HAOMA MINING NL

ACN 008 676 177

2000

ANNUAL REPORT

HAOMA MINING NL

1. Bamboo Creek, WA
2. Marble Bar, WA
3. Linden, WA
4. Golden Ridge, WA
5. Charters Towers, Qld
6. Ravenswood, Qld

Nolan's Pit floor (May 2000)

Directors
Gary Cordell Morgan, B.Comm (Chairman)
John Dorman Elliott, B.Comm (Hons), MBA, FCPA
Michele Levine, B.Sc (Hons), Env. St.
John Lachlan Charles McInnes, B.Comm, FCA

Secretary
James Andrew Wallace, ACA

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388 Collins Street
Melbourne, Victoria 3000

Share Registry
Computershare Registry Services Pty Ltd
Reserve Bank Building
45 St Georges Terrace
Perth, Western Australia 6000
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Fax: (08) 9323 2033
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Auditors
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485 La Trobe Street
Melbourne, Victoria 3000

Solicitors
Corrs Chambers Westgarth
Bourke Place
600 Bourke Street
Melbourne, Victoria 3000

Stock Exchange Listing
Haoma Mining NL shares are listed on the Australian Stock Exchange. The Home Exchange is Melbourne, Victoria.

MISSION STATEMENT

The mission of Haoma Mining is to establish a highly profitable mining company with sustainable growth in shareholder value.

In pursuit of this mission, Haoma will acquire quality tenements, explore for gold and other minerals, utilise the most effective exploration and recovery techniques and extract resources in the most efficient way with a strong commitment to health, safety and the environment.

Haoma's strategic approach can be characterised as both innovative and practical.

Haoma is dedicated to developing a leading edge gold mining province in the Pilbara (WA) by linking research with modern technology and new ways of thinking.

Haoma operates with a very flat management structure, which allows all company personnel to be hands-on, practical and single-minded about improving the bottom line performance.

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ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meering of the members of the Company is to be convened in The Roy Morgan Conference Centre, 2nd Floor, 411 Collins Street, Melbourne, Victoria, on Tuesday, November 28, 2000 commencing at 10.00 am.

All shareholders are invited to attend. The Notice of Meeting and proxy form has been printed and accompanies this report.

SUMMARY OF OPERATIONS

FINANCIAL

Haoma Mining NL Consolidated Profit & Loss	1997/98 ($m)	1998/99 ($m)	1999/00 ($m)
Revenue	37.2	36.6	38.3
Net profit/(loss) before Interest, Depreciation & Tax	12.2	11.9	11.2
Interest	(2.1)	(1.1)	-
Depreciation & Amortisation	(4.5)	(4.4)	(5.1)
Income Tax	(0.6)	(0.1)	(3.2)
Net profit/(loss) after Interest, Depreciation & Tax	6.2	6.3	2.9

OPERATIONAL

Nolan's Joint Venture	Total 1998/99	Total 1999/00	Total Project to Date
CIL Plant			
Tonnes Mined	2,363,864	2,732,964	11,301,136
Tonnes Milled	2,158,582	2,490,882	9,999,354
Average Grade (g/t)	1.75	1.79	1.75
Average Metallurgical Recovery (%)	93.3	93.5	93.4
Gold Production (oz) 100%	114,050	133,790	526,410
49.9% (Haoma Mining)	56,911	66,761	262,678
Heap Leach (note)			
Tonnes Milled	393,028	392,975	1,046,653
Average Grade (g/t)	0.75	0.85	
Average Metallurgical Recovery (%)	93.3	93.5	93.4
Gold Production (oz) 100%	8,861	10,052	51,852
49.9% (Haoma Mining)	4,422	5,016	25,874
Total			
Gold Production (oz) 100%	122,911	143,842	578,262
49.9% (Haoma Mining)	61,333	71,777	288,552

(note - in mid-October, 1997, the Nolan's Joint Venture commenced feeding heap leach material directly into the mill.)

CHAIRMAN'S REVIEW

1999/2000 Profit $2.9m, Final Dividend 1cent per Share

For the year ended June 30, 2000, Haoma Mining NL reported a Group net profit of $2,895,933 after deducting depreciation and amortisation of $5,146,988, interest of $99,152 and income tax of $3,189,892. This compares with $6,306,525 (depreciation and amortisation of $4,389,086, interest of $1,102,461 and income tax of $139,695) in the prior year. The Directors declared an unfranked final dividend of one cent per share paid on October 19, 2000.

In 1999/2000, Nolan's production of 143,842 ounces was 20,931 ounces more than last year (122,911 ounces). Haoma's share of production was 71,777 ounces which was 10,444 ounces more than the previous year.

In December 1999, Haoma extinguished its debt with the ANZ Banking Group in respect of financing for the Nolan's project. The debt repayment was funded from operating surplus and by liquidating value from Haoma's forward sales program. Haoma is now debt free and at October 12, 2000 had approximately $4.5 million on deposit. Approximately $2.0 million will be used to fund the dividend paid to shareholders on October 19, 2000.

In 2000/2001, the Nolan's Joint Venture is budgeted to produce 86,389 ounces of gold (Haoma's share 43,108 ounces) at an average cash cost of $337 including $39 sustaining capital (1999/2000 average cash cost was $268 including $10 sustaining capital). Year-to-date production results indicate that this result will be achieved.

The Joint Venture with Carpentaria Gold Pty Ltd (MIM subsidiary) will terminate with the completion of mining and processing of 12.5 million tonnes of sulphide ore from the Nolan's pit, estimated to be reached in March 2001.

During the year a successful drilling program was completed in the Nolans Pit. Information obtained from the drilling has been used to model the resource available after the Joint Venture finishes mining 12.5 million tonnes. In total, 177 holes were drilled for 11,975 metres. All drill samples were assayed by Analabs Pty Ltd in Townsville. The final reserve and resource estimates define 6,056,000 tonnes at 1.28 grams per tonne. Further details are included in the attached Operations Report.

Nolans Pit showing North Wall on left (May 2000)

CHAIRMAN'S REVIEW

In 1999/2000, Haoma spent $434,000 on exploration expenditure in relation to the Pilbara diamond joint venture with Stockdale Prospecting Limited (a De Beers Company). Under the Joint Venture Agreement for the Hillside exploration area, Stockdale must contribute $2 million before Haoma has to contribute its 49.9%. To September 30, 2000, Stockdale has contributed $711,128. In 2000/2001, Haoma has budgeted to contribute an additional $720,000 towards diamond exploration. For the financial year to June 30, 2000 group exploration expenditure totalled $3.77 million. This included $2.6 million spent at Bamboo Creek on test work and trials using the Elazac Process.

Tourist Centre at Comet Gold Mine

Left: Inside Tourist Centre at Comet Gold Mine

Right: Aerial view of Comet Gold Mine (arrow pointing to Tourist Centre)

Management and Personnel

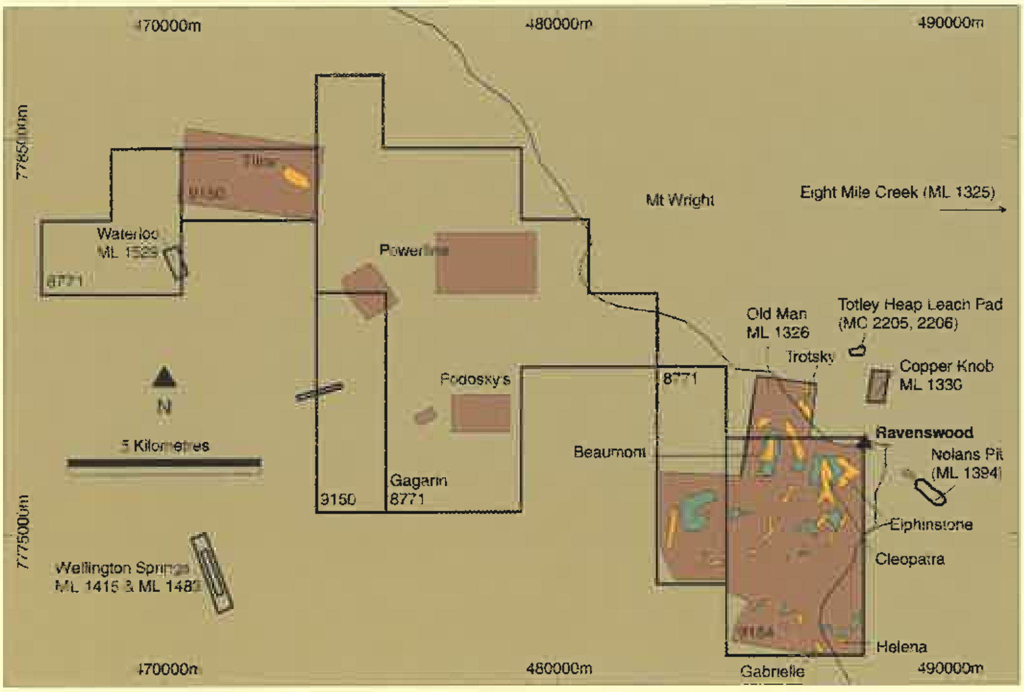
Haoma is dependent on the efforts of many staff, contractors and consultants for its continuing profitability. The Directors would like to thank all those staff, contractors and consultants for their positive efforts in 1999/2000 and in particular Mr Peter Cole, Mr Bill Darcey, Mr Taff Davies and Dr Peter Scales. They have made a significant contribution in recommissioning of the Bamboo Creek plant and carry out Haoma's current exploration program.

The Directors also thank all those located at Bamboo Creek who have been involved in re-engineering the plant and at Nolans where the recent drilling program in the Ravenswood area has been successful. In addition, the Directors thank Mr Vic Roberts and Ms Vivien Grace for successfully establishing the Comet Gold Mine Tourist Centre. The Tourist Centre is now Marble Bar's main tourist attraction.

Gary C. Morgan,
Chairman.

REVIEW OF OPERATIONS

THE RAVENSWOOD AREA, QUEENSLAND



LEGEND

- Road
- Gold anomaly
- Copper anomaly
- Lease boundary
- Extent of soil sampling

1. Ravenswood, North Queensland

Haoma's objectives in the Ravenswood area are defined as:

- to establish a long term profitable mining operation in the Ravenswood/Charters Towers region; and
- to define sufficient ore reserves on Haoma's Ravenswood tenements to maintain gold production at the Nolan's mill beyond the life of the current Joint Venture.

To achieve these objectives, during the year Haoma:

- expanded its exploration program which has resulted in upgrading the potential for the region to provide additional ore reserves; and
- conducted an extensive drilling program to accurately define the remaining ore reserves in the Nolans Pit after the conclusion of the Joint Venture with Carpentaria Gold Pty Ltd.

1.1 Mining of the Nolan's lease - A Joint Venture Project between MIM Holdings Limited subsidiary Carpentaria Gold Pty Ltd (50.1%) and Haoma Mining NL (49.9%)

The Nolan's gold mine is located at Ravenswood 90km south of Townsville and 60km east of Charters Towers in North Queensland. The project is managed by Carpentaria Gold Pty Ltd.

Under the Joint Venture agreement, a total of 12.5 million tonnes of primary sulphide ore will be mined from the Nolan's deposit by open pit with a stripping ratio of approximately 1:1. As at September 30, 2000, 11.8 million tonnes had been mined (excluding mineralised waste).

REVIEW OF OPERATIONS

THE RAVENSWOOD AREA, QUEENSLAND

Mining in Nolans Pit (May 2000)

Haoma is concerned about the pit design being implemented by Carpentaria Gold Pty Ltd. Haoma has expressed its concerns to Carpentaria Gold Pty Ltd and MIM Holdings Limited. It is Haoma's view that the current implementation is not in accordance with the original pit design agreed by the Joint Venture parties.

Haoma is investigating these issues further.

Gold production began in October 1995. The current production rate of the treatment plant is approximately 2.8 million tonnes per annum of sulphide and oxide ore, well in excess of the originally planned 2.0 million tonnes per annum. At budgeted mining and processing rates (2.5 million tonnes per annum of ROM), the Joint Venture will terminate in approximately March 2001.

Gold production from the CIL plant for the 12 months ended June 30, 2000, was 133,790 ounces produced from milling 2,490,882 tonnes at a grade of 1.79 grams per tonne. Haoma's share of this production was 66,761 ounces. The Joint Venture also continued to process heap leach material through the mill. To June 30, 2000, 392,975 tonnes of this material at a grade of 0.85 g/t was processed through the CIL plant to produce 10,052 ounces. Haoma's share of this production was 5,016 ounces.

For the 12 months to June 30, 2000, the average cash cost of producing an ounce of gold was $268 (including $10 per ounce of sustaining capital). This compares with $305 (including $12 per ounce sustaining capital) for the 12 months to June 30, 1999. The 2000/2001 cost per ounce is expected to be about $337 (including $39 per ounce sustaining capital).

1.2 Exploration Activities – Nolans Lease (ML1394)

During the year a successful drilling program was completed in the Nolans Pit. Information obtained from the drilling has been used to model the resource estimate available after the Joint Venture finishes mining 12.5 million tonnes.

In total, 177 holes were drilled for 11,975 metres. All drill samples were assayed by Analabs Pty Ltd in Townsville. The final reserve and resource estimates define 6,056,000 tonnes at 1.28 grams per tonne and are detailed in the following tables:

Table 1 – Nolans pit reserve estimate after the Joint Venture mines 12.5 million tonnes

	Type	Tonnes	Gold grade	Total gold ounces
Ore feed for CIP Grade greater than 0.58g/t (17g/t top cut)	Measured Indicated	4,305,000 865,000	1.44g/t 1.24g/t	189,340 32,770
Low grade ore - suitable feed for beneficiation process (Grade 0.45g/t – 0.58g/t)	Measured Indicated	722,000 164,000	0.52g/t 0.51g/t	10,560 2,400
Total Reserve		**6,056,000**		**235,070**

The above reserve estimate was prepared on October 19, 2000 by Mr Bill Darcey. Mr Darcey is a member of the AusIMM and regarded as a competent person under the JORC 'Code for the Reporting of Identified Mineral Resources and Ore Reserves'.

REVIEW OF OPERATIONS

THE RAVENSWOOD AREA, QUEENSLAND

Drilling at Eastern End of Nolans Lease

REVIEW OF OPERATIONS

THE RAVENSWOOD AREA, QUEENSLAND

Table 2 – Nolans pit resource estimate after the Joint Venture mines 12.5 million tonnes

	Type	Tonnes	Gold grade	Total gold ounces
Ore feed for CIP Grade greater than 0.58g/t (17g/t top cut)	Inferred	223,000	1.09g/t	7,420
Low grade ore – suitable feed for beneficiation process (Grade 0.45g/t – 0.58g/t)	Inferred	77,000	0.51g/t	1,130
Total Resource		**300,000**		**8,550**

The above resource estimate was prepared on October 19, 2000 under the supervision of Mr Bill Darcey. Mr Darcey is a member of the AusIMM and regarded as a competent person under the JORC 'Code for the Reporting of Identified Mineral Resources and Ore Reserves'.

Nolans Pit looking west (preparation for blasting)

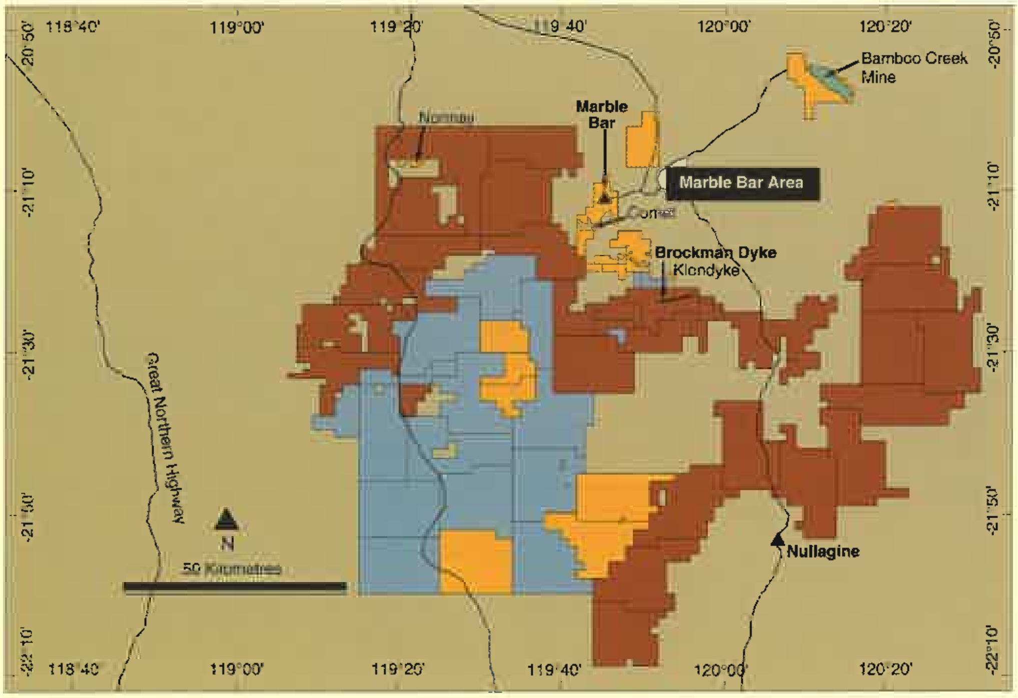
1.3 Copper Knob (ML 1330) and Old Man (ML 1326)

On April 7, 1999, Haoma exercised its option to convert the Purchase Option that it held over the Copper Knob and Old Man Mining Leases to a Royalty Agreement. Under the terms of the Royalty Agreement, Haoma has to mine 500,000 tonnes during the first 2 years of the royalty period and pay a minimum royalty of 1% based on 500,000g of gold.

REVIEW OF OPERATIONS

WESTERN AUSTRALIA

PILBARA REGION - PROJECT LOCATIONS



1. Pilbara Area

Haoma's objectives in the Pilbara are currently defined as:

- to overcome the assay problem of underestimating gold values;
- using the re-engineered Bamboo Creek processing plant to economically produce a gold concentrate using the Elazac Process and then efficiently extract gold; and
- to establish profitable gold and / or diamond mining operations in the region

To achieve these objectives, Haoma:

- continued test work using the Elazac Process.
- maintained its participation in the Pilbara Diamond Joint Venture with Stockdale Prospecting Ltd (a De Beers Company)

1.1 Bamboo Creek

During the last 12 months significant modifications have been made to the Bamboo Creek plant so as to enable the Elazac Process to be used to extract gold from low grade Bamboo Creek ore.

Milling & processing of 26,886 tonnes of low-grade ore (< 0.31 g/t assayed by traditional methods) using the Elazac Process has been completed. Gold is now being recovered by the vat leach method. The quantity of gold recovered should be known in time for release at the Annual General Meeting being held in Melbourne November 28, 2000.

Bamboo Creek ore being deposited into vat leach pit

During the Elazac Process test-work, the capacity of the Bamboo Creek plant to mill & process ore was 200,000 tonnes per annum. Further modifications are now being made to the Bamboo Creek mill & plant to upgrade the throughput capacity to 500,000 tonnes per annum. Once completed, the plant capacity will then be further upgraded to enable the milling & processing of up to 1 million tonnes per annum.

Milling & processing of higher-grade ore using the Elazac Process should commence in December 2000.

1.2 Bamboo Creek Resource Calculations

An audit of the Bamboo Creek exploration and mine drilling computer data base has been carried out by Haoma's consultant, Mr Taff Davies of Remote Sensing and Geological Services. The following is a report prepared by Mr Taff Davies for Haoma Mining NL based on this work. The gold grades in this report were obtained by traditional methods for assaying gold and shareholders should be aware that assaying Bamboo Creek ore for gold by traditional methods underestimates the gold grade. For this reason, the "grade estimate" and contained "gold ounce estimate" significantly understate the actual figure:

"The completed Bamboo Creek drilling audit is a prerequisite to any evaluation of the Bamboo Creek gold mineralisation. It entailed an exhaustive search of all drill information stored at Bamboo Creek and in Haoma's Perth office. The compilation of information is now in a computer-compatible form acceptable for evaluation using mining software and contains drilling information acquired since the 1930's with most of this drilling being carried out in the 1980's and 1990's.

REVIEW OF OPERATIONS

WESTERN AUSTRALIA

Bamboo Creek conveyor with Bamboo Creek tailings dam wall in background

The completed database contains at least twice the drill information contained in earlier drill databases and totals over 54,000 metres of drilling from 740 drill holes. Technically the information is invaluable in planning future mining operations at Bamboo Creek, and in dollar terms, well exceeds $2 million of exploration expenditure. The highest concentration of drill holes is at Mt Prophesy where some of the intersected high-grade gold mineralisation was removed soon after its existence was determined by drilling. Other ore was mined in recent times at Bamboo Creek and historically, in small quantities, at the Kitchener, Federation and several other gold mines. Only at Bamboo Queen and Kitchener were open cut methods used to remove ore. Elsewhere the focus was on the mining of narrow high-grade gold-bearing shoots by underground methods.

In determining the economic potential of the Bamboo Creek gold mineralisation it is regarded as being of paramount importance that a number of factors be taken into consideration. Most of these have a deleterious consequence on the final resource calculation, and all but that relating to earlier mining operations cannot be vectored into the equation because of a lack of drilling information or because of sampling procedures applied at the time of drilling.

REVIEW OF OPERATIONS

WESTERN AUSTRALIA

Bamboo Creek secondary and tertiary crushers

Earlier mining operations. *Past mining has depleted the gold resources available for future mining operations and this factor has to be incorporated into the bottom line of a resource calculation. Mining activities were at their most extensive between 1988 and 1996 and during this time records reflect the nature of the mining activity with around 560,000 tonnes of ore being removed to produce 149,000oz gold for an average grade of 8.3g/t.*

Assaying and sampling. *In many drill holes, only visibly mineralised sections of the drill material have been assayed. This means that lower-grade gold mineralised envelopes do not show in the drill data and the undervaluing of some areas of the resource is a consequence as this lower-grade gold material would be economically recovered by open pit mining methods.*

Resource drilling. *Significant sections of all known gold occurrences at Bamboo Creek are under-drilled and there is excellent potential to expand resources within and around these by carrying out systematic exploratory drilling.*

Exploration drilling. *There is excellent potential for the discovery of new deposits as shown by the more regional exploration work undertaken by, for example, BHP Minerals in their 1998 evaluation of the project. Their work has shown that new areas of gold mineralisation lie outside the well established Mt Prophesy - Kitchener line of mineralisation.*

Ore body modelling. *This is of a preliminary nature and, because of this, resources are described as falling within the 'indicated' or 'inferred' categories. Most of the calculations relate to the Mount Prophesy gold deposit and much of the ore could be lifted into the precise 'measured' category by a careful analysis of existing drill information, or by the application of a small amount of additional drilling.*

Bamboo Creek plant next to vat leach pit

In carrying out the Bamboo Creek resource estimates a top-cut of 31g/t gold was applied on the basis of statistical data, with a cut-off grade of 0.4g/t gold being determined from ore treatment tests at the Bamboo Creek mine plant.

Gold mineralisation cannot be quantified for the positive factors of exploration potential and the lower-grade gold mineralised envelopes. They are therefore omitted from the resource estimates. It is anticipated that these factors will, in the future, positively impact on the life and profitability of the Bamboo Creek project. On the basis of existing drill data, the resources shown by past drilling stand at:

	Tonnes	Grade Estimate	Total gold ounce estimate
Indicated and inferred ore	5,500,000	2.3g/t	405,000
Ore mined	560,000	8.3g/t	149,000
Remaining ore	4,940,000	1.6g/t	256,000

Of the above 5,500,000 tonnes of ore 4.93 million tonnes are calculated to lie within the Mt Prophesy ore body, reflecting the disproportionately large volume of drilling undertaken in this area."

The above resource calculations were carried out under the supervision of Mr Taff Davies, BSc Hons, FAusIMM, of Remote Sensing and Geological Services, who is a competent person under the JORC 'Code for the Reporting of Identified Mineral Resources and Ore Reserves'.

1.3 Normay Mine, North Shaw

Approximately 175,000 tonnes of tailings are located at the Normay Mine site containing approximately 14,000 ounces of gold. Vat leach technology tests will commence in the current year to recover the gold from the tailings.

REVIEW OF OPERATIONS

WESTERN AUSTRALIA

1.4 Pilbara Joint Venture with Stockdale Prospecting Limited (a De Beers Company)

(E45/1249, E45/1606, E45/1607, E45/1608, E45/1614, E45/1615, E45/2023, E45/2043, E45/2045, E45/2046, E45/2047, E45/2048, E45/2033, E45/2034, E45/2035, E45/2062, E45/2063, E45/2064, E45/2065, E45/2066, E45/2067, E45/2068, E45/2069, E45/2094, E45/2095, E45/2096, E45/2098, E45/2051, E45/2040, E45/2056, E45/2050, E45/2137, E45/2138, E45/2147(part)).

Stockdale Prospecting Limited have provided the following report in regard to the 2000 year Joint Venture exploration program:

The four mini-bulk samples collected along a 4.7 km strike length of the Brockman Dyke had a combined calculated dry mass of 97,256 kg and produced a total 199.0 kg of wet concentrate in the 1 to 8mm size fraction. A total of 10 diamonds, weighing 0.620 metric carats, were recovered from the four samples.

Exploration in 2000 commenced with the follow-up of anomalous spinels in the Coongan Greenstone Belt followed by reconnaissance stream sampling on the North Shaw (1777km^2) and Nullagine (2050km^2) project areas. In the Coongan Belt, six (6) semi-continuous dykes up to 2m wide and 250-750m long have been discovered as the source of kimberlitic type spinel. Detailed petrology is awaited, however mineral chemistry and geochemistry suggest they are kimberlitic or lamprophyric in origin. A 600 litre stream sample has been taken downstream of the dykes to test for diamonds. None were recovered. Follow-up on a nearby remote sensing anomaly has produced a "lamprophyric" type spinel population.

Follow-up exploration has been conducted over fifteen (15) areas (Hillside and Marble Bar areas) containing anomalous spinel. Results from four areas are awaited. In the remaining eleven (11) areas, only one area mentioned above, has a source rock been located. Kimberlitic type spinels have been recovered in two (2) unsourced follow-up areas. Full assessment of the other eight (8) unsourced areas is ongoing.

Corboy area in Hillside Joint Venture Tenements (looking west)

REVIEW OF OPERATIONS

WESTERN AUSTRALIA

SENIOR OPERATIONS STAFF AND CONSULTANTS

Mr. Peter Cole
Consultant and Acting General Manager

Mr. Bill Darcey
Mining Engineering Consultant

Mr. Taff Davies
Remote Sensing and Geological Services

Mr. Jeremy Peters
Manager Ravenswood Operations/Mining Engineer

Mr. Guy Booth
Computer Geologist

Mr. Steven Young
Geologist

Mr. Bill Harmsworth
Consulting Geologist

METALLURGY CONSULTANTS

Dr. Peter Scales
Advanced Mineral Products Research Centre, University of Melbourne

CSIRO Minerals, Melbourne

Amdel Ltd, Adelaide

Oretest Pty Ltd, Perth

Australian Laboratory Services Pty Ltd, Townsville, Brisbane, Bendigo and Perth

Analabs Pty Ltd, Townsville

Ten (10) magnetic anomalies were ground investigated, non-kimberlitic magnetic source rocks were identified in eight (8) areas and colluvium cover prevented location of the magnetic sources in the other two (2) areas. Loam and stream samples were collected, however no indicators of interest were recovered. Geochemical samples collected over the two (2) unexplained anomalies are awaited.

Reconnaissance stream sampling has been completed over 3,827km² in the new "Nullagine" and "North Shaw" project areas. Some 1,100 reconnaissance stream samples have been collected. Results from 50% of the samples were received and have produced little encouragement, except from one area in the North Shaw project where anomalous spinel was recovered in two samples. Seven (7) areas selected from Stockdale's historical database were selected for follow-up sampling. A total of 29 stream samples were collected, however results failed to produce any anomalous indicators.

2. Linden, WA

Joint Venture with Goldfields Exploration Pty Ltd - Linden Area (E39/293, E39/379, E39/428, P39/2974 (90% Haoma), P39/2975 (90% Haoma), P39/2976 (90% Haoma), M39/255, M39/385, M39/386, M39/387)

Linden is located 80km south-south-east of Laverton in the Merolia greenstone belt of the Yilgarn Craton. These tenements are located 4 kilometres from Sons of Gwalia / Mt Burgess Red October discovery.

On August 16, 2000, following agreement between the Joint Venture parties to terminate the Joint Venture, Haoma exercised its pre-emptive right under the Joint Venture Agreement to acquire a 100% interest in the Joint Venture assets and areas of interest for $100,000.

Haoma is currently reviewing the available data on these tenements in regard to the viability of nickel sulphide targets. The database is of good quality with excellent magnetic, digital terrain model and other data suitable for structural interpretation. It is proposed to augment this data with satellite image data. Although most of the drill holes and samples by the former Joint Venture were assayed for gold only, one batch of soil samples was assayed for nickel and gold. The results show in one area there are high nickel values over ultramafic rocks.

Some sample material from areas with nickel potential may also be re-assayed.

A RAB drilling program into fresh rock in sufficient density to evaluate the most prospective areas will commence in 2001.

3. Golden Ridge, WA

Mining Lease (M26/534) in the East Coolgardie Mineral Field

Haoma is entitled to a royalty of $2.00 per tonne of ore mined by New Hampton Goldfields Ltd from Golden Ridge mining lease M26/534. During the year ended June 30, 2000 Haoma received royalty payments of $525,091. Mining on this lease ceased in March 2000 and no further royalty is due to Haoma.

HAOMA MINING NL

ACN 008 676 177

FINANCIAL STATEMENTS & REPORTS

FOR THE YEAR ENDED 30 JUNE 2000

CONTENTS

DIRECTORS' REPORT

In accordance with a resolution of the Board of Directors, the Directors' Report follows with respect to the results of the Company and of the Economic Entity for the financial year ended June 30, 2000 and the state of the affairs of the Company and of the Economic Entity at that date.

Directors

The names of each person who has been a Director of the Company during the year and at the date of this report are:

Gary Cordell Morgan (Chairman)

John Dorman Elliott

Michele Levine

John Lachlan Charles McInnes

Gary Cordell MORGAN, B.Comm (Chairman)

Mr. Morgan was appointed to the board on May 10, 1991. He is Executive Chairman of Roy Morgan Research Pty Ltd. He is a member of a number of research and marketing organisations throughout the world.

Michele LEVINE, B.Sc (Hons), Env. St. (Non-executive Director)

Mrs. Levine was appointed to the board on August 8, 1994. She is a Director and Chief Executive Officer of Roy Morgan Research Pty Ltd.

John Dorman ELLIOTT, B.Comm (Hons), MBA, FCPA (Non-executive Director)

Mr. Elliott was appointed to the board on December 21, 1994. He is Chairman of CXA Communications Ltd and President of the Carlton Football Club Ltd. Mr. Elliott is a member of the Audit Committee.

John Lachlan Charles McINNES, B.Comm, FCA (Non-executive Director)

Mr. McInnes was appointed to the board on May 10, 1991. He is a Chartered Accountant and partner in the firm McInnes, Graham and Gibbs. He is a Director of companies associated with Mr Gary Morgan and his family, and Pacific Hydro Ltd. He is a trustee of Melbourne and Olympic Parks. Mr. McInnes is Chairman of the Audit Committee.

Directors and Executives Emoluments

The emoluments provided to board members and senior executives of the company are based upon providing a commercial remuneration for services. Director's Fees are determined by the Board after giving consideration to the expected activity of Board members during the course of the year. The amount of emoluments provided to senior executives is determined in accordance with market rates for services provided.

The emoluments of each Director and Officer were as follows:

	Salary	Director's Fees	Super Contribution	Total
Company & Economic Entity				
Directors				
Gary C. Morgan	-	40,000	-	40,000
John D. Elliott	-	40,000	2,800	42,800
Michele Levine	-	40,000	2,800	42,800
John L C. McInnes	-	40,000	-	40,000
Officers				
James A. Wallace	70,000		10,900	80,900

There are no performance linked remuneration policies for Directors or senior executives.

Directors' Meetings

The number of Directors' meetings (including meetings of committees of Directors) and the number of meetings attended by each of the Directors of the Company during the financial year are:

	Full Meetings of Directors	Meetings of Audit Committee
Number of meetings held:	5	2
Number of meetings attended by:		
Mr G C Morgan	5	-
Mr J D Elliott	4	2
Mrs M Levine	5	-
Mr J L C McInnes	5	2

DIRECTORS' REPORT

Principal Activities

The principal activities of the Economic Entity during the financial year were gold mining, exploration and mining development. There was no significant change in the nature of those activities during the year.

Trading Results

The consolidated net profit for the Economic Entity for the financial year to June 30, 2000, after provision for income tax, depreciation, amortisation and interest was $2,895,933. This compares with $6,306,525 in the prior year.

Dividend

As disclosed in last year's Directors Report, an unfranked final dividend of one cent per share in respect of the year ended June 30, 1999 was paid on October 20, 1999.

On September 13th 2000, the Directors declared an unfranked final dividend of one cent per share for the year ended June 30, 2000. The dividend will be paid on October 19, 2000.

Review of Operations and Results

During the financial year the Economic Entity pursued its mining and mineral exploration activities. A review of the operations of the Economic Entity during the financial year and the results of those operations are as follows:

1. Mining activity in relation to the Joint Venture between Haoma and Carpentaria Gold Pty Ltd (a subsidiary of MIM Holdings Limited) produced 133,790 ounces of gold from the CIL plant and 10,052 ounces of gold from processing heap leach material through the CIL plant. Haoma's total share was 71,777 ounces being 49.9% of total gold produced.
2. Haoma maintained its participation in the Pilbara Diamond Joint Venture with Stockdale Prospecting Ltd (a De Beers company). The results of exploration work continue to be subject to ongoing analysis and interpretation. Information on all significant findings is released as it becomes available.
3. Haoma maintained its participation in the Linden Joint Venture with Goldfields Exploration Pty Ltd (a subsidiary of Goldfields Ltd). Results of exploration have been previously released. In September, 2000 the Joint Venture was terminated. Haoma exercised its pre-emptive right to acquire a 100% interest in the former Joint Venture assets and areas of interest.
4. (a) The consolidated operating profit of the Economic Entity before abnormal items and income tax for the year was $6,085,825 after charging $5,146,988 for depreciation & amortisation and $99,152 for interest.

   (b) During the year, the Company used cash generated by operations and from restructuring of forward gold sale contracts to extinguish all bank debt.

A detailed review of operations in each area of activity is contained in the Chairman's Review of Operations that is included in the Annual Report to members.

Changes in State of Affairs

There were no significant changes in the Economic Entity's state of affairs during the financial year.

Future Developments

The Economic Entity will continue to pursue the mining and exploration for gold and other commodities, including diamonds. The Joint Venture between Haoma and Carpentaria Gold Pty Ltd (a subsidiary of MIM Holdings Limited) is likely to conclude during the last quarter of the 2000/01 financial year. Haoma will continue to mine and produce gold from the Nolans Lease at Ravenswood, Queensland in its own right.

Events Subsequent to Balance Date

On August 15th 2000, Haoma restructured its gold hedge program. Net cash proceeds of $1,500,000 were received. The Directors are negotiating a forward sale program that will match expected production of gold after the Nolans Joint Venture concludes. No other matters or circumstances have arisen since the end of the financial year which may significantly affect the operations of the Economic Entity, the results of those operations, or the state of affairs of the Economic Entity in subsequent financial years.

Options

No options were issued during the year, nor remain outstanding at the end of the year.

Directors' Interests and Benefits

The relevant interest of each Director in the share capital of the Company shown in the Register of Directors' shareholdings as at the date of this report is:

	Indirectly	Directly
Mr G C Morgan:-		
As a Director of Leaveland Pty Ltd	115,000,000	-
As a member of G. & G. Morgan Superannuation Fund	4,284,142	-
Mr J D Elliott:-		
As a Director of Ebek Pty Ltd	4,919,452	-
Direct ownership	-	887,847
Mrs M Levine:-		
As a Trustee of The Levine Family Superannuation Fund	169,000	
As a Trustee of The Levine Family Trust	1,150,000	
As a Director of The RMRC Staff Superannuation Scheme #2 Pty Ltd	804,000	-
Direct ownership	-	12,000
Mr J L C McInnes:-		
As a Director of Leaveland Pty Ltd	115,000,000	-
As a Director of Etonwood Management Pty Ltd	2,000,000	-
As Executor of a deceased Estate	50,000	-
Direct ownership	-	4,500

No Director, during or since the end of the financial year, has received or become entitled to receive a benefit by reason of a contract made by the Company or a related body corporate with the Director or with a firm of which he is a member, or with an entity in which he has a substantial financial interest other than as shown in Note 28 (Related Party Information) to the financial statements.

Environmental Regulation

The gold mining, exploration and mining development activities of Haoma Mining NL are subject to significant environmental regulation. Environmental legislation under which the company conducts its activities is principally Australian State government legislation and includes in Western Australia; the Mining Act (1978), the Environmental Protection Act (1986) and the Aboriginal Heritage Act (1980) and in Queensland; the Mineral Resources Act (1989) and the Environmental Protection Act (1994).

The company has complied with environmental protection and rehabilitation requirements and has management and reporting systems for all of the areas in which it has interests. Regular reviews are conducted in regard to environmental compliance matters. The environmental impact of the operation of the company's processing plants at Ravenswood, Queensland and at Bamboo Creek, Western Australia is subject to continuous assessment. In particular, confinement of Tailings Dam water at the Nolans Joint Venture processing plant has been extensively monitored. There were no significant matters in regard to environmental control or management that arose during the year.

The company will continue to monitor its performance in relation to the environment. That process will include the ongoing assessment of the environmental impact of each of the Company's operations and the development of additional reporting and communications systems to ensure compliance and identify items for specific action.

Indemnification of Officers/Auditors

The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Proceedings on Behalf of Entity

No person has applied for leave of Court to bring proceedings on behalf of the company or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

This report is signed in accordance with a resolution of the Directors.

G. C. MORGAN
Director

Melbourne,
October 13, 2000.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Haoma Mining NL is responsible for the corporate governance practices of the economic entity. The Board guides and monitors the business and affairs of Haoma Mining NL on behalf of the shareholders by whom they are elected and to whom they are accountable.

Composition of the Board

The Directors in office at the date of this statement are:

Name	Position
G C Morgan	Chairperson, Director
J D Elliott	Non-Executive Director
M Levine	Non-Executive Director
J L C McInnes	Non-Executive Director

To ensure the Board is well equipped to discharge its responsibilities it has established guidelines for the nomination and selection of Directors and for the operation of the Board.

Non-Executive Directors are leaders in their field and hold senior positions in other Australian companies.

Directors are appointed for a three year term after which time they seek re-election by shareholders.

Shareholders

The Board of Directors aim to ensure that shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the Directors and of the company. Information is communicated to the shareholders through:

- the annual report which is distributed to all shareholders;
- the annual general meeting and other meetings called to obtain approval for Board action as appropriate;
- presentations to shareholders on the activities and future direction of the company; and
- continuous disclosure of significant transactions and results in accordance with ASX Listing Rules.

Board Responsibilities

As the Board acts on behalf of the shareholders and is accountable to the shareholders, the Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The responsibility for the operation and administration of the economic entity is delegated by the Board to Mr. G.C. Morgan and management. The Board ensures that personnel are appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the management team.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved:

- Board approval of a strategic plan, which encompasses the entity's vision, mission and strategy statements, designed to meet stakeholders' needs and manage business risk;
- the strategic plan is a dynamic document and the Board is actively involved in developing and approving initiatives and strategies designed to ensure the continued growth and success of the entity;
- implementation of operating plans and budgets by management and Board monitoring of progress against budget;
- procedures to allow Directors, in the furtherance of their duties, to seek independent professional advice at the Company's expense; and
- procedures for the identification and management of Business Risk to minimise the impact of accidental loss or damage including the management of hedging contracts.

Audit Committee

The Board established an audit committee in 1996 which operates under a charter approved by the Board. It is the audit committee's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators.

The audit committee provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial statements.

The audit committee is also responsible for nomination of the external auditor and reviewing the adequacy of the scope and quality of the annual statutory audit and half year statutory review.

Members of the audit committee during the year, who are Non-Executive Directors, are Mr J L C McInnes (Chairman) and Mr J D Elliott.

PROFIT AND LOSS ACCOUNTS

FOR THE YEAR ENDED JUNE 30, 2000

	Note	Consolidated		Chief Entity	
		2000 **$**	1999 $	**2000** **$**	1999 $
Operating profit before income tax	2,3	**6,085,825**	6,446,220	**10,143,237**	6,166,832
Income tax credit/(expense) attributable to operating profit	4	**(3,189,892)**	(139,695)	**(1,090,921)**	(670,000)
Operating Profit after Income Tax		**2,895,933**	6,306,525	**9,052,316**	5,496,832
Accumulated losses at the beginning of the financial year		**(42,076,862)**	(46,453,447)	**(44,790,485)**	(48,357,377)
Dividends provided for or paid	5	**(1,929,940)**	(1,929,940)	**(1,929,940)**	(1,929,940)
Accumulated Losses at the End of the Financial Year		**(41,110,869)**	(42,076,862)	**(37,668,109)**	(44,790,485)

The above Profit and Loss Statements should be read in conjunction with the accompanying notes.

BALANCE SHEETS

AS AT JUNE 30, 2000

		Consolidated		Chief Entity	
	Note	**2000**	1999	**2000**	1999
		$	$	**$**	$
Current Assets					
Cash	6	**2,217,037**	1,148,120	**2,359,824**	1,147,116
Receivables	7	**371,946**	986,000	**9,300,406**	6,592,615
Inventories	8	**3,264,771**	4,761,650	**2,749,975**	4,610,983
Total Current Assets		**5,853,754**	6,895,770	**14,410,205**	12,350,714
Non-Current Assets					
Investments	9,10	-	-	**4,071,752**	4,071,752
Property, plant and equipment	11	**36,564,120**	39,022,821	**30,178,592**	32,843,215
Other	12	**4,110,938**	6,275,378	**1,315,269**	1,815,458
Intangibles	13	**7,269,238**	8,399,719	-	-
Total Non-Current Assets		**47,944,296**	53,697,918	**35,565,613**	38,730,425
Total Assets		**53,798,050**	60,593,688	**49,975,818**	51,081,139
Current Liabilities					
Accounts payable	14	**2,112,953**	2,663,786	**1,926,953**	2,534,543
Borrowings	15	-	8,226,305	-	8,211,161
Provisions	16	**2,779,859**	2,233,474	**2,789,544**	2,232,891
Deferred revenue	17	**6,441,378**	6,219,753	**5,218,458**	6,219,753
Total Current Liabilities		**11,334,190**	19,343,318	**9,934,955**	19,198,348
Non-Current Liabilities					
Accounts Payable	14	**1,155,000**	1,155,000	-	-
Borrowings	15	-	750,000	-	750,000
Provisions	16	**5,343,516**	3,805,721	**4,804,803**	3,701,729
Deferred revenue	17	**6,114,600**	6,654,898	**7,337,520**	6,654,898
Total Non-Current Liabilities		**12,613,116**	12,365,619	**12,142,323**	11,106,627
Total Liabilities		**23,947,306**	31,708,937	**22,077,278**	30,304,975
Net Assets		**29,850,744**	28,884,751	**27,898,540**	20,776,164
Shareholders' Equity					
Share capital	19	**59,662,124**	59,662,124	**59,662,124**	59,662,124
Reserves	20	**11,299,489**	11,299,489	**5,904,525**	5,904,525
Accumulated losses		**(41,110,869)**	(42,076,862)	**(37,668,109)**	(44,790,485)
Total Shareholders' Equity		**29,850,744**	28,884,751	**27,898,540**	20,776,164

The above Balance Sheets should be read in conjunction with the accompanying notes.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2000

		Consolidated		Chief Entity	
	Note	**2000 $**	1999 $	**2000 $**	1999 $
Cash Flows from Operating Activities					
Cash receipts in the course of operations		**30,764,403**	30,431,779	**30,763,422**	30,384,609
Interest received		**69,497**	28,528	**69,497**	28,528
Other income		**6,261**	252,726	**6,261**	243,033
Cash payments in the course of operations		**(23,393,448)**	(21,664,030)	**(21,120,447)**	(20,243,821)
Interest paid		**(173,266)**	(1,286,379)	**(173,265)**	(1,283,238)
Net cash provided by operating activities	32(b)	**7,273,447**	7,762,624	**9,545,468**	9,129,111
Cash Flows from Investing Activities					
Purchase of property, plant and equipment		**(862,000)**	(40,334)	**(158,186)**	(7,060)
Purchase of plant & equipment –Nolans		**(792,923)**	(798,854)	**(792,923)**	(798,854)
Acquisition of mining tenements		**-**	(111,410)	**-**	(111,410)
Payments for exploration and development expenditure (capitalised)		**(830,357)**	(358,787)	**(805,298)**	(347,230)
Payments for Joint Venture contributions		**(605,005)**	(895,588)	**(605,005)**	(895,588)
Net cash used in investing activities		**(3,090,285)**	(2,204,973)	**(2,361,412)**	(2,160,142)
Cash Flows from Financing Activities					
Repayment of bank loan		**(8,950,000)**	(12,000,000)	**(8,950,000)**	(12,000,000)
Loans to related parties		**-**	(3,300)	**(2,872,247)**	(1,421,195)
Proceeds from commercial bills		**-**	3,750,000	**-**	3,750,000
Repayment of related party loan		**720,000**	-	**720,000**	-
Proceeds from restructure of forward contracts		**7,072,000**	7,670,000	**7,072,000**	7,670,000
Dividends paid		**(1,929,940)**	-	**(1,929,940)**	-
Net cash used in financing activities		**(3,087,940)**	(583,300)	**(5,960,187)**	(2,001,195)
Net increase/(decrease) in cash held		**1,095,222**	4,974,351	**1,223,869**	4,967,774
Cash at the beginning of the financial year		**1,121,815**	(3,852,536)	**1,135,955**	(3,831,819)
Cash at the end of the financial year	32(a)	**2,217,037**	1,121,815	**2,359,824**	1,135,955

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

1 *Summary of Significant Accounting Policies*

The principal accounting policies adopted by Haoma Mining NL and its Controlled Entities are stated to assist in a general understanding of the financial statements. The accounting policies have been consistently applied unless otherwise stated.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Accounting Standards, other mandatory professional reporting requirements and the Corporations Law.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets.

Non-current assets other than Exploration and Evaluation are carried at the lower of cost and net realisable value. Net realisable value is the amount expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the asset. In the determination of net realisable value, cash flows have not been discounted to present value.

Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

(b) Principles of Consolidation

The consolidated accounts incorporate the assets and liabilities of Haoma Mining NL ("Chief Entity") and all of its Controlled Entities as at June 30, 2000. A Controlled Entity is any entity controlled by the Chief Entity where that entity has the capacity to dominate the decision making in relation to the financial and operating policies of another entity to achieve the objectives of the Chief Entity. Haoma Mining NL and its Controlled Entities together are referred to in this financial report as the "Economic Entity". The effects of all transactions between entities are eliminated in full.

(c) Going Concern

The Economic Entity recorded a Consolidated Profit of $6,085,826 for the year. It has a net current liability of $5,480,436 and positive shareholders' funds of $29,850,744. Net tangible assets are $22,581,506. The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Nolan's Joint Venture is forecast to continue mining from the Nolans Pit until March, 2001. There are sufficient post-Joint Venture reserves in the Nolan's pit to allow Haoma to continue mining, in its own right, for approximately two years after the Joint Venture.

(d) Gold Hedging

Hedging is undertaken in order to avoid or minimise possible adverse financial or cash flow effects of movements in commodity prices. Premiums received or costs arising upon entering into forward sale or option contracts intended to hedge specific future production are deferred until the hedged production is delivered. The value received from restructuring hedging contracts, together with subsequent realised and unrealised gains or losses, are also deferred until the hedged production is delivered.

In circumstances where a hedging transaction is terminated prior to maturity because the hedged production is no longer expected to be produced then deferred gains or losses are recognised in the profit and loss account on the date of termination. If the hedging transaction is terminated or restructured or redesignated prior to its maturity date and the hedged transaction is still expected to occur, deferral of any gains or losses continue until the originally hedged production is delivered. These amounts are shown as deferred revenue.

The gross value of the underlying derivative financial instruments entered into for hedging is not recognised in the financial statements.

1 *Summary of Significant Accounting Policies (continued)*

(e) Revenue Recognition

Sales are recorded as revenue when, and only when, there has been a passing of ownership to the customer, and:

- the product is in a form suitable for delivery and no further processing is required by, or on behalf of, the producer;
- the quantity and quality of the product can be determined with reasonable accuracy;
- the product has been dispatched to the customer and is no longer under the physical control of the producer (or property in the product has earlier passed to the customer); and
- the selling price can be determined with reasonable accuracy.

Sales revenue represents gross proceeds receivable from the customer.

(f) Income Tax

Income tax has been brought to account using the liability method of tax effect accounting.

Income tax expense is calculated on operating profit or loss adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the balance sheet as a future income tax benefit or as a provision for deferred income tax. The future tax benefit related to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation.

(g) Inventories

The Economic Entity's inventories are accounted for as follows:

- Stores are valued at the lower of cost and net realisable value.
- Inventories of ROM, work in process, heap leach material and gold bullion are physically measured or estimated and are valued at the lower of cost and recoverable amount (that is, net realisable value).
- Cost includes all mining, milling and processing expenditure as well as all administration expenditure directly associated with the production of metal.

During the year ended June 30, 1997, the Chief Entity acquired from its Controlled Entity, Kitchener Mining NL, the Bamboo Creek tailings dam and low grade ore dumps for $20,000,000. Results of further test-work at Bamboo Creek have indicated that gold recovery will be lower than envisaged. In response to these results and the decline in the gold price since the ore was acquired, the Directors have previously written down the carrying value of the tailings dam and low grade ore dumps to nil as extraction of gold is not presently economically viable.

The Directors believe that the ability to extract gold from the Bamboo Creek ore on a commercial scale is dependant upon the Elazac Process, which has not yet been proven in full scale operation. The Elazac process is presently being used at Bamboo Creek to process low grade mullock (<0.5 g/t gold assayed by traditional method). If the Elazac Process is successful in the extraction of gold on a commercial scale then the inventory may be revalued.

(h) Investments

Investments have been brought to account as follows:

- At cost or Directors' valuation as noted in the financial statements.
- Where, in the opinion of the Directors, there has been a permanent diminution in the value of investments a provision for diminution has been made.

(i) Property, Plant and Equipment

The Economic Entity's property, plant and equipment is brought to account at cost or Directors' valuation less, where applicable, any accumulated depreciation or amortisation. The carrying value of property, plant & equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from those assets.

1 *Summary of Significant Accounting Policies (continued)*

(i) Property, Plant and Equipment (continued)

Nolans Joint Venture Assets

Amortisation of the Nolan's Joint Venture assets is determined on a production output basis for plant and equipment, and estimated life of mine operations for all other capitalised expenditure. The production output basis results in an amortisation charge proportional to the amount of gold produced to the estimated amount of gold contained in the Nolan's Pit. The total amount to be amortised is equal to Haoma's share of the cost of the Joint Venture assets less the estimated amount that could be recovered from the disposal of Haoma's share of the Joint Venture assets.

The Joint Venture Plant and Equipment is being depreciated to a residual value of $10,000,000. The Directors believe the residual value will prove recoverable through further successful development and exploitation of the associated areas of interest and by the eventual sale of the Plant and Equipment. The Directors recognise that there is no certainty until exploration and evaluation activities in the associated areas of interest have reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and/or alternatively, a sale agreement has been reached.

The expected useful lives are as follows:

Joint Venture plant and equipment:	on a gold production basis;
Joint Venture land and buildings:	estimated life of mine (6.7 years), and
Other plant and equipment:	estimated useful life - between 5 - 10 years depending on the nature of the asset

(j) Preproduction Expenditure

Amortisation of preproduction expenditure is determined on an estimated "life of Joint Venture" operations basis.

(k) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is accumulated in respect of each identifiable area of interest. These costs are carried forward provided that:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of no value, accumulated costs carried forward are written off in the year in which that assessment is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(l) Mining Leases

Mining leases are valued at cost or Directors' valuation. All leases are amortised over the estimated useful life of mining operations based on the amount of remaining economically recoverable ore reserves. Leases are not amortised where there is no operating activity.

A regular review of leases is undertaken to determine that the leases are not shown at values in excess of their recoverable amount.

(m) Borrowing and Establishment Expenditure

Generally, borrowing costs are expensed in the period in which they are incurred. However, borrowing costs are capitalised where they relate to funds borrowed for developing mining properties.

Borrowing costs relating to the financing of the Nolan's Joint Venture project were amortised over the period of the loan facility. As all loan facilities for this project have been repaid, borrowing costs in relation to financing of the project have been fully amortised. Establishment costs relating to the financing of the Nolan's Joint Venture project are being amortised on a production output basis.

1 *Summary of Significant Accounting Policies (continued)*

(n) Interest Expenditure

Generally, interest costs are expensed in the period in which they are incurred. However, interest costs are capitalised where they relate to funds borrowed for developing mining properties.

The capitalisation of interest costs from July 1, 1995 up to the date of commissioning the Nolan's Project CIL plant has been reflected in the fixed assets of the Balance Sheet. They are being amortised over the expected life of the mine.

(o) Deferred Mining Expenditure

Nolan's Joint Venture mining expenditure is being charged to the profit and loss account so as to match the expenditure evenly with the revenue from gold produced. This allocation is based on the latest estimated total mining costs and estimated total gold production. The variance due to higher mining costs associated with mining lower grade ore in the early stages of the Joint Venture has been treated as deferred mining expenditure.

(p) Goodwill

Goodwill of $7,269,238 shown in the financial statements, represents the written down value at June 30, 2000. Goodwill is being amortised over its estimated useful life on a straight line basis.

The Directors believe the value of Kitchener Mining NL, together with the tenements and mining interests owned by Haoma Mining will realise, over a period of time, gold and other minerals which can be profitably extracted using the Bamboo Creek mill.

Kitchener Mining NL owns the Bamboo Creek mill which has been re-engineered to process Marble Bar ores, the Bamboo Creek tailings and the Bamboo Creek ore dumps using the Elazac Process. The Directors recognise that there is no certainty until the Elazac Process can commercially recover minerals. The Directors consider that results to date indicate that the Elazac Process will be successful in realising revenue from the assets of Kitchener and justify the carrying value of goodwill.

(q) Trade and Other Creditors

These unpaid amounts represent liabilities for goods and services provided to the Economic Entity prior to the end of the financial year. The amounts are unsecured and are usually paid within 30 days of recognition.

(r) Employee Entitlements

Provision is made for the Economic Entity's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

(s) Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of accruals.

(t) Joint Ventures

The Economic Entity's share in the assets, liabilities and expenses of unincorporated Joint Ventures have been reflected in the financial statements under the appropriate headings (Note 18).

(u) Restoration & Rehabilitation

Restoration and rehabilitation costs are accrued over the life of the mining operations. Costs, which are reassessed at least annually, are estimated on the basis of current undiscounted costs, current legal requirements and current technology

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2000

	Consolidated		Chief Entity	
	2000	1999	**2000**	1999
	$	$	**$**	$
2 *Operating Revenue*				
Gold sales	**37,629,985**	34,859,303	**37,629,985**	34,753,408
Interest received				
- related parties	**22,746**	52,424	**18,469**	40,291
- other persons	**75,369**	28,529	**75,369**	28,529
Proceeds from buyback of forward gold contracts	**-**	1,420,000	**-**	1,420,000
Proceeds from sale of non-current assets	**-**	-	**-**	-
Other	**537,972**	243,503	**537,045**	243,503
	38,266,072	36,603,759	**38,260,868**	36,485,731

3 *Operating Results*

Operating profit for the year before income tax is arrived at after (crediting) and charging the following specific items:				
Depreciation of property, plant and equipment	**229,643**	182,856	**61,726**	67,142
Amortisation of Joint Venture assets	**3,286,672**	2,722,065	**3,286,672**	2,722,065
Amortisation of capitalised interest	**252,225**	115,294	**252,225**	115,294
Amortisation of borrowing expenditure	**71,539**	143,079	**71,539**	143,079
Amortisation of establishment expenditure	**176,427**	95,310	**176,427**	95,310
Write-down of inventories	**-**	-	**-**	2,882,939
Write-down of Capitalised Exploration Costs	**1,735,638**	-	**1,361,145**	-
Interest paid to related bodies corporate	**-**	9,233	**-**	9,233
Interest paid to other persons	**99,152**	1,093,228	**99,152**	1,093,228
Provision for employee entitlements	**535**	6,903	**535**	6,903
Nolan's -				
- Provision for restoration & rehabilitation	**475,531**	166,300	**475,531**	166,300
Amortisation of goodwill	**1,130,482**	1,130,482	**-**	-
Government royalties	**636,006**	487,558	**636,006**	487,558
Other income	**(537,972)**	(290,748)	**(537,045)**	(278,616)

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2000

	Consolidated		Chief Entity	
	2000	1999	**2000**	1999
	$	$	**$**	$
4 *Income Tax*				
The amount provided in respect of income tax differs from the amount prima facie payable on operating profit. The difference is reconciled as follows:				
Operating profit before income tax	**6,085,825**	6,446,220	**10,143,237**	6,166,832
Prima facie income tax calculated @ 36%	**2,190,897**	2,320,639	**3,651,565**	2,220,060
Tax effect of permanent differences:				
Amortisation of goodwill	**406,975**	406,975	**-**	-
Transfer of loss from 100% subsidiary	**-**	-	**(2,382,711)**	-
Change in tax rate on PDIT / FITB	**(101,517)**	-	**(234,200)**	-
Tax losses and timing differences not previously brought to account	**693,537**	(2,587,919)	**56,267**	(1,550,060)
Income tax expense attributable to operating profit	**3,189,892**	139,695	**1,090,921**	670,000
Income tax expense consists of:				
Increase in provision for deferred income tax	**1,063,696**	670,000	**628,974**	670,000
(Increase)/Decrease in future income tax benefit	**1,664,249**	(530,305)	**-**	-
Increase in provision for tax	**461,947**	-	**461,947**	-
	3,189,892	139,695	**1,090,921**	670,000
5 *Dividends Provided for or Paid*				
Unfranked final dividend	**1,929,940**	1,929,940	**1,929,940**	1,929,940
An unfranked final dividend of one cent per share was declared on September 13th 2000 for the year ended June 30th 2000. The dividend will be unfranked as there are no franking credits available to the economic entity.				
6 *Cash*				
Cash at bank and on hand	**2,217,037**	1,148,120	**2,359,824**	1,147,116
7 *Receivables*				
Other debtors	**251,689**	362,420	**279,180**	326,999
Provision for doubtful debts	**(74,750)**	(74,750)	**(74,750)**	(74,750)
Related bodies corporate -				
Kitchener Mining NL	**-**	-	**8,913,866**	5,798,595
Elazac Mining Pty Ltd (1)	**195,007**	698,330	**182,110**	541,771
	371,946	986,000	**9,300,406**	6,592,615

(1) A cheque for the full amount due from Elazac Mining Pty Ltd was received after the end of the financial year.

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2000

	Consolidated		Chief Entity	
	2000	1999	**2000**	1999
	$	$	**$**	$
8 *Inventories*				
Stores - at cost	**1,259,400**	777,710	**744,604**	627,043
Ore stocks- at cost	**932,086**	891,156	**932,086**	891,156
Work in progress - at cost	**528,702**	591,998	**528,702**	591,998
Work in progress - at net realisable value	**544,583**	2,500,786	**544,583**	2,500,786
	3,264,771	4,761,650	**2,749,975**	4,610,983

9 *Investments*

Controlled Entities				
Unlisted securities				
- at Directors' valuation 1987	-	-	**9,428,258**	9,428,258
- at Directors' valuation 1988	-	-	**8,503,626**	8,503,626
- at cost	-	-	**5,272,900**	5,272,900
	-	-	**23,204,784**	23,204,784
Less provision for diminution in value	-	-	**(9,704,775)**	(9,704,775)
Less loans from Controlled Entities	-	-	**(9,428,257)**	(9,428,257)
	-	-	**4,071,752**	4,071,752

10 *Investment in Controlled Entities*

Investment	**Beneficial Interest**		**Book Value Chief Entity**	
	2000	1999	**2000**	1999
	%	%	**$**	$
Haoma Mining NL	-	-	-	-
North West Mining NL	**100**	100	**9,216,733**	9,216,733
Exploration Geophysics Pty Ltd	**100**	100	**211,525**	211,525
Kitchener Mining NL	**100**	100	**4,071,752**	4,071,752
Shares held by Kitchener Mining NL: Bamboo Creek Management Pty Ltd	**100**	100	**4**	4
			13,500,014	13,500,014
Loans from Controlled Entities			**(9,428,262)**	(9,428,262)
Net investment in Controlled Entities			**4,071,752**	4,071,752

All Controlled Entities are incorporated in Australia.

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2000

	Consolidated		Chief Entity	
	2000	1999	**2000**	1999
	$	$	**$**	$
11 Property, Plant and Equipment				
Plant and Equipment				
Mill (at Directors' valuation 1991)	**1,500,000**	1,500,000	-	-
Accumulated depreciation	**(1,500,000)**	(1,500,000)	-	-
	-	-	-	-
Leasehold buildings (at Directors' valuation 1991)	**200,000**	200,000	-	-
Leasehold buildings (at cost)	**7,990**	7,990	-	-
Accumulated depreciation	**(207,990)**	(207,990)	-	-
	-	-	-	-
Plant and equipment (at Directors' valuation 1991)	**1,070,934**	1,070,934	-	-
Plant and equipment (at cost)	**4,058,871**	3,196,870	**751,355**	593,169
Accumulated depreciation	**(4,162,051)**	(3,932,408)	**(569,129)**	(507,402)
Total plant and equipment(1)	**967,754**	335,396	**182,226**	85,767
Exploration and Evaluation				
Mining leases - at Directors' valuation	**6,913,558**	6,913,558	**1,313,558**	1,313,558
Mining leases - at cost	**8,300,686**	8,300,686	**8,300,686**	8,300,686
Exploration and evaluation expenditure - at cost	**5,518,746**	6,116,055	**5,230,195**	5,497,527
Accumulated amortisation – Exploration	**(288,551)**	(288,551)	-	-
Total exploration and evaluation(1)	**20,444,439**	21,041,748	**14,844,439**	15,111,771
Mine Properties				
Joint Venture plant and equipment - at cost	**29,406,376**	28,613,453	**29,406,376**	28,613,453
Accumulated amortisation	**(14,254,449)**	(10,967,776)	**(14,254,449)**	(10,967,776)
Total mine properties(1)	**15,151,927**	17,645,677	**15,151,927**	17,645,677
Total property, plant & equipment	**36,564,120**	39,022,821	**30,178,592**	32,843,215

(1) The Directors resolved that the written down value of the property, plant & equipment and exploration & evaluation expenditure at June 30, 2000, does not exceed the current market value of such assets.

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2000

	Consolidated		Chief Entity	
	2000	1999	**2000**	1999
	$	$	**$**	$

12 *Other Assets*

Joint Venture borrowing and establishment expenditure - at cost	**1,370,842**	1,370,842	**1,370,842**	1,370,842
Accumulated amortisation	**(1,264,885)**	(1,016,919)	**(1,264,885)**	(1,016,921)
Deferred interest expenditure	**785,730**	785,730	**785,730**	785,730
Accumulated amortisation	**(785, 730)**	(533,505)	**(785,730)**	(533,505)
Deferred mining expenditure	**1,209,312**	1,209,312	**1,209,312**	1,209,312
Future income tax benefit	**2,795,669**	4,459,918	**-**	-
	4,110,938	6,275,378	**1,315,269**	1,815,458
Future income tax benefit consists of:				
Timing differences	**693,537**	522,602	**-**	-
Tax losses	**2,102,132**	3,937,316	**-**	-
	2,795,669	4,459,918	**-**	-

13 *Intangibles*

Goodwill on consolidation	**18,867,536**	18,867,536	**-**	-
Less amortisation	**(11,598,298)**	(10,467,817)	**-**	-
	7,269,238	8,399,719	**-**	-

14 *Accounts Payable*

(Current)				
Trade creditors and accruals	**1,998,119**	2,561,224	**1,842,592**	2,447,829
Other creditors	**110,964**	93,195	**80,491**	77,347
Amounts due to related parties	**3,870**	9,367	**3,870**	9,367
	2,112,953	2,663,786	**1,926,953**	2,534,543
(Non-Current)				
Amounts due to related parties	**1,155,000**	1,155,000	**-**	-
	1,155,000	1,155,000	**-**	-

15 *Borrowings*

(Current)				
Bank overdraft (secured) (1)	**-**	26,305	**-**	11,161
Fully drawn advance (secured) (1)	**-**	5,200,000	**-**	5,200,000
Commercial Bills (secured) (1)	**-**	3,000,000	**-**	3,000,000
	-	8,226,305	**-**	8,211,161
(Non-Current)				
Commercial Bills (secured) (1)	**-**	750,000	**-**	750,000
	-	750,000	**-**	750,000

(1) The ANZ Bank Ltd hold a fixed and floating charge over the assets and undertakings of Haoma Mining NL. In addition they hold a First Registered Mortgage over ML1394 (Nolan's lease).

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2000

	Consolidated		Chief Entity	
	2000	1999	**2000**	1999
	$	$	**$**	$
16 *Provisions*				
(Current)				
Provision for employee entitlements	**387,972**	303,534	**397,657**	302,951
Provision for dividend	**1,929,940**	1,929,940	**1,929,940**	1,929,940
Provision for tax	**461,947**	-	**461,947**	-
	2,779,859	2,233,474	**2,789,544**	2,232,891
(Non-Current)				
Provision for deferred income tax	**4,520,116**	3,456,420	**3,981,403**	3,352,429
Provision for restoration & rehabilitation	**823,400**	349,300	**823,400**	349,300
	5,343,516	3,805,720	**4,804,803**	3,701,729
17 *Deferred Revenue*				
Current	**6,441,378**	6,219,753	**6,441,378**	6,219,753
Non-current	**6,114,600**	6,654,898	**6,114,600**	6,654,898
	12,555,978	12,874,651	**12,555,978**	12,874,651

18 *Interest in Joint Ventures*

At June 30, the Economic Entity had interests in unincorporated joint ventures as follows:

Joint Venture	**Principal Activities**	**% Interest**	
		2000	**1999**
Linden Joint Venture(a)	Gold exploration	**49.9**	49.9
Nolan's Joint Venture(b)	Gold exploration and production	**49.9**	49.9
Pilbara Diamond Joint Venture(c)	Diamond exploration	**49.9**	49.9

(a) Linden Joint Venture

A Joint Venture agreement between Haoma Mining NL and Goldfields Exploration Pty Ltd (100% owned by Goldfields Limited) to explore for gold on certain Linden tenements (E39/293, M39/255, M39/385, M39/386, M39/387, E39/379 and E39/428). On August 16, 2000, following agreement between the Joint Venture parties to terminate the Joint Venture, Haoma exercised its pre-emptive right under the Joint Venture Agreement to acquire 100% of the Linden project.

(b) Nolan's Joint Venture

The Economic Entity's interest in assets employed in the Joint Venture are included in the corresponding balance sheet under the classifications shown opposite:

18 *Interest in Joint Ventures (continued)*

	Consolidated 2000 $	Consolidated 1999 $
Current Assets		
Cash at bank	**12,259**	6,354
Debtors/prepayments	**116,590**	159,726
Inventory	**2,749,975**	4,610,982
Total current assets	**2,878,824**	4,777,062
Non-Current Assets		
Property, plant and equipment	**29,406,376**	28,613,450
Total non-current assets	**29,406,376**	28,613,450
Share of the total assets of the Joint Venture	**32,282,200**	33,390,512
Current Liabilities		
Creditors	**1,228,202**	1,527,618
Provisions	**1,182,669**	705,513
Total current liabilities	**2,410,871**	2,233,131
Total liabilities	**2,410,871**	2,233,131
Net interest in the Joint Venture	**29,874,329**	31,157,381

(c) Pilbara Diamond Joint Venture

Haoma Mining NL and Stockdale Prospecting Ltd (a De Beers Company) have entered into a Joint Venture agreement to explore for diamonds on tenements in the Pilbara region of Western Australia.

(E45/1607, E45/1608, E45/1615, E45/2023, E45/2043, E45/2045, E45/2046, E45/2047, E45/2048, E45/2033, E45/2034, E45/2035, E45/2063, E45/2065, E45/2067, E45/2069, E45/2094, E45/2095, E45/2096, E45/2098, E45/2137, E45/2172, E45/2147(part), E45/2180, E45/2181, E45/2182, E45/2183, E45/2184, E45/2185, E45/2186, E45/2187, E45/2188, E45/2189, E45/2190, E45/2191, E45/2192, E45/2193, E45/2194, E46/473, E46/474, E46/475, E46/476, E46/477, E46/478).

Stockdale Prospecting initially spent $500,000 to earn a 50.1% interest in the Joint Venture.

At June 30, 2000, Haoma has capitalised $1,207,601 as its 49.9% contribution to the Joint Venture to June 30, 2000. This amount has been classified as "Exploration and Evaluation expenditure at cost" in the balance sheet.

19 *Share Capital*

	Consolidated 2000 $	Consolidated 1999 $	Chief Entity 2000 $	Chief Entity 1999 $
Issued capital:				
192,993,655 (1999: 192,993,655)				
Ordinary shares fully paid(1)	**59,662,124**	59,662,124	**59,662,124**	59,662,124
Movements				
Issued Capital:				
Balance 1 July 1999	**59,662,124**	35,184,046	**59,662,124**	35,184,046
Transfer from Share Premium Account (1)	-	24,478,078	-	24,478,078
Balance 30 June 2000	**59,662,124**	59,662,124	**59,662,124**	59,662,124

(1) The Company Law Review Act 1998 came into effect on 1 July 1998. That Act abolished par value of shares. Any amount outstanding to the credit of the share premium reserve became part of the Company's share capital on 1 July 1998. From 1 July 1998 share capital does not have a par value.

NOTES

TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2000

	Consolidated		Chief Entity	
	2000	1999	**2000**	1999
	$	$	**$**	$
20 *Reserves*				
Capital profits	**6,178,490**	6,178,490	**5,063,606**	5,063,606
Forfeited shares	**4,425**	4,425	**4,425**	4,425
Asset revaluation	**5,116,574**	5,116,574	**836,494**	836,494
	11,299,489	11,299,489	**5,904,525**	5,904,525
Movements				
Share Premium Account:				
Balance 1 July 1999	-	24,478,078	-	24,478,078
Transfer to Issued Capital	-	(24,478,078)	-	(24,478,078)
Balance 30 June 2000	-	-	-	-

21 *Remuneration of Directors*

Total income received, or due and receivable, by all Directors of the Economic Entity was:				
The Parent Entity	**80,000**	80,000	**80,000**	80,000
Other entities in the Economic Entity	**80,000**	80,000	-	-
	160,000	160,000	**80,000**	80,000
Number of Directors of the Chief Entity whose total remuneration was within the following bands:			Number	Number
$40,000 - $49,999			**4**	4

22 *Remuneration of Executives*

There are no Executive Officers of the Economic Entity whose remuneration exceeded $100,000.

No options have been granted to Executive Officers.

	Consolidated		Chief Entity	
	2000	1999	**2000**	1999
	$	$	**$**	$
23 *Auditor's Remuneration*				
Remuneration of the auditor of the Economic Entity:				
- auditing and reviewing the financial accounts	**34,500**	38,100	**34,500**	33,100
- other services	-	12,720	-	10,300
	34,500	50,820	**34,500**	43,400

24 *Segment Information*

(a) Industry segments

The Economic Entity operates predominantly in the minerals industry. Operations comprised exploration, evaluation, development and mining.

(b) Geographical segments

The Economic Entity operates exclusively in Australia.

25 *Expenditure Commitments*

(a) Exploration Commitments

In order to maintain current rights of tenure to mining tenements, the Economic Entity will be required to meet tenement lease rentals and minimum expenditure requirements of the Western Australian and Queensland Departments of Minerals and Energy as follows:

	Consolidated		Chief Entity	
	2000	1999	**2000**	1999
	$	$	**$**	$
- not later than one year	**1,000,717**	1,114,549	**781,917**	892,465
- later than one year but not later than two years	**892,368**	992,631	**673,569**	781,917
- later than two years but not later than five years	**1,966,991**	2,151,224	**1,310,591**	1,554,523
- later than five years	**4,445,274**	4,719,145	**2,714,656**	3,144,293
	8,305,350	8,977,549	**5,480,733**	6,373,198

Expenditure on tenements will only be incurred where the Economic Entity believes that future expenditure can be recovered from either sale or future mining operations.

In 2000/2001, exploration expenditure commitments will be partly satisfied by exploration expenditure incurred by Haoma's joint venture partners Stockdale Prospecting Limited. Additionally, the Department of Minerals & Energy (Western Australia) has agreed that, in certain circumstances, expenditure on testing Pilbara bulk ore samples using the Elazac Process at Kitchener Mining NL's Bamboo Creek mine site can be classified as tenement expenditure.

(b) Linden Joint Venture (50.1% Goldfields Exploration Pty Ltd, 49.9% Haoma)

As detailed in Note 18(a), the Linden Joint Venture was terminated in August, 2000. Cash contributions to the Joint Venture have been finalised and no further commitments exist. Haoma exercised its pre-emptive right to acquire the 50.1% interest of Goldfields Exploration Pty Ltd in the former Joint Venture for $100,000.

(c) Pilbara Diamond Joint Venture (50.1% Stockdale Prospecting Ltd, 49.9% Haoma)

Haoma expects to contribute approximately $760,000 as its share of Joint Venture costs for the year 2000 exploration program. Wet weather delayed the start to fieldwork in 2000 and at June 30, 2000 Haoma had taken up $120,000 as accrued costs. Cash contributions are met when called by the Joint Venture Manager. Costs attributable to the Joint Venture and met directly by Haoma are offset against amounts called.

	Consolidated		Chief Entity	
	2000	1999	**2000**	1999
	$	$	**$**	$
25 *Expenditure Commitments (continued)*				
(d) Lease Commitments				
The Nolan's Joint Venture has commitments in relation to operating leases. Haoma's share of these commitments contracted for at June 30, 2000, but not recognised as liabilities, are payable as follows:				
- not later than one year	**29,555**	60,034	**29,555**	60,034
- later than one year but not later than two years	-	29,555	-	29,555
	29,555	89,589	**29,555**	89,589

These are non-cancellable operating leases.

(e) Bank Guarantees

The Economic Entity's banker has provided indemnity guarantees to the value of $225,220 to the Department of Minerals and Energy of Western Australia for the purposes of guaranteeing the Economic Entity's performance in accordance with Western Australia mining law.

The performance relates to the requirement that the Economic Entity adheres to the terms and conditions of its mining leases with respect to site restoration. The Directors do not anticipate that any guarantees will be exercised as the Economic Entity adheres to the terms and conditions of its leases.

26 *Other Commitments*

At June 30, 2000, Haoma was committed to the delivery of 117,894 ounces (1999: 157,916) of gold under forward sales contracts. On August 15, 2000 Haoma began restructuring forward sale contracts by resetting the contracts to match expected gold production during the remaining life of the Nolans Joint Venture and thereafter when it will continue mining operations in the Ravenswood District on its own account.

On September 14, 2000 contracts in respect of the delivery of 30,000 ounces at $502 per ounce were negotiated and will be progressively settled during the six months from that date. Resetting of the forward sale program will be completed after confirmation of the remaining ore reserve in the Nolans Pit which is expected to be finalised during the December Quarter.

The Chief Entity has provided a "letter of comfort" in respect of financial support to a Controlled Entity, Kitchener Mining NL.

27 *Contingent Liabilities*

The decision of the High Court in Mabo & Ors -v- the State of Queensland ("Mabo Case") recognised a form of native title which, in cases in which it has not been extinguished, reflects the entitlement of the indigenous inhabitants, in accordance with their laws or customs, to their traditional lands. Lawyers commenting on the Mabo Case have indicated that the principles enunciated by the High Court could potentially invalidate, in certain circumstances, mining tenements granted after the enactment of the Racial Discrimination Act 1975 where the grant of that mining tenement infringed or otherwise affected native title to the area. Lawyers commenting on the Mabo Case have also suggested that compensation may be payable to native title holders.

Claims have been lodged with the Native Titles Tribunal over a number of tenements applied for by the Chief Entity. These tenements will not be granted by the Department of Minerals & Energy, W.A. until the claims have been resolved. Until further information arises in relation to these claims, the Economic Entity is unable to assess the likely effects, if any, of the claims.

Following a settlement with a former director, Kitchener Mining NL agreed to pay the director $68,658. Payment will only be made when other directors' fees and management fees owing by Kitchener Mining NL for the period 1989 to 1993 are paid. The directors' fees and management fees are only payable when Kitchener Mining NL has an operating profit in excess of $500,000 pa.

28 *Related Party Information*

Directors

The names of each person holding the position of Director of Haoma Mining NL during the financial year were Mr G. C. Morgan, Mr J. D. Elliott, Mrs M. Levine and Mr J. L. C. McInnes. All of these persons were also directors during the year ended June 30, 1999.

Transactions of Directors and Director-Related Entities Concerning Shares

Aggregate number of shares of Haoma Mining NL held directly, indirectly or beneficially by directors of the company or the Economic Entity or their director-related entities at balance date:

	2000 Number	1999 Number
Ordinary shares	**129,292,632**	128,630,611

Directors and Director-Related Entities

Roy Morgan Research Pty Ltd is a company of which Mr G.C. Morgan, Mrs M. Levine and Mr J.L.C. McInnes are Directors. Mrs M. Levine is also the Chief Executive.

The Roy Morgan Research Centre Pty Ltd. is a company of which both Mr G.C. Morgan and Mr J.L.C. McInnes are Directors.

Elazac Mining Pty Ltd is a company of which Mr G. C. Morgan, Mr J. D. Elliott and Mr J. L. C. McInnes are Directors.

Leaveland Pty Ltd is a company of which both Mr G. C. Morgan and Mr J. L. C. McInnes are Directors.

Elazac Pty Ltd is a company of which both Mr G. C. Morgan and Mr J. L. C. McInnes are Directors.

Other Transactions with Directors and Director-Related Entities - Chief Entity

The Chief Entity has lent Elazac Mining Pty Ltd funds where interest has been charged for the financial year ended June 30, 2000 at normal commercial interest rates. Interest charged amounted to $18,469 (1999: $40,291). The balance receivable at June 30, 2000 was $182,110 (1999: $541,771).

Roy Morgan Research Pty Ltd has undertaken related party transactions during the financial year ended June 30, 2000. Roy Morgan Research Pty Ltd was paid office rent and associated services during the year at normal commercial rates amounting to $62,105 (1999: $76,801). The Chief Entity provided the services of a senior executive at commercial rates to Roy Morgan Research Pty Ltd amounting to $67,602 (1999: $nil). The balance payable to Roy Morgan Research Pty Ltd at June 30, 2000 was $3,870 (1999: $9,367).

During the year to June 30, 2000 the Chief Entity paid management fees of $300,000 (1999: $300,000) to Roy Morgan Research Pty Ltd.

Related Party Transactions - Controlled Entity

On April 6, 1993 an agreement was reached between Kitchener Mining NL, Leaveland Pty Ltd and Elazac Pty Ltd. The agreement acknowledges that all information obtained from test work undertaken by Kitchener Mining NL to resolve the metallurgical problems faced by the company is the property of Leaveland Pty Ltd, or its nominee Elazac Pty Ltd. On December 20, 1993 Elazac Pty Ltd sold the intellectual property to Elazac Mining Pty Ltd.

The reason information and intellectual property was owned by Leaveland Pty Ltd and Elazac Pty Ltd was that both companies paid consultant fees and other costs associated with the investigation and test work on Bamboo Creek and Normay ore at Bamboo Creek and other locations.

28 *Related Party Information (continued)*

Related Party Transactions - Controlled Entity (continued)

Kitchener Mining NL holds the licence to develop the process and both Kitchener Mining NL and Haoma Mining NL have the right to use the intellectual property for no fee.

During the year the following companies were charged/(credited) by Kitchener Mining NL at cost for stores provided and on a "cost plus" basis for services and labour costs incurred on their behalf at a mark-up considered to be on normal commercial terms:

	Consolidated & Company	
	2000	1999
	$	$
Haoma Mining NL	**111,799**	49,161
Elazac Mining Pty Ltd	**10,837**	nil

The Roy Morgan Research Centre Pty Ltd is entitled to management fees from Kitchener Mining NL of $1,000,000 (1999: $1,000,000) for the financial years from 1 July, 1989, to 30 June, 1993. The management fees were treated as an accrued liability for the year ended June 30, 2000. The amount is payable when Kitchener Mining NL resumes mining operations and has an operating profit in excess of $500,000 pa.

During the year Haoma Mining NL advanced loan funds to Kitchener Mining NL of $3,115,272. No interest has been charged for the financial year ended June 30, 2000 (1999: interest charged $nil). The balance payable at June 30, 2000 was $8,913,866 (1999: $5,798,595).

During the year Elazac Mining Pty Ltd was lent funds by Kitchener Mining NL at normal commercial interest rates. Interest charged by Kitchener Mining NL was $4,277 (1999: $12,132). The balance receivable at June 30, 2000 was $12,897 (1999: $156,559).

Amounts Payable

The following amounts payable by Kitchener Mining NL at June 30, 2000 are included in the consolidated balance sheet as current liabilities:

- $1,000,000 (1999: $1,000,000) payable to The Roy Morgan Research Centre Pty Ltd in relation to accrued management fees reported above.
- $155,000 (1999: $155,000) payable to Directors of Kitchener Mining NL in relation to accrued Directors fees for the financial years from 1 July 1989 to 30 June 1993.

29 *Subsequent Events*

(a) On August 15 2000, Haoma restructured its gold hedge program. Net cash proceeds of $1,500,000 were received. The financial effect of this transaction was not recognised in the financial statements for the year ended June 30, 2000. The Directors are negotiating a forward sale program that will match expected production of gold after the Nolans Joint Venture concludes.

(b) On September 13, 2000 the Directors declared an unfranked final dividend of one cent per share for the year ended June 30, 2000. The dividend will be paid on October 19, 2000.

30 *Earnings Per Share*

	Consolidated	
	2000	1999
Basic earnings per share (cents per share)	**1.50**	3.27

The weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share was 192,993,655 (1999: 192,993,655).

31 *Financial Instruments*

(a) Commodity Contracts

At June 30, 2000, Haoma Mining NL has entered into the following forward sales contracts. These forward sales contracts were designed as a hedge of anticipated sales of gold yet to be produced.

	2000		1999	
	Quantity Hedged	**Average Price $**	Quantity Hedged	Average Price $
Gold Forwards (ounces)				
A$ compound forwards sold	**27,894**	**407**	917	500
A$ fixed forwards sold	**90,000**	**520**	157,000	516

As commodity contracts can be settled other than by physical delivery of the underlying commodity they are classified as financial instruments.

As these contracts are entered into for the purpose of hedging future production, the costs of entering these contracts and any unrealised gains and losses are recognised in accordance with the hedging policy set out in Note 1 (d). The Company's forward selling program is run by Macquarie Bank Limited who charge a fee denominated in ounces of gold and at a rate determined by the prevailing gold lease rate.

Unrealised gains and losses are measured by comparing the contracted price to the spot price. At 30 June, 2000 the amount of unrealised gains in the hedge book was approximately $1.5 million (net of transaction costs).

The following table sets out the gross value of Australian dollars to be received under forward sales contracts, the weighted average gold price, the gold ounces hedged and the settlement periods of outstanding contracts for the economic entity.

	Weighted Average Price/A$		**Gold Ounces Hedged**		**Consolidated**	
	2000 A$/oz	1999 A$/oz	**2000 Ounces**	1999 Ounces	**2000 $'000**	1999 $'000
Gold Forwards						
Not later than one year	**484**	510	**87,894**	67,917	**42,537**	34,629
Later than one year but not later than five years	**520**	520	**30,000**	90,000	**15,600**	46,800
Later than five years	**-**	-	**-**	-	**-**	-
Total Forward Sales	**493**	516	**117,894**	157,917	**58,137**	81,429

31 *Financial Instruments (continued)*

(b) Interest Rate Risk

The Economic Entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

(i) Financial Assets		**30 June 2000**	
	Floating interest rate $	**Non-interest bearing $**	**Total amount as per balance sheet $**
Financial Instruments			
Cash	2,217,037	-	2,217,037
Receivables other	-	170,447	170,447
Receivables related parties	195,007	-	195,007
Total financial assets	2,412,044	170,447	2,582,491
Weighted Av. Interest Rate	5.07%		

(ii) Financial Liabilities		**Fixed interest rate maturing in:**			
	Floating interest rate $	**1 year or less $**	**Over 1 to 5 years $**	**Non-interest bearing $**	**Total amount as per balance sheet $**
Financial Instruments					
Trade creditors and accruals	-	-	-	1,998,119	1,998,119
Provision for Dividend	-	-	-	1,929,940	1,929,940
Other creditors	-	-	-	265,964	265,964
Amounts due to related parties(1)	-	-	-	1,003,870	1,003,870
Total financial liabilities	-	-	-	5,197,893	5,197,893
Weighted Av. Interest Rate	-	-	-		

(b) Interest Rate Risk		**30 June 1999**	
(i) Financial Assets	**Floating interest rate $**	**Non-interest bearing $**	**Total amount as per balance sheet $**
Financial Instruments			
Cash	1,148,120	-	1,148,120
Receivables other	-	287,669	287,669
Receivables related parties	698,331	-	689,331
Total financial assets	1,846,451	287,669	2,134,120
Weighted Av. Interest Rate	5.82%	-	-

(1) Refer note 28 re management fees. There are no formal repayment terms for other liabilities.

31 *Financial Instruments (continued)*

(ii) Financial Liabilities		Fixed interest rate maturing in:			
	Floating interest rate	1 year or less	Over 1 to 5 years	Non-interest bearing	Total Amount as per balance sheet
Financial Instruments	$	$	$	$	$
Bank overdrafts	26,305	-	-	-	26,305
Bank loans	-	5,200,000	-	-	5,200,000
Commercial Bills	-	3,000,000	750,000	-	3,750,000
Trade creditors and accruals	-	-	-	2,561,224	2,561,224
Other creditors	-	-	-	1,929,940	1,929,940
Amounts due to related parties	-	-	-	248,195	248,195
Loans due to related parties	-	-	-	1,009,367	1,009,367
Total financial liabilities	26,305	8,200,000	750,000	5,748,726	14,725,031
Weighted Av. Interest Rate	-	6.28%	5.10%	-	-

(c) Net Fair Values of Financial Assets and Liabilities

The carrying amount of each financial asset and liability as recognised in the balance sheet is considered to be equivalent to the net fair value. The valuation of off-balance sheet financial instruments is detailed elsewhere in this note. The valuations reflect the estimated amount which the economic entity expects to pay or receive to terminate the contracts (net of transaction costs) or replace the contracts at their current market rates as at reporting date.

(d) Credit Risk Exposures

The Economic Entity's maximum exposures* to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet.

In relation to unrecognised financial assets, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Economic Entity's maximum credit risk exposure in relation to these is as follows:

(i) forward sales contracts - the revenue foregone when selling its future share of Joint Venture gold production, should the counterparty not pay the price it is committed to pay. At balance date, the average weighted contracted future gold selling price was A$493/oz. The Economic Entity had 117,894oz sold under forward contracts (worth $58,137,236 at the forward price).

(* - The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail their obligations under the financial instruments in question.)

Concentration of credit risk

Gold dore is sent to the Johnson Matthey gold refinery where it is refined. It is then transferred to the Company's gold account at Macquarie Bank. Macquarie Bank sell the gold on behalf of Haoma for cash.

32 *Statements of Cash Flows*

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank, net of outstanding Bank overdrafts. Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheets as follows:

		Consolidated		Chief Entity	
	Note	**2000** $	1999 $	**2000** $	1999 $
Cash	6	**2,217,037**	1,148,120	**2,359,824**	1,147,116
Bank overdrafts	15	**-**	(26,305)	**-**	(11,161)
		2,217,037	1,121,815	**2,359,824**	1,135,955

(b) Reconciliation of operating profit after income tax to net cash provided by operating activities

	Consolidated 2000 $	Consolidated 1999 $	Chief Entity 2000 $	Chief Entity 1999 $
Operating profit after income tax	**2,895,933**	6,306,525	**9,052,316**	5,496,832
Depreciation /amortisation -				
- Property, plant & equipment	**4,016,506**	3,258,604	**3,848,589**	3,142,891
- Goodwill	**1,130,481**	1,130,481	**-**	-
Write-down of capitalised exploration	**1,735,638**	-	**1,361,145**	-
Other non cash items	**-**	9,980	**-**	8,092
Changes in operating assets and liabilities:				
Increase (Decrease) in trade creditors	**(563,105)**	(616,128)	**(605,237)**	(627,967)
Increase in other payables	**(12,272)**	(186,677)	**2,353**	(163,582)
Deferred revenue taken up	**(7,390,673)**	(4,591,047)	**(7,390,673)**	(4,591,047)
Decrease (increase) in receivables	**215,631**	5,595	**(243,760)**	30,797
Decrease (increase) in inventories	**1,496,879**	2,108,945	**1,861,008**	4,967,028
(Increase) in deferred operating costs	**-**	(14,030)	**-**	(14,030)
(Increase) decrease in future income tax benefit	**1,664,249**	(530,305)	**-**	-
Increase in provision for deferred income tax	**1,063,696**	670,000	**628,974**	670,000
Increase (decrease) in other provisions	**1,020,484**	210,681	**1,030,753**	210,097
Net cash provided by operating activities	**7,273,447**	7,762,624	**9,545,468**	9,129,111

(c) Unused Credit Facilities

At June 30, 2000 the company has no unused line of credit. Access to future credit facilities will be negotiated as required.

DIRECTORS' DECLARATION

The Directors of Haoma Mining NL declare that:

1. (a) The financial statements and notes as set out on pages 8 to 31 comply with Accounting Standards and the Corporations Law and;

   (b) Give a true and fair view of the financial position of the Company and consolidated entity as at June 30, 2000 and of the performance for the year ended on that date;

2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

G. C. MORGAN
Director

Melbourne,
October 13, 2000

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF HAOMA MINING NL

PKF

Scope

We have audited the financial report of Haoma Mining NL for the financial year ended 30 June 2000 as set out on pages 22 to 45. The financial report includes the consolidated accounts of the economic entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with the Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the company's and the economic entitiy's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion thte financial report of Haoma Mining NL is in accordance with:

(a) the Corporations Law, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2000 and of their performance for the year ended on that date; and

(ii) complying with Accounting Standards and the Corporations Regulations ; and

(b) other mandatory professional reporting requirements.

Inherent Uncertainty Regarding Carrying Values of Assets

Without qualification to the opinion expressed above, attention is drawn to the following matters:

Chief Entity

(a) Included in Property, plant and equipment of $30,178,592 is a net $15,151,927 of plant and equipment employed in the Nolan's joint venture. The joint venture plant and equipment is being depreciated to a residual value of $10,000,000 on a production output basis. As described in Note 1(i) to the financial statements the recoverability of the $10,000,000 is dependent upon the successful development and exploitation of associated areas of interest and the proceeds realisable from the eventual disposal of the plant and equipment.

(b) Included in Receivables of $9,300,406 is an amount due from Kitchener Mining NL ("Kitchener") of $8,913,866 and included in investments of $4,071,752 is an amount of $4,071,752 in respect of the investment in Kitchener. Realisation of the carrying value of these amounts is dependent upon the successful realisation of revenue from the assets of Kitchener. As described in note 1(p) to the financial statements realisation of such revenue is dependent upon the economic entity being able to commercially establish the Elazac process.

Consolidated

(c) Included in intangibles is a net $7,269,238 of goodwill arising on consolidation of Kitchener. As described in note 1(p) to the financial statements realisation of the carrying value of this goodwill is dependent upon the economic entity being able to commercially establish the Elazac process to utilise the assets currently owned by Kitchener to produce future profits.

PKF

PKF
Chartered Accountants

J.H.M.Marcard
Partner

13 October 2000
Melbourne

STOCK EXCHANGE - ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report.

Shareholders

Details of holdings in Haoma Mining NL shares at October 19, 2000.

A. 20 Largest Shareholders

Name	Number of Shares	% of Issued Capital
Leaveland Pty Ltd	117,500,000	60.88
WMC Ltd	10,000,000	5.18
Ebek Pty Ltd	4,919,452	2.55
G. and G. Morgan Superannuation Fund	4,284,142	2.21
Mr. James Moffatt & Ms. Charlotte Moffatt & Mr. Charles Geer	3,584,820	1.86
Etonwood Management Pty Ltd	2,000,000	1.04
Joseph and Michele Levine	1,150,000	0.60
Mrs. Sandra Stuart Curwen	1,068,650	0.55
Hosanda Corporation Pty Ltd	1,001,000	0.52

Name	Number of Shares	% of Issued Capital
Commonwealth Custodial Services Ltd	1,000,000	0.52
Mr. George Varlamos	1,000,000	0.52
Advance Publicity Pty Ltd	900,000	0.47
Mr. John Dorman Elliott	887,847	0.46
Criterion Properties Ltd	805,900	0.42
RMRC Staff Superannuation Scheme No. 2 Pty Ltd	804,000	0.42
Mr. Alexandre Peter Swanson	721,348	0.37
Fernhide Pty Ltd	721,000	0.37
Googley Pty Ltd	600,000	0.31
Holes Investment Pty Ltd	600,000	0.31
Mr Harry Cooper	600,000	0.31
	153,548,159	79.87

B. Substantial Shareholders

Name	Number of Shares	Class of Share
Leaveland Pty Ltd	117,500,000	Ordinary
WMC Ltd	10,000,000	Ordinary

C. Distribution of Equity Securities

(i) Ordinary shares issued by Haoma Mining NL

Range of Shares held	Number of Shareholders
1 - 1,000	718
1,001 - 5,000	991
5,001 - 10,000	394
10,001 - 100,000	503
100,001 - and over	86
Total	2,692

(ii) There were 1,531 holders of less than a marketable parcel of 4,166 ordinary shares.

(iii) The twenty largest shareholders hold between them 79.87% of the issued capital.

D. Class of Shares and Voting Rights

The Chief Entity's issued shares are of one class and carry equal voting rights.

STOCK EXCHANGE - ADDITIONAL INFORMATION

E. Mining Tenements Summary

(a) Tenements held by Haoma Mining NL (100%)

(i) Pilbara, Western Australia

Bamboo Creek	North Pole	Copenhagen	Lalla Rookh	Marble Bar
GML45/1533	L45/86	M45/682	M45/442	E45/1273
P45/2342	E45/1601	P45/2391	P45/2322	M45/825
	M45/302		P45/2323	M45/826
	E45/1870		P45/2324	M45/827
	M45/328			M45/828
	E45/1871			M45/515
	E45/1582			M45/607
	E45/1872			
	M45/329			

Sterling	North Shaw	Soansville	Coolyia Creek
E46/426	L45/60	E45/1868	E45/1900
E46/427	E45/1453		
	E45/1513		
	E45/1600		

(ii) Linden, Western Australia

Golden Ridge ML26/534

Newhampton Goldfields NL has exercised its option to acquire a beneficial interest in this tenement. Haoma has retained legal title and receives a royalty on all gold produced.

(iii) Yandal, Meekatharra, Western Australia E52/1153

(iv) Ravenswood, Queensland

Nolan's M1394

This tenement is subject to a Joint Venture agreement with Carpentaria Gold Pty Ltd (a subsidiary of MIM Holdings Pty Ltd) of which Haoma has a 49.9% interest in gold produced from mining 12.5 million tonnes. Haoma is entitled to 100% of gold from all additional tonnes of ore mined.

Old Man & Copper Knob	M1326	M1330		
	(Haoma has exercised its option to acquire these tenements.)			
Ravenswood South	EPM9526	EPM9873	EPM10408	EPM10542
Waterloo	M1529			
Wellington Springs	M1415	M1483		
Ravenswood West	EPM9150	EPM9154	EPM8771	
Ravenswood Mining Claims	MC2199 to MC 2206		MC2227	MC2228

(v) Charters Towers, Queensland EPM9629 EPM10375

STOCK EXCHANGE - ADDITIONAL INFORMATION

E. Mining Tenements Summary

(b) Tenements beneficially held by Haoma Mining NL (100%)

Pilbara, Western Australia

Big Stubby	**Coronation**	**Blue Bar**	**McKinnon**	**Warrawoona**
M45/57	M45/672	P45/2125	GML45/1532	M45/547
M45/284	M45/679	P45/2127	M45/490	M45/671
M45/453	P45/2333	P45/2226	M45/606	P45/2316
M45/554				

Marble Bar	**Comet**	**Mustang**	**Tassie Queen**	**Sharks Gully**
E45/1606	GML45/21	M45/680	E45/1059	M45/692
E45/1607	M45/14	M45/706	M45/76	**Fieldings Gully**
E45/1608	M45/16	M45/731	M45/235	M45/521
E45/1614	M45/385	P45/2251	M45/296	**Copenhagen**
E45/1615	M45/438	P45/2288	M45/297	M45/240
M45/678	M45/459	P45/2331	M45/655	
P45/2275	M45/478		**Wyman Well**	
	L45/4		E45/1249	
	L45/12		**Wyman**	
	L45/37		P45/2317	

Notwithstanding the above, the tenements are presently registered as follows:
WMC Resources Ltd - 60%; Haoma Mining NL - 20%; Elazac Mining Pty Ltd - 20%.

(c) Tenements held by Haoma Mining NL (100%)

Linden, Western Australia

E39/293	P39/2975	L39/13
E39/379	P39/2976	L39/14
E39/428	M39/255	
P39/2974	L39/12	

(d) Tenements beneficially held by Kitchener Mining NL (100%)

Pilbara, Western Australia

Bamboo Creek	ML45/480	ML45/481
	L45/72	P45/2242
	P45/2243	P45/2244

Abbreviated Tenement Referneces

P = Prospecting Licence
ML = Mining Lease
E = Exploration Licence
GML = Gold Mining Lease
M = Mining Lease
EPM = Exploration Permit
L = Miscellaneous Licence (water)
MC = Mining Claim