

HAOMA MINING NL

ABN 12 008 676 177

FINANCIAL REPORT

**FOR THE HALF YEAR ENDED
DECEMBER 31, 2011**

DIRECTORS' REPORT

The Directors of Haoma Mining NL ("the Company") include herewith the financial report of the Company and its controlled entities ("the Consolidated Entity") for the half year ended December 31, 2011.

DIRECTORS

The name of each person who has been a Director of the Company at any time during or since the end of the half-year and the period for which they have been a director is:

Gary Cordell Morgan (Chairman)	Director appointed May 10, 1991
John Lachlan Charles McInnes	Director appointed May 10, 1991
Michele Levine	Director appointed August 8, 1994

PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the half-year continued to be that of gold mining including the exploration and evaluation of the Consolidated Entity's areas of interest in relation to discovery of gold and other precious metals. There was no change in the nature of activities during the half year.

REVIEW OF RESULTS

The consolidated operating loss of the Consolidated Entity for the half-year to December 31, 2011, after provision for income tax, depreciation, amortisation and interest was \$4,138,327 (2010 half year loss of \$3,693,178).

All ASX Quarterly Activity Reports, Market Announcements and Annual Reports are available on the company website at www.haoma.com.au

EXPLORATION ACTIVITIES AND REVIEW OF OPERATIONS

Extracting fine gold from processing Bamboo Creek Tailings using the Refined Elazac Extraction Method

In the Haoma Mining 2011 Annual Report and at the 2011 Annual General Meeting Haoma advised shareholders that it has successfully extracted gold from Bamboo Creek Tailings using the Refined Elazac Extraction Method. Shareholders were advised that the fine gold recovered from a 10.42kg parcel of Bamboo Creek Tailings equated to a gold grade of 41.37/t.

Haoma is now well advanced in developing a sustainable commercial process to extract gold from Bamboo Creek Tailings and other Bamboo Creek ores. Tests on Bamboo Creek Tailings and other ores in the region continued. Haoma anticipates a commercial gold mining operation at Bamboo Creek to begin in the current Quarter.

Haoma has previously reported that there are approximately one million tonnes of Bamboo Creek Tailings and a million tonnes of mined ore ready to be processed through the Bamboo Creek Plant. In addition there are many millions of tonnes of lower grade gold bearing ore in the Bamboo Creek Valley. (See Figures 1 and 2).



Figure 1: Bamboo Creek Processing Plant



Figure 2: Bamboo Creek Tailings Dam

Gold in the Mt Webber Iron Ore Deposit - Significant Haoma results from processing bulk ore samples of Mt Webber drill core using the Refined Elazac Assay Method (Elazac Method)

Overall the Mt Webber iron ore DSO Reserve is defined at 22 million tonnes at 58.3% Fe. There are many additional lower grade tones. **The iron ore is low in impurities and contains a significant amount of gold.**

In the [Haoma Mining 2011 Annual Report](#) and at the [2011 Annual General Meeting](#) Haoma advised shareholders that a repeat Mt Webber gold assay based on a 10kg sample from RC drill hole RCDW029 (over approximately 20 meters) **returned a gold grade of 71.5g/t.** This result **confirmed the previous gold assay result of 62.3 g/t.**

These laboratory tests show the gold content of the Mt Webber ore can be conclusively measured and that the gold content is up to 2ozs per tonne. See Table 1.

Table 1:

Area Sampled	Sample Description	Gold Assay by Traditional Method	'Calculated' Gold Head Grade using Refined Elazac Assay Method ^[1]	
				g/t
1. Daltons/Soansville: Reported December 2008	17 drill chip samples, over 21.8 metres from 3 drill holes	0.059g/t	Leached Trial Grade	0.176
			Tail Grade	76.09
			'Calculated' Gold Head Grade	> 76.0
2. Daltons/Mt Webber May-July 2011 (Samples from diamond drill hole RDDW002 location East 738955.19, North 7617235.26, Dip/Azim -90/0 & RDDW003 location East 739163.67, North 7617445.42, Dip/Azim -90/0)	Sample sizes, 20-90 kg	0.08 g/t	Bamboo Creek Lab	4.5 5.0 17.0 75+
			Independent Lab	4.5 7.5 31+
			ALS	80+
3. Daltons/Mt Webber Sept./Oct. 2011 (Sample from approximately 20 meters of RC drill hole RCDW029; location East 739160, North 7617447, Dip/Azim -60/90)	Sample size: 3a: 1.835 kg 3b: 10kg	0.08 g/t	Independent Lab Independent Lab	62.3 71.3

Note: Table 1 above includes the previously reported (July 31, 2011) high-grade gold results obtained from Daltons/Mt Webber samples. On September 2, 2011 shareholders were advised that repeat gold assays obtained similar high gold grades as indicated by '+'.

In January 2012 test work continued on developing a commercial process to extract gold from Mt Webber ore which contains gold.

The Mt Webber tenements are subject to an iron ore Joint Venture between Haoma and Giralia/Atlas (25% Haoma, 75% Giralia/Atlas). **Haoma is entitled to 100% of the gold, silver, tin and tantalum.**

Table 2 below shows there is a large number of tonnes of ore available from the Daltons/Mt Webber tenements.

Table 2: Atlas Iron (AGO) and Haoma Mining (HAO) Mt Webber Iron Ore Reserves

	Atlas	Haoma	Total
Mt Webber reserves	17.107mt	5.702mt	22.809mt

^[1] The information & 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 ore (the Refined Elazac Extraction Method). These methods are together referred to as the Elazac Process. The information reported relates solely to the 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 persons 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 release of the information and data in the form and context in which it appears.

AUDITOR'S INDEPENDENCE DELCARATION

The Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 is set out on page 6 and forms part of the Director's Report for the half year ended December 31, 2011

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read "Gary Morgan", with a long horizontal flourish extending to the right.

Gary C. Morgan
Chairman
Melbourne,
March 1 2012



Chartered Accountants
& Business Advisers

**LEAD AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

**To: The Directors
Haoma Mining NL and the entities it controlled during the half-year ended 31 December 2011**

I declare to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2011 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review, and
- no contraventions of any applicable code of professional conduct in relation to the review.

**R Dean
Partner
PKF**

1 March 2012
Melbourne

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED DECEMBER 31, 2011

	Note	Consolidated	
		Half-year ended Dec 31, 2011 \$	Half-year ended Dec 31, 2010 \$
Continuing Operations			
Retail sales		94,904	94,740
Royalty income		37,398	38,513
Finance revenue		58,998	124,388
Revenue	3	191,300	257,641
Other income	3	195,962	-
Cost of sales		(185,533)	(231,420)
Test work and plant configuration expenditure		(1,665,323)	(1,039,108)
Exploration and tenement costs expensed		(75,992)	(358,784)
Administration and compliance expense		(215,866)	(306,788)
Finance costs	3	(2,173,720)	(1,776,030)
Depreciation and amortisation costs	3	(71,655)	(212,787)
Provision for rehabilitation		(7,500)	(25,902)
Share option expense		(130,000)	-
Loss before income tax		(4,138,327)	(3,693,178)
Income tax expense		-	-
Net loss for the period		(4,138,327)	(3,693,178)
Other comprehensive income		-	-
Total comprehensive income for the period attributable to members of Haoma Mining NL, net of tax		(4,138,327)	(3,693,178)
Earnings per share (cents per share)			
From continuing operations			
- basic loss		(2.26)	(2.02)
- diluted loss		(2.26)	(2.02)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2011

	Note	Consolidated	
		Dec 31, 2011	Jun 30, 2011
		\$	\$
Current Assets			
Cash and cash equivalents	4	55,562	167,215
Trade and other receivables		13,827	55,314
Inventories		263,176	230,826
Total Current Assets		332,565	453,355
Non-current Assets			
Other financial assets		1,000,000	1,000,000
Property, plant and equipment		655,954	602,703
Exploration and evaluation	6	6,578,119	6,593,119
Total Non-Current Assets		8,234,073	8,195,822
Total Assets		8,566,638	8,649,177
Current Liabilities			
Trade and other payables		1,510,616	1,616,866
Interest bearing loans		53,165,181	49,166,871
Provisions		123,093	96,867
Total Current Liabilities		54,798,890	50,880,604
Non-Current Liabilities			
Provisions		1,376,517	1,369,017
Total Non-Current Liabilities		1,376,517	1,369,017
Total Liabilities		56,175,407	52,249,621
Net Liabilities		(47,608,771)	(43,600,444)
Equity			
Contributed equity	9	59,593,411	59,593,411
Reserves		6,482,865	6,352,865
Accumulated losses		(113,685,047)	(109,546,720)
(Deficiency) in Equity		(47,608,771)	(43,600,444)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED DECEMBER 31, 2011

CONSOLIDATED	Attributable to equity holders of the consolidated group			
	Share Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
At July 1, 2010	59,593,411	6,182,915	(102,295,769)	(36,519,443)
Share options expired	-	-	-	-
Total comprehensive income for the period, net of tax	-	-	(3,693,178)	(3,693,178)
At December 31, 2010	59,593,411	6,182,915	(105,988,947)	(40,212,621)

CONSOLIDATED	Attributable to equity holders of the consolidated group			
	Share Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
At July 1, 2011	59,593,411	6,352,865	(109,546,720)	(43,600,444)
Share options issued	-	130,000	-	130,000
Total comprehensive income for the period, net of tax	-	-	(4,138,327)	(4,138,327)
At December 31, 2011	59,593,411	6,482,865	(113,685,047)	(47,608,771)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED DECEMBER 31, 2011

	Note	Consolidated	
		Half-year ended Dec 31, 2011 \$	Half-year ended Dec 31, 2010 \$
Cash flows from operating activities			
Receipts from customers		149,848	172,166
Interest received		58,998	29,357
Payments to suppliers and employees		(357,759)	(445,637)
Interest paid		(10,097)	(7,106)
Net cash used in operating activities.....		(159,010)	(251,220)
Cash flows from investing activities			
Purchase of property, plant and equipment		(124,905)	(260,125)
Proceeds from sale of mining leases.....		200,000	-
Exploration and development expenditure		(1,897,735)	(1,382,666)
Net cash used in investing activities		(1,822,640)	(1,642,791)
Cash flows from financing activities			
Loan funding from related parties		1,869,997	1,889,081
Net cash provided by financing activities		1,869,997	1,889,081
Net (decrease) / increase in cash held		(111,653)	(4,930)
Cash at the beginning of the financial year		167,215	8,999
Cash at the end of the period.....	4	55,562	4,069

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**1. CORPORATE INFORMATION**

Haoma Mining is a listed public company, incorporated and domiciled in Australia. The Financial Report of Haoma Mining NL for the half-year ended December 31, 2011 was authorised for issue in accordance with a resolution of the Directors on March 1, 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Half Year Financial Report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position, and financing and investing activities of the Consolidated Entity as a full financial report.

The Half Year Financial Report should be read in conjunction with the Annual Financial Report of Haoma Mining and its controlled entities for the year ended June 30, 2011.

It is also recommended that the Half Year Financial Report be considered together with any public announcements made by Haoma Mining and its controlled entities during the half year ended December 31, 2011 in accordance with the continuous disclosure rules of The Australian Stock Exchange and reporting obligations under the Corporations Act 2001.

Basis of accounts preparation

The Half Year Financial Report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB134 "*Interim Financial Reporting*" and other mandatory professional reporting requirements.

The principal accounting policies adopted by Haoma Mining NL and its Controlled Entities are stated to assist in a general understanding of the financial statements. The Half Year Financial Report has been prepared on a historical cost basis, except for provisions for restoration costs which has been measured as the present value of the future expenditure, taking into account the time value of money and relevant risk for the required expenditure.

For the purpose of preparing the Half Year Financial Report, the half-year has been treated as a discrete reporting period. The financial report is presented in Australian dollars.

Going Concern

The Consolidated Group incurred net losses of \$4,138,327 for the 6 months ended December 31, 2011, has net current liabilities of \$54,466,327 and negative shareholders equity of \$47,608,771. These conditions indicate 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 Consolidated Entity, Haoma's Chairman, Mr. Gary Morgan has provided an undertaking that funds will be made 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. In accordance with that undertaking, funding for the company's operations is presently being provided by The Roy Morgan Research Centre Pty Ltd and Leaveland Pty Ltd, both of which are related entities of Mr Morgan.

At December 31, 2011 the principal debt owing in respect of funds provided to Haoma by The Roy Morgan Research Centre Pty Ltd and Leaveland Pty Ltd was \$36,823,882 (June 30, 2011: \$34,953,785). In respect to that debt, Haoma has booked an accrued interest liability of \$13,952,837 (30 June 2011: \$11,789,214). A further \$2,382,597 (30 June 2011: \$2,382,597) in accrued interest is owed to Gary and Genevieve Morgan.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

The Roy Morgan Research Centre Pty Ltd, Leaveland Pty Ltd and Gary and Genevieve Morgan has each confirmed that payment of monies owed by Haoma will not be required until such time as the Board of Directors determines that Haoma is capable of paying these amounts without adverse financial consequences to the company or its controlled entities. For these reasons, the Board of Directors is satisfied that the going concern basis is appropriate.

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 extinguishment 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 extinguish 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 asset carrying amounts or the amount of liabilities that might result should the company be unable to continue as a going concern and meet its debts as and when they become due and payable.

Significant Accounting Policies

The Half Year Consolidated Financial Statements have been prepared using the same accounting policies as used in the Annual Financial Statements for the year ended June 30, 2011. The Consolidated Entity has adopted applicable new and amended Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, that are mandatory for the current reporting period. Any new, revised or Amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of Consolidation

The Half Year Consolidated Financial Statements comprise the financial statements of Haoma Mining NL and its controlled entities ("Consolidated Entity").

Seasonality of Operations

There were no seasonal or climate related events which directly or indirectly affected Haoma's ability to earn or derive income during the half-year to December 31, 2011.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. REVENUE, INCOME & EXPENSES

	Consolidated Entity	
	Dec 31, 2011	Dec 31, 2010
	\$	\$
Revenue		
Retail sales	94,904	94,740
Royalty income	37,398	38,513
Finance revenue - interest.....	58,998	124,388
	191,300	257,641
Other Income		
Net gain on disposal of mining tenements	185,000	-
Other Income	10,962	-
	195,962	-
Finance Costs		
Director related loan	2,163,623	1,798,260
Bank charges	10,097	7,106
Interest charge/(refund) - Tax liability	-	(29,336)
	2,173,720	1,776,030
Other expenses		
Depreciation.....	71,655	212,787
	71,655	212,787

4. CASH AND CASH EQUIVALENTS

For the purpose of the half-year Consolidated Statement of Cash flows, cash and cash equivalents are comprised of the following:

	Consolidated	
	Half-year ended Dec 31, 2011	Half-year ended Dec 31, 2010
	\$	\$
Cash and cash equivalents	55,562	4,069
	55,562	4,069

5. DIVIDENDS PAID AND PROPOSED

Prior to adoption by the Board of this Half Year Financial Report and in the period since the issue of the June 30, 2011 Annual Financial Report, no dividends were proposed, declared or paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (*continued*)**6. EXPLORATION AND EVALUATION**

	Consolidated Entity	
	Dec 31, 2011	Jun 30, 2011
	\$	\$
Opening balances July 1	6,593,119	6,367,887
Additions.....	1,741,315	3,237,700
Disposals	(15,000)	-
Exploration and evaluation costs written off	(1,741,315)	(3,012,468)
Closing balance	6,578,119	6,593,119

During the half year ended December 31, 2011 Haoma disposed of its Nicol River Tenement group in the Karratha region of Western Australia. The consideration received was \$200,000.

7. INTEREST BEARING LOANS

Funding for the company's ongoing operations has been provided by The Roy Morgan Research Centre Pty Ltd and Leaveland Pty Ltd, both of which are director related entities and controlled by Haoma's Chairman, Mr Gary Morgan. Although the loan has generally been known as the Leaveland loan and disclosed in Haoma's financial reports as being from Leaveland, funding provided after February 12, 2007 has been advanced directly by The Roy Morgan Research Centre Pty Ltd. The loans are now being separately recognised. Previous half year and full year reports did not specifically refer to funding being provided by Roy Morgan Research Centre Pty Ltd. That omission had no impact on the financial position or the operations of the company. Both Roy Morgan Research Centre Pty Ltd and Leaveland Pty Ltd have provided an assurance to the Board that they will continue to ensure funds are made available to the company to fund care and maintenance operations for the period of at least 12 months from the date of this report.

To December 31, 2011, The Roy Morgan Research Centre Pty Ltd and Leaveland Pty Ltd have together provided accumulated funding of \$36,823,882 (30 June 2011: \$34,953,785) to Haoma.

The Board of Haoma has approved payment of interest on the loans at the 30 day commercial bill rate plus a 4% margin. Interest on the loan has not been paid and will accrue until such time as the company is in a position to commence interest payments. During the 6 months ended December 31, 2011, interest accrued on the total funds advanced was \$2,163,623 (Interest for the same period in the previous financial year was \$1,798,258). Total interest accrued over the life of the loans to December 31, 2011 is \$13,952,837. (30 June 2011: \$ 11,789,214)

8. COMMITMENTS AND CONTINGENCIES

As at December 31, 2011 Haoma's contingent liabilities as disclosed in the most recent Annual Report for the Financial Year ended June 30, 2011 are unchanged. Other Commitments and Contingencies that have transpired in the 6 months ended December 31, 2011 include:

Legal Claim

A matter regarding an employee compensation claim for injuries suffered in a vehicle accident is in the process of being determined in the Western Australia District Court.

Haoma has prepared and presented a defence of this matter. The value of the claim has not been specified by the plaintiff other than as a general claim for loss of income and pain and suffering.

Haoma remains of a view that any liability arising from this matter will be covered by the third party vehicle injury policy which was in effect on this vehicle at the time of the accident with the Insurance Commission of Western Australia.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)***9. CONTRIBUTED EQUITY**

	Consolidated	
	Dec 31, 2011	June 30, 2011
	\$	\$
Ordinary shares - issued and fully paid	59,593,411	59,593,411
Movement in ordinary shares on issue:	Number	\$
At July 1, 2011	182,993,665	59,593,411
Issued during the 6 months to December 31, 2011	-	-
At December 31, 2011	182,993,655	59,593,411

10. EVENTS AFTER BALANCE SHEET DATE

No significant events have occurred after balance date and prior to the adoption of this Half Year Financial report.

DIRECTORS' DECLARATION

The Directors of Haoma Mining NL declare that:

- (a) The financial statements and notes of the consolidated entity:
 - (i) give a true and fair view of the financial position of the consolidated entity's as at December 31, 2011 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (ii) comply with Accounting Standards AASB 134 "*Interim Financial Reporting*" and the Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable for the reasons discussed in note 2 to the financial statements.

Signed in accordance with a resolution of the directors

A handwritten signature in black ink, appearing to read 'Gary Morgan', with a long horizontal flourish extending to the right.

Gary C. Morgan
Chairman

Melbourne

March 1, 2012

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF HAOMA MINING NL**

Chartered Accountants
& Business Advisers

Report on the Half-Year Financial Report

We have reviewed the accompanying consolidated half-year financial report of Haoma Mining NL which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity. The consolidated entity comprises Haoma Mining NL (the company) and the entities it controlled at 31 December 2011 or from time to time during the half-year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Haoma Mining NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the consolidated entity is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

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Chartered Accountants
& Business Advisers

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF HAOMA MINING NL (CONT'D)**

Emphasis of Matter - Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our conclusion, we draw attention to Note 2 "Going Concern" in the financial report, which indicates that the consolidated entity incurred a net loss of \$4,138,327 for the year, had net current liabilities of \$54,466,325, and negative shareholders equity of \$47,608,771. These conditions give rise to a material uncertainty which may cast significant doubt about the ability of the consolidated entity to continue as a going concern, and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

PKF

1 March 2012
Melbourne

**R A Dean
Partner**