

HAOMA NORTH WEST NL

October 31, 1994

5. ANNUAL GENERAL MEETING TO CONSIDER NAME CHANGE TO HAOMA MINING NL: At the AGM of the company to be held on 24/11/94 shareholders will be asked to consider a change of name of the company to Haoma Mining NL and to approve the entering into of a project agreement for the Nolan's Project.

November 9, 1994

6. SUBSTANTIAL SHAREHOLDER: Leaveland Pty Ltd increased its relevant interest in the company on 04/11/94 from 103,381,778 ord. shares (61.76%) to 108,664,627 ord. shares (64.92%) pursuant to an option agreement between Leaveland Pty Ltd and J.D. Elliott.

November 21, 1994

7. APPEAL DISMISSED IN KITCHENER MINING NL STAMP DUTY CASE: The Full Court of the Supreme Court of WA has dismissed the appeal by the Commissioner of State Taxation over the decision which found in favour of Kitchener Mining NL. The provision of \$1.1M in Kitchener's accounts is now not required.

November 24, 1994

8. CHAIRMAN'S ADDRESS TO THE ANNUAL GENERAL MEETING ON 24/11/94: The company considers the most significant achievement for 1993/94 to be the agreement with Carpentaria Gold Pty Ltd to mine the Nolan's Lease at Ravenswood in Queensland.

1. OVERVIEW

As mentioned in the Annual Report, this financial year has been of considerable significance for the company. The most significant achievement is the agreement with Carpentaria Gold Pty Ltd (a subsidiary of MIM Holdings Limited) to mine the Nolan's Lease ML 1394 at Ravenswood in Queensland.

2. NOLAN'S LEASE AT RAVENSWOOD, QLD (100% owned by Haoma North West NL)

The agreement (Haoma North West NL (49.9%) and Carpentaria Gold Pty Ltd (50.1%)) is 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.

Mining operations for the interim project commenced at the end of September. To the end of MIM Cost Period 5, 13/11/94, 294,000 tonnes of deco oxide ore had been mined and stacked on the leach pad together with 45,000 tonnes of transition ore which was crushed and stacked. In addition 11,666 tonnes of transition oxide ore was treated through the CIP plant at Ravenswood producing 245 ozs of gold, the first gold from the Nolan's Project.

Haoma will receive an in kind royalty of 49.9% of production. The project is expected to produce approximately 700,000 oz of gold over the next 7 years.

The company has forward sales of 218,500 oz at a price of \$526.667 per ounce if all contracts were closed on October 26, 1994.

Further evaluations of the Nolan's deposit utilising the latest infill drilling have been undertaken recently by both Carpentaria Gold in-house geologists and by Geoval (geostatistical, resource evaluation and optimisation), a leading consultant group specialising in geostatistical evaluation of mineral deposits. Initial indications from both these evaluations have confirmed the grade and continuity of the deposit as previously reported, and identified extensions to mineralisation both along strike and down dip. It is expected that updated reserve and resource figures will be available early in the new year.

In addition, Haoma North West NL has commissioned a deep drilling program to further evaluate the mineral resource within the Nolan's Lease below the proposed open pit to 200RL. Three of the six holes have now been completed. The program should be completed within the next four weeks. Results will be available for the next Quarterly Report.

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HAOMA NORTH WEST NL

3. METALLURGICAL TESTING

During the year the Pilbara operations of Haoma North West NL and Kitchener Mining NL continued to be hampered by major metallurgical problems. Much attention and resource have been directed at finding a resolution.

Elazac Mining Pty Ltd, has invested substantial funds and resources in pursuing metallurgical testing. The following are the more important findings of the investigation.

1. Conventional fire assays significantly underestimate the grade of ore being mined at Bamboo Creek, Normay and Mickey's Find, and

2. Cyanide leaching of the gold is inhibited in the grinding circuit of the Bamboo Creek mill. Various mechanical and chemical options are now available to significantly enhance recovery of the gold. As reported, in the Annual Report recent tests showed gold grades recovered to be substantially higher than those measured by conventional fire assays.

In the Annual Report six test results were published (1). Since then, additional test samples using the new Elazac process have been performed. Those tests obtained similar results and are listed below.

Source of test sample	Volume of ore tested (kg)	Grade by conventional fire assay (g/t)	Gold obtained after test(2) (g/t)
Bamboo Creek tail sample	57.6	0.73	28.6
Normay Mine tail sample	11.1	0.75	369.1
Mickey's Find drill hole MFR 3 (3) (10137.0N,10160.4E Dip-90deg, Collar RL 4949.5)	8.7	1.5	15.8

1. Reported four tests on Bamboo creek tails (grades reported 191 g/t, 20.86 g/t, 5.67 g/t and 78.93 g/t), one on Normay Mine tails (167 g/t), and one on a Mickey's Find drill hole MFR 11 - 10095.02N 95973.31E Dip-90deg Collar RL 4992.33 (7.9 g/t).
2. Used new Elazac process and based on physical gold recovered.
3. 8.7kg sample was taken from FR3 drill hole at depths (metres) of: 54-60, 66 & 67, 72 & 73, 88 & 89, 90 & 91, (approximately equal quantities of samples were taken from each 2 metres)

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

The Directors now believe the gold grades released in the Annual Report and the gold grades presented above measured by the new Elazac process are conservative estimates of the actual grades.

In the Annual Report it was reported that actual gold obtained by the Bamboo Creek mill was approximately 10% more than the head grade as measured by conventional fire assays.

Changes are now being made to the Bamboo Creek mill to implement the new Elazac process.

The Directors now believe that by using the new Elazac process significantly increased gold recoveries will be achieved at Bamboo Creek.

The Directors believe this will result in Kitchener Mining NL operating at a profit.

Kitchener Mining NL and Haoma North West NL have use of the new Elazac process for no fees.

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## HAOMA NORTH WEST NL

### 4. KITCHENER MINING NL

This year, for the first time, Kitchener Mining NL's financial statements were consolidated with the Haoma North West group.

On January 1, 1994 Haoma North West NL concluded the takeover offer for the issued capital in Kitchener Mining NL increasing Haoma's ownership to 95.72% of the issued capital in Kitchener Mining NL. Haoma North West NL was unable to compulsorily acquire the remaining issued capital from the dissenting shareholders due to the number of the shareholders accepting being less than 75%.

On November 7, 1994 Leavleand Pty Ltd converted convertible notes to the value of \$2 million in Kitchener Mining NL to 13,333,333 ordinary shares (20.15%) in Kitchener Mining NL. Of those shares, 2,091,339 have been optioned to other parties at 15 cents a share.

On Friday, November 18, 1994 the Full Court of the Supreme Court of Western Australia handed down their decision relating to Appeal No. 135 of 1993 between the Commissioner of State Taxation (Appellant) and Kitchener Mining NL (Respondent).

The decision was three in favour to nil against that the Appeal should be dismissed.

The decision means the \$898,654 stamp duty assessment plus interest and costs is now not due. The provision of \$1,100,000 in the 1994 accounts of Kitchener Mining NL and Haoma North West NL is not required.

5. SECOND FORTUNE MINE (80km South of Laverson), LALLA ROOKH MINE (100km East of Port Hedland) AND NORMAY MINE (120km East of Port Hedland)

As reported in the Annual Report, the Directors anticipate re-opening the Second Fortune Mine, Lalla Rookh Mine and Normay Mine.