



Haoma Mining NL

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**CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING
AT 10AM JANUARY 31, 2006
BY GARY C. MORGAN**

In the year to June 30, 2005 Haoma Mining focused mainly on its processing operations at the Bamboo Creek and Normay/Mickey's Find locations in the Pilbara Region – the key objective has been to commercialise the processing of ores from these areas using the Elazac Process.

It has not been easy; however, a lot has been achieved.

I have personally loaned over \$12 million to Haoma Mining to ensure that the company can continue its aims. A significant amount has been spent on “state-of-the-art” research and development in gold mining. There has been no help from any Government although if successful we will significantly up-grade the Pilbara as a major gold mining area. Obviously I have a very personal interest in ensuring that Haoma succeeds.

On July 27, 2005 the Directors announced we were looking at merging Haoma Mining NL and Roy Morgan Research Pty Ltd. This turned out to be an extremely complicated transaction. In addition over the last few months it has become clearer that while there are always risks in mining there is now real potential to significantly increase the value of Haoma's mining assets. For this reason it could turnout to be unfair to shareholders to dispose of Haoma's mining assets at this time.

In Haoma Mining's 2005 Annual Report the Directors chose to write down the value of Haoma's mining assets in accordance with an Independent Expert Valuation Report. This valuation will change if Haoma's Pilbara operations were to successfully produce gold at a profit.

Let me now run you through our achievements up until today.

1. The North Pole Area: Including Normay/Mickey's Find, Dresser and North Shaw

The tenements in this area (in particular the Mickey's Find Leases) have a high potential for significant additional gold, silver and copper discoveries.

We believe Mickey's Find represents a unique mineralised system for the Pilbara and from what is known at present could host both larger tonnage and higher gold grade mineralisation.

Based on Mickey's Find drilling and geological studies to date, at least three styles of mineralisation appear to be superimposed on each other. These styles include “**structurally controlled**” lode gold-silver-copper mineralisation, “**porphyry-style**” stockwork mineralisation containing gold-copper, and late stage “**epithermal**” gold mineralisation.

If the location where the three styles of mineralisation overlap can be identified, then there is potential for a significant concentration of mineralisation.

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Geological mapping, geochemistry (stream BLEG sampling, soils and rock geochemistry), the distribution of old workings and drilling by Haoma has identified elements of these three systems over an area of at least 2.5 km x 1.5 km. Peripheral to that area are also a number of very high BLEG stream sediment anomalies which are yet to be followed-up. This suggests that the true footprint of the Mickey's Find system could be much larger again.

Outside Mickey's Find are additional areas with potential including the high-grade gold mineralisation at the North Shaw Camp and several un-tested BLEG anomalies (defined by Haoma sampling of drainage areas) and the nearby Dresser Formation.

2. Bamboo Creek Area

As reported in January 2004 we discovered a significantly larger gold deposit than previously defined at the Bulletin Mine. The Bulletin Mine is situated approximately 4 kilometres east of the Bamboo Creek Plant. In August 2004 open-cut mining of low-grade ore and overburden commenced. Commercial grade ore (3+ g/t Au by Aqua Regia) was mined over the ore body which so far has been defined as 270 meters long and up to 70 metres wide.

We expected to open-cut mine approximately 100,000 tonnes of this ore, however, mining ceased due to problems in extraction of sufficient gold to cover costs when processing the ore through the Bamboo Creek Plant.

3. Metallurgical Issues with Pilbara Ores

Over many years the metallurgical issue resulting in poor gold recoveries when processing Pilbara ores has impeded development of prospective gold deposits. The problems have affected not only the processing and extraction of gold from many Pilbara ores but also the ability to assay ore samples by the traditional Fire Assay and Aqua Regia Digestion methods. Not being able to accurately assay ore samples has made it impossible to define the grade and size of the many Pilbara ore bodies on Haoma's Leases.

During the last year metallurgical test work has concentrated separately on 'Assay' and 'Processing' methods. Characterisation of the Bulletin Ore, Mickey's Find Ore and Bamboo Creek Tailings material using 'cutting edge' techniques has greatly increased our understanding of the gold distributions and mineral associations within these ores. This has made it possible for more focused and efficient test work on specific ores.

The tests have resulted in a number of significant breakthroughs in understanding the metallurgical problems associated with both assaying and processing Pilbara ores. .

The assaying problems experienced across the Pilbara are now well understood and although the Elazac Assay Method is still too complex to be applied as a general commercial method it has been shown to be applicable to a number of deposits.

Two sulphide rich drill intersections from Mickey's Find drill samples have shown significant upgrades from the Gravity Concentrate fraction. Namely from 0.09 g/t Au and 0.05 g/t Au respectively to 3.21 g/t Au and 2.59 g/t Au using the Elazac Assay Method. (See 2005 Annual Report, Chairman's Review, Table 1- Page 4 and Table 1 below.) The focus of this work has now shifted to develop an accurate, efficient and quick assay method that can be widely applied.

Table 1: Comparison of Elazac Assay Method with conventional Aqua Regia Digestion for Wilfley Table Concentrates of Mickey’s Find high sulphide samples, MFRC64 61-70 and MFRC64 71-80

Table Concentrate	Aqua Regia Digestion		Elazac Assay Method		Mass Fraction
	Gold (g/t)	Silver (g/t)	Gold (g/t)	Silver (g/t)	%
MFRC64 61-70	0.09	3.76	3.21	4.17	18.6%
MFRC64 71-80	0.05	4.14	2.59	3.64	11.5%

Over the last year significant breakthroughs have been achieved in processing ores from the Pilbara Region. Special focus has been placed on Bamboo Creek Tailings material.

In January 2005 a Provisional Patent was filed through Elazac and the University of Melbourne concerning a method for removal of coatings on electrum (gold and silver alloy) particles that were shown to inhibit leaching. Using the basis of this Provisional Patent and further advances in increasing the ‘leaching efficiency’ tests began during the December Quarter on Bamboo Creek tailings material.

Results showed recovery to solution was 0.64 g/t Au and 10.99 g/t Ag from material which assayed 0.21 g/t Au and 1.92 g/t Ag by the Aqua Regia Digestion method. These results were repeated in recent days with recovery to solution of 3.33 g/t Au and 3.69 g/t Ag from screened (+600µm) Bamboo Creek Vat material with a Head Grade of 1.63 g/t Au and 2.22 g/t Ag by Aqua Regia Digestion. A most significant finding of this work, however, was that gold remaining in the solid tail was much lower than by conventional cyanidation, suggesting greater process efficiency could be achieved. The repeatability of the results indicates their applicability to processing of ore from the Bamboo Creek area. These results were released in today’s December Quarterly Report and are demonstrated in Table 2 below.

Table 2: Comparison of conventional cyanidation results with those using adjusted leaching conditions for Bamboo Creek Tailings and Vat Material. Head and Solids Tails grades were determined by Aqua Regia Digestion and Solution grades by agitated leaching in Bottle Rolls.

Ore	Head Grade		Conventional Cyanide				Adjusted Cyanide			
			Solution		Solid Tail		Solution		Solid Tail	
	Gold (g/t)	Silver (g/t)	Gold (g/t)	Silver (g/t)	Gold (g/t)	Silver (g/t)	Gold (g/t)	Silver (g/t)	Gold (g/t)	Silver (g/t)
BBC Tail	0.21	1.92	0.03	0.3	0.08	2.36	0.64	10.99	0.03	1.26
BBC Vat Material	1.63	2.22	0.59	2.25	N/A	N/A	3.33	3.69	N/A	N/A

N/A – Not available

4. Processing Vats at Bamboo Creek and Normay

Vat processing was re-commenced at the Bamboo Creek facility on the December 22, 2005 and will commence at Normay in early February; the Vats utilise the adjusted leaching conditions of the Revised Elazac Process.

The Bamboo Creek Vat contains approximately 15,000 tonne of predominately oversize reject material from processing of Bulletin Ore (50% Sulphide and 50% Oxide). After the Vat was re-flooded the gold grade in solution when pumped through carbon was 0.002 ppm. Following the application of the Revised Elazac Process the gold grade in solution increased to 0.070 ppm gold with the residual cyanide level of 0.10% free cyanide.

With an increase in the cyanide level to 0.30% the gold grade in solution increased to 0.097 ppm and is currently stable at 0.039 ppm Au. This grade is significantly higher than when Vat processing was ceased in February, 2005.

5. Ravenswood, Queensland Area

Old Man Lease - ML 1326

At Ravenswood, drilling at the Old Man Mine Site intersected highly encouraging mineralisation adjacent to the old workings. RC drill hole OMRD 1 intersected 21m @ 3.52 g/t Au and 0.71% Cu from 5m to 26m down hole and included 8m @ 8.44 g/t Au and 1.39% Cu at the 10m to 18m down hole.

This drill program included 29 shallow vertical air core holes drilled to an average depth of 10m on a nominal 5m to 10m grid pattern and 3 shallow RC holes (OMRD 1-3) sited adjacent to the old workings. The effectiveness of two of the RC holes was limited due to the presence of old stopes.

Eight of the air core holes intersected significant gold values in the immediate vicinity of the old workings and suggest that the mineralised ore body is “pipe-like” in geometry and related to a small porphyry intrusion.

The porphyry contains disseminated blebs of chalcopyrite, which appear to carry low-grade gold mineralisation in the range 0.1g/t Au to 0.5g/t Au. In addition to this, high-grade mineralisation in the range 5g/t Au to 24g/t Au is associated with segregations of quartz and magnetite in the intrusion. Some veinlets of massive chalcopyrite also occur in fractures in the intrusion.

This is an unusual style of mineralisation for the Ravenswood goldfield and allowed the historical mining to extend over a width greater than 6m compared to the more normal narrow lode structures in the goldfield.

In addition to the above drilling, mapping to the south of the Old Man Mine site has located a “new zone” of auriferous reefs and some old pits that had not been previously sampled. A total of 11 rock

chip samples were collected over a 200m strike length with all samples returning anomalous gold values, 7 of which were in the range 1g/t Au to 4.7g/t Au.

This is an exciting result from Haoma's Ravenswood area and potentially adds another small high-grade gold resource to that already delineated at Podosky's. Further geological investigations and drilling will be undertaken to determine the full value of the latest result.

Barrabas – EPM8771

Following lengthy negotiations a compensation agreement has been signed with the local grazier on Kirkton Station. This should facilitate processing the Mining Lease Application over the Podosky's gold deposit and conclusion of the Native Title Access Agreement.

Next I would like to express the Board's appreciation to all those who have helped in the Pilbara and Ravenswood Districts during the last 12 months. In particular, our thanks go to Mr Peter Cole, Dr Peter Scales and Dr Will Goodall who have been instrumental in solving the Bamboo Creek metallurgical problem. I'd also like to thank Mr Bob Skrzeczynski for his considerable contribution to our greater understanding of the Mickey's Find Deposit.

Finally it is with great sadness that I have to advise shareholders that on January 14 this year John D'Ambrosio was killed in a tragic road accident while traveling between Normay and Bamboo Creek. Johnny had nine days earlier turned 53. He had been with us for just over 5 years as our Gold Room Foreman. He was a trusted and respected member of a close knit group of people who have worked tirelessly in trying to make our Pilbara mines operate profitably. Johnny will be missed by all of us. May he rest in peace.

Please ask me any questions that members of this meeting may have in regard to anything that I have said or in regard to the financial accounts.



Gary C. Morgan
CHAIRMAN