



Haoma Mining NL

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**CHAIRMAN'S ADDRESS TO 2008 ANNUAL GENERAL MEETING
BY GARY C. MORGAN,
9.30 AM, JANUARY 29, 2009**

Welcome to the 2008 Annual General Meeting of Haoma Mining NL.



Left to right: Jim Wallace (Secretary), Gary Morgan (Chairman), Peter Cole (General Manager), John McInnes (Director) and Michele Levine (Director).

Bamboo Creek Operations

At last year's Annual General Meeting (2007) shareholders were advised that more gold could be stripped from loaded carbon than could be assayed (2,026 grams of physical gold recovered compared with 1,254 grams of gold measured by assay). This result confirmed the plant carbon assays by traditional assay methods were wrong!

Over the last year, test work continued at Bamboo Creek and the University of Melbourne used the **Refined Elazac Assay Method** and **Refined Elazac Gold Extraction Method**.

In October and November, 2008 Bamboo Creek (BBC) Tailing samples were prepared at BBC and analysed at the University of Melbourne by Mr. Roger Curtain and Professor Peter Scales using the Scanning Electron Microscope (SEMQuant).

SEMQuant results on **BBC Tailings** confirmed the **Refined Elazac Assay Method** and validated the assay and extraction work being carried out at Bamboo Creek.. [See Haoma Oct 23, 2008 ASX Report](#))

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These significant results and findings provided the **scientific reason** why we have a major assay 'collection' problem and why we have not been able to accurately measure all the gold, silver and other metals in Pilbara ores. Because of the commercial value of this new information the Directors have determined not to make the knowledge public.

The **Refined Elazac Assay Method** can now consistently measure much higher gold and silver grades than when measured by traditional assay methods - either by Aqua Regia or Fire Assay.

Spiked Ore Sample Tests. Over the last few months we have conducted many tests where we have spiked different Pilbara ore samples with known gold and silver grades. In most instances we have not been able to recover the added spiked gold and silver grades irrespective of the original ore assay by traditional methods. ie the total quantities of gold and silver measured by a traditional assay method have been a lot lower than the quantities used to spike the ore samples tested.

Other Tests. On October 23, 2008 shareholders were advised Pilbara ores (in this case Bamboo Creek Tails and Dalton's 'higher' grade nickel drill core) contained significantly higher gold and silver grades than we had ever imagined (300+ g/t silver in BBC tails and 76.091 g/t gold in Dalton's drill core. The Dalton's gold result of 76.091 g/t was the average grade of gold 'extracted' from 5 tests using **Refined Elazac Extraction Method**).



Bamboo Creek Laboratory



Bamboo Creek Laboratory



Bamboo Creek Muffle Furnace

On [December 24, 2008 \(Haoma Q1 2008-09 Activities Report\)](#) shareholders were advised that other Pilbara ore samples measured higher gold and silver grades. Gold grades ranging from over 1 g/t up to 7.42 g/t were much higher than the normal 0.3 g/t or less gold measured by traditional assays in these ores.

Shareholders were also advised on December 24 that with a Bamboo Creek Tail sample (leached for 3 hours) the **Refined Elazac Extraction Method** 'extracted' 1.39 g/t gold and 71.86 g/t silver. Repeats of this test since January 6, 2009 obtained up to 2.13 g/t gold and 86.43 g/t silver.

While we now know there is a lot more gold and silver in Pilbara ores than measured, **the important issue is whether we can extract the extra gold and silver into bullion which is then sold.**

Extraction and Recovery of Gold and Silver

Since January 6, 2009 tests using the **Refined Elazac Extraction Method** have concentrated on **simulating a plant process situation.**

To date 10 trials using a plant simulation and plant reagent levels have 'extracted' from Bamboo Creek Tails an average grade of 0.85 g/t gold and 5.56 g/t silver.

Test work is now continuing on the 'first section' of plant simulation trials to optimise reagent usage levels for maximum gold and silver recoveries.

In addition to the above other tests conducted over the last few months using the **Refined Elazac Extraction Method** have 'extracted' from ore samples higher grades of **nickel** and **arsenic** than possible by traditional methods currently used.



Bamboo Creek Valley and main Range (on right) which contains ore bodies



Bamboo Creek Valley



Bamboo Creek Plant



Bamboo Creek Plant, Valley and main Range (on right) which contains ore bodies



Bamboo Creek Plant from Tailings Dam



Bamboo Creek Tailings Dam



Bamboo Creek Plant Leach Tanks and Thickener



Bamboo Creek Ball Mill



Bamboo Creek Cemetery



'the Memory of MARGARET, the beloved wife of WILLIAM STRAUGHAN, who departed this life on the 4th March 1896.' Aged 51 years

Bulk Trials to commence at Bamboo Creek

In February bulk samples of Bamboo Creek ores will be processed through the BBC Processing Plant using recently gained knowledge. We will know the results within 4 weeks.

The Dalton's gold result of 76.091 g/t (mentioned above) was the average grade of gold 'extracted' from 5 tests using **Refined Elazac Extraction Method**. It is this method which we will be using for the bulk sample tests to be conducted in February.

Mt Webber Daltons Joint Venture (E45/2186, E45/2187, E45/2921, E45/2922) – Haoma 25%, Giralia 75% (Includes 100% Haoma M45/780, M45/847, P45/2292 – 2298)

Haoma holds a 25% interest in the Daltons Nickel Joint Venture with Giralia Resources NL (75% interest). The Mt Webber Daltons Joint Venture area is located 150 kilometres south of Port Hedland in the Pilbara Region of Western Australia. Haoma has retained the right to all gold/silver and tin/tantalum mineralisation.

The tenements lie approximately 20 to 30 kilometres east of the BHP Billiton and FMG rail lines. Competitor iron ore activity in the area is intense, with:

1. Atlas Iron Limited recently completing a Pre-feasibility Study on its Abydos Deposit (approximately 25 kilometres to the north of the Mt Webber Daltons JV Area), and
2. FMG reported strongly magnetic banded iron (BIF) formation (up to 400 metres thick) from their nearby Baosteel Glacier Valley Magnetite Joint Venture.

The Mt Webber Daltons JV hosts approximately 30 strike kilometres of Archaean age BIF (mapped by the GSWA) as extensions to the host iron ore deposits and prospects to the north.

During July-August 2008 a total of 70 rock chip samples were collected from outcrops of BIF in the Mt Webber Daltons JV Area, with 26 samples **returning potential direct shipping grades of iron ore**. Most significant is a substantial 600 metres by 450 metres zone of strong hematite enrichment in the east of the JV area where average iron grades exceed 63% Fe. The mineralisation is interpreted to occur in a fold hinge and appears relatively shallowly dipping locally. The overall thickness of the mineralisation can only be determined by drilling.

Additionally, rock chip sampling of an area just to the north of the new discovery returned a grade of 62.2% Fe from an outcrop of massive hematite extending for approximately 200 metres by 200 metres. This area is a direct extension of Atlas Iron's Mt Webber Prospect, where a rock chip traverse sample of 302 metres @ 59% Fe was reported by Atlas Iron from immediately across the tenement boundary (Figure 1).

An RC drilling program of approximately 2,000 metres is proposed at Mt Webber following Aboriginal Heritage surveys and track/road construction.

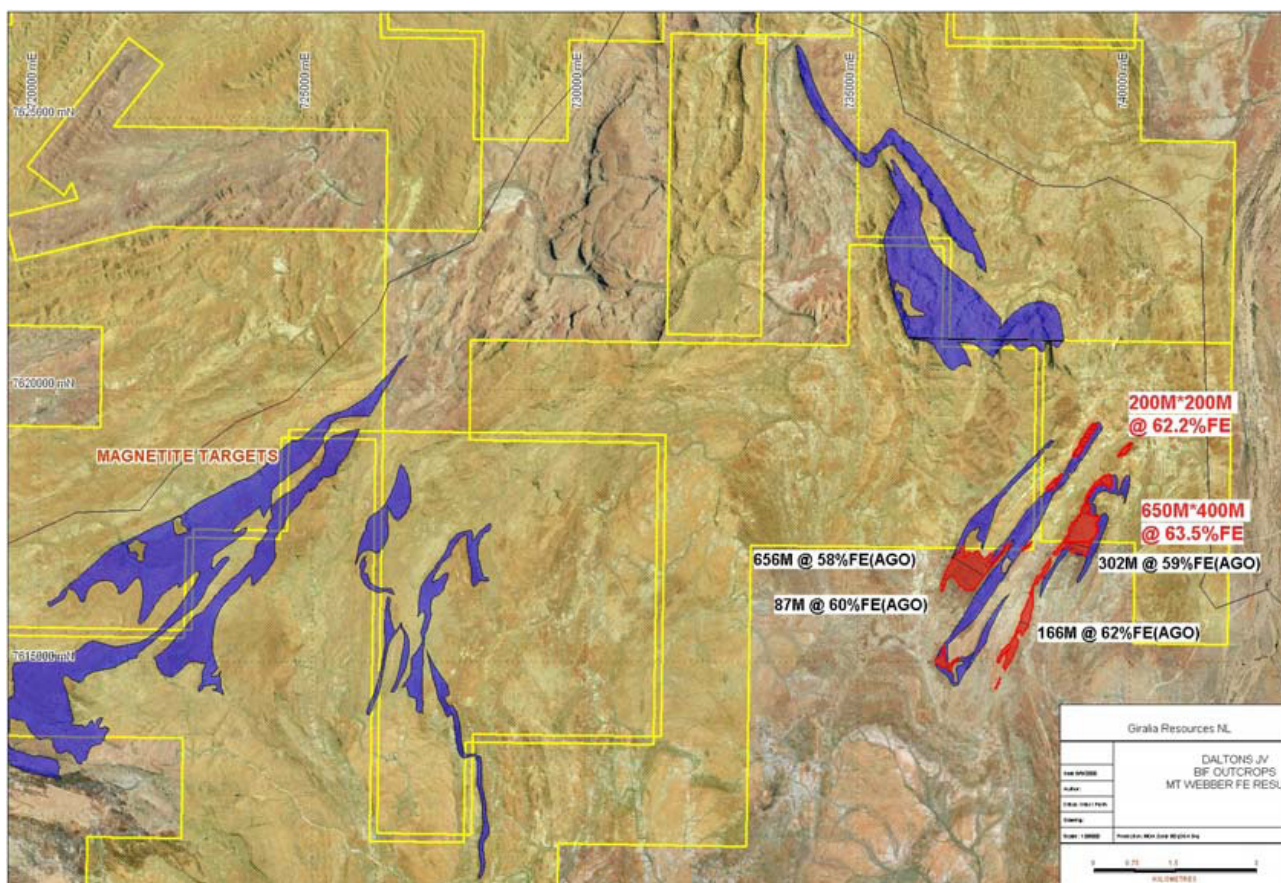


Figure 1: Daltons JV Tenements in yellow showing Mt Webber hematite zones (red) and BIFs (blue)

Bamboo Creek Camp

During the last 6 months the Bamboo Creek Camp was refitted to accommodate 80 contractors who were to build the Moly Mines Camp and Processing Plant at Spinifex Ridge (10 km from Bamboo Creek). Unfortunately the need for our Bamboo Creek facilities was cancelled due to the significant drop in the Molybdenum price.

BGC Haoma Quarry at Cookes Hill 90 km south of Port Hedland

Last week I visited the Haoma Quarry at Cookes Hill operated by BGC Contracting Pty Ltd. It is a professional operation, mining and crushing dolerite aggregate which is being supplied to FMG and BHPB railways.

BGC Management expects crushing capacity to be increased to 4,000 tonnes per day by mid February.

For the next 6 months, BHPB have contracted to take all of BGC's dolerite aggregate for their new Pilbara railway line. (Haoma receives a royalty of \$0.75c a tonne). Over this period the royalty to Haoma should be between \$600,000 - \$700,000.

In addition Haoma is hopeful that later in the year FMG will purchase about 400,000 tonnes of dolerite aggregate.

BGC have advised they expect to operate the Cookes Hill crushing facility at full capacity as there is considerable demand in the Port Hedland area for dolerite aggregate.



Haoma's Quarry (Cokes Hill)
Crusher and Quarry in background



FMG Locomotive on Railway Track



FMG Railway Line at Turner River
Crossing



FMG Railway Line



FMG Railway Line Embankment

Dresser Quarry in the North Pole Region

Haoma's Barite Quarry at the Dresser Mine (near Normay) in the North Pole group of tenements is operated by Brookdale Contractors where they mine, crush and sort Barite and Jasper stone.

Haoma receives a royalty of \$4.00/tonne. Haoma expects \$10,000 - \$15,000 a month for at least the next 6 months. This revenue will more than cover Normay Camp costs.



Dresser Barite Mine



Dresser Barite Mine



Dresser Crushed Barite



Normay Vats



Normay Vat and Carbon Columns



Normay Flotation Plant



North Pole Hills in distance showing
Iron and Manganese Outcrops



Nuggets from North Pole Region

Finally, I would like to express the Board's appreciation to all those who have helped Haoma's activities in the Pilbara and Ravenswood Districts during the last 12 months.

In particular, the Board's thanks go to Mr. Peter Cole, Prof. Peter Scales, Mr Roger Curtain (University of Melbourne) and Mr. Hugh Morgan who have all contributed to solving the Pilbara assay and metallurgical problems.

In addition the Board would like to thank Mr. Tristin Cole, Mr. Steve Wilson, Mr. Bob Claydon, Mr. Bob Ward, Mr. Scott Panton and all others at our Bamboo Creek Mine who have been involved in test work and re-engineering the Bamboo Creek Plant.

We also thank our principal geologist, Ms Sandra McKenzie for her significant contribution in upgrading Haoma's Western Australia and Queensland tenements. Sandra McKenzie was assisted in Queensland by Mr. Dave Toland.

We would like to express our thanks for the excellent work undertaken by Mr Rod Flegg and his assistants, Mr. Kevin Butler and Mr Lance Croft in restoring the former diesel engines at the Comet Mine Power Station. The three engines are now running again thanks to their efforts.



Comet Mine Tourist Centre



Comet Mine Tourist Centre



Comet Mine Tourist Centre Swimming Pool



Entrance to Comet Mine Tourist Centre



Comet Mine Tourist Centre History Display



Comet Mine Tourist Centre Gemstone Display



Comet Mine Tourist Centre Jewellery Display



Comet Mine Tourist Centre Jewellery Display



Comet Mine Tourist Centre Shop



Comet Mine Tourist Centre Clocks



Comet Mine Plant



Comet Mine 'Stack'



Comet Mine Power Station



Comet Mine Roaster



Comet Mine Roaster



Comet Mine Mill



Warrawoona, near Marble Bar



Warrawoona, near Marble Bar



Warrawoona, near Marble Bar

Finally we would like to thank Ms Tracy King and Mr Lyndon Williams for operating the Comet Mine Tourist Centre, Ms Gail Swift at Normay, Mr Monte Ling at Linden and Ms Merlene Manderson and her people at our 'Top Camp' Ravenswood facility.

Gary C. Morgan
CHAIRMAN