

HAOMA NORTH WEST NL

September 30, 1994

2. TESTWORK AT BAMBOO CREEK MILL: The company has provided results related to research and development work on metallurgical problems associated with recovery and gold assay analysis at the Bamboo Creek mill.

The Bamboo Creek mill is owned by Kitchener Mining NL which is 96% owned by Haoma North West NL.

Extensive research and development work relating to metallurgical problems associated with poor gold recovery and problems with gold assay analysis at the Bamboo Creek Mill has now been completed.

The work has highlighted a number of important processing and assaying requirements for gold in the Bamboo Creek and Normay Mine areas of the Pilbara region in Western Australia. The research has led to a new processing strategy that constitutes an addition to the intellectual property already held by Elazac Mining Pty Ltd (a company associated with Messrs Gary Morgan and John McInnes, directors of Kitchener Mining NL and Haoma North West NL). The strategy has been developed under the direction of Mr Gary Morgan and Dr Peter Scales of Colloid Consultants Pty Ltd.

Elements of the preferred process have now been implemented at the Bamboo Creek Mill with significantly improved yields for all ore bodies milled. Processing costs have reduced.

In addition:

1) Initial tests on Mickey's Find samples confirm previously reported results which showed significantly more gold grade than obtained by conventional fire assays. There are significant tonnes of ore at Mickey's Find as reported by Dr Dave Ransom.

2) Initial tests on tailing reprocessing from both the Bamboo Creek Mine site and Normay Mine site have also proved significant.

Below are examples of the Bamboo Creek Mill gold recoveries utilising the new processing method which show more gold being poured than measured by conventional fire assays:

Source of ore milled (Campaign number in brackets)	Tonnes into mill	Grade by conventional fire assay (g/t)	Calculated gold into mill (oz)	Total actual gold poured (oz)
Kitchener Mine ore (91)	374.7	26.72 (1)	321.89	348.69
Wheel of Fortune Mine ore (92)	419.7	14.52 (1)	195.93	179.45
Wheel of Fortune Mine ore (93)	381.7	20.03 (1)	245.81	246.40
Kitchener Mine ore (94)	349.3	16.07 (1)	180.47	273.50
TOTAL	1,525.4	19.25 (1)	944.10	1,048.04

Source of test sample	Volume of ore tested (kg)	Grade by conventional fire assay (g/t)	Gold obtained after test (g/t)
Bamboo Creek tail sample	62.0	0.56 (1)	191
Normay Mine tail sample	19.0	0.75 (1)	167
Mickey's Find drill hole MFR 11	73.5	0.18 (2)	7.9

Mr Gary Morgan has advised Haoma North West NL that companies and other parties associated with him and Mr John McInnes will be purchasing shares in Haoma North West NL.

- Grade calculated by conventional fire assay, performed at Bamboo Creek Laboratory.
- Sample from drill hole MFR11. Fire assay result by Minlabs Perth: 2 metres - 23 & 24, 19kg, grade 0.56g/t; 31 & 32, 21.5kg, grade 0.06g/t; 37 & 38, 21kg, grade 0.03g/t; 39, 12kg, grade 0.03g/t.

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