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525 Collins Street  
**MELBOURNE, VIC 3000**

July 31, 2015

Dear Sir,

## ACTIVITIES REPORT FOR THE QUARTER ENDED JUNE 30, 2015 – HIGHLIGHTS

- **Group Consolidated Financial Result:**

Haoma Mining's unaudited consolidated financial result for the three months ended June 30, 2015 was a before tax loss of \$2.27 million after interest of \$0.91 million, depreciation and amortisation of \$0.05 million, and development and test work expenditure of \$0.48 million.

- **Latest Test Work at Bamboo Creek:**

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.

**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.**

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### **1. GROUP CONSOLIDATED RESULT TO JUNE 30, 2015**

<b>Haoma Mining NL Consolidated Profit &amp; Loss</b>	<b>2013/14 4th Qtr (\$m)</b>	<b>2013/14 Full Year (\$m)</b>	<b>2014/15 1st Qtr (\$m)</b>	<b>2014/15 2nd Qtr (\$m)</b>	<b>2014/15 3rd Qtr (\$m)</b>	<b>2014/15 4th Qtr (\$m)</b>	<b>2014/15 Full Year (\$m)</b>
Operating Revenue:							
Royalties	0.16	0.19	<b>0.23</b>	<b>0.28</b>	<b>0.17</b>	<b>0.02</b>	<b>0.70</b>
Retail Sales & Misc.	0.04	0.16	<b>0.05</b>	<b>0.03</b>	<b>0.02</b>	<b>0.03</b>	<b>0.13</b>
Other Income	-	0.01	-	<b>0.04</b>	-	-	<b>0.04</b>
<b>Operating Revenue</b>	<b>0.20</b>	<b>0.36</b>	<b>0.28</b>	<b>0.35</b>	<b>0.19</b>	<b>0.05</b>	<b>0.87</b>
<b>Operating profit (loss) before interest, depreciation, amortisation, exploration &amp; development costs:</b>							
Interest	(0.51)	(0.76)	<b>(0.21)</b>	<b>0.02</b>	<b>(0.09)</b>	<b>(0.83)</b>	<b>(1.11)</b>
Depreciation & amortization	(0.87)	(3.32)	<b>(0.92)</b>	<b>(0.95)</b>	<b>(0.92)</b>	<b>(0.91)</b>	<b>(3.70)</b>
Exploration, development & test work	(0.05)	(0.20)	<b>(0.05)</b>	<b>(0.06)</b>	<b>(0.05)</b>	<b>(0.05)</b>	<b>(0.21)</b>
Operating (loss) before tax	(0.79)	(4.35)	<b>(0.79)</b>	<b>(0.31)</b>	<b>(0.79)</b>	<b>(0.48)</b>	<b>(2.37)</b>
<b>Operating (loss) before tax</b>	<b>(2.22)</b>	<b>(8.63)</b>	<b>(1.97)</b>	<b>(1.30)</b>	<b>(1.85)</b>	<b>(2.27)</b>	<b>(7.39)</b>

#### **1.1 Haoma's Group Consolidated Result**

Haoma Mining's unaudited consolidated financial result for the three months ended June 30, 2015 was a before tax loss of \$2.27 million after interest of \$0.91 million, depreciation and amortisation of \$0.05 million, and development and test work expenditure of \$0.48 million.

#### **1.2 Funding of Operations and Appeal Against Decision of WA District Court**

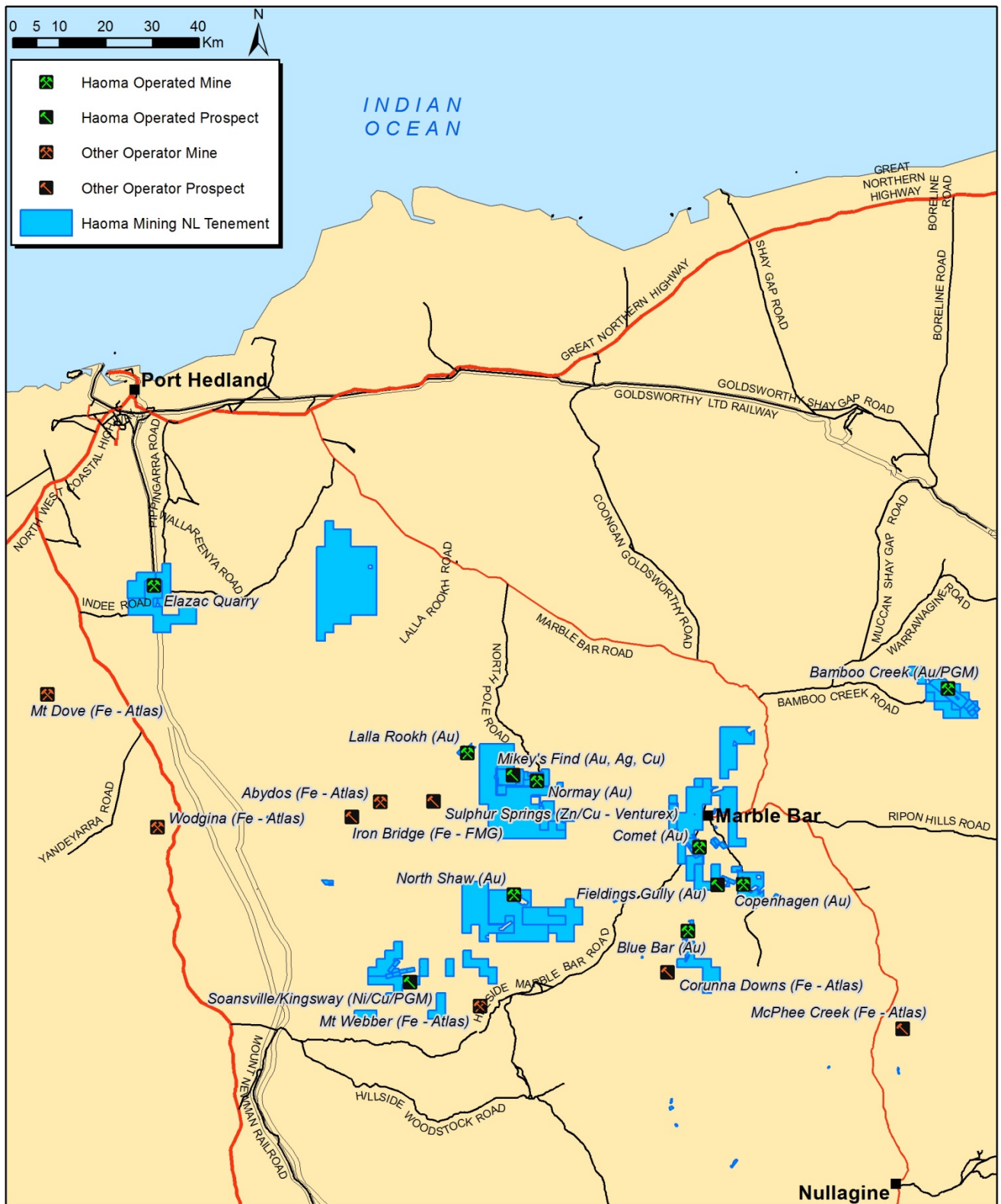
At present, funding for Haoma's operations is being provided by The Roy Morgan Research Centre Pty Ltd, a company owned and controlled by Haoma's Chairman, Gary Morgan.

At June 30, 2015 the principal debt to The Roy Morgan Research Centre Pty Ltd was \$33.65 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 3 months to June 30, 2015 was \$897,415. Total interest accrued and unpaid to June 30, 2015 is \$26.327 million.

On June 23, 2015 Haoma granted The Roy Morgan Research Centre Pty Ltd a fixed and floating charge over all of Haoma's property and undertakings as collateral for past and future funds advanced to Haoma.

On June 9, 2015 the District Court of Western Australia confirmed an award of damages in the amount of \$448,420 plus costs in favour of a former employee of Haoma for injuries suffered in a motor vehicle accident in September 2003. Haoma has appealed the decision of the Court that the Insurance Commission of Western Australia as the compulsory third party injury insurer is not liable to indemnify Haoma in respect to the claim. Haoma will advise shareholders of the outcome of that appeal when known.

## 2.0 RECENT ACTIVITIES AT BAMBOO CREEK



**Figure 1: Location map of Haoma Mining and other Pilbara mining locations.**

## 2.1 Test Work at Bamboo Creek<sup>1</sup> (See Note 1 below)

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

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
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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.**

**Note 1:** The information & data in Section 2 of 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.

### **3. EXPLORATION AND EVALUATION ACTIVITIES IN WESTERN AUSTRALIA**

Development of exploration programs for all Haoma's Pilbara tenement holdings continued during the June Quarter. Further comparative studies of geological setting and mineralisation styles resulted in retention of current holdings, particularly in the East Pilbara Mineral Field. Results of Haoma's metallurgical test work program continue to direct field exploration activities toward locating and evaluating iron-rich lithologies and mineralised zones.

#### **3.1 Atlas Iron Limited Agreement at Mt Webber (M45/1197)**

Atlas Iron is presently in the process of refinancing their Pilbara based mining operations including those at Mt Webber (M45/1197). Pursuant to the April 2012 Tenement Sale and Purchase Agreement between Haoma and Atlas, where Atlas conducts further Reserve development work in respect to the Mt Webber Mining Lease M45/1197, Haoma is entitled to further payment of \$1.38 per tonne for each tonne of Reserve classified iron ore in excess of 24 million tonnes. Any 'Reserve Uplift' payments are due upon each announcement of a Reserve uplift and are indexed by CPI from March 2012.

#### **3.2 Bamboo Creek Goldfield – M45/480 and M45/481**

Metallurgical test work at Bamboo Creek Laboratory has identified significant concentrations of gold (Au), silver (Ag) and platinum group metals (PGM) in tailings produced by the Bamboo Creek Processing Plant during previous mining operations. Currently an investigation is underway into the origin of PGM within the Bamboo Creek Mineral Field.

Komatiite ultramafic flow deposits are commonly associated with PGM mineralisation in greenstones worldwide. Komatiite at Bamboo Creek Mineral Field hosts known gold mineralisation in hydrothermal systems and is considered the most likely source of PGM. Affinity of PGM and sulphide minerals of pyrrhotite, chalcopyrite and arsenopyrite is well documented and defines the first phase of this program. Collection of whole rock samples containing sulphides from stockpiles, mullock and outcrop within the Bamboo Creek Mineral Field is ongoing.

Geological review has identified additional prospective mineralised zones within the Project area. Lithologies hosting mineralisation extend beyond the zone of historical gold production. One of the mineralisation styles significant within the Bamboo Creek Mineral Field is characterised by fault displacement of contacting komatiite and chert units. During mineral deposition, enriched hydrothermal fluids flowed through faults generating alteration haloes of moderate to intense silicification and localised mineralised zones hosting ore grade gold and silver. Surface geochemical anomalies identified during the 1990's correlate well with fault and komatiite/chert intersections.

Additional areas considered prospective have recently been identified using aerial imagery. Detailed geological mapping and sampling has commenced.

#### **3.3 Blue Bar Project – E45/3942**

The Blue Bar Project area consists of seven tenements located approximately 25km south of Marble Bar. The geology of the area is dominated by greenstones of the Coongan Syncline including Komatiitic basalts. Gold mineralization is associated with the Blue Bar Shear Zone which hosts numerous old workings and the currently inactive Blue Bar Mine. The Blue Bar Shear Zone extends through the project tenements north to south for approximately 7 km. Continuity and style of mineralisation within the shear zone and related structures is being tested by current exploration. Results to date indicate a strong association between gold and copper mineralisation.

### **3.4 Soansville Project - E45/4174, E45/4179 and E45/4181**

The Soansville Project area comprises 21 tenements around the Soansville Mining Centre and Mt Webber, approximately 150km south-southeast of Port Hedland. Prospective areas within the group are dominated by Archean Greenstones hosting ultramafic assemblages, including Komatiitic flow deposits. These rocks are un-conformably overlain by Proterozoic banded iron formations, similar to the geological setting at Mt Webber.

Exploration activity is targeting mineralisation associated with the Archean Greenstones particularly in areas proximal to Kingsway Prospect, Pool Valley Syncline, Mt Webber Mine and Tambina Prospect. Magnetic anomalies occurring where ultramafic sills, interleaved cherts, acid volcanics and gabbros are displaced by faults and folds define zones of primary interest.

Potential for nickel sulphide, PGM and gold mineralisation is being evaluated particularly in the context of known mineralisation at the Kingsway Prospect previously summarised in [Haoma's December 2005 Quarterly Activities Report](#).

([http://www.haoma.com.au/2005/Haoma\\_Qtrly\\_Q2\\_Dec\\_05\\_final.pdf](http://www.haoma.com.au/2005/Haoma_Qtrly_Q2_Dec_05_final.pdf))

Exploration undertaken at Kingsway/Soansville in 2004 as part of the Daltons Joint Venture with Giralia Resources (now a wholly owned subsidiary of Atlas Iron Ltd) identified a number of highly prospective nickel and copper zones. Further work is being undertaken to review the RC drill hole data from that exploration program and Haoma will then decide how best to further upgrade the numerous prospects in this exploration area.

### **3.5 Haoma's Pilbara Quarries**

Haoma is presently finalising agreements for the supply rock and road base material from its hard rock quarries located in the East Pilbara. It is anticipated this will provide a source of income during the 2015-16 year.

## **4. EXPLORATION ACTIVITIES IN THE RAVENSWOOD DISTRICT - QUEENSLAND**

### **EPM 8771, EPM 14038, EPM 14297, ML 1325, ML 1326, MI 1330, MI 1415, ML 1483, ML 1529**

Haoma has begun discussions with Resolute Mining Ltd to determine a viable and mutually beneficial outcome for mining and processing of gold ore from Haoma's tenements in the Ravenswood District of North Queensland.

Yours sincerely,



Gary C Morgan,  
CHAIRMAN

**Appendix 1**  
**JORC Code, 2012 Edition - Table 1**

**Competent Persons Statement**

*The information in this report that relates to Exploration Results is based on information compiled by David Mellor who is a full-time employee of the Company and is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). David Mellor has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. David Mellor consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

**Forward-looking Statements**

*This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Haoma Mining NL's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although Haoma Mining NL believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.*

## Appendix 2

### Mining Tenements at June 30, 2015 – Listing Rule Requirement 5.3.3

Tenement No.	Status	Location	Interest	Tenement No.	Status	Location	Interest
M45/14	Granted	WA	100%	M45/847	Granted	WA	100%
M45/16	Granted	WA	100%	M45/873	Granted	WA	100%
M45/235	Granted	WA	100%	M45/874	Granted	WA	100%
M45/238	Granted	WA	100%	M45/906	Granted	WA	100%
M45/240	Granted	WA	100%	M46/160	Granted	WA	100%
M45/284	Granted	WA	100%	M46/177	Granted	WA	100%
M45/296	Granted	WA	100%	M46/43	Granted	WA	100%
M45/297	Granted	WA	100%	M46/44	Granted	WA	100%
M45/302	Granted	WA	100%				
M45/328	Granted	WA	100%				
M45/329	Granted	WA	100%				
M45/346	Granted	WA	100%				
M45/357	Granted	WA	100%				
M45/385	Granted	WA	100%	MC 2205	Granted	Qld	100%
M45/395	Granted	WA	100%	MC 2206	Granted	Qld	100%
M45/411	Granted	WA	100%	ML 10275	Granted	Qld	100%
M45/438	Granted	WA	100%	ML 10315	Granted	Qld	100%
M45/442	Granted	WA	100%	ML 1325	Granted	Qld	100%
M45/453	Granted	WA	100%	ML 1326	Granted	Qld	100%
M45/459	Granted	WA	100%	ML 1330	Granted	Qld	100%
M45/478	Granted	WA	100%	ML 1415	Granted	Qld	100%
M45/480	Granted	WA	100%	ML 1483	Granted	Qld	100%
M45/481	Granted	WA	100%	ML 1529	Granted	Qld	100%
M45/490	Granted	WA	100%				
M45/514	Granted	WA	100%				
M45/515	Granted	WA	100%				
M45/521	Granted	WA	100%				
M45/547	Granted	WA	100%				
M45/554	Granted	WA	100%				
M45/57	Granted	WA	100%				
M45/588	Granted	WA	100%				
M45/591	Granted	WA	100%				
M45/606	Granted	WA	100%				
M45/607	Granted	WA	100%				
M45/648	Granted	WA	100%				
M45/649	Granted	WA	100%				
M45/650	Granted	WA	100%				
M45/651	Granted	WA	100%				
M45/655	Granted	WA	100%				
M45/665	Granted	WA	100%				
M45/671	Granted	WA	100%				
M45/672	Granted	WA	100%				
M45/678	Granted	WA	100%				
M45/679	Granted	WA	100%				
M45/680	Granted	WA	100%				
M45/682	Granted	WA	100%				
M45/692	Granted	WA	100%				
M45/76	Granted	WA	100%				
M26/534	Granted	WA					
M45/1186	Granted	WA	100%				
M45/1197-I	Granted	WA					

Haoma retains royalty interest  
BGC Contracting operate Elazac Quarry  
All minerals other than iron