

HAOMA NORTH WEST NL

February 2, 1994

QUARTERLY REPORT FOR THE PERIOD ENDED DECEMBER 31, 1993:

Exploration and Development Expenditure for the Quarter: Nil
Liquid Funds at the End of Quarter: \$(73,000)

As previously reported, gold recovered from processing ore from the Bamboo Creek Mine (Kitchener Mining NL) and the Normay Mine (Haoma North West NL) have been significantly lower than the grade measured by the conventional fire assay method.

In addition, laboratory testwork on Bamboo Creek and Mickey's Find (10 kilometres west from the Normay Mine, which is 150 kilometres from Bamboo Creek) ores have shown significantly more gold can be obtained using cyanide leaches than measured by conventional fire assays.

The September 1993 Quarterly Report advised shareholders that by continuously remilling ore from Bamboo Creek's Kitchener orebody in the Bamboo Creek mill resulted in more gold bullion being obtained than indicated by conventional fire assays of the head grade. (This milling procedure is only economical when the head grade is greater than 25g/t.)

Over the last 3 months testwork conducted at the Bamboo Creek laboratory and by other commercial laboratories have concentrated on determining the best method for:

- a. Measuring the head grade of ores from Bamboo Creek and Mickey's Find.
- b. Obtaining, from ore milled at Bamboo Creek, a quantity of gold bullion at least equal to the conventional fire assay grade.

Latrobe University Testwork

The report from Latrobe University was prepared by Mr Frank Steele. It shows the result of fire assays on samples from Mickey's Find.

The following report shows significant quantities of gold were obtained in the fire assay of the original fire assay slags.

Original fire assay (g/t)	Lab No.	LATROBE UNIVERSITY, BENDIGO REPORT NO. 245191						
		MFR3 depth (mtrs)	21/12 (g/t)	24/12 (g/t)	(dupli- cate) (g/t)	4/1 (g/t)	(dupli- cate) (g/t)	
0.02*	9312011	6-8 Primary	0.50	0.43	0.40	0.03	0.03	
		Slag	0.25	0.19	0.20	0.06	0.13	
		Total	0.75	0.62	0.60	0.09	0.16	
0.03*	9312013	10-12 Primary	0.36			0.05	N/A	
		Slag	N/A			0.10	0.12	
		Total	-			0.15	-	
0.22#	9312020	76-77 Primary	0.83	0.08	0.08	0.36	0.39	
		Slag	0.29	0.01	0.01	0.09	0.06	
		Total	1.12	0.09	0.09	0.45	0.45	

- * Conducted by Minlabs, Perth.
Conducted by Bamboo Creek Laboratory
N/A: Not available.

Notes:

- (1) The samples used by Latrobe University were all pulverised on 24/12/93. The only differences between the results can therefore only be explained by the length of time the samples were allowed to stand from being pulverised until they were fired. In every other respect the samples were treated in exactly the same way.
- (2) The duplicates on 24/12/93 and 04/01/94 are very close, but the results on 21/12/93, 24/12/93 and 04/01/94 are very different.

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As can be seen, some results showed significantly more gold than the original fire assay. The original fire assay results showed insignificant gold values.

Drill Hole No: MFR 3	Original fire assay	Latrobe University
6-8 metres	0.02g/t	0.75g/t
10-12 metres	0.03g/t	0.36g/t
76-77 metres	0.22g/t	1.12g/t

The latest Latrobe University results confirm previous testwork that showed conventional fire assays cannot be used to reliably measure the quantity of gold in ore samples from Mickey's Find.

The Latrobe University tests are continuing. Results will be made available when received.

Lalla Rookh Testwork

The summary report prepared by Normet Pty Ltd in 1988 shows that significantly more gold was obtained by cyanide leaches than conventional fire assays on ore samples from the Lalla Rookh mine.

The Lalla Rookh mine is owned by Haoma North West NL and is situated approximately 20 kilometres north west of the Mickey's Find prospect.

Bamboo Creek Testwork

Laboratory testwork on Bamboo Creek Kitchener orebody samples has confirmed that gold cannot be properly assayed by the conventional fire assay method.

Laboratory testwork and Kitchener plant trials are continuing.

2. BAMBOO CREEK

Summary of Bamboo Creek Gold Production

	92/93 SECOND QTR	93/94 FIRST QTR	93/94 SECOND QTR	92/93 YEAR TO DATE	93/94 YEAR TO DATE
Gold Production (oz)					
Kitchener	1,537	1,498	2,191	4,285	3,689
Others	855	554	496	1,618	1,050
TOTAL	2,392	2,052	2,687	5,903	4,739
Kitchener share of customer gold. (oz)	115	NIL	NIL	331	NIL

3. TAKEOVER OFFER FOR KITCHENER MINING N.L.

The directors believe it would be more efficient to amalgamate the gold mining interests of Haoma and Kitchener into one group. Haoma has announced a takeover consisting of one Haoma share for four Kitchener shares or one half of one cent per Kitchener share.

The offer expired on 01/01/94.

Haoma has received acceptances from 55.49% of the shareholder in Kitchener, and 91.14% of the issued capital in Kitchener to whom the offer was made.

Pursuant to section 701 of the Corporations Law the company is unable to proceed to compulsorily acquire all outstanding shares in Kitchener. Haoma has made an application to the ASC to modify S701 of the Corporations Law and has applied for an exemption from S701 requirements so that a notice to dissenting shareholders can be sent. Haoma does not believe that the application will be successful.

4. NOLANS LEASE (RAVENSWOOD)

A feasibility study has been completed by Carpentaria Gold Pty Ltd and has been submitted to the board of Mount Isa Mines Holdings Ltd.

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5. LINDEN JOINT VENTURE

Arbitration of the dissolution of the joint venture with CGMA is expected to be completed by the end of February, with Haoma obtaining 100% ownership.

6. SECOND FORTUNE MINE

The proposed joint venture to reopen Second Fortune was not proceeded with and the mine remains closed.

7. NORMAY AND LALLA ROOKH MINES

Normay and Lalla Rookh mines remain closed.

MINING TENEMENT SUMMARY

Golden Ridge

P 26/2074
 P 26/2075
 P 26/2076

Linden South

M 39/255	Second Fortune Mine
L 39/12	"
L 39/13	"
L 39/14	"

Linden

E 39/293	CGMA Joint Venture
P 39/2934	"
P 39/2935	"
P 39/2974	"
P 39/2975	"
P 39/2976	"

Bamboo Creek

GML 45/1533	True Blue
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North Pole

M 45/302	Normay Mine
M 45/328	Mickey's Find
M 45/329	
M 45/442	Lalla Rookh Mine

Marble Bar

EL 45/1273

Corunna

P 45/2070	Copenhagen
P 45/2071	"

Nolans Queensland

ML 1394	MIM Joint Venture
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ISSUED AND QUOTED SECURITIES AS AT DECEMBER 31, 1993:

Issued: 159,096,192 25 cent f.p. ord. shares.

Quoted: 121,596,192 25 cent f.p. ord. shares.

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