprehensive loss for the period attributable to members		-	(8,629)

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

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

	30 June 2014 \$A'000	30 June 2013 \$A'000
Revenues from ordinary activities	379	633
Other income	11	277
Expenses from ordinary activities	(5,660)	(5,504)
Borrowing costs	(3,319)	(3,463)
Loss from Ordinary activities before tax	(8,589)	(8,057)
Income tax on ordinary activities	-	-
Net Loss after income tax expense for the year	(8,589)	(8,057)
Other comprehensive income / (loss)	(40)	(9,770)
Total Comprehensive Income/(Loss) for the year attributable to members	(8,629)	(17,827)

Earnings per security

Basic EPS (cents)	-4.52 cents	-4.24 cents
Diluted EPS (cents)	-4.52 cents	-4.24 cents

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

	30 June 2014 \$A'000	30 June 2013 \$A'000
Loss from Ordinary activities before tax	(8,589)	(8,057)
Other comprehensive income / (loss)	(40)	(9,770)
Net loss from ordinary activities after tax attributable to members	(8,629)	(17,827)

Revenue and Expenses from Ordinary Activities

Revenue from sales or services	379	537
Interest revenue	-	96
Other income	11	277
Revenues from Ordinary Operations	390	910
Details of relevant expenses		
Operating costs	(1,442)	(1,797)
Restoration provision expensed	(681)	-
Exploration and development costs expensed	(3,337)	(3,514)
Depreciation and amortisation excluding amortisation of intangibles	(200)	(193)
Expenses from ordinary operations	(5,660)	(5,504)

4. Condensed Consolidated Statement of Financial Position

	30 June 2014 \$A'000	30 June 2013 \$A'000
Current Assets		
Cash and cash equivalents	13	33
Trade and other receivables	210	100
Inventories	221	377
Total Current Assets	444	510
Non-Current Assets		
Exploration and evaluation	5,889	5,880
Other financial assets	160	200
Property, Plant and Equipment	1,115	1,251
Total Non-Current Assets	7,164	7,331
Total Assets	7,608	7,841
Current Liabilities		
Trade and other payables	1,478	1,753
Interest bearing loans and borrowings	56,310	48,316
Provisions	151	124
Total Current Liabilities	57,939	50,193
Non-Current Liabilities		
Provisions	2,135	1,485
Total Non-Current Liabilities	2,135	1,485
Total Liabilities	60,074	51,678
Net Liabilities	(52,466)	(43,837)
Equity		
Contributed equity	60,608	60,608
Reserves	(160)	(120)
Accumulated losses	(112,914)	(104,325)
Equity attributable to Members of the Parent Entity	(52,466)	(43,837)

Notes to the Condensed Consolidated Statement of Financial Position

Capitalised Exploration and Evaluating Expenditure	30 June 2014 \$A'000	30 June 2013 \$A'000
Opening balance	5,880	5,815
Expenditure incurred during the period	3,337	3,514
Movement in restoration provision capitalised	681	-
Expenditure written off during current period	(4,018)	(3,514)
Acquisitions, disposals, revaluation increments	9	65
Closing balance in the Consolidated Statement of Financial Position	5,889	5,880

5. Condensed Consolidated Statement of Changes in Equity

Attributable to equity holders of the consolidated group						
	Share Capital \$A'000	Share Option Reserve \$A'000	Capital Reserve \$A'000	Available For Sale Reserve \$A'000	Accumulated Losses \$A'000	Total Equity \$A'000
Balance at June 30, 2012	59,593	300	6,183	(6,019)	(86,782)	(26,725)
Transfer from Share option reserve	300	(300)	-	-	-	-
Proceeds from exercise of share options	715	-	-	-	-	715
Reserve transferred during the year	-	-	(6,183)	-	6,183	-
Revaluation of Investment	-	-	-	(9,770)	-	(9,770)
Transfer balance of Available for Sale Reserve to Accumulated Losses on Disposal of Investment	-	-	-	15,669	(15,669)	-
Loss for the year	-	-	-	-	(8,057)	(8,057)
Balance at June 30, 2013	60,608	-	-	(120)	(104,325)	(43,837)
Revaluation of Investment	-	-	-	(40)	-	(40)
Loss for the year	-	-	-	-	(8,589)	(8,589)
Balance at June 30, 2014	60,608	-	-	(160)	(112,914)	(52,466)

6. Condensed Consolidated Statement of Cash Flows

	30 June 2014 \$A'000	30 June 2013 \$A'000
Cash Flows From Operating Activities		
Receipts from customers	278	568
Interest and other items of similar nature received	-	96
Dividend Income	-	252
Payments to suppliers and employees	(4,973)	(5,300)
Interest and other costs of finance paid	(20)	(16)
Net cash used in operating activities	(4,715)	(4,400)
Cash Flows From Investing Activities		
Payment for purchases of property, plant & equipment	(63)	(355)
Payment for purchases of Mining Tenements	(10)	(65)
Proceeds from sale of property, plant & equipment	-	2
Proceeds from sale of Investments / Mining Tenements	-	7,331
Net cash (used in)/provided by investing activities	(73)	6,913
Cash Flows From Financing Activities		
Proceeds from borrowings	4,768	(3,220)
Proceeds from Share Options exercised	-	715
Net cash provided by/(used in) financing activities	4,768	(2,505)
Net (decrease)/increase in cash held	(20)	8
Cash at the beginning of the year	33	25
Cash at end of year	13	33

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, 2014 was \$3.299 million (2013 - \$3.446 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 2014 \$A'000	30 June 2013 \$A'000
Cash and cash equivalents	13	33
Total cash at end of year	13	33

7. Net Tangible Assets Per Security

Net tangible asset per security

(27.59) Cents

(23.05) 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 Giralia Resources Pty Ltd	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 2013-14 Haoma's primary areas of activity continued to be directed towards exploration and research and development activities within its areas of interest in the Pilbara district of Western Australia and in the Ravenswood district in North Queensland. Research and Development activities were primarily focused on developing a commercially viable outcome to optimise the assaying and extraction of gold and platinum group metals when processing Bamboo Creek Tailings Concentrate and Mt Webber drill core samples.

Test work at Bamboo Creek (See Note 1 below)

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

In Haoma's March 2014 ASX Quarterly Report shareholders were advised that samples of Bamboo Creek Tailings and Mt Webber RC Drill Chips contain significant quantities of precious metals when measured gravimetrically. See Note 2 below.

The most recent update to shareholders was provided in Haoma's Activities Report to the ASX for the Quarter ended June 30, 2014 released on July 31, 2014. Shareholders were advised as follows:

During the June Quarter test work has concentrated on using conventional chemical digestion processes to extract gold. This process will result in significantly reduced production costs and alleviate the need to send gold and precious metal concentrates to be processed in Europe or China.

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.

Recent test work completed at Haoma's Bamboo Creek Laboratory and at independent laboratories in Melbourne has shown conclusively that once ore samples have been pre-treated by the Elazac Process, the gold and precious metals in ores **can be leached into either cyanide solutions or aqua regia (acid) solutions**. These solutions have been assayed by conventional wet chemistry methods. (Haoma has always been able to recover gold measured in cyanide.)

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

Bamboo Creek Tailings

Cyanide leach solution gold grade: 89.1 g/t

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

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

Mt Webber RC Drill Chips

Cyanide leach solution gold grade: 22.6 g/t

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

The Directors believe further refinements (based on previous tests) can be made which will increase the amount of gold leached into either cyanide solutions or aqua regia solutions.

Haoma Directors are now considering different options to "scale-up" the Elazac Process using the existing Bamboo Creek Plant and Bamboo Creek Cyanide Leach Circuit to produce gold from a continuous operation which processes parcels of Bamboo Creek Tailings and Mt Webber Ore.

Note 2 (First published in Haoma's March 2014 ASX Quarterly Report):

a) Gravimetric Assaying Test Work

Precious metal concentrate samples produced by various pre-treatment processes described in Haoma's March ASX Quarterly Report enable the production of precious metal concentrates which can be seen and measured by conventional scanning electron microscopy (SEM) with energy dispersive analysis of emitted x-rays (EDAX), x-ray fluorescence (XRF), microwave assisted aqua regia digestion, and by independent assays by commercial refinery laboratories, such as the European Refinery precious metal assays as released to shareholders in Haoma's regular Quarterly Activities and other reports to shareholders.

Samples produced from BBC Tailings, Mt Webber RC Drill Chips and other ores contain small grains (few microns, Haoma's March ASX Quarterly Report) material rich in precious metals. These grains are large enough to be characterised by XRF or SEM and provide semi-quantitative assessments of the gold and PGM content.

While in absolute terms the XRF and SEM-EDAX assessments are only semi-quantitative, the fact that both these techniques and the independent European Refinery assay results (See Haoma's shareholder reports) provide fairly similar grade information, establishes the credibility of the Haoma's results. These results cover Bamboo Creek ores, ore from Mt Webber and numerous other ores tested.

b) Gravimetric Measurement of Precious Metals from Processing Bamboo Creek Tailings:

Precious metal gravimetric grades produced from a 0.3 kg Bamboo Creek Tailings sample using **conventional chemical processes in combination with smelting** were:

Gold	77 g/t
Platinum	107 g/t
Palladium	21 g/t
Iridium	49 g/t

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, 2014 is an after tax loss of \$8.589 million (2013: loss \$8.057 million) after charging depreciation and amortisation of \$0.200 million (2013: \$0.193 million), interest costs of \$3.319 million (2013: \$3.463 million) and group exploration, development and test work expenditure of \$3.337 million (2013: \$3.514 million).

In recent months Haoma has significantly reduced operational costs and is presently investigating a consolidation of exploration targets. Cash costs of all areas of activity are currently in the vicinity of \$200,000-\$250,000 per month while revenue is approximately \$100,000 per month. The balance of funding for Haoma's operations is being provided by The Roy Morgan Research Centre Pty Ltd, a company owned and controlled by Haoma's Chairman, Gary Morgan.

At June 30, 2014 the principal debt to The Roy Morgan Research Centre Pty Ltd was \$30.91 million. Haoma has approved payment of interest on this debt at the 30 day commercial bill rate plus a facility margin of 4%. Interest will accrue until such time as the Board determines that the company is in a position to commence interest payments. Interest accrued for the 12 months to June 30, 2014 was \$3.299 million. Total interest accrued and unpaid to June 30, 2014 is \$22.679 million.

The audit of the financial statements is presently being completed and will be filed with the annual financial report to ASX and ASIC when completed. The financial result is not expected to be subject to audit qualification. However, 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.

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 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

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

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

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

14. Audited Accounts

This report is based on accounts that are in the process of being audited. The financial statements are not expected to be subject to audit qualification. However, 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 29, 2014