

HAOMA NORTH WEST NL

November 29, 1993

CHAIRMAN'S ADDRESS TO THE ANNUAL GENERAL MEETING ON NOVEMBER 24, 1993:

Metallurgical Problems Largely Overcome

Over the last 12 months the company has reported problems using conventional fire assays to measure the gold in Kitchener (Bamboo Creek), Normay (North Pole) and Mickey's Find (North Pole) ores. These problems have been associated with not being able to use conventional fire assays to accurately measure the gold content in the ores and the pulp in the Bamboo Creek Mill after processing.

I am pleased to be able to confirm that with Kitchener ore the company can, in the Bamboo Creek Mill, now produce a level of refined gold at least equivalent to the grade that the conventional fire assays indicate. This is a substantial increase in the recovered grade from 1992.

The problems associated with the treatment of the Kitchener ore through the Bamboo Creek plant has been largely overcome by a processing method which is unique to Australia and this operation.

Current testwork, at site, on Mickey's Find drill hole samples has indicated that more gold is present in these samples than has been previously assayed by conventional fire assays. Further assay development work is continuing.

Commercial Significance is Potentially High

The implications of these technical breakthroughs will be significant for Haoma.

Firstly the company can now be assured that the Kitchener ore body will provide a positive cash flow for that company over the next several years and allow it to repay its debt.

Secondly the significance of our Mickey's Find lease has been greatly enhanced. The consulting geologist to Haoma, Dave Ransom, reported on 18/06/93 the following:

"With regard to the possible understatement of grade at Mickey's Find, the results challenge the basis of virtually the whole of the global gold mining industry. Fire assays are the standard upon which all gold exploration and mining is based. An assay procedure which ends with more gold in the tails than fire assays indicated at the commencement is radical to say the least. Since I am not competent to assess the technical merit of the Bamboo Creek results it is not appropriate to accept them until a series of tests parallel to those carried out at Bamboo Creek are completed on identical sample material in an independent laboratory. Until such time as this experiment is completed it is not proper to radically vary the valuation for Mickey's Find. I would add that if such verification can be achieved, the geological environment at Mickey's Find with its large auriferous structures is such that the value of the property will rise substantially."

As a result the company has commenced discussions with outside parties on how to best prove up and develop Mickey's Find.

Thirdly, Haoma has other extensive leases in the Pilbara which have either indicated gold, or have mined gold in the past. Over time this technological methodology will be applied to samples from these leases.