

# Appendix 4E

## Preliminary Final Report

### Year Ended 30 June 2015

#### 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-15	30-Jun-14

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

				\$A'000
2.1	Revenues from ordinary activities	Up	121%	To 837
2.2	Loss from ordinary activities after tax attributable to members	Down	14%	(7,390)
	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			(10)
2.3	Net comprehensive loss for the period attributable to members	Down	14%	(7,400)

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 2015</b> <b>\$A'000</b>	30 June 2014 \$A'000
Revenues from ordinary activities	<b>837</b>	379
Other income	<b>45</b>	11
Expenses from ordinary activities	<b>(4,574)</b>	(5,660)
Borrowing costs	<b>(3,698)</b>	(3,319)
<b>Loss for the year from ordinary activities before tax</b>	<b>(7,390)</b>	(8,589)
Income tax on ordinary activities	-	-
<b>Net Loss after income tax expense for the year</b>	<b>(7,390)</b>	(8,589)
Other comprehensive income	<b>(10)</b>	(40)
<b>Total Comprehensive Income for the year attributable to members</b>	<b>(7,400)</b>	(8,629)

**Earnings per security**

Basic EPS (cents)	<b>-3.89 cents</b>	-4.52 cents
Diluted EPS (cents)	<b>-3.89 cents</b>	-4.52 cents

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

	<b>30 June 2015</b> <b>\$A'000</b>	30 June 2014 \$A'000
<b>Loss from Ordinary activities before tax</b>	<b>(7,390)</b>	(8,589)
Other comprehensive income / (loss)	<b>(10)</b>	(40)
<b>Net loss from ordinary activities after tax attributable to members</b>	<b>(7,400)</b>	(8,629)

**Revenue and Expenses from Ordinary Activities**

Revenue from sales or services	<b>837</b>	379
Other income	<b>45</b>	11
<b>Revenues from Ordinary Operations</b>	<b>882</b>	390
Details of relevant expenses		
Operating costs	<b>(1,795)</b>	(1,442)
Restoration provision expensed	<b>(201)</b>	(681)
Exploration and development costs expensed	<b>(2,366)</b>	(3,337)
Depreciation and amortisation excluding amortisation of intangibles	<b>(212)</b>	(200)
<b>Expenses from ordinary operations</b>	<b>(4,574)</b>	(5,660)

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

	<b>30 June 2015</b> <b>\$A'000</b>	30 June 2014 \$A'000
<b>Current Assets</b>		
Cash and cash equivalents	12	13
Trade and other receivables	67	211
Inventories	182	221
<b>Total Current Assets</b>	<b>261</b>	445
<b>Non-Current Assets</b>		
Exploration and evaluation	5,896	5,889
Other financial assets	150	160
Property, Plant and Equipment	1,042	1,115
<b>Total Non-Current Assets</b>	<b>7,088</b>	7,164
<b>Total Assets</b>	<b>7,349</b>	7,609
<b>Current Liabilities</b>		
Trade and other payables	2,006	1,478
Interest bearing loans and borrowings	62,726	56,310
Provisions	146	151
<b>Total Current Liabilities</b>	<b>64,878</b>	57,939
<b>Non-Current Liabilities</b>		
Provisions	2,336	2,135
<b>Total Non-Current Liabilities</b>	<b>2,336</b>	2,135
<b>Total Liabilities</b>	<b>67,214</b>	60,074
<b>Net Liabilities</b>	<b>(59,865)</b>	(52,465)
<b>Equity</b>		
Contributed equity	60,608	60,608
Reserves	(170)	(160)
Accumulated losses	(120,303)	(112,913)
<b>Equity attributable to Members of the Parent Entity</b>	<b>(59,865)</b>	(52,465)

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

<b>Capitalised Exploration and Evaluating Expenditure</b>	<b>30 June 2015 \$A'000</b>	<b>30 June 2014 \$A'000</b>
Opening balance	5,889	5,880
Expenditure incurred during the period	2,366	3,337
Movement in restoration provision capitalised	201	681
Expenditure written off during current period	(2,567)	(4,018)
Acquisitions, disposals, revaluation increments	7	9
<b>Closing balance in the Consolidated Statement of Financial Position</b>	<b>5,896</b>	<b>5,889</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, 2013</b>	60,608	(120)	(104,325)	(43,837)
Revaluation of Investment	-	(40)	-	(40)
Loss for the year	-	-	(8,588)	(8,588)
<b>Balance at June 30, 2014</b>	<b>60,608</b>	<b>(160)</b>	<b>(112,913)</b>	<b>(52,465)</b>
Revaluation of Investment	-	(10)	-	(10)
Loss for the year	-	-	(7,390)	(7,390)
<b>Balance at June 30, 2015</b>	<b>60,608</b>	<b>(170)</b>	<b>(120,303)</b>	<b>(59,865)</b>

## 6. Condensed Consolidated Statement of Cash Flows

	<b>30 June 2015</b> <b>\$A'000</b>	<b>30 June 2014</b> <b>\$A'000</b>
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	986	277
Payments to suppliers and employees	(1,707)	(2,246)
Exploration and development expenditure	(1,779)	(2,550)
Interest and other costs of finance paid	(18)	(20)
<b>Net cash used in operating activities</b>	<b>(2,518)</b>	<b>(4,539)</b>
<b>Cash Flows From Investing Activities</b>		
Payment for purchases of property, plant & equipment	(140)	(63)
Payment for purchases of Mining Tenements	(7)	(10)
<b>Net cash used in investing activities</b>	<b>(147)</b>	<b>(73)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from borrowings from related parties	2,737	4,696
Payment of insurance premium funding	(73)	(104)
Proceeds from Share Options exercised	-	
<b>Net cash provided by financing activities</b>	<b>2,664</b>	<b>4,592</b>
<b>Net decrease in cash held</b>	<b>(1)</b>	<b>(20)</b>
Cash at the beginning of the year	13	33
<b>Cash at end of year</b>	<b>12</b>	<b>13</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, 2015 was \$3.698 million (2014 - \$3.319 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:	<b>30 June 2015</b> <b>\$A'000</b>	<b>30 June 2014</b> <b>\$A'000</b>
Cash and cash equivalents	12	13
<b>Total cash at end of year</b>	<b>12</b>	<b>13</b>

## 7. Net Tangible Assets Per Security

Net tangible asset per security

(31.48) Cents

(27.59) 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 2014-15 Haoma's primary activities were 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 continued to be directed towards developing new commercially viable processes for the assaying and extraction of gold and other precious metals when processing Bamboo Creek Tailings Concentrate and Mt Webber drill core samples.

### 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 updates to shareholders were provided in Haoma's Quarterly Activities Report for the Quarter Ended June 30, 2015 released on July 31, 2015 and in an update to that report released August 26, 2015. The sections from those reports advising shareholders of progress in relation to test work at Bamboo Creek are as follows:

### Activities Report for Quarter Ended June 30, 2015:

*During the June Quarter test work was conducted on recovering precious metals into acid and other chemical solutions.*

#### 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.

Samples of Bamboo Creek Tailings and various iron ore samples were processed using:

- 1) a combination of **different quantities of heat**, and
- 2) **different hydrometallurgical procedures**.

Test work focused on optimising (fine tuning) the Elazac Process using different quantities of acids and other reagents used to digest ore samples with a range of levels of heat – the heat applied from ambient levels through to 1200°C. The tests used only standard reagents and traditional leaching processes.

Significant gold and platinum group metals (PGM) grades were recovered into acid solutions and measured by ICP utilising the Elazac Assay Method at independent laboratories.

This is an important finding and of potential financial benefit to Haoma because, as previously reported, traditional assay methods measured negligible gold or platinum group metals (PGM) in the ores assayed, as opposed to the Elazac Assay Method which correctly measures both gold and PGM at commercial quantities.

**Recent test work measured significant gold grades in acid solutions without applying any excessive heat. However higher gold grades were measured when low heat or low temperature smelting was used.**

The following table highlights the variances between high and low temperature extraction:  
(The low temp gold assays were carried out in the Bamboo Creek Laboratory while PGM and high temp gold samples were analysed by independent laboratories).

	Low Temperature -100°C				High Temperature +1000°C			
	Au g/t	Ag g/t	Pt g/t	Pd g/t	Au g/t	Ag g/t	Pt g/t	Pd g/t
Bamboo Creek Tailings	27.25	165.91	25.86	0.14	227.00	0.00	16.28	130.24
Mt Webber	53.55	58.50	7.71	0.00	n/a	n/a	n/a	n/a

During the current Quarter test work will determine the best method of heat treatment of ores and the recovery from final stage solutions using specialised resins and other forms of collectors to most efficiently target the recoveries of gold, silver and individual PGM.

Following the recent success of extracting and measuring significant grades of precious metals in acid solutions, it is anticipated that gold and PGM will now be recovered using Haoma's plant at Bamboo Creek near Marble Bar. **This will eliminate the need for Haoma to send precious metal concentrates overseas and result in significant processing cost savings.**

#### **August 26, 2015 Update Report:**

In Haoma's June 2015 Quarterly Activities Report shareholders were advised that test work on Bamboo Creek Tailings and other ore samples had successfully produced concentrates which contained significant grades of precious metals - gold, silver and Platinum Group Metals (PGM) were reported.

Since the June Quarter Report test work has continued at both Bamboo Creek and the University of Melbourne on the two stages of recovering precious metals from Bamboo Creek Tailings and other ore samples.

The **first stage** involves concentrating the ore; the **second stage** extracting the precious metals from the concentrate produced.

#### **Stage 1: Concentrating – now possible without Smelting or Acid Digestion**

Samples of Bamboo Creek Tailings and various iron ore samples have been processed successfully using Haoma's Elazac Process to produce concentrates which contain significant quantities of precious metals – **without smelting and without acid digestion.**



*Specifically, modifications have been made to the Elazac Process which have resulted in the production of precious metal concentrates **representing greater than 5% of ore samples processed**, and which contained **1% or more precious metals** (gold, silver and Platinum Group Metals).*

**Stage 2: Extracting Precious Metals from Concentrates**

*Test work continues with a view to determining the **best method of efficiently recovering the gold, silver and individual PGM** from the concentrates produced; and the **best partner for the commercial refining of those concentrates**.*

- 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, 2015 is an after tax loss of \$7.390 million (2014: loss \$8.589 million) after charging depreciation and amortisation of \$0.21 million (2014: \$0.20 million), interest costs of \$3.698 million (2014: \$3.319 million) and group exploration, development and test work expenditure of \$2.366 million (2014: \$3.337 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, 2015 the principal debt to The Roy Morgan Research Centre Pty Ltd was \$33.64 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, 2015 was \$3.649 million. Total interest accrued and unpaid to June 30, 2015 is \$26.327 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. 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 may 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, 2015