HAOMA MINING NL

ANNUAL REPORT

JUNE 30, 2020

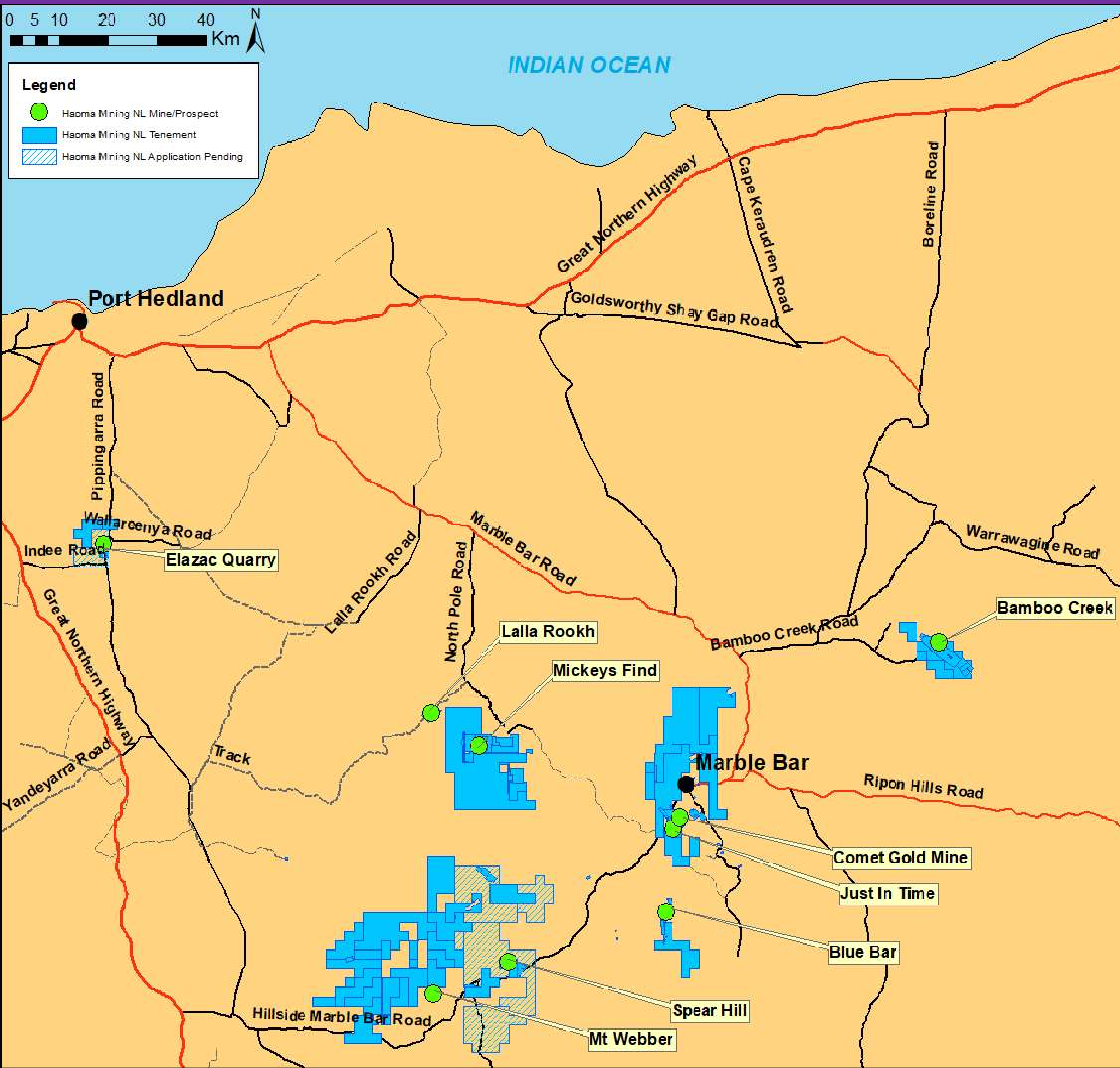

Figure 1: Location map of Haoma Mining NL Pilbara mining tenements

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Ravenswood, Queensland 4816

Comet Mine Site:
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Marble Bar, WA 6760

Principal Bankers
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Share Registry
PrimaryLedger Pty Limited
PO Box R697
Royal Exchange
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Auditors
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Melbourne, Victoria 3008

Solicitors
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MISSION STATEMENT

The mission of Haoma Mining is to establish a highly profitable mining company with sustainable growth in shareholder value.

In pursuit of this mission, Haoma will acquire quality tenements, explore for gold and other minerals, utilise the most effective exploration and recovery techniques to extract minerals in the most efficient way with a strong commitment to health, safety and the environment.

Haoma's strategic approach can be characterised as both innovative and practical.

Haoma is dedicated to developing a leading edge gold mining province in the Pilbara (WA) and Ravenswood/ Charters Towers region (QLD) by linking research with modern technology and new ways of thinking.

Haoma operates with a flat management structure, which allows all company personnel to be hands-on, practical and single-minded about improving the bottom line performance.

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ANNUAL GENERAL MEETING

The Annual General Meeting of the members of Haoma Mining NL is to be held at:

Tonic House
Basement
386 Flinders Lane
Melbourne, Australia.
Monday March 29, 2021
Commencing at 10.00am.

All shareholders are encouraged to attend. Light refreshments will be available to members and guests following the meeting. A Notice of Meeting and proxy form will be mailed to shareholders.

CHAIRMAN'S REVIEW & REPORT ON OPERATIONS

1. Financial results

The financial statements for the Year to June 30, 2020 show that Haoma Mining recorded a consolidated loss of $4.96 million. The result is after expensing interest charges of $1.35 million and writing off $2.49 million of costs associated with research and test work.

My family investment company has continued to provide the funding needed for Haoma to conduct its research and development activities. The Haoma financial reports show the costs to date have been extensive and the revenues limited which has resulted in the current deficiency in net assets. At June 30, 2020 my family's total cash commitment to Haoma was recorded at $43.4 million. That figure does not include my family's equity investment or any interest on the funds.

2. Haoma's activities in Western Australia

2.1 Test Work at Bamboo Creek

Figure 1: Bamboo Creek Processing Plant, Pilbara WA

2.11 Bamboo Creek 'Kitchener' and 'Bamboo Queen Pit' ores processed

Haoma shareholders were advised on November 26, 2021 in the Shareholder update approximately 500 tonnes of Bamboo Creek stockpiled **'Kitchener' low grade ore** and 500 tonnes of stockpiled **'Bamboo Queen Pit' low grade ore** was processed through the Bamboo Creek Plant.

In total 13 tonnes of **Concentrates** were recovered by the Knelson concentrator, Spiral concentrator and Falcon concentrator and **187.96g (est) of free gold recovered.**

Initially 7.3 tonnes of **Concentrates** was processed and to date **514.66 g** (est.) **of gold** in bullion has been produced (excluding the free gold.) Remaining is **1,060g of gold** in **cyanide solution (40 tonne of solution at 29ppm = 1,160g gold).** Total gold so far recovered (estimated to be **1,674.66g** in bullion and in cyanide solution) equates to **1.67g/t.**

In January and early February 2021 test work was then conducted on 2 samples (660.3g and 621.3g) from the above 7.3 **tonnes of Concentrates less the free gold which had been recovered.**

Based on physical bullion recovered during tests **the 'calculated' gold grades of the combined 'Kitchener' and 'Bamboo Queen' low grade ores were 5.01 g/t gold and 4.48g/t gold - average 4.75g/t gold.**

Over the next 4 weeks additional equipment will be installed in the Bamboo Creek Plant. Gold will then be leached from the total 13 tonnes of **Concentrates** recovered by the Knelson concentrator, Spiral concentrator and Falcon concentrator (when **'Kitchener' low grade ore and 'Bamboo Queen' low grade ore were** processed during November and December 2020).

(At Bamboo Creek there are approximately one million tonnes of stockpiled **'Kitchener' and 'Bamboo Queen' low grade ores.)**

2.12 Comet Mine 'Just-in-Time' ore processed

In mid-2020 approximately 1,000 tonnes of **Bamboo Creek 'Alluvial ore'** was processed through the Bamboo Creek Plant. Gravity separation resulted in approximately **7 tonnes of Concentrates** being recovered by the Knelson concentrator, Spiral concentrator and Falcon concentrator. To date no further work has been conducted on these **'Just-in-Time' Concentrates**.

2.13 Bamboo Creek 'Alluvial ore' processed

In late August approximately 1,000 tonnes of **Bamboo Creek 'Alluvial ore'** was processed through the Bamboo Creek Plant. Gravity separation resulted in approximately **8 tonnes of Concentrates** being recovered by the Knelson concentrator, Spiral concentrator and Falcon concentrator. To date no further work has been conducted on these Concentrates.

2.2 Rare Earths Exploration and Test Work

In December 2018 Haoma Shareholders were first advised that numerous **Rare Earths** and **other elements (not common)** were measured in samples collected (in some cases concentrates of those samples) from Haoma's Pilbara tenements at **Bamboo Creek** and **Spear Hill** (near Mt Webber). See **'Front cover'**. **Appendix A** describes in some detail the **17 rare earth and other elements (not common)**.

Professor Peter Scales (University of Melbourne) has advised the following regarding additional mineralogy work commissioned by Haoma to **analyse samples of Spear Hill ore by QEM SCAN.**

*"A sized based **mineralogical association of a range of rare earths and metals** for a composite sample of Spear Hill tailings has been completed.*

The work included assay assessment at Australian Laboratory Services (ALS) using a three acid digestion process followed by ICP analysis as well as QEM SEM assessment at ANSTO.

*A report was received from MinAssist Pty Ltd that provides interpretation of the data from ALS and ANSTO. The assessment indicates that there is **significant opportunity for upgrade of a number of the elements of interest to a concentrate since differentiation by a factor of between five and ten was noted simply on the basis of size.***

The QEM SEM work showed Aurelite and Ce-Gadolinite as the two main metals bearing mineral species. The assay data is consistent with a significant proportion of Ce, Gd, Nb, Nd, Pr, Sm, Th, Zr, Dy, Er, Eu, Ga, Y and Yb being located in these two minerals. Although the minerals are very finely disseminated, testing of gravity concentration options is indicated.

The key elements of Rb and Cs were not differentiated on the basis of size and further work is required to establish their predominant mineral association and if they can be separated to a concentrated fraction prior to processing."

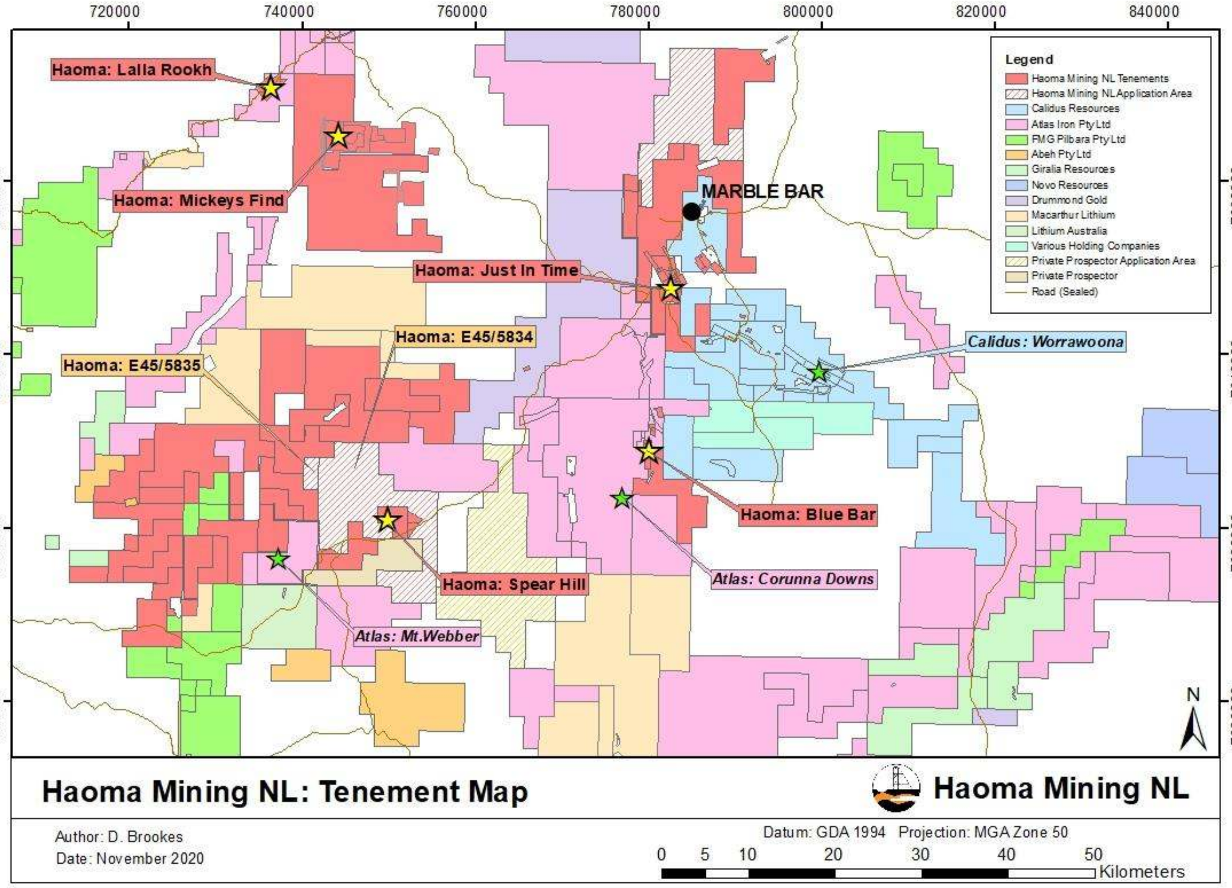
<u>In Haoma's November 26, 2020, Shareholder Update, shareholders were presented the following detailed report:</u>

Haoma's Spear Hill Tenement Group C145/2016 comprising M45/1286, E45/4586, E45/4587, P45/2974, P45/2975, E45/5834 (under application) and E45/5835 (under application) are shown in Figure 3. The figure 'overviews' approximately **2 million tonnes of Spear Hill Tailing Sands** which were deposited in the 1970s by **Endeavour Resources Ltd** after recovering tin and tantalum. Figure 4 shows approximately 284,000 tonnes of untreated **Spear Hill Stockpiles**.

Cyanide leaching of a sample of Spear Hill Tailings Sands at Bamboo Creek gave an AAS gold reading of 17.75 g/t. AAS gold readings for gravity split fractions of the Spear Hill Tailings Sands are shown in Table 3b. **No significant radioactivity** was detected in any of the **Spear Hill Tailing Sands** samples.

Table 1 below shows assays of **Spear Hill Stockpiles A & B** and **Spear Hill Tailing Sands**. The grades (in ppm) of numerous **Rare Earths** and **other elements** (**not common)** were measured by ALS assays from acid solutions.

Figure 2 below is an overview map of Haoma's Pilbara tenements within the Marble Bar-Normay-Mt Webber-Spear Hill districts. Spear Hill is located approximately 15kms north-east of Mt Webber.



<u>Figure 2</u>: Haoma's Marble Bar-Normay-Mt Webber-Spear Hill tenement groups showing E45/5834 (under application) and E45/5835 (under application).

Figure 3 below is a map of Haoma's Spear Hill Tenement Group C145/2016 comprising M45/1286, E45/4586, E45/4587, E45/5834 (under application) and E45/5835 (under application), P45/2973, P45/2974 & P45/2975. Also shown is the location of Haoma's Soansville & North Shaw tenement groups.

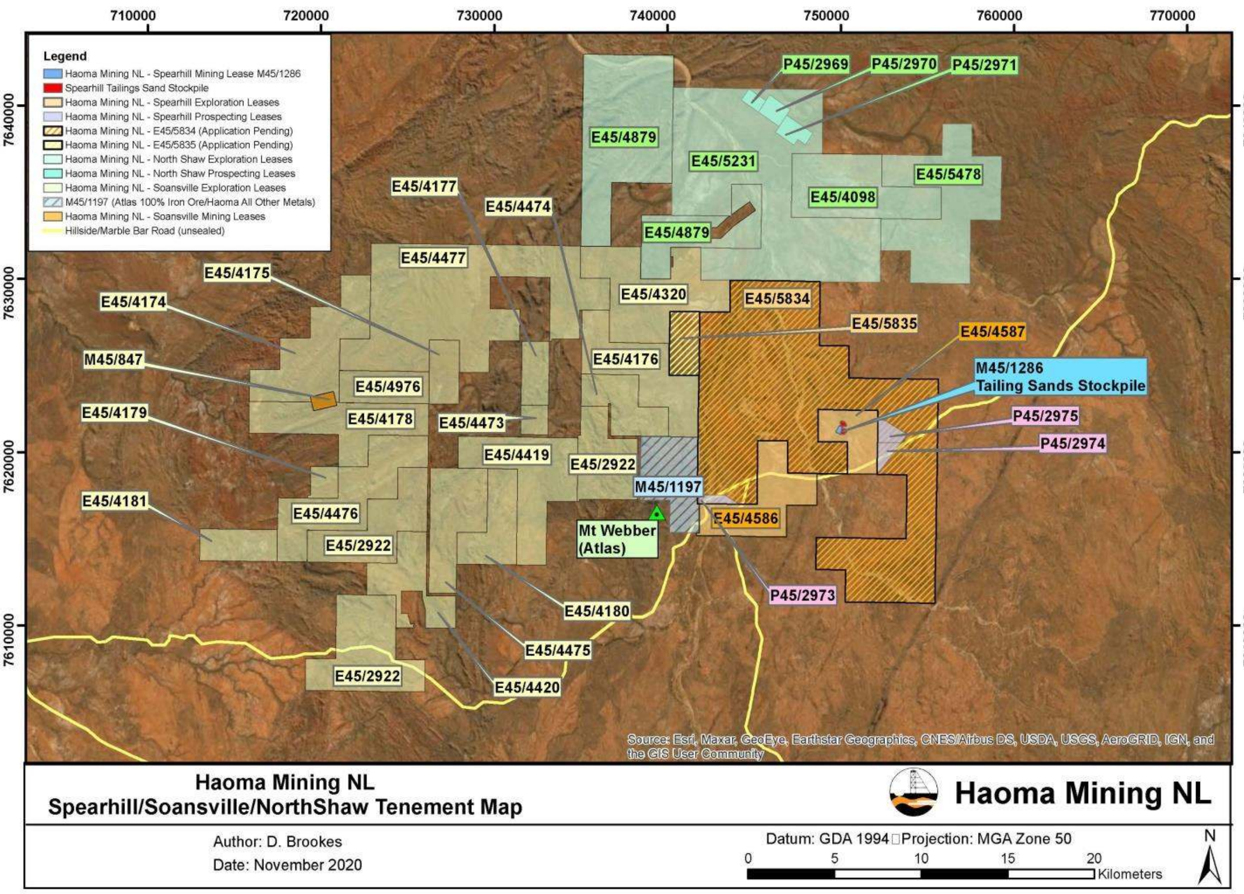


Figure 3: Haoma's Spear Hill Tenement Group C145/2016 comprising M45/1286, E45/4586, E45/4587, P45/2974, P45/2975, E45/5834 (under application) and E45/5835 (under application), P45/2973, P45/2974 and P45/2975.

Shareholders were advised of Haoma's Rare Earths activities in the following Shareholder Updates:

- **Haoma Shareholder Activities Update: Rare Earths**, **May 8, 2019**, (See copy, **Appendix C, Haoma's November 26, 2020, Shareholder Update**), and
- **Haoma Shareholder Activities update: Rare Earths, September 19, 2019**, (See copy, **Appendix D, Haoma's November 26, 2020, Shareholder Update).**

2.3 Assays of Spear Hill Stockpiles A & B and Spear Hill Tailing Sands

Since **Haoma's Rare Earths Activities update** of **September 19, 2019 test work on measuring and recovering Rare Earths** and **other elements** has continued at **Bamboo Creek** and the **University of Melbourne.**

Analysis of samples of **Spear Hill Tailing Sands** has recently been completed at independent laboratory, Australian Laboratory Services, and by XRF at Haoma's laboratory at Bamboo Creek.

Samples from **Spear Hill Tailing Sands** (See Figures 6, 7 & 8) were obtained by drilling approximately 12 meter holes to base rock. There are approximately **2 million tonnes of Spear Hill Tailing Sands** which were deposited in the 1970s by **Endeavour Resources Ltd** after recovering tin and tantalum.

Tables 1 and 2 below show assays of **Spear Hill Stockpiles A & B** and **Spear Hill Tailing Sands**. The grades (in ppm) of numerous **Rare Earths** and **other elements** (**not common**) were measured by:

ALS assays from acid solutions - see following links for full results:

Spear Hill Stockpiles A & B, ALS assay, July 6, 2019

Spear Hill Tailing Sands, ALS assay May 27, 2020

Spear Hill Tailing Sands and sample fractions, ALS assay November 20, 2020and

- XRF readings at Bamboo Creek and the University of Melbourne, and
- **Cyanide leaching of a sample of Spear Hill Tailings Sands at Bamboo Creek gave an AAS gold reading of 17.75 g/t. AAS gold readings for 6 gravity split sub-group fractions, from Spear Hill Tailing Sands, are shown in Table 3b**.

The detailed element analysis of samples from Spear Hill Stockpiles A & B and Spear Hill Tailing Sands are presented in Table 3 below.

Earlier exploration reports filed at the WA Department of Mines and Petroleum show the potential of areas in E45/5834 and E45/5835 to contain deposits with Rare Earths and other elements considered of value.

Different **elements considered of value** from ALS solution grades and Bamboo Creek XRF grades (ppm) are presented in **red** font in Tables 1, 2 and 3a & 3b below.

The final value of the **Spear Hill Stockpiles A & B** and **Spear Hill Tailing Sands** will depend on the **cost of extracting** the numerous **Rare Earths** and **other elements (not common).**

Table 1: Assays of Nuggety Gully Scree, Spear Hill Stockpiles A&B and Spear Hill Tailing Sands

Element	Symbol	Atomic #	Nuggety Gully Scree Uni of Melb XRF May, 2019	Spear Hill Stockpiles A&B ALS July, 2019	Spear Hill Tailing Sands ALS May, 2020	Spear Hill Tailing Sands Bamboo Creek XRF Nov, 2020	Spear Hill Tailing Sands ALS Nov. 20, 2020
			(ppm)	(ppm)	(ppm)	(ppm)	(ppm)
Scandium	Sc	21	196	NR	3.2	NR	2.70
Yttrium	**Y**	**39**	**1,128**	**48.1**	**30.0**	**30**	**28.73**
Lanthanum	**La**	**57**	-	**26.2**	**11.1**	NR	**10.0**
Cerium	Ce	58	2,659	60.6	39.4	NR	33.27
Praseodymium	Pr	59	-	6.8	2.3	NR	2.07
Neodymium	Nd	60	-	21.6	8.6	NR	7.33
Samarium	Sm	62	554	5.2	1.9	NR	1.65
Europium	Eu	63	>1,000(*)	0.3	0.5	NR	0.47
Gadolinium	Gd	64	>1,000(*)	4.1	1.95	NR	1.92
Terbium	Tb	65	>1,000(*)	0.8	0.4	397	0.46
Dysprosium	Dy	66	-	6.2	3.6	1,491	3.84
Holmium	Ho	67	-	1.2	1.0	NR	0.97
Erbium	Er	68	1,680	4.9	4.0	NR	3.78
Thulium	Tm	69	-	0.9	0.8	1,491	0.78
Ytterbium	Yb	70	-	8.3	7.1	NR	7.21
Lutetium	**Lu**	**71**	-	**1.4**	**1.2**	NR	**1.11**
Other Elements (not common)							
Rubidium	Rb	37	**597**	**215.4**	**235.3**	**965**	**211.96**
Niobium	Nb	41	149	38.0	13.9	NR	6.37
Hafnium	Hf	72	2,964	NR	5.4	835	4.97
Caesium	**Cs**	**55**	-	**8.7**	**6.1**	NR	**5.38**

(*) Conclusive identification and quantification not ascertained NR: Not recorded

Table 2: Elements measured by ALS assays in Spear Hill Stockpiles A&B and Spear Hill Tailing Sands

Spear Hill Stockpiles A&B	
Total weight of all Stockpiles A&B samples assayed	122,505 grams
Total tonnes estimate (based on area of Stockpiles A&B)	150,158
	Weighted Average Grade (ppm)
Ag	4.5
Al	NR
As	3.3
Au	NR
Ba	378.2
Be	2.8
Bi	0.5
Ca	1.4
Cd	0.7
Ce	60.6
Co	7.1
Cr	95.5
Cs	8.7
Cu	15.4
Dy	6.2
Er	4.9
Eu	0.3
Fe	NR
Ga	22.9
Gd	4.1
Ge	1.3
Hf	NR
Ho	1.2
In	0.2
K	2.2%
La	26.2
Li	30.4
Lu	1.4
Mn	676.5
Mo	1.6
Nb	38
Nd	21.6
Ni	21.4
P	NR
Pb	23.2
Pr	6.8
Rb	215.4
Re	0
S	NR
Sb	0.6
Sc	NR
Se	2.6
Sm	5.2
Sn	997.4
Sr	116
Ta	50.9
Tb	0.8
Te	0.4
Th	21.4
Ti	0.1%
Tl	1.5
Tm	0.9
U	5.5
V	141.2
W	1.6
Y	48.1
Yb	8.3
Zn	127.6
Zr	NR

Spear Hill Tailing Sands			
Total weight of all Spear Hill Tailing Sands samples assayed		167,669 grams	
Total tonnes estimate (based on area of Tailing Sands)		1,944,306	
	May 27, 2020: Average Grade (ppm)	Nov. 20, 2020: Assay of Head Sample (ppm)	Weighted Av Grade of Tabled Products (ppm)
Ag	0.09	0.13	0.12
Al	6.41%	6.30%	5.73%
As	0.85	0.70	2.80
Au	NR	0.07	0.46
Ba	778.77	733.0	683.08
Be	2.55	3.54	2.29
Bi	0.27	0.18	0.16
Ca	0.96	0.90	0.84
Cd	0.03	0.03	0.02
Ce	41.77	37.35	33.27
Co	3.72	3.70	3.28
Cr	155.85	194.5	150.22
Cs	6.1	5.81	5.38
Cu	9.79	6.0	5.15
Dy	3.63	3.16	3.84
Er	3.96	3.48	3.78
Eu	0.47	0.49	0.47
Fe	1.29%	1.26%	1.13%
Ga	17.43	17.43	16.62
Gd	1.95	1.72	1.92
Ge	0.06	0.09	0.08
Hf	5.35	5.35	4.97
Ho	0.96	0.84	0.97
In	0.02	0.02	0.02
K	3.04%	2.79%	2.63%
La	11.1	11.6	10.0
Li	23.33	23.2	20.83
Lu	1.17	1.10	1.11
Mn	0	400	384.88
Mo	0.22	0.24	0.33
Nb	13.94	7.30	6.37
Nd	8.63	8.4	7.33
Ni	NR	10.7	10.61
P	61.97	70.0	50.67
Pb	20.89	19.7	19.88
Pr	2.34	2.36	2.07
Rb	235.25	216.5	211.96
Re	0	0	0
S	0.01%	0.01%	0.01%
Sb	0.12	0.07	0.14
Sc	3.22	3.10	2.70
Se	1.05	1.0	0.95
Sm	1.94	1.72	1.65
Sn	18.24	11.3	6.15
Sr	227.29	225.0	217.54
Ta	3.41	3.65	4.48
Tb	0.44	0.41	0.46
Te	NR	0.05	0.05
Th	9.73	9.19	8.80
Ti	NR	0.10%	0.09%
Tl	1.98	1.76	1.72
Tm	0.81	0.71	0.78
U	2.03	2.19	2.03
V	22.03	20.0	19.11
W	0.94	0.65	1.28
Y	29.95	25.65	28.73
Yb	7.06	6.76	7.21
Zn	NR	23.0	20.41
Zr	208.71	175.0	134.38

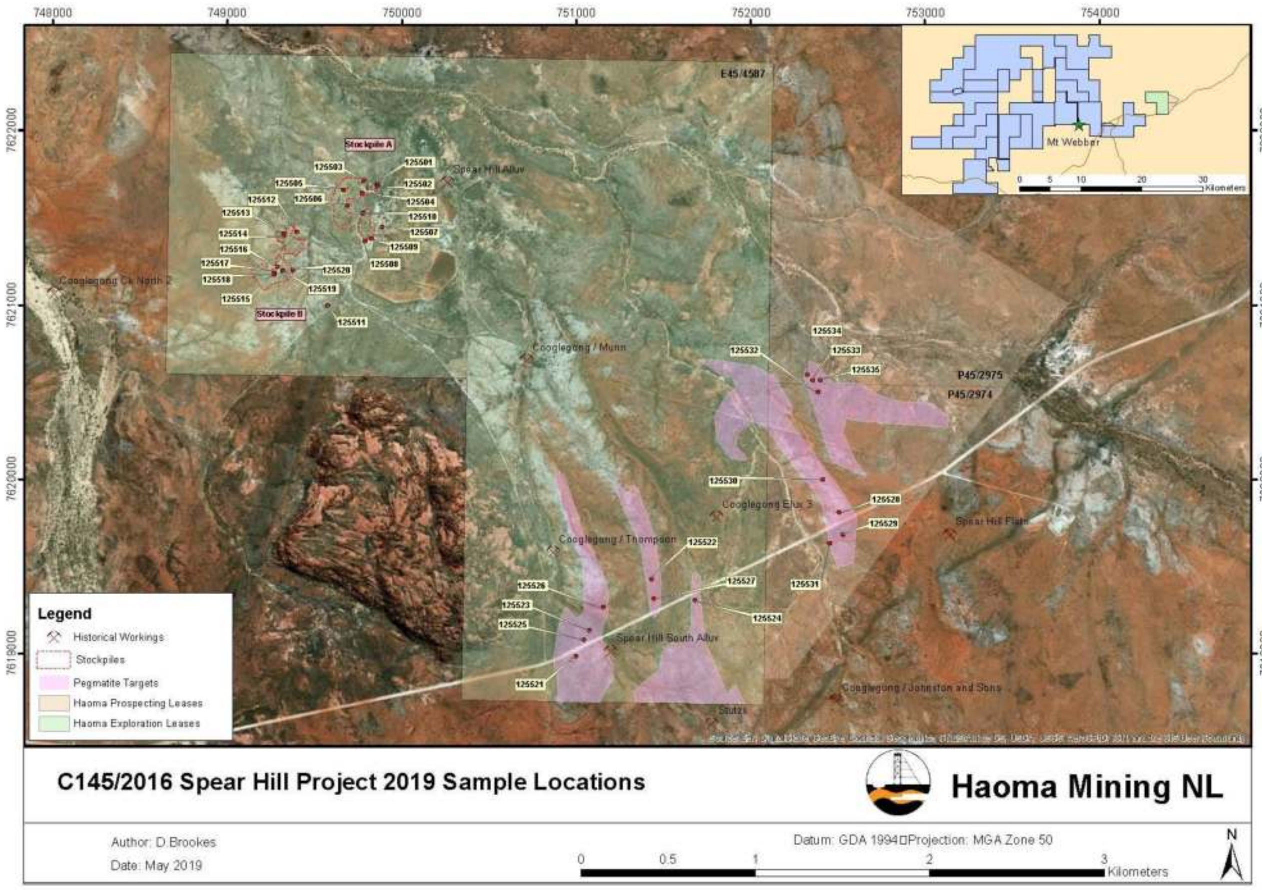


Figure 4: Spear Hill Stockpiles A&B and pegmatite sample locations – May 2019

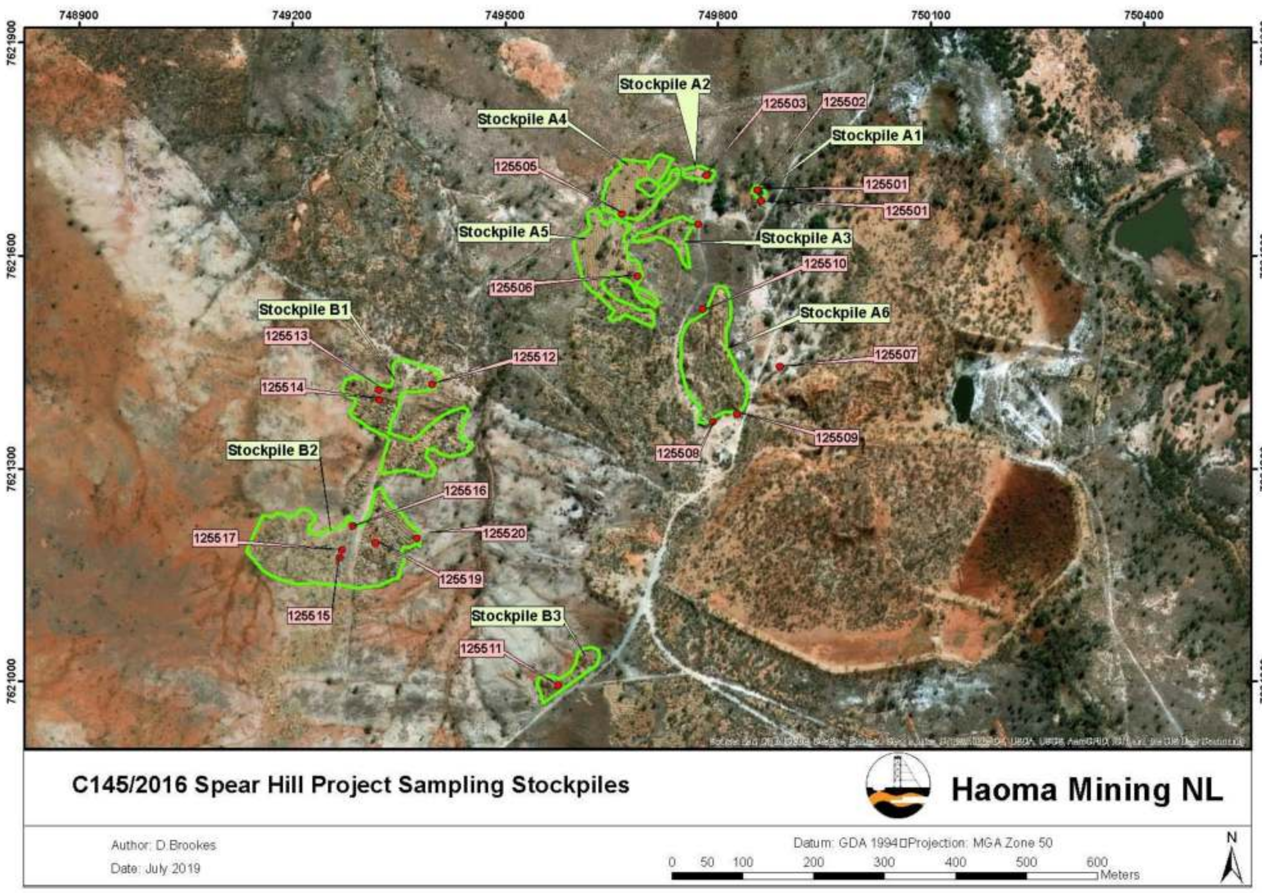


Figure 5: Spear Hill Stockpiles A&B sample locations July 2019

Figure 6: Spear Hill Stockpile A

Figure 7: Spear Hill Stockpile B (with Spear Hill in background)

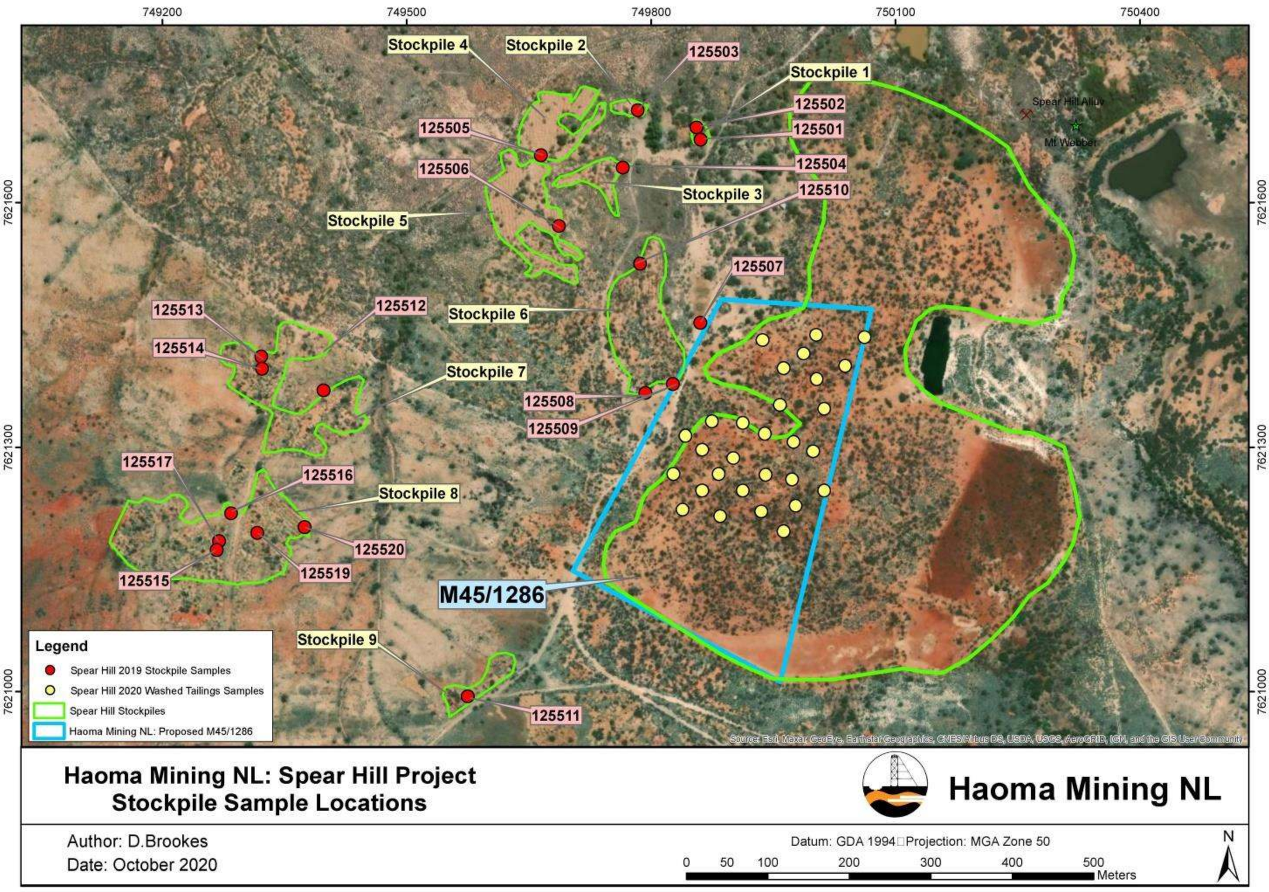


Figure 8: Spear Hill Stockpiles A&B sample locations (July 2019) with Spear Hill M45/1286 Tailing Sands sample locations (October 2020) shown inside blue mining lease boundary.

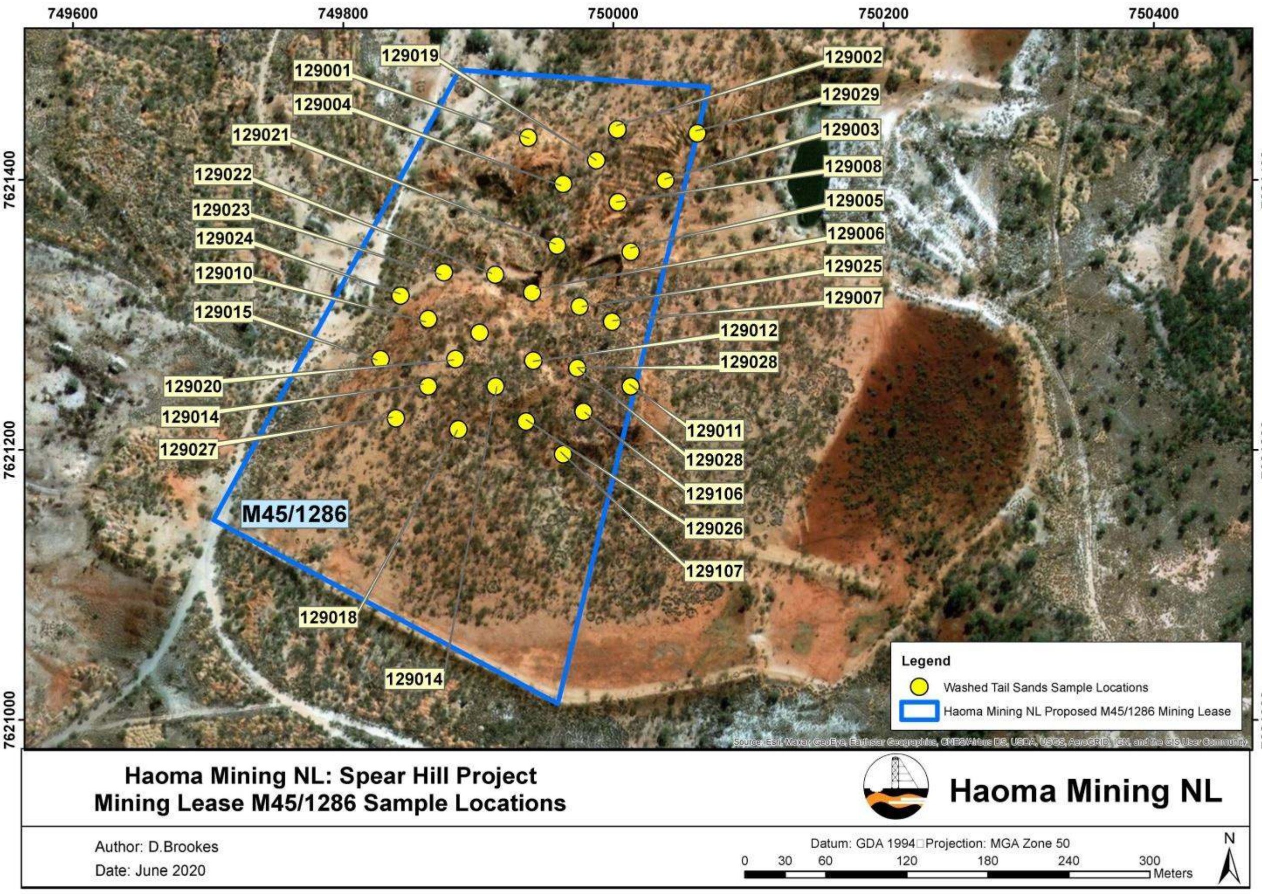


Figure 9: Spear Hill M45/1286 Tailing Sands sample locations (May 2020).

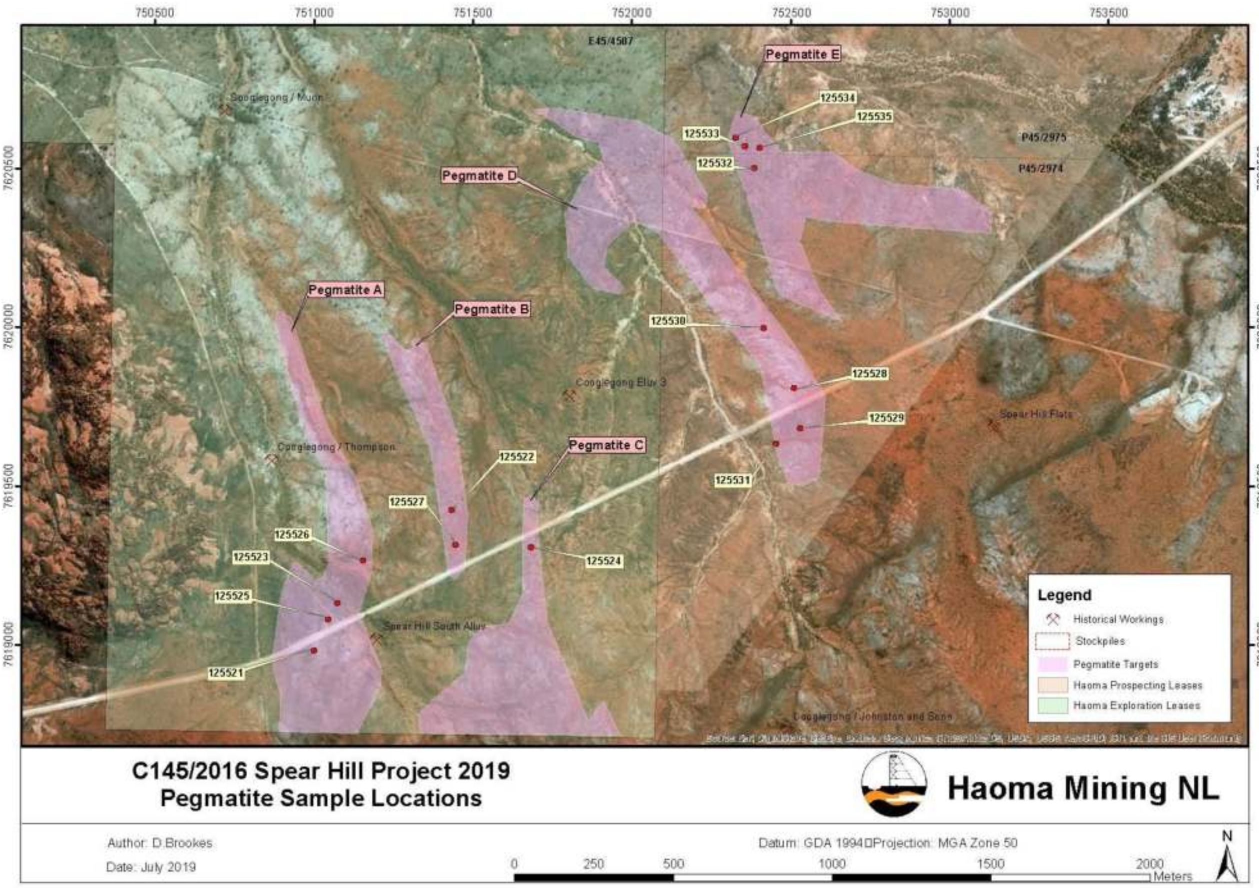


Figure 10: Spear Hill Pegmatite sample locations (July 2019).

2.4 Assays of Concentrates produced from the above Spear Hill Tailing Sands

In November 2020 a 15.9kg sample of **Spear Hill Tailing Sands** was split by gravity into 6 groups. **Table 3a** below lists the significant Bamboo Creek XRF results for each of the 6 groups.

Table 3b below shows the **elemental abundance (ALS) for the Spear Hill Tailings Sands along with 6 sub-group process fractions & Bamboo Creek cyanide leach assays on the same.**

Table 3a: Significant Bamboo Creek XRF results for each of the 6 sub-group fractions

Element	Symbol	Feed Head grade (ppm)	Con 1 22% of Feed (ppm)	Con 2 0.74% of Feed (ppm)	Con 3 0.44% of Feed (ppm)	Con 4 0.15% of Feed (ppm)	Con 5 2.55% of Feed (ppm)	Con 6 69.36% of Feed (ppm)
Scandium	Sc	NR	-	-	509	412	-	-
Yttrium	**Y**	**30**	**307**	**100**	**2959**	**2,814**	**479**	**-**
Cerium	Ce	NR	2,880	504	2,287	893	2,282	2,096
Terbium	Tb	397	567	3,398	-	-	-	-
Dysprosium	Dy	1,491	1,633	-	-	-	1,301	-
Holmium	Ho	NR	-	-	-	-	362	-
Thulium	Tm	1,140	407	991	1299	2,061	691	1,533
Lutetium	**Lu**	**NR**	**-**	**778**	**-**	**1,067**	**20**	**-**
Other Elements (not common)								
Rubidium	**Rb**	**965**	**1,632**	**370**	**160**	**338**	**434**	**853**
Niobium	Nb	NR	-	-	466	215	-	-
Hafnium	Hf	835	484	674	-	840	498	420

NR: Not recorded

Table 3b: Elemental abundance (ALS) for the Spear Hill Tailings Sands along with 6 sub-group process fractions & Bamboo Creek cyanide leach assays for the same.

Element	Symbol	Feed Head grade (ppm)	Con 1 22% of Feed (ppm)	Con 2 0.74% of Feed (ppm)	Con 3 0.44% of Feed (ppm)	Con 4 0.15% of Feed (ppm)	Con 5 2.55% of Feed (ppm)	Con 6 69.36% of Feed (ppm)
Scandium	Sc	3.1	1.2	6.2	44.0	37.8	10.4	2.7
Yttrium	**Y**	**25.65**	**37.05**	**39.7**	**1097.5**	**700.5**	**125.5**	**1.15**
Cerium	Ce	37.35	24.9	90.4	591.5	190.25	44.7	33.95
Terbium	Tb	0.41	0.56	0.8	19.8	8.6	1.35	0.28
Dysprosium	Dy	3.16	4.59	5.64	171.5	82.7	13.35	2.26
Holmium	Ho	0.84	1.12	1.29	46.8	25	3.97	0.53
Thulium	Tm	0.71	0.82	0.85	40.7	24.1	4.09	0.4
Lutetium	**Lu**	**1.1**	**1.03**	**1.01**	**60.8**	**38.1**	**6.43**	**0.56**
Lanthanum	**La**	**11.6**	**5.8**	**31.1**	**335**	**79.65**	**15.05**	**9.4**
Other Elements (not common)								
Rubidium	**Rb**	**216.5**	**399.5**	**140.75**	**79.5**	**96.4**	**133.5**	**171.75**
Niobium	Nb	7.3	5.45	19.35	205	91.35	16.35	5.15
Hafnium	Hf	5.35	1.9	11.4	305	105.95	17.15	3.65
Caesium	**Cs**	**5.81**	**9.04**	**5.54**	**2.87**	**3.26**	**3.81**	**4.67**
Gold	**Au**	**0.07**	**0.08**	**4.61**	**51.0**	**>10**	**2.74**	**0.15**
Gold (Bamboo Creek cyanide leach g/t)	**Au**	**17.75**	**4.17**	**7.64**	**45.33**	**40.08**	**4.7**	**11.76**

NR: Not recorded

2.5 Initial radioactivity analysis of the Spear Hill samples

Professor Peter Scales (University of Melbourne) has advised the following regarding initial radioactivity analysis of seven Spear Hill samples.

"Initial radioactivity analyses of the Spear Hill samples are shown below. They were determined using a handheld meter and are in counts per second (CPS) of the feed, oversize, the magnetic fraction and a series of gravity separation products from a Wilfrey Table. Using an indicative scale that <100 counts per minute (CPM) requires no additional precautions relative to materials containing background levels of radiation, then concentrate sample 4, the highest density of the samples, representing 0.44% of the total mass, showed a reading of 4 CPS or 240 CPM. Concentrate sample 6 of the table showed no activity and all other fractions were less than 100 CPM. ***The data indicates that initial assessment of the Spear Hill resource should avoid concentration of the highest density materials in the deposit into to very discrete fractions unless you wish to put in place procedures that recognize that these materials represent a low radiation hazard."***

Table 4: Radioactivity Analysis

Description	Net Weight	Radioactive count (CPS)
Feed Head Grade	300.4821	1
Concentrate 1	170.1621	1
Concentrate 2	100.4921	1
Concentrate 3	59.9217	4
Concentrate 4	20.1482	1
Concentrate 5	300.2421	1
Concentrate 6	230.4821	0

Appendix A: Rare Earths

Rare Earths are a series of chemical elements found in the Earth's crust that are vital to many modern technologies.

There are 17 elements that are considered to be Rare Earth elements:15 elements in the lanthanide series and two additional elements that share similar chemical properties. They are listed below in order of atomic number:

Scandium or Sc (21)

Scandium, a silvery-white metal, is a non-lanthanide rare earth. It is used in many popular consumer products, such as televisions and fluorescent or energy-saving lamps. In industry, the primary use of scandium is to strengthen metal compounds. The only concentrated sources of scandium currently known are in rare minerals such as thortveitite, euxenite, and gadolinite from Scandinavia and Madagascar.

Yttrium or Y (39)

Yttrium is a non-lanthanide rare earth element used in many vital applications, such as superconductors, powerful pulsed lasers, cancer treatment drugs, rheumatoid arthritis medicines, and surgical supplies. A silvery metal, it is also used in many popular consumer products, such as color televisions and camera lenses.

Lanthanum or La (57)

This silver-white metal is one of the most reactive rare earth elements. It is used to make special optical glasses, including infrared absorbing glass, camera and telescope lenses, and can also be used to make steel more malleable. Other applications for lanthanum include wastewater treatment and petroleum refining.

Cerium or Ce (58)

Named for the Roman goddess of agriculture, Ceres, cerium is a silvery-white metal that easily oxidizes in the air. It is the most abundant of the rare earth elements and has many uses. For instance, cerium oxide is used as a catalyst in catalytic converters in automotive exhaust systems to reduce emissions, and is highly desirable for precision glass polishing. Cerium can also be used in iron, magnesium and aluminum alloys, magnets, certain types of electrodes, and carbon-arc lighting.

Praseodymium or Pr (59)

This soft, silvery metal was first used to create a yellow-orange stain for ceramics. Although still used to color certain types of glasses and gemstones, praseodymium is primarily used in rare earth magnets. It can also be found in applications as diverse as creating high-strength metals found in aircraft engines and in flint for starting fires.

Neodymium or Nd (60)

Another soft, silvery metal, neodymium is used with praseodymium to create some of the strongest permanent magnets available. Such magnets are found in most modern vehicles and aircraft, as well as popular consumer electronics such as headphones, microphones and computer discs. Neodymium is also used to make high-powered, infrared lasers for industrial and defense applications.

Promethium or Pm (61)

Although the search for the element with atomic number 61 began in 1902, it was not until 1947 that scientists conclusively produced and characterized promethium, which is named for a character in Greek mythology. It is the only naturally radioactive rare earth element, and virtually all promethium in the earth's crust has long ago decayed into other elements. Today, it is largely artificially created, and used in watches, pacemakers, and in scientific research.

Samarium or Sm (62)

This silvery metal can be used in several vital ways. First, it is part of very powerful magnets used in many transportation, defense, and commercial technologies. Second, in conjunction with other compounds for intravenous radiation treatment it can kill cancer cells and is used to treat lung, prostate, breast and some forms of bone cancer. Because it is a stable neutron absorber, samarium is used to control rods of nuclear reactors, contributing to their safe use.

Europium or Eu (63)

Named for the continent of Europe, europium is a hard metal used to create visible light in compact fluorescent bulbs and in color displays. Europium phosphors help bring bright red to color displays and helped to drive the popularity of early generations of color television sets. Fittingly, it is used to make the special phosphors marks on Euro notes that prevent counterfeiting.

Gadolinium or Gd (64)

Gadolinium has particular properties that make it especially suited for important functions, such as shielding in nuclear reactors and neutron radiography. It can target tumors in neuron therapy and can enhance magnetic resonance imaging (MRI), assisting in both the treatment and diagnosis of cancer. X-rays and bone density tests can also use gadolinium, making this rare earth element a major contributor to modern health care solutions.

Terbium or Tb (65)

This silvery rare earth metal is so soft it can be cut with a knife. Terbium is often used in compact fluorescent lighting, color displays, and as an additive to permanent rare earth magnets to allow them to function better under higher temperatures. It can be found in fuel cells designed to operate at elevated temperatures, in some electronic devices and in naval sonar systems. Discovered in 1843, terbium in its alloy form has the highest magnetostriction of any such substance, meaning it changes its shape due to magnetization more than any other alloy. This property makes terbium a vital component of Terfenol-D, which has many important uses in defense and commercial technologies.

Dysprosium or Dy (66)

Another soft, silver metal, dysprosium has one of the highest magnetic strengths of the elements, matched only by holmium. Dysprosium is often added to permanent rare earth magnets to help them operate more efficiently at higher temperatures. Lasers and commercial lighting can use dysprosium, which may also be used to create hard computer disks and other electronics that require certain magnetic properties. Dysprosium may also be used in nuclear reactors and modern, energy-efficient vehicles.

Holmium or Ho (67)

Holmium was discovered in 1878 and named for the city of Stockholm. Along with dysprosium, holmium has incredible magnetic properties. In fact, some of the strongest artificially created magnetic fields are the result of magnetic flux concentrators made with holmium alloys. In addition to providing coloring to cubic zirconia and glass, holmium can be used in nuclear control rods and microwave equipment.

Erbium or Er (68)

Another rare earth with nuclear applications, erbium can be found in neutron-absorbing control rods. It is a key component of high-performance fiber optic communications systems, and can also be used to give glass and other materials a pink color, which has both aesthetic and industrial purposes. Erbium can also help create lasers, including some used for medical purposes.

Thulium or Tm (69)

A silvery-gray metal, thulium is one of the least abundant rare earths. Its isotopes are widely used as the radiation device in portable X-rays, making thulium a highly useful material. Thulium is also a component of highly efficient lasers with various uses in defense, medicine and meteorology.

Ytterbium or Yb (70)

This element, named for a village in Sweden associated with its discovery, has several important uses in health care, including in certain cancer treatments. Ytterbium can also enhance stainless steel and be used to monitor the effects of earthquakes and explosions on the ground.

Lutetium or Lu (71)

The last of the rare earth elements (in order of their atomic number) has several interesting uses. For instance, lutetium isotopes can help reveal the age of ancient items, like meteorites. It also has applications related to petroleum refining and positron emission tomography. Experimentally, lutetium isotopes have been used to target certain types of tumors.

3. Haoma’s other Western Australia activities

Haoma continued with its work to develop profitable gold mining operations based around its processing plants at Bamboo Creek and at Normay near North Shaw.

3.1 <u>Mt Webber Reserve Upgrade Advice from Atlas Iron Pty Ltd</u>

The 2012 Tenement Sale Agreement by which Haoma sold its Mt Webber iron ore rights to Atlas Iron Limited includes a ‘Reserve Uplift Payment’ entitlement. The uplift payment entitlement is triggered whenever reserve development work on the tenements which were subject to the Sale Agreement (E45/2186 and M45/1197) result in Atlas Iron releasing a JORC compliant iron ore reserve in excess of 24 million tonnes inclusive of any iron ore tonnes already mined.

On November 18, 2020 Atlas Iron Pty Ltd advised Haoma that at June 30, 2020 the remaining JORC ore reserve at Mt Webber within M45/1197 is 9,545,168 tonnes. Atlas also advised that it has mined 14,828,278 tonnes from M45/1197.

The combined amount of remaining reserve and tonnes mined of 24,373,446 tonnes meant a reserve uplift payment was due to Haoma. The uplift payment of $601,248 calculated on 373,446 tonnes at $1.61 per Excess Reserve tonne was received in December.

The reserve update from Atlas Iron also advised that **there is approximately a further 4 million tonnes of 'probable' iron ore reserve (grade 56.9% Fe) that is not included in the above reserve calculations** and an **approximate 3 million tonnes of waste stockpile that has not been classified**.

Haoma's subsequent discussions with Atlas has indicated that Atlas expects to mine the additional 4 million tonne 'probable' iron ore reserve which will trigger further uplift payments to Haoma. Haoma is due to receive an updated Mt Webber pit design and technical reports from Atlas which will provide more information as to when it is likely above identified 'probable' reserves will be mined.

3.2 Hard Rock Sales from Elazac Quarry, Cookes Hill (M45/1186)

Haoma owns the Elazac Quarry on M45/1186 at Cookes Hill which is operated under licence by Brookdale Contractors. Brookdale is a significant supplier of 'hard rock' to infrastructure projects in the Pilbara and sources 'hard rock' and other materials from the Elazac Quarry for this purpose.

During the Year Ended June 30, 2020 Haoma sold 140,425 tonnes of 'hard rock' to Brookdale Contractors from 'waste' stockpiles at its Elazac Quarry located at Cookes Hill. These sales provided revenue of $702,176.

In June 2020 Brookdale commenced mining of 'hard rock' from the Elazac Quarry. In the six months July to December 2020, Haoma sold 83,409 tonnes of 'hard rock' to Brookdale Contracting including stockpiled and newly mined rock. The revenue generated from these sales was $306,515.

4. Haoma's Activities at Ravenswood, Queensland

4.1 Exploration Activities

In Queensland, Haoma's exploration activities in 2020 were significantly limited by movement restrictions imposed to control the impact of the Covid-19 pandemic.

Bulk parcel trials and processing was delayed. The proposed sampling program is now anticipated to start in Quarter 2 2021.

Haoma's senior geologist has commenced work to consolidate and re-examine all legacy drill-hole and sampling results. This information will guide a further targeted exploration program after the bulk sample trials.

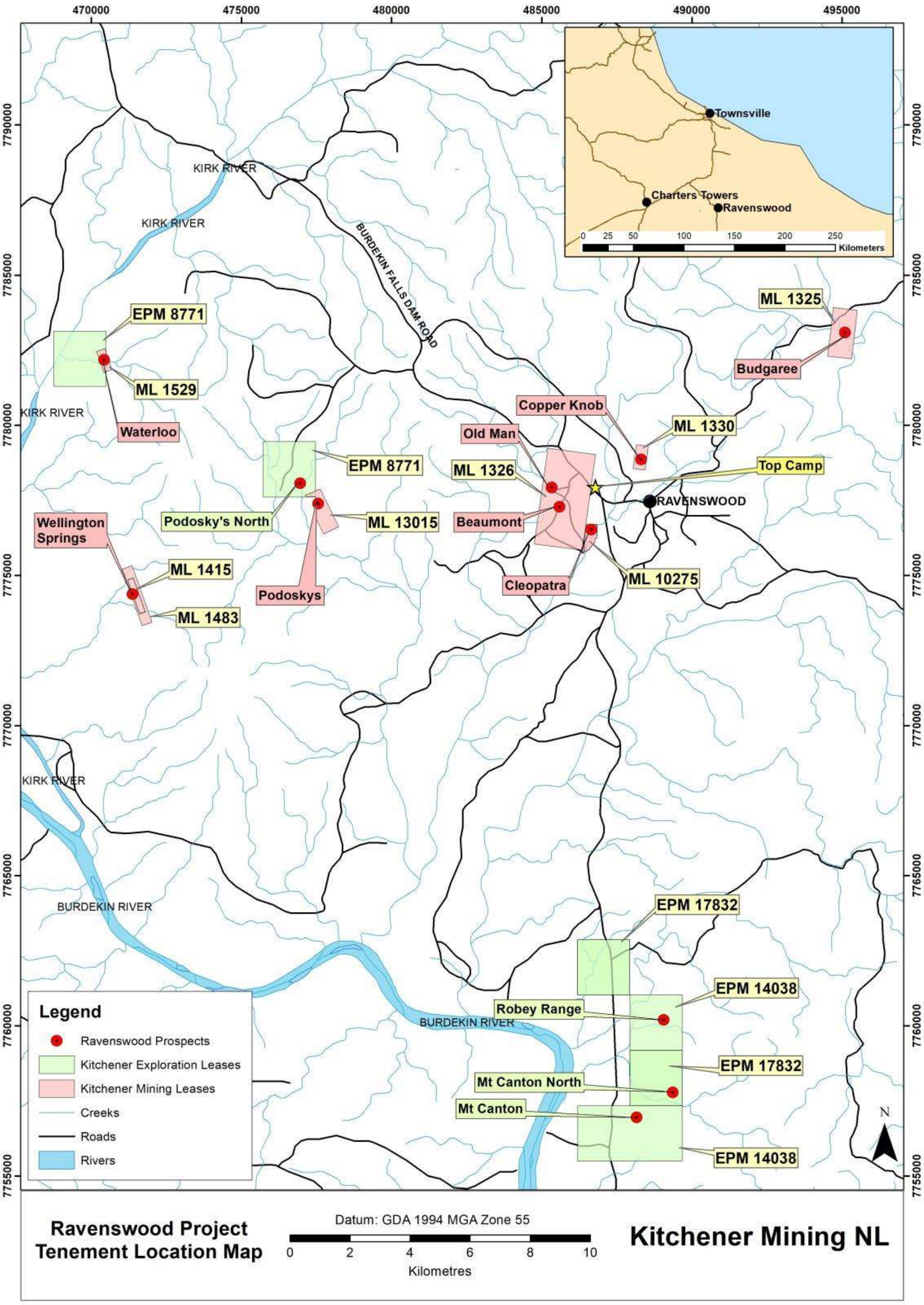


Figure 11: Locations of samples from Ravenswood tenements

A number of Haoma's Ravenswood tenement holdings are due for renewal in 2021 and 2022. A summary of the current status of Haoma's Queensland tenements is shown in Table 5.

Renewals are usually granted for periods between three and five years. Tenement ML10275 is pending approval subject to finalization of Native Title Agreements.

Table 5: Ravenswood Tenement Status

TENEMENT	*PROJECT*	*EXPIRY*	*STATUS*
ML 10275	Elphinstone One	31.07.2018	Renewal Pending
EPM 17832	Robe Range East	30.05.2021	Renewal submitted February 2021
ML 1325	Budgerie	31.08.2021	Renewal submitted February 2021
ML 1529	Waterloo	31.10.2021	Renewal to be submitted April 2021
ML 1326	Old Man	31.12.2021	Renewal to be submitted June 2021
ML 1330	Copper Knob	30.04.2022	Renewal Current
EPM 8771	Barrabas	04.05.2022	Renewal Current
EPM 14038	Robe Range	09.06.2022	Renewal Current
ML 10315	Podosky's	31.07.2023	Renewal Current
ML 1415	Wellington Springs	31.07.2024	Renewal Current
ML 1483	Wellington Springs #2	31.07.2024	Renewal Current

4.2 Trading at Haoma's Top Camp Road House, Ravenswood, Queensland

Additional facility upgrades are now being implemented at the 'Top Camp' accommodation and Road House located at Ravenswood, Queensland to complement the upgrades of 2017 and 2018.

The upgrades have resulted in a significant increase in utilisation of Top Camp and an increase in revenue. Top Camp is now a preferred accommodation facility with many businesses conducting contracting work in the Ravenswood area and the new 'camp kitchen' built in 2018 has been a popular addition with the travelling 'Grey Nomad' community and other visitors to the area. The Directors thank Sue Kennedy and her support team at Top Camp for the revitalisation of Top Camp and its accommodation which is now a valuable Haoma asset.

Figures 12(a) & 12(b): Entrance to Top Camp Road House, Ravenswood and Café area

Figure 13(a): Refurbished accommodation cabins at Top Camp

Figure 13(b): Refurbished accommodation cabins at Top Camp

Figure 13(c): Top Camp 'Camp kitchen'

5. Acknowledgements

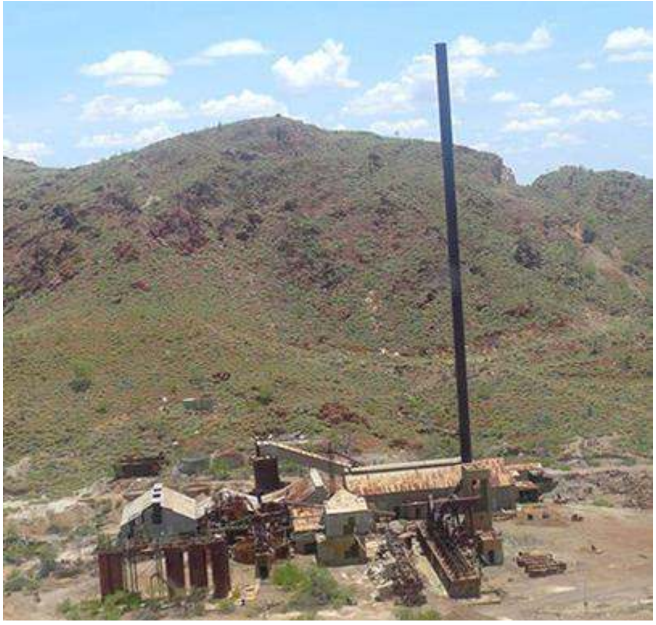
The Directors wish to acknowledge and express their appreciation to all those who during the last year have contributed to the company's activities in the Pilbara and Ravenswood districts. In particular, the Board's thanks go to Mr. Peter Cole, Prof. Peter Scales, Mr. Hugh Morgan and other consultants who have contributed to help **Haoma solve the gold, silver and Platinum Group Metals (PGM) assay problem associated with Pilbara ores; and the extraction of gold, silver, PGM and other metals from Pilbara ores**.

The Board also acknowledges the significant efforts of those personnel working at the remote Pilbara and Ravenswood operations. These people include Tristin Cole, Steven Wilson and geologist Darren Brookes at Bamboo Creek, Gerard Poot at the Comet Gold Mine and Tourist Centre, Geoffrey Myers at the Normay Gold Mine, and Sue Kennedy and Chloe Cox at Top Camp, Ravenswood.

Gary C. Morgan
Chairman

March 1, 2021

Figure 14: Comet Gold Mine Tourist Centre, Conglomerate Formations are on the right.

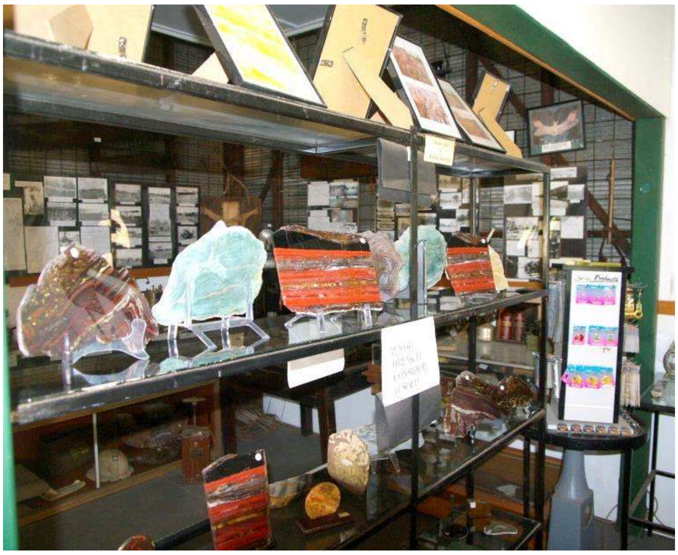


Figures 15(a) and 15(b): Historic Comet Gold Mine Plant

Figures 16(a) & 16(b): Comet Gold Mine Blackstone Diesel Power Engine

Figure 17: Comet Gold Mine Ruston Diesel Power Engine

Figure 18: Comet Gold Mine National Diesel Power Engine



Figures 19(a) and 19(b): Inside Comet Mine Tourist Centre

Figure 20: Bamboo Creek Processing Plant

Figure 21: Bamboo Creek Processing Plant

Figure 22: Bamboo Creek Tailings Storage with Bamboo Creek Processing Plant in background

Figure 23: Bamboo Creek Plant, Bamboo Creek Valley and Bamboo Creek Range (right) which contains gold mineralization

HAOMA MINING NL

FINANCIAL STATEMENTS & REPORTS

FOR THE YEAR ENDED

JUNE 30, 2020

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

FINANCIAL STATEMENTS AND NOTES
INDEX

DIRECTORS' REPORT

The Directors of Haoma Mining NL present their report on the company and its consolidated entities (referred to hereafter as the Group) for the financial year ended June 30, 2020.

DIRECTORS

The following persons held office as Directors from the start of the financial year to the date of this report, unless otherwise stated:

Gary Cordell Morgan (Chairman)
Michele Levine
Wilton Timothy Carr Ingram

COMPANY SECRETARY

The following person held the position of Company Secretary at the end of the financial year:

James A. Wallace CA

PRINCIPAL ACTIVITIES

Haoma's continuing principal activities during the financial year were mineral exploration, the analysis of mineral deposits and the advancement of ore processing and extraction technology. There was no significant change in the nature of the principal activities during the year.

OPERATING AND FINANCIAL REVIEW

The Annual Operating and Financial Review should be read in conjunction with the financial statements for the year ended June 30, 2020. During the year Haoma's core operations continued to be focused on mineral exploration and research and development at its primary area of interest in the Pilbara district of Western Australia and in the Ravenswood district in North Queensland. Activities at Haoma's Bamboo Creek Pilot Plant conducted in conjunction with The University of Melbourne were focused on developing new commercially viable processes for the assaying and extraction of gold, other precious metals and Rare Earths from processing Bamboo Creek Tailings Concentrate and mineral ores from various Pilbara locations including Mt Webber.

Haoma's Activities Reports have continued to provide shareholders with updates of major developments in the company's operations and of the significant gold and other precious metal grades measured in both Bamboo Creek Tailings and Mt Webber ore samples using the Elazac Process. All updates are published on Haoma's website at www.haoma.com.au.

Operating Results and Financial Position

The consolidated loss of the Group for the year ended June 30, 2020 was $4,958,777. This compares with the loss for the year ended June 30, 2019 of $5,356,747. The net comprehensive loss for the year attributable to members was $4,958,777 (2019: loss $5,356,747).

The consolidated Statement of Financial Position at June 30, 2020 shows a deficiency of net assets of $80,304,147 (2019: deficiency $76,630,906). As detailed in Note 2(b) to the financial statements, almost all funding for Haoma's operations is provided by The Roy Morgan Research Centre Pty Ltd, a company owned and controlled by Haoma's Chairman, Gary Morgan. The Independent Auditor's Report for the year to June 30, 2019 includes a 'Material Uncertainty' statement in relation to Going Concern and the reliance of Haoma on ongoing financial support provided by The Roy Morgan Research Centre Pty Ltd.

The Roy Morgan Research Centre Pty Ltd has provided an assurance to the Board that it will continue to ensure funds are available to the company to fund operations for a period of at least 12 months from the date of this report.

At June 30, 2020 the debt to The Roy Morgan Research Centre Pty Ltd was $43.372 million (2019: $41.497 million). Haoma has approved payment of interest on the debt calculated monthly at the average 30 day commercial bill rate plus a facility margin of 1%. Although interest is calculated monthly, it will accrue until Haoma has attained a financial position represented by a positive net asset ratio and the Board determines that the company is in a financial position to commence interest payments. Total interest accrued and unpaid to June 30, 2020 is $35.316 million (2019: $33.992 million).

Future Developments, Prospects and Business Strategies

Haoma's test work program in relation to the Elazac Process and how it may be commercially exploited in relation to various Pilbara ores is ongoing.

Haoma provides information in relation to developments and future direction of operations via Activities Updates that are periodically sent to shareholders and other interested persons. The Activities Updates are published on the company website at www.haoma.com.au which also contains copies of all previous updates.

DIVIDENDS

No dividends have been paid or declared during or since the end of the financial year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Apart from matters already described above, there were no significant changes in the state of affairs of Haoma during the year to June 30, 2020.

EVENTS SUBSEQUENT TO THE REPORTING DATE

Impact of Covid-19

Due to the size and remote locations of Haoma's operations, Haoma has not experienced any significant or long term effect as a consequence of Covid-19. Haoma was eligible for the JobKeeper business subsidy due to an initial decline in revenues in March-April 2020 but did not continue to participate in JobKeeper beyond September 2020. Travel restrictions and interstate border closures during the pandemic resulted in some of Haoma's staff at Bamboo Creek having to remain on site and not able to return home. Alternative arrangements for rest and recreation were required.

ENVIRONMENTAL ISSUES

The gold mining, exploration and mining development activities of Haoma Mining NL are subject to significant environmental regulation. Environmental legislation under which the company conducts its activities is principally Australian State Government legislation and includes in Western Australia the *Mining Act* 1978 (WA), the *Environmental Protection Act* 1986 (WA) and the *Aboriginal Heritage Act* 1980 (WA); and in Queensland the *Mineral Resources Act* 1989 (Qld) and the *Environmental Protection Act* 1994 (Qld).

The company has complied with environmental protection and rehabilitation requirements and has management and reporting systems for all of the areas in which it has interests. Regular reviews are conducted with regard to environmental compliance matters. The environmental impact of the operation of the company's processing plants at Normay and at Bamboo Creek, Western Australia is subject to continuous assessment. There were no significant matters in regard to environmental control or management that arose during the year. The company will continue to monitor its performance in relation to the environment. That process will include the ongoing assessment of the environmental impact of each of the company's operations and the development of additional reporting and communications systems to ensure compliance and identify items for specific action.

ACKNOWLEDGEMENTS

The Board wishes to acknowledge and express its appreciation to all those who during the last year have contributed to the company's activities in the Pilbara and Ravenswood districts. In particular, the Board's thanks go to Mr. Peter Cole, Prof. Peter Scales, Mr. Hugh Morgan and other consultants who have contributed to helping solve the gold assay problem with Pilbara ores; and the extraction of gold and other metals from Pilbara ores.

The Board also acknowledges the significant efforts of those personnel working at the remote Bamboo Creek and Ravenswood operations.

INFORMATION ABOUT DIRECTORS AND OFFICERS

Gary Cordell **MORGAN**, B.Comm	Chairman
Appointment Date:	May 10, 1991
Experience:	Executive Chairman of Roy Morgan Research Ltd and is a member of a number of research and marketing organisations.
Interest in Shares and Options:	Indirect and beneficial interest in 128,182,961 Haoma Mining shares via directorships and interests in Leaveland Pty Ltd and Elazac Pty Ltd. Holds no interest in any options to acquire shares.
Directorships held in other listed entities:	Nil
Special Responsibilities:	Audit Committee

Michele **LEVINE**, B.Sc (Hons), Env. St	Non-Executive Director
Appointment Date:	August 8, 1994
Experience:	Director and CEO of Roy Morgan Research Ltd.
Directorships held in other listed entities:	Nil
Interest in Shares and Options:	Indirect and beneficial interest in 3,150,000 Haoma Mining shares via interest in the Levine Family Trust. Direct interest in 16,194 shares. Total interests: 3,166,194 shares Holds share options to acquire 1,200,000 shares at 30c per share.
Special Responsibilities:	Nil

Wilton Timothy Carr **INGRAM**	Non-Executive Director
Appointment Date:	November 10, 2015
Experience:	Mr Ingram has operated his own businesses in Australia and Hong Kong engaged in various fields including finance, corporate advice and marketing. Mr Ingram has extensive skills in planning, communication and business development analysis to complement his broad base financial skills.
Directorships held in other listed entities:	Nil
Interest in Shares and Options:	Indirect interest in 200,000 Haoma Mining shares via shareholding and directorships in Loftus Group Ltd. Total interests: 200,000 shares. Holds share options to acquire 700,000 shares at 30c per share.
Special Responsibilities:	Nil

James **WALLACE** B.Ec, CA	Company Secretary
Appointment Date:	November 21, 1997
Experience:	Chartered Accountant and Commercial Manager.
Directorships held in other listed entities	Nil
Interest in Shares and Options	Indirect interest in 100,000 Haoma Mining shares via membership of a self-managed superannuation fund. Holds share options to acquire 700,000 shares at 30c per share.
Special Responsibilities	Audit Committee Secretary

No Director, during or since the end of the financial year, has received or become entitled to receive a benefit by reason of a contract made by the Company or a related body corporate with the Director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest other than as shown in Note 21 (Related Party Information) to the financial statements.

REMUNERATION REPORT – (AUDITED)

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements

Principles used to determine the nature and amount of remuneration

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and senior management. This involves assessing the appropriateness of the nature and amount of emoluments on a periodic basis by reference to relevant employment market conditions including length of service and the particular experience of the individual concerned. The contracts of service between the Company and Directors and Executives are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement Directors and Executives are paid employee benefit entitlements accrued to the date of retirement. Termination payments are generally not paid on resignation or dismissal for serious misconduct. Employee contracts do not contain clauses linking remuneration to company performance.

Executives are given the option to receive remuneration in a variety of forms including cash and benefits such as superannuation, vehicles and expense payment plans. It is expected that the manner of payment chosen will be optimal for the recipient without creating undue costs for the company.

During the year, there were no alterations or modifications to share-based payment transactions granted as compensation to key management personnel.

Haoma did not engage the services of a remuneration consultant during the year.

Details of remuneration

During the year, the following persons were noted as Key Management Personnel:

Mr. Gary Morgan, Executive Director

Ms. Michele Levine, Non-Executive Director

Mr. Tim Ingram, Non-Executive Director

Mr. Peter Cole, General Manager

Details of the remuneration of Directors and Key Management Personnel of Haoma Mining are set out in Table 1.

Mr. Cole, together with the Directors, is the Group Executive with the most authority and responsibility for planning, directing and controlling activities of both the Consolidated Entity and the Parent Entity during the financial year. Mr. Cole is a consultant to Haoma Mining.

Table 1: Remuneration of Key Management Personnel

2020		**Short-term Benefits**		**Post Employment Benefits**	**Share Based Benefits**		
Name	**Period of responsibility**	**Salary & Director Fees**	**Non-Cash Benefits**	**Super**	**Options**	**Total**	**Performance Related**
		$	**$**	**$**	**$**	**$**	**%**
Executive Director							
Gary Morgan (*)	Full year	40,000	-	3,800	-	43,800	-
Non-Executive Directors							
Michele Levine (*)	Full year	40,000	-	3,800	-	43,800	-
Tim Ingram (*)	Full year	20,000	-	1,900	-	21,900	-
General Manager							
Peter Cole	Full Year	187,400	-	-	-	187,400	-
Total		**287,400**	-	**9,500**	**-**	**296,900**	**-**

(*) Directors' fees and superannuation contributions thereon have not been paid. The Board of Directors has deferred payment of Directors fees until it is determined that the company is in a financial position to re-commence payments.

REMUNERATION REPORT – (AUDITED) ***Continued***

2019		**Short-term Benefits**		**Post Employment Benefits**	**Share Based Benefits**		
Name	**Period of responsibility**	**Salary & Director Fees**	**Non-Cash Benefits**	**Super**	**Options**	**Total**	**Performance Related**
		$	**$**	**$**	**$**	**$**	**%**
Executive Director							
Gary Morgan (*)	Full year	40,000	-	3,800	-	43,800	-
Non-Executive Directors							
Michele Levine (*)	Full Year	40,000	-	3,800	72,271	116,071	-
Tim Ingram (*)	Full Year	20,000	-	1,900	42,158	64,058	-
General Manager							
Peter Cole	Full Year	161,600	-	-	42,158	203,758	-
Total		**261,600**	-	**9,500**	**156,587**	**427,687**	**-**

(*) Directors' fees and superannuation contributions thereon have not been paid. The Board of Directors has deferred payment of Director's fees until it is determined that the company is in a financial position to re-commence payments.

The number of shares in the Consolidated Entity held during the financial year by each Officer of the Consolidated Entity and Haoma Mining, including their personally related parties, are set out below. There were no shares granted during the period as compensation.

2020	Balance at start of the year	Received as compensation	Options exercised	Net change other (*)	Balance at end of the year
Gary Morgan	128,182,961	**-**	**-**	**-**	128,182,961
Michele Levine	3,166,194	**-**	1,200,000	-	4,366,194
Tim Ingram	200,000	**-**	700,000	(900,000)	-
	131,549,155	**-**	**1,900,000.00**	**(900,000)**	**132,549,155**
2019					
Gary Morgan	128,182,961	**-**	**-**	**-**	128,182,961
Michele Levine	3,166,194	**-**	-	**-**	3,166,194
Tim Ingram	1,084,166	**-**	**-**	(884,166)	200,000
	132,433,321	**-**	**-**	**(884,166)**	**131,549,155**

(*) T. Ingram - Net change resulting from holding decreased within the year.

Service agreements

Remuneration and other terms of employment for the Directors and other Key Management Personnel may be formalised in service agreements.

The services of Haoma's General Manager, Peter Cole, is charged at a daily consulting rate. The agreement may be cancelled by either party upon giving two months notice.

Share based payments

The remuneration of other directors and senior management is not dependent on completion of pre-determined performance criteria.

On December 10, 2018, the Board of Directors approved the issue of 4.3 million options to acquire shares in Haoma Mining to directors, employees and consultants. The options were issued in recognition of past efforts. The non-renounceable options could be converted to an equivalent number of Haoma Mining NL shares subject to continuous performance and Directors' approval.

2020 Directors / KMP	Balance at start of the year	Granted during the year	Exercised during the year	Lapsed / Forfeited during the year	Balance at end of the year	Expiry Date
Michele Levine [(1)]	1,200,000	-	(1,200,000)	-	-	31-Dec-19
Tim Ingram [(2)]	700,000	-	(700,000)	-	-	31-Dec-19
Peter Cole	700,000	-	(700,000)	-	-	31-Dec-19
	2,600,000	**-**	**(2,600,000)**	**-**	**-**	

(1) Grant of options approved by Directors Gary Morgan and Tim Ingram. If options exercised the proceeds will be used to repay Haoma's debt to Michele Levine.
(2) Grant of options approved by Directors Gary Morgan and Michele Levine.

The unquoted options may be converted to shares at any time on or before December 31, 2019 (after which they will expire) at an exercise price of $0.30 cents per share.

Details on the valuation of the options, including models and assumptions used are included in Note 18 to the financial statements. There have been no alterations to the terms and conditions of options granted in recognition for past services since the grant date.

Voting and Comments made at the 2019 Annual General Meeting

The Remuneration Report for the 2019 financial year received positive shareholder support at the 2019 AGM with 100.00% of votes in favour. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

This is the end of the remuneration report which is subject audit.

DIRECTORS' MEETINGS

During the financial year there were three full meetings of the Board of Directors and one meeting of the Audit Committee. The number of meetings attended by each of the Directors is:

	Full meetings of Directors	Meetings of Audit Committee
Number of meetings held:	3	1
Number of meetings attended by:		
Mr. G C Morgan	3	1
Ms. M Levine	3	-
Mr. T Ingram	2	-

The Board of Directors' comprises 3 persons each of whom are in regular contact with each other and meet informally approximately once per week. In addition the Board is in daily contact by telephone and email communication.
These regular and efficient forms of contact enable all of the Directors to keep abreast of company business and to ensure informed and timely decisions are reached. Where urgent matters arise that require formal adoption of resolutions by the Board, circulated resolutions are executed to effect decisions.

SHARES UNDER OPTION

The Board of Directors granted 4.3 million share options to directors, employees and consultants with an exercise price of 30 cents per share and will expire on December 31, 2019. For further information on the valuation of options, please refer to Note 18 to the Financial Statements.

INDEMNIFICATION OF OFFICERS AND AUDITORS

The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

PROCEEDINGS ON BEHALF OF ENTITY

No person has applied for leave of Court to bring proceedings on behalf of the company or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included at page 8.

NON-AUDIT SERVICES

There were no non-audit services provided by the auditor or by another person or firm on the auditor's behalf during the financial year.

This report is signed in accordance with a resolution of the Directors.

Gary Morgan

Gary C. Morgan
Chairman

Melbourne,
March 1, 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2020

	Note	CONSOLIDATED 2020 $	2019 $
Continuing Operations			
Sale of gold and silver		**87,689**	19,463
Accommodation Revenue		**289,867**	166,817
Royalty income		**27,735**	5,208
Revenue		**467,791**	191,488
Other income	3(a)	**703,275**	707,106
Cost of sales	3(b)	**(557,882)**	(513,143)
Test work and plant configuration expenditure		**(2,494,381)**	(1,903,949)
Exploration and tenement costs expensed		**(631,415)**	(622,610)
Administration and compliance expense	3(c)	**(835,878)**	(262,707)
Finance costs	3(d)	**(1,352,753)**	(2,111,606)
Depreciation and amortisation costs	3(e)	**(180,381)**	(208,903)
Movement in Rehabilitation Provision		**(77,153)**	(232,424)
Share option expense	16 (d)	**-**	(399,999)
Loss before income tax		**(4,958,777)**	(5,356,747)
Income tax expense	4	**-**	-
Loss for the year after tax		**(4,958,777)**	(5,356,747)
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Gain /(Loss) on revaluation of financial assets		**-**	-
Total comprehensive loss for the year attributable to members of Haoma Mining NL, net of tax		**(4,958,777)**	(5,356,747)
Earnings per share (cents per share)			
- Basic loss per share for the year attributable to ordinary equity holders of the parent	5	**(2.51)**	(2.79)
- Diluted loss per share for the year attributable to ordinary equity holders of the parent	5	**(2.51)**	(2.79)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

	Note	CONSOLIDATED 2020 $	2019 $
ASSETS			
Current Assets			
Cash and cash equivalents	7	**11,131**	173,306
Trade and other receivables	8	**229,458**	79,566
Inventories	9	**206,811**	319,530
Total Current Assets		**447,400**	572,402
Non-current Assets			
Property, plant and equipment	11	**600,934**	749,681
Exploration and evaluation	12	**5,472,650**	5,472,650
Total Non-Current Assets		**6,073,584**	6,222,331
TOTAL ASSETS		**6,520,984**	6,794,733
LIABILITIES			
Current Liabilities			
Trade and other payables	13	**1,991,562**	1,661,998
Interest bearing loans and borrowings	14	**81,150,032**	78,287,271
Provisions	15	**313,962**	183,948
Total Current Liabilities		**83,455,556**	80,133,217
Non-Current Liabilities			
Provisions	15	**3,369,575**	3,292,422
Total Non-Current Liabilities		**3,369,575**	3,292,422
TOTAL LIABILITIES		**86,825,131**	83,425,639
NET LIABILITIES		**(80,304,147)**	(76,630,906)
EQUITY			
Contributed equity	16	**63,975,708**	62,431,199
Share based payment reserve	16 (d)	**-**	258,972
Accumulated losses		**(144,279,855)**	(139,321,077)
TOTAL SHAREHOLDERS' EQUITY DEFICIENCY		**(80,304,147)**	(76,630,906)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2020

CONSOLIDATED	Share Capital	Financial Assets Fair Value Reserve	Share Based Payments Reserve	Accumulated Losses	Total Equity
	$	$	$	**$**	$
Balance at July 1, 2018	60,604,835	-	-	(133,964,330)	(73,359,495)
Loss after income tax for the year ………………………	-	-	-	(5,356,747)	(5,356,747)
Total comprehensive income for the year …………………...	-	-	-	(5,356,747)	(5,356,747)
Transactions with owners in their capacity as owners					
Issue of Ordinary Shares……………………………………	699,900	-	-	-	699,900
Share Capital Buy-back……………………………………..	(24,663)	-	-	-	(24,663)
Proceeds from Exercise of Share options…………………	1,010,100	-	-	-	1,010,100
Share Based Payments …………………………………….	141,027	-	258,972	-	399,999
Balance at June 30, 2019……………………………………	**62,431,199**	**-**	**258,972**	**(139,321,077)**	**(76,630,906)**
Balance at July 1, 2019	62,431,199	-	258,972	(139,321,077)	(76,630,906)
Loss after income tax for the year ………………………	-	-	-	(4,958,778)	(4,958,778)
Other comprehensive income for the year, net of tax………	-	-	-	-	-
Total comprehensive income for the year …………………...	-	-	-	(4,958,778)	(4,958,778)
Transactions with owners in their capacity as owners:					
Share Capital Buy-back……………………………………	(4,463)	-	-	-	(4,463)
Proceeds from Exercise of Share options…………………	1,290,000	-	-	-	1,290,000
Share Based Payments …………………………………….	258,972	-	(258,972)	-	-
Balance at June 30, 2020……………………………………	**63,975,708**	**-**	**-**	**(144,279,855)**	**(80,304,148)**

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

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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

	Note	CONSOLIDATED 2020 $	2019 $
Cash flows from operating activities			
Receipts from customers		**457,112**	215,766
Other income		**568,804**	694,040
Payments to suppliers and employees		**(1,279,023)**	(2,066,307)
Exploration and development expenditure		**(2,462,979)**	(1,874,870)
Interest paid		**(24,344)**	(21,236)
Net cash used in operating activities	7(b)	**(2,740,430)**	(3,052,607)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(31,634)**	(227,806)
Purchase of investments and mining leases		**-**	(11,500)
Net cash (used in)/provided by investing activities		**(31,634)**	(239,306)
Cash flows from financing activities			
Net movement in Loan funding from related parties		**1,534,352**	1,772,971
Proceeds from Issue of Shares		**1,080,000**	1,710,000
Payments to Shareholders - Haoma capital shares buy back		**(4,463)**	(24,663)
Net cash provided by financing activities		**2,609,889**	3,458,308
Net increase/(decrease) in cash held		**(162,175)**	166,395
Cash and cash equivalents at the beginning of the financial year		**173,306**	6,911
Cash and cash equivalents at the end of the financial year	7(a)	**11,131**	173,306

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

FOR THE YEAR ENDED JUNE 30, 2020

1 *CORPORATE INFORMATION*

The financial report of Haoma Mining NL for the year ended June 30, 2020 was authorised for issue in accordance with a resolution of the Directors on March 1, 2021.

Haoma Mining is an unlisted public company, incorporated and domiciled in Australia. The company's registered office is Tonic House, 386 Flinders Lane, Melbourne. The principal activities of the Group during the financial year were mineral exploration, the analysis of mineral deposits and the advancement of ore processing and extraction technology.

2 *STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES*

(a) Basis of Preparation

The financial report is a general purpose financial report of a for profit entity which has been prepared in accordance with the requirements of the *Corporations Act* 2001 and Australian Accounting Standards and Interpretations.

The financial report has been prepared on a historical cost basis, except for available-for-sale assets, which have been measured at fair value and provisions which have been carried at fair value. The financial report is presented in Australian dollars.

(b) Going Concern

The Consolidated Group produced a net loss of $4,958,777 (2019: $5,356,747) for the year ended 30 June 2020, had net current liabilities of $83,008,156 (2019: $79,560,815), had negative shareholders equity of $80,304,147 (2019: $76,630,906) and had negative cash flows from operating activities of $2,740,430 (2019: $3,052,607). The ability of the entity to continue as a going concern is dependent on the ongoing financial support from related parties, which indicates 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 Group, The Roy Morgan Research Centre Pty Ltd (a company owned and controlled by Haoma's Chairman and majority shareholder, Mr. Gary Morgan) has provided an undertaking that it will make funds 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.

At June 30, 2020 the total debt owing in respect of funds provided to Haoma by related parties was $43,372,368 (2019: $41,838,016) along with accrued interest of $37,777,665 (2019: $36,449,255). The related parties have all confirmed that payment of monies owed by Haoma will not be required until such time as Haoma's Board of Directors determine that the company is able to commence repayments without adverse financial consequences to the consolidated entity. The Board of Directors is therefore satisfied that the going concern assumption is the appropriate basis for preparation of the financial report.

For the reasons detailed above, 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 discharge 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 discharge 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 recorded asset carrying amounts or the amounts and classification of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they become due and payable.

(c) Statement of Compliance

The financial report of Haoma complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

In the current year, the consolidated group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. Details of the impact of those changes are set out in the individual accounting policy notes.

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised and amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted other than AASB 9 Financial Instruments (2014) which was adopted with effect from 1 July 2011.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

- **AASB 16** Leases

  (applicable to annual reporting periods beginning on or after 1 January 2019)

  When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

  The main changes introduced by the new Standard include:

  - recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
  - depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
  - variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
  - by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
  - additional disclosure requirements.

  The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

  Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is not expected that the impact will be material.

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

- **AASB 15** Revenue from Contracts with Customers

  This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

  The standard will require contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue.

  For goods, the performance obligation would be satisfied when the customer obtains control of the goods.

  For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers.

  For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied.

  Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity has adopted this standard for FY 2019.

(d) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2019 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities (including special purpose entities) over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. They are de-consolidated from the date that control ceases. Controlled entities are detailed in Note 10.

In preparing the financial statements, the financial impact of all inter-company balances and transactions between entities in the Consolidated group during the year have been eliminated. Accounting policies of subsidiaries are consistent with the parent.

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

(e) Significant judgements, estimates and assumptions used in applying accounting policies

Significant accounting judgements

In the process of applying the Group's accounting policies, management has made the following judgements and estimations, which were they to change, would have the most significant effect on the amounts recognised in the financial statements in future years:

Exploration and Mining Lease Commitments

The Group holds various exploration and mining lease permits over areas of interest in Western Australia and Queensland. Annual minimum expenditure requirements exist in order to retain the exclusive right to explore and mine on these leases. In a number of cases, leases are located adjacent to or in close proximity to each other and activities often overlap a number of leases. With the approval of the relevant State Government Departments, certain expenditures which are known to be applicable to a broad area covering a number of leases are aggregated and applied to the affected leases using allocation estimates. The decision as to which leases should be aggregated for this purpose requires an exercise of judgement.

Exploration Assets and impairment

Accounting estimates are required for the impairment of exploration assets. See note 2(q).

Provision for Rehabilitation costs.

Accounting estimates have been used to calculate the carrying value of Provision for Rehabilitation of exploration assets. The Provision for Rehabilitation is based on Rehabilitation Liability Estimates (RLE) provided by the Department of Mines and Petroleum in Western Australia which is based on the ground / environmental disturbance data submitted by Haoma on an annual basis. The provision is the sum of all rehabilitation liability estimates for all of Haoma's tenements adjusted for inflation and its present carrying value. See note 2(u).

(f) Segment Reporting

Operating Segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for the allocation of resources and assessing performance of the operating segments.

(g) Revenue Recognition

When in production, the Group's primary source of revenue is from the sale of precious metals, specifically gold and silver. Revenue is recognised at a point of time when performance obligations are satisfied; generally when the customer claims control of promised goods or services. Revenue from the sale of precious metal is therefore recognised upon supply of refined metal to the customer or on delivery against forward sale contracts. Other sources of revenue are recognised on the following basis:

Interest is recognised as it accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate.

The Group operates retail outlets at Comet Mine Tourist Centre at Marble Bar WA and at its Top Camp facility at Ravenswood, Queensland. Revenue from retail operations is recognised when completed.

Revenue from the provision of consulting services is recognised upon the delivery of the service to the customer.

Haoma has negotiated royalty contracts with companies for materials mined from Haoma's tenements. Revenue is recognised upon confirmation that a royalty entitlement has been earned in accordance with the royalty agreement.

Revenue earned under 'Right to Mine' Agreements in respect to Group tenements is first applied against capitalised exploration costs in respect to those tenements. Revenue in excess of capitalised exploration is taken direct to income.

Revenue gains or losses from the sale of exploration and mining assets are recognised upon completion.

All revenue is stated net of goods and services tax (GST).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(i) Impairment of assets

At each reporting date the Group assesses whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at the revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset’s revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(j) Income Tax

Haoma Mining NL and its wholly-owned Australian subsidiaries formed an income tax consolidated group on July 1, 2003. Haoma Mining NL is responsible for recognising the current and deferred tax assets and liabilities for the consolidated tax group. The consolidated tax group has entered a tax sharing agreement whereby each group company contributes to income tax payable in proportion to the net result before tax of the consolidated tax group.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to calculate taxation assets and liabilities are those that applied at year end balance date.

At the reporting date, deferred income tax is provided on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

Deferred income tax liabilities are recognised for all taxable temporary differences except when:

- the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, does not affect either accounting profit or taxable income; or
- the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward unused tax assets and unused tax losses, to the extent that it is probable that future taxable profits will be available to utilise the benefit of those deductible temporary differences, carry forward tax credits and tax losses, except when:

- the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, does not affect either accounting profit or taxable income; or
- the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that taxable income will be generated in the foreseeable future against which the temporary difference will reverse.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to utilise the deferred tax asset. Unrecognised deferred income tax assets are reassessed each balance date and are recognised to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, using tax rates that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and taxation authority.

(k) Borrowing Costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(l) Cash and cash equivalents

For the purposes of the Consolidated statement of cash flows, cash and cash equivalents includes:

- cash at bank, cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- investment in money market instruments with less than 14 days to maturity.

(m) Inventories

Inventories are measured and valued as follows:

- Purchased consumables and materials are counted and valued at the lower of cost and net realisable value,
- Inventories of Run of Mine ore stockpiles, work in process, heap leach material and gold bullion are physically measured or estimated and are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated further costs of production and the estimated costs of selling.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

(n) Trade and other receivables

Trade receivables, are recognised and carried at original invoice amount less an allowance for any component of the debt for which collection is considered doubtful. An allowance for a doubtful debt is made when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written off when identified.

(o) Investments and other financial assets

Classification and measurement

The Group classifies its financial assets in the following measurement categories; those to be measured subsequently at fair value, and those be measured at amortised cost. The classification depends on the entities business model for managing the financial assets and contractual terms of the cash flows.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

A gain or loss on a debt investment that is subsequently measured at fair value and is not part of a hedging relationship is recognised in profit or loss and presented net in the income statement within other income or other expenses in the period in which it arises.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the financial asset is derecognized or impaired and through the amortisation process using the effective interest rate method.

The group subsequently measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other revenue when the terms and condition has been satisfied.

(p) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any impairment in value.

Plant and equipment

Plant and equipment is shown at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the cost of replacement parts that are eligible for capitalisation. The subsequent carrying amount of plant and equipment is reviewed annually at financial year end by Directors to ensure it is not in excess of the recoverable amount of these assets. Recoverable amount is the greater of fair value less costs to sell and value in use determined by discounted net cash flows.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Depreciation

All fixed assets including building and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over their estimated useful lives to the economic entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to depreciation. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The default depreciation rates used where specific useful life estimates are not available for each class of depreciable assets are:

Class of Fixed Asset	**Depreciation Rate**
Plant and equipment	4-25%

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

(q) Exploration and development expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of exploration interest. These costs are carried forward to the extent that they are expected to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

The Directors have determined in which instances it is appropriate to capitalise or expense costs spent on these areas in the year to June 30, 2020.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according the rate of depletion of the economically recoverable reserves.

(r) Interest in Joint Ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

(s) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(t) Employee Leave Benefits and Entitlements

Provision is made for the expected future liability for employee benefits and entitlements arising from services rendered by employees to the reporting date. A current liability is recognised in respect of benefits and entitlements expected to be paid within one year and a non current liability is recognised for benefits and entitlements expected to be paid later than one year.

Employee benefits together with entitlements arising in respect of wages and salaries, long service leave, annual leave and sick leave that are expected to be settled within one year are measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Long service leave and other entitlements expected to be payable later than one year are measured at the present value of the estimated future cash flows to be made for those benefits. In determining the extent of liability, consideration is given to expected future salary and wage levels, related on costs, experience of employee retention and expired periods of service.

Liabilities for employer superannuation contributions are expensed when incurred.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

2 *STATEMENT OF ACCOUNTING POLICIES (continued)*

(u) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for Rehabilitation Costs

Rehabilitation costs are costs that are expected to be incurred as a consequence of the Group undertaking its exploration and mining activities. Ground disturbance and other works that impact upon topography, environment and habitat may occur to varying degrees during exploration, evaluation, development, construction or production phases of the Group's activities.

As a consequence, there is a need for restoration work to be carried out either progressively or upon the abandonment of activity in an area of interest. The provision is measured as the present value of the future expenditure. On an ongoing basis, the rehabilitation liability will be re-measured in line with the changes in the time value of money (recognised as an expense in the profit or loss and an increase in the provision).

In determining the restoration obligations, the entity assumes no significant changes will occur in relevant Federal and State legislation in relation to restoration of disturbed areas.

(v) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised. Interest on loans and borrowings is recognised as an expense as it accrues.

(w) Earnings per share

Basic earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/(loss)attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares ;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(x) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the consolidated entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items, a Statement of Financial Position as at the beginning of the earliest comparative period will be disclosed.

HAOMA MINING NL AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

	CONSOLIDATED	
	2020	2019
	$	$
3 REVENUE & EXPENSES		
Continuing Operations		
(a) Other Income		
Other Income (i)	**62,500**	-
Proceeds from sale of rocks / scalps	**703,275**	707,106
	765,775	707,106
(b) Cost of Sales		
Consumables	**152,605**	116,180
Other cost of sales	**405,277**	396,963
	557,882	513,143
(c) Administration and compliance expense		
Corporate service costs	**217,686**	(225,366)
Legal and compliance costs	**86,682**	142,162
Management fees	**260,761**	345,912
Reversal of accruals for damages claim	**270,749**	-
	835,878	262,708
(d) Finance Costs		
Director related entities loans	**1,328,409**	2,090,370
Bank charges	**19,917**	18,552
Interest charges	**4,428**	2,684
	1,352,754	2,111,606
(e) Depreciation of non-current assets		
Property, plant and equipment	**180,381**	208,903
	180,381	208,903
(f) Employee benefits expense		
Wages and salaries	**1,473,262**	1,070,573
Superannuation	**116,924**	82,403
Annual leave	**13,318**	8,707
	1,603,505	1,161,682

(i) *Cashflow Boost Grant received from the Australian Tax Office (ATO)*

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

4 *INCOME TAX*

	CONSOLIDATED 2020 $	2019 $
The amount provided in respect of income tax differs from the prima facie benefit on operating loss. The difference is reconciled as follows:		
Operating loss before income tax	**(4,958,777)**	(5,356,748)
Prima facie income tax expense/(benefit) calculated at 30%		
Economic entity	**(1,487,633)**	(1,607,024)
Tax effect of temporary differences:		
Deferred tax assets not recognised	**1,487,633**	1,607,024
Income tax expense	**-**	-
Net deferred tax assets which have not been brought to account comprise:		
Income tax losses and timing differences	**13,588,986**	13,209,219
Deferred income tax liability	**(1,641,795)**	(1,641,795)
	11,947,191	11,567,424

Deferred tax liabilities from exploration and evaluation assets of $5,472,650 at 30% (2018: $5,461,150 at 30%) that have arisen in the course of normal operations have been offset against unutilised deferred tax assets and as such have not been shown separately.

This benefit for tax losses will only be obtained if:

(a) the consolidated entity derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the losses to be realised;

(b) the consolidated entity continues to comply with the conditions for deductibility imposed by Law; and

(c) no changes in tax legislation adversely affect the ability of the consolidated entity to realise these benefits.

	CONSOLIDATED	
	2020	2019
	$	$

5 *EARNINGS PER SHARE*

Net loss attributable to ordinary equity holders or the parent from continuing operations	**(4,958,777)**	(5,356,748)
Weighted average number of ordinary shares for basic earnings per share	**197,686,182**	195,713,711
Weighted average number of ordinary shares adjusted for the effect of dilution	**197,686,182**	195,713,711

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

Basic earnings per share (cents per share)	**(2.51)**	(2.74)
Diluted earnings per share (cents per share)	**(2.51)**	(2.74)

6 *DIVIDENDS PAID AND PROPOSED*

There were no dividends provided for or paid during the financial year.

Franking credit balance

The amount of franking credits available for the financial year are:

Franking account balance at July 1	**685,523**	685,523
Other movements	**-**	-
Franking account balance at June 30	**685,523**	685,523

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	$	$

7 *CASH AND CASH EQUIVALENTS*

(Current)

(a) Reconciliation to Statement of Cash Flows

Cash at the end of the financial year as shown in the Statement of Cash Flows reconciled to items in the Statement of Financial Position as follows

	2020 $	2019 $
Cash and cash equivalents	**11,131**	173,306

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(b) Reconciliation of net loss after tax to cash flows from operations

	2020 $	2019 $
Loss after income tax	**(4,958,777)**	(5,356,748)
Depreciation and amortisation expense	**180,381**	208,903
Share Options expense	**-**	399,999
Accrued interest - director related entity	**1,328,409**	2,090,370
Changes in assets and liabilities:		
Decrease/(Increase) in trade debtors and other receivables	**(145,149)**	10,611
(Increase)/Decrease in prepayments	**(4,743)**	(320)
(Increase) in inventories	**112,719**	(148,778)
(Decrease) in trade creditors and other creditors	**539,563**	(538,286)
Increase in provisions	**207,167**	281,642
Net cash used in operating activities	**(2,740,430)**	(3,052,607)

8 *TRADE AND OTHER RECEIVABLES*

(Current)

	2020 $	2019 $
Trade and other receivables	**217,594**	72,446
Prepayments	**11,864**	7,120
	229,458	79,566

Trade and other receivables are non-interest bearing. Due to the short term nature of trade receivables amounts, the carrying value is assumed to approximate fair value. The average credit period on trade receivables is generally 30 day terms and no interest is charged on balances past due. The Group has a history of full collection of trade receivable amounts and having considered the current outstanding amount is satisfied no provision for impairment loss is required.

	CONSOLIDATED	
	2020	2019
	$	$

9 *INVENTORIES*

(Current)

	2020	2019
Stores of consumables and spare parts	**206,811**	319,530
	206,811	319,530

10 *CONTROLLED ENTITIES*

Investments in Controlled Entities	**Country of Incorporation**	**Percentage owned 2020 %**	Percentage owned 2019 %
Parent Entity			
Haoma Mining NL	Australia	-	-
North West Mining NL	Australia	100	100
Exploration Geophysics Pty Ltd	Australia	100	100
Kitchener Mining NL	Australia	100	100
Shares held by Kitchener Mining NL			
- Bamboo Creek Management Pty Ltd	Australia	100	100

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

	CONSOLIDATED 2020 $	2019 $

11 *PROPERTY, PLANT & EQUIPMENT*

(Non-current)

Property, Plant and Equipment at cost	**10,761,883**	10,730,249
Accumulated depreciation	**(10,160,949)**	(9,980,568)
Net carrying amount	**600,934**	749,681

Movements in carrying amounts

Movements in the carrying amounts of property, plant and equipment between the beginning and the end of the financial year:

Opening balance at July 1	**749,681**	730,778
Additions	**31,634**	227,806
Depreciation	**(180,381)**	(208,903)
Net Carrying Amount	**600,934**	749,681

12 *EXPLORATION & EVALUATION*

(Non-current)

Exploration and Evaluation expenditure

Net carrying amount	**5,472,650**	5,472,650

Movements in carrying amounts

Movements in the carrying amount of exploration and evaluation expenditure between the beginning and the end of the financial year:

Opening balances July 1	**5,472,650**	5,461,150
Additions	**-**	11,500
Net carrying amount	**5,472,650**	5,472,650

		CONSOLIDATED	
		2020	2019
		$	$

13 *TRADE AND OTHER PAYABLES*

(Current)

	2020 $	2019 $
Trade creditors and accruals	**604,813**	385,449
Other creditors	**185,524**	135,326
	790,337	520,774
Related party payables:		
Director's fees	**1,187,174**	1,127,174
Elazac Mining Pty Ltd	**14,050**	14,050
	1,201,224	1,141,224
	1,991,561	1,661,998

Due to the short term nature of trade creditors, their carrying value is assumed to approximate their fair value. The Group's payment policy is that creditors are paid within payment terms or as otherwise negotiated. As a consequence no discounts or penalty payments arise.

14 *INTEREST BEARING LOANS AND BORROWINGS*

(Current)

		2020 $	2019 $
Amount due to Director related entity (Secured)	(a)	**43,372,368**	41,497,016
Amount due to Director	(b)	**-**	341,000
Accrued interest - Director related entity	(a)	**35,316,482**	33,992,969
Accrued interest - Director loans	(c)	**2,461,183**	2,456,286
		81,150,032	78,287,271

(a) Funding for the company's ongoing operations is being provided by The Roy Morgan Research Centre Pty Ltd., a company owned and controlled by Haoma's Chairman and majority shareholder, Gary Morgan. The Roy Morgan Research Centre Pty Ltd has provided an assurance to the Board that it will continue to ensure funds are available to the company to fund operations for a period of at least 12 months from the date of this report.

(b) The amount due to Director Michele Levine of $341,000 was applied against share options exercised in December 2019.

(c) Accrued interest of $2,456,286 is comprised of $78,586 relating to the loan from Michele Levine, the balance is accrued to Gary Morgan.

	CONSOLIDATED 2020 $	2019 $

15 PROVISIONS

	2020 $	2019 $
(Current)		
Provision for employee benefits	**313,962**	183,948
(Non-current)		
Provision for rehabilitation		
Opening balances July 1	**3,292,422**	3,292,422
Amounts charged to profit or loss		
Change in Assumptions	**78,646**	50,760
Change in Liability	**(1,493)**	181,665
Closing balances June 30	**3,369,575**	3,292,422

Provision for rehabilitation recognises future costs expected to be incurred in the restoration of soil, environment and habitat as a result of undertaking exploration and mining activities. The provision is determined as the present value of the future expenditure and assumes that associated outflows will be evenly incurred over a period of 5 years.

16 CONTRIBUTED EQUITY & RESERVES

	2020 $	2019 $
(a) Share Capital		
Issued Shares - Ordinary shares fully paid	**63,975,708**	62,431,199

(b) Movements in Ordinary Share Capital

		Number of Shares	$
Contributed Equity			
July 1, 2018	Opening balance	**190,128,973**	60,604,835
	Issue of Ordinary Shares	**2,333,000**	699,900
	Share options exercised	**3,367,000**	1,151,127
	Share Capital Buy-back	**(115,262)**	(24,663)
June 30, 2019	Balance	**195,713,711**	62,431,199
July 1, 2019	Opening balance	**195,713,711**	62,431,199
	Share options exercised	**4,300,000**	1,548,972
	Share Capital Buy-back	**(18,596)**	(4,463)
June 30, 2020	Balance	**199,995,115**	63,975,708

On May 28, 2018, Haoma Mining NL announced that it will match any sell offers placed in the trading hub (Ecosystem) with Primary Markets at $0.24 per share for share parcels of up to 5,000 shares and which comprise the entire holding of the registered shareholder/seller.

On December 19, 2018 Haoma's Directors approved the issue of 1,000,000 Haoma Mining share options to Aldinga Way Pty Ltd. The exercise price was $0.30c per share with an expiry date for exercise of the options of December 31, 2019. Aldinga Way exercised the share options on February 22, 2019.

On February 22, 2019, Haoma's Directors approved the issue of 2,367,000 Haoma Mining share options to Aldinga Way Pty Ltd. The exercise price was $0.30c per share with an expiry date for exercise of the options of June 30, 2019. Aldinga Way exercised the share options on May 8, 2019.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

16 *CONTRIBUTED EQUITY & RESERVES (continued)*

(c) Ordinary Shares

Fully paid ordinary shares entitle the holder to participate in dividends and to one vote per share at meetings of the Company. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

	CONSOLIDATED	
	2020	2019
	$	$
(d) Reserves		
Share Based Payment Reserve		
Opening balance	**258,972**	-
Share options issued	**-**	399,999
Transfer to contributed equity	**(258,972)**	(141,027)
	-	258,972

The share option reserve records the fair value of unexercised options at issue date.

17 *COMMITMENTS & CONTINGENCIES*

(i) Exploration & expenditure commitments

In order to maintain current rights of tenure to exploration and mining tenements, the Consolidated Entity will be required to meet tenement lease rentals and minimum expenditure requirements of the respective State Departments of Minerals and Energy as follows:

Within one year	**3,017,840**	2,795,520
After one year but not more than five years	**8,166,005**	7,470,249
Longer than five years	**10,497,565**	11,421,135
	21,681,410	21,686,904

The Department of Mines & Petroleum (Western Australia) has agreed that, under the current circumstances, expenditure on testing Pilbara bulk ore samples using the Elazac Process at Kitchener Mining NL's Bamboo Creek mine site is eligible expenditure for the purpose of determining compliance with minimum expenditure requirements.

(ii) Financial support for controlled Entity

The Parent Entity has provided a "letter of support" to its controlled entity, Kitchener Mining NL, confirming that Haoma Mining NL will not call upon amounts due to it by Kitchener Mining NL unless Kitchener Mining NL has the capacity to pay. Total Kitchener Mining NL liabilities due at June 30, 2020 were $ 6,266,607 (2019: $6,194,417).

17 COMMITMENTS & CONTINGENCIES (continued)

Contingent Liabilities

Management Fee
Following a settlement with a former director, Kitchener Mining NL agreed to pay the director $68,658. Payment will only be made when other directors' fees and management fees owing by Kitchener Mining NL for the period 1989 to 1993 are paid. The Directors' fees and management fees are only payable when Kitchener Mining NL has an operating profit in excess of $500,000 in a financial year. A related party contingent liability exists to both The Roy Morgan Research Centre for a total $1,000,000 and to the Directors' of Kitchener Mining for a total $155,000 in respect to the financial years from 1 July 1989 to 30 June 1993.

Tenement Rehabilitation Bank Guarantees
State Governments may require that bank guarantees be provided to ensure that funds are available for ground and habitat rehabilitation in the event that a tenement holder does not complete restoration works upon cessation of exploration or mining activities.

At the reporting date, Haoma has provided bank guarantees to the Western Australia and Queensland State Governments totaling $208,289. Security for the bank guarantees has been provided by Gary Morgan.

18 SHARE BASED PAYMENTS

Issue of Share Options

On December 10, 2018 Haoma's Directors approved the issue of 4.3 million options to purchase Haoma Mining shares at 30 cents per share at any time on or before December 31, 2019. The share options were granted to the following persons and may be exercised by each grantee individually or by their nominee.

2020	Expiry Date	Exercise Price	Balance at start of the year	Granted during the year	Exercised during the year	Lapsed / Forfeited during the year	Balance at end of the year	Value of Options at grant date ($)
Directors / KMP	31-Dec-19	0.30	2,600,000	-	(2,600,000)	-	-	156,587
Hugh Morgan (1)	31-Dec-19	0.30	1,000,000	-	(1,000,000)	-	-	60,227
James Wallace (1)	31-Dec-19	0.30	700,000	-	(700,000)	-	-	42,158
			4,300,000	**-**	**(4,300,000)**	**-**	**-**	**258,972**

2019	Expiry Date	Exercise Price	Balance at start of the year	Granted during the year	Exercised during the year	Lapsed / Forfeited during the year	Balance at end of the year	Value of Options at grant date ($)
Directors / KMP	31-Dec-19	0.30	-	2,600,000	-	-	2,600,000	156,587
Hugh Morgan (1)	31-Dec-19	0.30	-	1,000,000	-	-	1,000,000	60,227
James Wallace (1)	31-Dec-19	0.30	-	700,000	-	-	700,000	42,158
Aldinga Way (2)	31-Dec-19	0.30	-	1,000,000	(1,000,000)	-	-	-
Aldinga Way (2)	30-Jun-19	0.30	-	2,367,000	(2,367,000)	-	-	-
			-	**7,667,000**	**(3,367,000)**	**-**	**4,300,000**	**258,972**

(1) Share options granted to Hugh Morgan and James Wallace for their contribution as Consultant and Company Secretary respectively, is part of the 4.3m options parcel approved on December 10, 2018.
(2) Options granted to Aldinga Way – 1,000,000 shares and 2,367,000 shares have granted on December 19, 2018 and February 22, 2019 respectively. Both parcels have been exercised during the year. Please refer to Note 16 for additional information.

Expenses arising from share based payments transactions
The amounts disclosed for the share options were the assessed fair values at the grant date of the options. Fair values at grant date were independently determined using a Black-Scholes option pricing model that took into account the exercise price, the term of the option, the vesting and performance criteria, the share price at grant date and the expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The options vested at grant date. Additional details relating to share options are set out in the Remuneration Report.

The model inputs for options granted during the year ended 30 June 2019 included:

	2019
(a) Number of Options	4,300,000
(b) Options are granted at a strike value of	$0.30
(c) Exercise price	$0.30

(d)	Grant date	Dec 10, 2018
(e)	Expiry date	Dec 31, 2019
(f)	Share price at grant date	$0.24
(g)	Expected price volatility of the Company's shares	79.50%
(h)	Risk free interest rate	1.89%
(i)	Vested Date	Dec 10, 2018

All share options granted to key management personnel are ordinary shares in Haoma Mining NL, which confer a right of one ordinary share for every option held.

	2020 CONSOLIDATED		2019 CONSOLIDATED	
	Number of Options	**Weighted Average Exercise Price $**	Number of Options	Weighted Average Exercise Price $
Outstanding at the beginning of the year …	**4,300,000**	**-**	-	-
Share options ……	**-**	**-**	-	-
Granted (1)……	**-**	**-**	7,667,000	0.30
Forfeited ……	**-**	**-**	-	-
Exercised ……	**(4,300,000)**	**0.30**	(3,367,000)	0.30
Expired ……	**-**	**-**	-	-
Outstanding at year-end ……	**-**	**-**	4,300,000	0.30
Exercisable at year-end ……	**-**	**-**	4,300,000	0.30

(1) Indicates options granted and approved by the Board of Directors for both KMP (Key Management Personnel) and Non-KMP.

	2020 $	2019 $
19 *AUDITORS REMUNERATION*		
Remuneration of the auditor of the Group:		
- auditing and reviewing the financial statements ……	**70,000**	68,750
	70,000	68,750

20 *SEGMENT INFORMATION*

The group has adopted AASB 8 Operating Segments whereby segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the board of directors

At regular intervals the board is provided management information at a group level for the group's cash position, the carrying values of mining tenements and a group cash forecast for the next twelve months of operation.

On this basis, no segment information is included in these financial statements.

All operating revenues have been derived in Australia. All exploration and evaluation assets are held in Australia.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

21 *RELATED PARTY INFORMATION*

Directors
Persons holding the position of Director of Haoma Mining NL during the financial year were Gary Cordell Morgan, Michele Levine and Wilton Timothy Carr Ingram.

Directors and Director-Related Entities

	Roy Morgan Research Ltd	The Roy Morgan Research Centre Pty Ltd	Elazac Mining Pty Ltd	Leaveland Pty Ltd	Elazac Pty Ltd
Mr. Gary Morgan	Director	Director	Director	Director	Director
Ms. Michele Levine	Director	-	-	-	-
Mr. Timothy Ingram			Director		

Other transactions with Directors and Director-Related Entities
During the year Roy Morgan Research Ltd provided administrative support and services to Haoma Mining NL. That support is continuing. Roy Morgan Research charged management fees of $260,760 for those services (2019: $345,912).

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

To June 30, 2020 the total funding provided by The Roy Morgan Research Centre Pty Ltd was $43,372,368 (2019: $41,497,016). The Board of Haoma has approved payment of interest on funds advanced by Mr. Morgan or entities associated with him at the 30 day commercial bill rate plus a 1% margin. Interest accrues but will not be paid until such time as Haoma has attained a financial position represented by a positive net asset ratio and the Board determines that the company is in a financial position to commence interest payments. During the year to June 30, 2020, interest accrued on the funds advanced by The Roy Morgan Research Centre Pty Ltd was $1,323,512 (2019: $2,078,707), with total accrued interest amount to $35,316,482 (2019: $33,992,969).

Other transactions with Senior Management
The services of Mr. Peter Cole as General Manager for WA are provided to Haoma by Peter Cole and Associates Pty Ltd for which it received consulting fees of $187,400 (2019: $203,758).

Related Party Transactions – Economic Entity
On April 6, 1993 an agreement was reached between Kitchener Mining NL, Leaveland Pty Ltd and Elazac Mining Pty Ltd. The agreement acknowledges that all information obtained from test work undertaken by Kitchener Mining NL to resolve the metallurgical problems faced by the company is the property of Leaveland Pty Ltd, or its nominee Elazac Pty Ltd. On December 20, 1993 Elazac Pty Ltd sold the intellectual property to Elazac Mining Pty Ltd.

The reason information and intellectual property was owned by Leaveland Pty Ltd and Elazac Pty Ltd was that both companies paid consultant fees and other costs associated with the investigation and test work on Bamboo Creek and Normay ore at Bamboo Creek and other locations.

Kitchener Mining NL holds a licence to develop the process and both Kitchener Mining NL and Haoma Mining NL have the right to use the intellectual property for no fee.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

21 *RELATED PARTY INFORMATION (continued)*

The Roy Morgan Research Centre Pty Ltd is entitled to management fees from Kitchener Mining NL of $1,000,000 for the financial years from 1 July, 1989, to 30 June, 1993. The management fees were treated as an accrued liability for the year ended June 30, 2004. However, due to the uncertainty of future profits, the liability has been reversed. For the year ended since June 30, 2015 this has been treated as a contingent liability. The amount is payable when Kitchener Mining NL resumes mining operations and has an operating profit in excess of $500,000 pa. This debt is non-interest bearing.

Holding Company Transactions with Subsidiaries

No interest has been charged on the remaining balance. The balance receivable at June 30, 2019 was $4,406,808. A provision for impairment loss has been fully provided against this amount.

Receivables from controlled entities have no fixed repayment term. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired.

	CONSOLIDATED	
	2020	2019
	$	$
Key Management Personnel Compensation		
The aggregate compensation of the Key Management Personnel is set out below:		
Short term employee benefits …………………………………………………	**287,400**	261,600
Post employment benefits ……………………………………………………	**9,500**	9,500
Share based payments …………………………………………………………	**-**	156,587
	296,900	427,687

22 *FINANCIAL RISK MANAGEMENT AND POLICIES*

Haoma's principal financial instruments comprise cash, receivables, payables and finance leases. The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk.

Although the Consolidated Group do not have documented policies and procedures, the Directors' manage the different types of risks to which it is exposed by considering the risk and monitoring the levels of exposure to interest rates and by being aware of market forecasts for interest rate and commodity prices.

Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk and liquidity risk, these are monitored through general budgets and forecasts.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

22 *FINANCIAL RISK MANAGEMENT AND POLICIES*

The Group and Haoma hold the following financial instruments:

	CONSOLIDATED	
	2020	2019
	$	$
Financial Assets		
Cash and cash equivalents	**11,131**	173,306
Trade and other receivables	**229,458**	79,566
Total Financial Assets	**240,589**	252,872
Financial Liabilities		
Trade and other payables	**1,991,562**	1,661,998
Borrowings	**81,150,032**	78,287,271
Total financial liabilities	**83,141,594**	79,949,269

Risk Exposure and Responses

Interest Rate Risk

Assets

Haoma's exposure to the risk of changes in market interest rates primarily relates to movements in cash deposit and borrowing rates. Risk is managed by continuous monitoring of these movements.

The Group's cash at bank and on hand had a weighted average floating interest rate at year end of 0.01% (2018: 0.01%).

Liabilities

Haoma's exposure to market interest rates relates primarily to the on-going funding provided by The Roy Morgan Research Centre Pty Ltd. The weighted average floating interest rate at year end was 2.83% (2018: 2.74%).

The Group presently does not engage in any hedging or derivative transactions to manage interest rate risk.

22 *FINANCIAL RISK MANAGEMENT AND POLICIES (continued)*

Interest Rate Risk
The following sensitivity analysis is based on the interest rate risk exposure in existence at June 30, 2019.

At June 30, 2019, if interest rates had moved as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	CONSOLIDATED			
	Post tax loss higher / (lower)		**Equity higher / (lower)**	
	2020	2019	**2020**	2019
	$	$	**$**	$
Financial Liabilities				
Borrowings				
Consolidated				
+ 0.75% (75 basis points)	**608,625**	587,155	**(608,625)**	(587,155)
- 0.75% (75 basis points)	**(608,625)**	(587,155)	**608,625**	587,155

The movements in loss are due to higher/lower interest costs from variable rate debt and cash balances.
The sensitivity in financial assets is higher/lower taking into account interest rate volatility.
The sensitivity in financial liabilities is relatively unchanged. Management believes the risk exposures as at the reporting date are representative of the risk exposure inherent in the financial liabilities. A movement of + / - 0.75% is selected because of review of recent interest rate movements and economic data suggests this range is reasonable.

Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. Haoma's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure excluding the value of any collateral or other security is equal to the carrying amount of these instruments net of any allowance for doubtful debts as disclosed in the statement of financial position and notes to the financial report. There are no concentrations of credit risk within the Group.

Haoma trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Haoma does not have any significant customers and accordingly does not have any significant exposure to bad or doubtful debts.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

22 *FINANCIAL RISK MANAGEMENT AND POLICIES (continued)*

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Haoma's approach to managing liquidity is to ensure as far as possible that the Group will always have sufficient liquidity to meet its liabilities when due. This objective is maintained through a balance between continuity of funding and flexibility through the use of bank overdrafts, bank and other loans, finance leases and committed available credit lines. Additionally, Haoma manages liquidity risk by monitoring cash flow and maturity profiles of financial assets and liabilities.

The contractual maturities of financial liabilities, including estimated interest payments are provided below. There are no netting arrangements in respect of financial liabilities.

CONSOLIDATED	**< 6 months** **$**	**6-12 months** **$**	**1-5 years** **$**	**> 5 years** **$**	**Total** **$**
Year Ended June 30, 2020					
Financial Assets					
Cash and cash equivalents	**11,131**	**-**	**-**	**-**	**11,131**
Receivables and other receivables	**229,458**	**-**	**-**	**-**	**229,458**
	240,589	**-**	**-**	**-**	**240,589**
Financial Liabilities					
Trade and other payables	**1,991,561**	**-**	**-**	**-**	**1,991,561**
Interest bearing liabilities	**81,150,032**	**-**	**-**	**-**	**81,150,032**
	83,141,594	**-**	**-**	**-**	**83,141,594**
Year Ended June 30, 2019					
Financial Assets					
Cash and cash equivalents	173,306	-	-	-	173,306
Receivables and other receivables	79,566	-	-	-	79,566
	252,872	-	-	-	252,872
Financial Liabilities					
Trade and other payables	1,661,999	-	-	-	1,661,999
Interest bearing liabilities	78,287,271	-	-	-	78,287,271
	79,949,270	-	-	-	79,949,270

22 *FINANCIAL RISK MANAGEMENT AND POLICIES (continued)*

Commodity Price risk
Haoma is exposed to commodity price risk. These commodity prices can be volatile and are influenced by factors beyond the Group's control. As the Group is currently engaged in exploration and development activities, no significant sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivate transactions have been used to manage commodity price risk. The group does not have a material commodity price exposure at this time.

Capital risk management

Haoma's objectives when managing capital is to safeguard Haoma's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Management of the Group and Haoma's capital is overseen by the Board.

Haoma is not exposed to any externally imposed capital requirements.

	CONSOLIDATED	
	2020	2019
	$	$
Financing Facilities Available		
At reporting date, the following financing facilities has been negotiated and were available:		
Total facilities		
- Business lending - bank guarantees	**208,289**	208,289
	208,289	208,289
Facilities used at reporting date		
- Business lending - bank guarantees	**208,289**	208,289
	208,289	208,289
Facilities unused at reporting date		
- Business lending - bank guarantees	**-**	-
	-	-
Total facilities	**208,289**	208,289

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

23 *PARENT ENTITY FINANCIAL INFORMATION*

(a) Summary Financial Information

Haoma Mining NL is the Parent Entity of the Group. The individual financial statements for the parent entity show the following aggregate amounts:

	2020 **$**	2019 $
Statement of Financial Position		
Current Assets	**447,400**	572,402
Non-current assets	**5,073,584**	5,222,331
Total assets	**5,520,984**	5,794,733
Current liabilities	**82,841,100**	79,562,561
Non-current liabilities	**2,124,232**	2,075,469
Total liabilities	**84,965,332**	81,638,030
Net Liabilities	**(79,444,348)**	(75,843,297)
Equity		
Contributed equity	**63,975,708**	62,431,199
Reserves	**-**	258,972
Accumulated Losses	**(143,420,056)**	(138,533,468)
Total Shareholders' Deficiency	**(79,444,348)**	(75,843,297)
Loss for the year	**(4,886,589)**	(5,294,308)
Total comprehensive income	**(4,886,589)**	(5,294,308)

(b) Guarantees entered into by the parent entity.
Haoma Mining NL has provided guarantees, indemnities and financial support as follows:

- A 'letter of support' has been provided by Haoma Mining NL to its controlled entity, Kitchener Mining NL to the amount necessary to ensure it can meet its obligations when they fall due.

(c) Contingent liabilities of the parent entity.
Contractual commitments for exploration and expenditure costs exist for Haoma Mining NL. Minimum expenditure commitments of $21,681,410 (2019: $21,686,904) are necessary to maintain current rights of tenure to mining tenements. Refer to Note 17.

24 *INTEREST IN JOINT VENTURES*

In February 2021, the transfer of the 75% interest held by Giralia Resources Pty Ltd in tenement E45/2922 was completed. This final transaction concluded the Joint Venture agreement with Haoma Mining NL. Giralia is owned by the Hancock Prospecting Group of companies.

25 *EVENTS AFTER THE REPORTING DATE*

Impact of Covid-19

Due to the size and remote locations of Haoma's operations, Haoma has not experienced any significant or long term effect as a consequence of Covid-19. Haoma was eligible for the JobKeeper business subsidy due to an initial decline in revenues in March-April 2020 but did not continue to participate in JobKeeper beyond September 2020. Travel restrictions and interstate border closures during the pandemic resulted in some of Haoma's staff at Bamboo Creek having to remain on site and not able to return home. Alternative arrangements for rest and recreation were required.

Directors' Declaration

The Directors' of Haoma Mining NL declare that:

1. In the directors' opinion the financial statements and notes on pages 9 to 40 and the remuneration disclosures set out on pages 4 to 6, are in accordance with the Corporations Act 2001, including:

   (a) giving a true and fair view of the Consolidated Group's financial position as at June 30, 2020 and of its performance for the financial year ended on that date; and

   (b) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements.

2. The financial statements also comply with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in Note 2(c).

3. In the Directors' opinion there are reasonable grounds to believe that the Parent Entity will be able to pay its debts as and when they become due and payable.

4. The Directors' have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by Section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.

Gary Morgan

Gary Morgan
Chairman

Melbourne
March 1 , 2021

ADDITIONAL INFORMATION

A. 21 Largest Shareholders as at March 1, 2021

Shareholders	Shareholding No. of shares	% held
Leaveland Pty Ltd	115,000,000	57.48
Aldinga Way Pty Ltd	18,224,315	9.11
Elazac Pty Ltd	11,339,704	5.67
Michele and Alexandra Levine	3,201,194	1.60
Konrad & Mary Christina Schroeder	2,480,000	1.24
Charles & Sandra Curwen	1,992,000	1.00
Geoffrey Mark Cottle	1,966,934	0.98
GC & GJ Morgan	1,843,257	0.92
George S Harris Superannuation	1,823,613	0.91
Etonwood Management Pty Ltd	1,500,000	0.75
Edwin & Susan Davies	1,400,000	0.70
PYC Investments Pty Ltd	1,010,000	0.50
Selstock Pty Ltd	1,010,000	0.50
Peter Joseph Scales	1,000,000	0.50
First Charnock Pty Ltd	1,000,000	1.50
Nicholas & Meredith Ingram	910,000	0.45
BNP Paribas Nominees Pty Ltd	878,553	0.44
Tara Leigh Pty Ltd	874,554	0.44
Archarl Pty Ltd	700,000	0.35
Gregory Young Pty Ltd	700,000	0.35
Peter Cole & Associates Pty Ltd	700,000	0.35
	169,554,124	**84.78**
Total Shares on Issue	**199,983,647**	

B. Substantial Shareholders

Name	Number of Shares	Class of Share
Leaveland Pty Ltd	115,000,000	Ordinary
Aldinga Way Pty Ltd	18,224,315	Ordinary
Elazac Pty Ltd	11,339,704	Ordinary

C. Distribution of Equity Securities

(i). Ordinary shares issued by Haoma Mining NL

Range of Shares held	# of Shareholders
1 - 1,000	640
1,001 - 5,000	801
5,001 - 10,000	280
10,001 - 100,000	370
100,001 - and over	79
Total	**2,170**

(ii) There were 1,441 holders with less than a marketable parcel of 5,000 shares comprising a total of 2,630,111 ordinary shares.

(iii) The twenty one largest shareholders holding in total 84.78% of the issued capital.

D. Class of Shares and Voting Rights

Issued shares are of one class and carry equal voting rights.

ADDITIONAL INFORMATION

E. Mining Tenement Summary

(a). Tenements held by Haoma Mining NL (100%)

(i) Pilbara, Western Australia

Bamboo Creek	E45/3217 E45/4118 M45/874 P45/2951 to P45/2952 P45/2969 to P45/2971
Blue Bar	M45/591 M45/906 P45/2966
Cookes Hill	E45/4116
Copenhagen	P45/2982
Daltons - North Shaw	E45/2922 E45/4174 E45/4175 E45/4176 E45/4177 E45/4178 E45/4179 E45/4180 E45/4181
/ Kingsway	E45/4320 E45/4419 E45/4420 E45/4473 E45/4474 E45/4475 E45/4476 E45/4477 E45/2922
Lalla Rookh	M45/442
Marble Bar	E45/4060 E45/4069 E45/4070 E45/4651 M45/515 M45/607 P45/2844 P45/2893
Normay	M45/302
North Pole	M45/328 M45/329
North Shaw	E45/3940 E45/4098 E45/5044 L45/60 L45/86 P45/2873 P45/2874 P45/2875 P45/2876
Soansville	E45/4976
Spear Hill	E45/4586 E45/4587 P45/2973 P45/2974 P45/2975

(ii) Linden, Western Australia

Golden Ridge	M26/534	(Northern Star (HBJ) Pty Ltd is the beneficial owner of this tenement. Haoma has retained legal title and is entitled to royalties from gold produced.)

(b) Tenements beneficially held by Haoma Mining NL (100%)

Pilbara, Western Australia

Apex	P45/2979
20oz Gully	M45/411 P45/2961 P45/2962 P45/2963
Bamboo Creek	P45/2946 P45/2947 P45/2967 P45/2968
Big Stubby	M45/57 M45/284 M45/453 M45/554
Comet	G45/21 M45/14 M45/16 M45/385 M45/438 M45/459 M45/478 L45/4 L45/12 L45/37 P45/3000
Copper Hills / Stirling	G45/36 M45/238 M45/346 M45/357 M46/177
Danks Areas	M45/692
Grace Project	E45/3655 E45/4850
Lalla Rookh	M45/648 M45/649
Lionel	M46/43 M46/44
Marble Bar	M45/678 P45/2964 P45/2965 P45/2980 P45/2981
McKinnon	M45/490 M45/606 M45/873
Mercury Hill	M45/588
Mustang	M45/680 P45/2954 P45/2955 P45/2956 P45/2957 P45/2958
North Pole	M45/395 M45/514 M45/650 M45/651 M45/665
Soansville	M45/847
Tassie Queen	M45/76 M45/235 M45/296 M45/297 M45/655 P45/2985
Wallaringa	E45/2983 M45/1186 E45/4116

(c) Tenements beneficially held by Kitchener Mining NL (100%)

i) Bamboo Creek, Western Australia

M45/480 M45/481 L45/72 P45/2948 P45/2949 P45/2950

(ii) Ravenswood, Queensland

Budgerie	ML1325	Barrabas	EPM8771
Old Man & Copper Knob	ML1326 ML1330	Robe Range	EPM14038
Elphinstone	ML10275	Waterloo	ML1529
Robe Range East	EPM17832	Podoskys	ML10315
Wellington Springs	ML1415 ML1483		