

HAOMA NORTH WEST NL

October 14, 1994

3. REPORT ON BAMBOO CREEK MILL AND ON NOLAN'S LEASE: *Elazac Mining Pty Ltd has applied for a patent over a new processing strategy following testwork on Bamboo Creek and Normay Mine ores. The company has arranged a \$27M financing facility to fund the mining of the Nolan's Lease.*

1. SPECIAL REPORT ON ORE MILLED THROUGH THE BAMBOO CREEK MILL  
(The Bamboo Creek Mill is owned by Kitchener Mining NL - 96% owned by Haoma North West NL)

On September 30, 1994, shareholders were advised:

1) 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 had been completed; and

2) The work 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.

Elazac Mining Pty Ltd has now advised Haoma North West NL that they have applied for a patent.

BAMBOO CREEK TAILINGS DAM SAMPLES

The tailings dam at Bamboo Creek contains approximately 700,000 tonnes from ore mined at Bamboo Creek since 1985.

The test sample of 62kg reported in the September 30, 1994 report was representative of about 1,200t of tailings taken from a 2.0 metre trench along the Bamboo Creek tailings dam wall. The reported result of 191g/t used the new Elazac process and was based on physical gold recovered.

Over the last 2 weeks additional tests using the new Elazac process have continued on tailings samples.

Three subsequent tests were performed on Bamboo Creek tailings. Tests 1 and 2 were based on a representative sample over the entire gridded surface of the Bamboo Creek tailings dam sampled down to a depth of 0.3 metres. The gold grade measured by conventional fire assay was 0.43g/t while the gold grade measured by the new Elazac process was 20.86(\*)g/t and 5.67(\*)g/t respectively.

Test 3 was based on a sample of 67.5 kg of tailings from the milling of 277.3 tonnes of Kitchener stope ore. The measured head grade by conventional fire assay was 10.58g/t with a tail measured by conventional fire assay of 1.20g/t. (Gold obtained in physical bars was 112(\*\*)oz, equivalent to 12.56g/t). The gold grade of the tail measured by the new Elazac process was 78.93(\*) g/t.

Bamboo Creek  
tailing samples

Volume of ore tested by  
new Elazac process  
(kg)

Test 1	74.6
Test 2	58.7
Test 3 (From Campaign 100)	67.5

	Grade by conventional fire assay (g/t)	Gold grade measured by new Elazac process (g/t)
Test 1	0.43	20.86(*)
Test 2	0.43	5.67(*)
Test 3 (From Campaign 100)	1.20	78.93(*)

(Continued...)

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### HAOMA NORTH WEST NL

(\*) Gold grade of the tailings obtained after the new Elazac process was not measured and therefore not included in the grade.

(\*\*) Includes at least 23oz of gold in concentrate form which is being used in current tests.

The Directors believe the above gold grades measured in samples of Bamboo Creek tailings by the new Elazac process are conservative estimates of the gold left in the tailings.

#### Milling ore at Bamboo Creek

Since September 30, milling of Bamboo Creek ore using the new Elazac process has continued. The following table combines Campaigns 91 to 99 and shows the measured gold input to the mill (based on conventional fire assay) compared with the actual gold obtained by using the new Elazac process.

Total tonnes milled Campaigns 91 to 99	Average head grade by conventional fire assay
3,288.6 t	13.42 g/t
Calculated gold into mill	Total actual gold poured
1,418.87 oz	1,563.41(***) oz

(\*\*\*) Includes at least 90oz of gold in concentrate form which is being used in current tests.

Actual gold obtained at this stage is approximately 10% more than the head grade as measured by conventional assays. However, tests using the new Elazac process show substantially greater recovery than this can be achieved.

The Directors are, at present, obtaining advice on changes to the Bamboo Creek mill to fully implement the new Elazac process and further improve gold recovery.

#### 2. SPECIAL REPORT - NOLAN'S LEASE ML1394

Haoma North West NL has arranged with the ANZ Bank a project finance facility of \$27 million to fund its 49.9% share to mine ore from Haoma's Nolan's Lease at Ravenswood, Queensland.

As previously released, Haoma North West NL (49.9%) and Carpentaria Gold Pty Ltd (50.1%) have agreed to mine 1.57 million tonnes of oxide ore and 12.5 million tonnes of sulphide ore grading 1.75g/t to an approximate depth of 105 metres (200RL). All other ore on the lease is the property of Haoma North West NL.

It is anticipated that the final agreement with Carpentaria Gold Pty Ltd will be signed in the next few days. The agreement will be subject to shareholder approval which will be put to shareholders at an Extraordinary General Meeting in early November.

Following the September 30 announcement, The Roy Morgan Research Centre Staff Superannuation Scheme No.2 purchased 1.118 million shares in Haoma North West NL. 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.