



Haoma Mining NL

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October 31, 2005

The Listing Manager
Australian Stock Exchange Ltd
530 Collins Street
MELBOURNE VIC 3000

Dear Sir,

ACTIVITIES REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2005 - HIGHLIGHTS

- **Group Consolidated Result** – Haoma Mining’s unaudited Consolidated Financial result for the three months ended September 30, 2005 was a before tax loss of \$1.33 million after charging interest of \$0.24 million, depreciation and amortisation of \$0.19 million and group exploration, development and test work expenditure of \$0.10 million.

Processing at Bamboo Creek, Pilbara W.A. - Emphasis during the Quarter was on determining the viability of processing ores from Bamboo Creek, Mickey’s Find, Cookes Hill and other Pilbara areas.

- **Daltons Joint Venture, Pilbara W.A. (75% Giralia Resources, 25% Haoma Mining) (E45/2186 & E45/2187)** – During the Quarter, Giralia Resources NL reported a significant drill intersection of 3.5 metres grading approximately 2% nickel equivalent for drill hole RDDN029 at the Kingsway Prospect. Haoma Mining NL confirmed its 75% interest in the Joint Venture with Giralia Resources NL.
- **Cookes Hill, Pilbara W.A. (E45/1562, M45/1031, 1032, 1033, 1034, 1035, 1036)** - DeGrey Mining Ltd holds areas adjacent to Haoma’s Cookes Hill deposit E45/1562. Soil testing continued on the Cookes Hill tenements which produced encouraging gold anomalies. DeGrey Mining Ltd continued to report promising drilling results in adjoining areas. See <http://www.degreymining.com.au/news/20051028b.pdf>

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CONTENTS

1. Group Consolidated Result to September 30, 2005.
 2. Operations at Bamboo Creek and Normay, Western Australia.
 3. Exploration Activities in Western Australia.
 4. Exploration Activities in Queensland.
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1. GROUP CONSOLIDATED RESULT TO JUNE 30, 2005

Haoma Mining NL Consolidated Profit & Loss	2003/04 4th Qtr (\$m)	2004/05 Full Year (\$m)	2005/06 1st Qtr (\$m)	2005/06 Full Year June 30 (\$m)
Operating revenue	0.43	0.92	0.17	0.17
Operating profit before interest, depreciation, amortisation and exploration and development expenditure	(1.56)	(6.67)	(0.75)	(0.75)
Interest	(0.07)	(0.58)	(0.24)	(0.24)
Depreciation & amortisation	(0.44)	(3.46)	(0.19)	(0.19)
Exploration, development & test work	(0.39)	(0.19)	(0.15)	(0.15)
Operating profit (loss) before tax	(2.46)	(10.90)	(1.33)	(1.33)

Bamboo Creek Processing Plant				
Gold Production (ozs)	847	1,134	-	-
Gold sold (ozs)	591	1,134	-	-
Av. Selling price (\$/oz)	\$573	\$569	-	-
Bamboo Creek silver prod'n (oz)				
Silver Production (ozs)	337	481	-	-

1.1 Haoma's Group Consolidated Result

Haoma's unaudited Consolidated Financial result for the three months ended September 30, 2005 was a before tax loss of \$1.33 million (2004 1st Qtr – loss \$2.46 million) after charging depreciation and amortisation of \$0.19 million (2004 1st Qtr - \$0.44 million), interest costs of \$0.24 million (2004 1st Qtr – \$0.07 million) and group exploration, development and test work expenditure of \$0.16 million (2004 1st Qtr – expenditure of \$0.39 million).

Total group exploration, development and test work expenditure for the Quarter was \$0.16 million. The company had its mining and processing operations on care and maintenance. Test work continued at the Bamboo Creek Processing Plant to obtain a better understanding of the ores from Bamboo Creek, Mickeys Find, Cookes Hill and other Pilbara areas. Low-key exploration activities continued in the Ravenswood District in Queensland.

Funding for the company's ongoing operations is presently being provided by Haoma's Chairman, Mr Gary Morgan. Mr Morgan has provided an undertaking to the Board that he will continue to fund the company until such time as the company's operations become cash positive or until a decision is made to cease operations.

To September 30, 2005, Mr Morgan has provided funding of \$11.330 million to Haoma. The Board of Haoma has approved payment of interest to Mr. Morgan at the 30 day commercial bill

rate plus a 2% margin. For the 3 months ended September 30, 2005, interest accrued on the funds advanced by Mr Morgan is \$0.211 million.

1.2 Gold In Circuit

At June 30, 2005 the Bamboo Creek Plant gold-in-circuit was 22.51 kg made up of the following:

- 12.51 kg recoverable gold from 1,287 tonnes of Concentrate Ore ready for processing by the New Elazac Process, and
- 10.01 kg contained in the Vat Leach.

The gold estimate is based on Aqua Regia gold assays which are now known to be a significant underestimation of the “true grade” gold values. The “true grade” will be ultimately determined by the amount of physical gold produced.

1.3 Forward Gold Sale Contracts

No future gold production is currently sold forward.

2. OPERATIONS AT BAMBOO CREEK, WESTERN AUSTRALIA

2.1 Processing of Bamboo Creek Ores

During the September 2005 Quarter Haoma Mining continued research and development on a viable assay method for complex gold ores in the Pilbara Region of Western Australia.

Emphasis during the Quarter has been on the viability of processing tailings material from the Bamboo Creek Gold Mine and developing an effective assay method for Mickey’s Find mineralisation. All test work has been performed under the supervision of our Consultants, Mr. Peter Cole, Registered Manager and Mr. Will Goodall.

Assaying for gold in ores from the Pilbara Region by conventional fire assay and aqua regia digestion methods have traditionally been difficult. Gold values determined by these methods are consistently low, resulting in an underestimation of the resource potential of gold deposits throughout the Pilbara Region and those on Haoma’s tenements.

During the Quarter Haoma in conjunction with Consultants from the University of Melbourne Haoma continued work on understanding this assay problem. Laboratory tests showed upgrades of gold values for different ore fractions sampled from the Bulletin-Bamboo Creek and Mickey’s Find Deposits, along with tailings material from the Bamboo Creek Gold Mine.

<http://www.degreymining.com.au/news/20051028a.pdf>

Further test work on the viability of processing Bamboo Creek tailings material was undertaken throughout the Quarter by Mr. Peter Cole, Registered Manager. Several test parcels of this material were processed through the Bamboo Creek Plant. Results to date showed there were significant difficulties in producing sufficient quantities of Gravity Concentrate for commercial viability from processing Bamboo Creek tails. Pending further test work by Flotation and Gravity Concentration methods, the processing plant at the Bamboo Creek Gold Mine remained on care and maintenance.

2.2 Kitchener Low Grade Stockpile

There are approximately one million tonnes of this ore available for processing through the Bamboo Creek Plant.

3. EXPLORATION AND EVALUATION ACTIVITIES IN WESTERN AUSTRALIA

3.1 Daltons Joint Venture with Giralia Resources NL (75% Giralia Resources, 25% Haoma Mining) (E45/2186, E45/2187)

As released to the ASX on October 27, 2005, Haoma Mining NL reported a significant nickel-copper-PGE drill intersection from the Daltons Nickel Joint Venture with Giralia Resources NL in the Pilbara region of Western Australia. Giralia Resources released the following announcement in relation to exploration at the Daltons Nickel Project. The results are very encouraging.

“The Directors of Giralia Resources NL (“Giralia”) are pleased to report a significant drill intersection of 3.5 metres grading approximately 2% nickel equivalent in the latest diamond drill hole completed at the Kingsway Zone of the Daltons project, located 150 kilometres south of Port Hedland. Hole RDDN029 returned an intersection of 3.5 metres @ 1.61% nickel, 0.85% copper and 0.81 g/t PGE, including 1.35 metres @ 2.29 % nickel and 1.09% copper.

Giralia is the operator of the Daltons Joint Venture and has confirmed 75% interest from Haoma Mining NL (contributing at 25% interest). The Kingsway prospect comprises a 400 metre long basal contact segment at the irregular northern tip of the 5 kilometre long Daltons ultramafic body which has been the focus of surface and down hole electromagnetic (“EM”) surveys and drilling by the joint venture for the past 12 months.

Hole No	East	North	Incl/Az	Depth (m)	From (m)	To (m)	Intersection
RDDN029	724122	7621414	-68°/170°	312.7	282.8	286.3	3.5m @ 1.61% Ni 0.85% Cu 0.81 g/t PGE
					incl 283.15	284.5	1.35m @ 2.29% Ni 1.09% Cu 0.89 g/t PGE
					and 285.0	285.95	0.95m @ 1.76% Ni 1.05% Cu 1.07 g/t PGE
RDDN030	724034	7621436	-70°/158°	Results awaited			

Datum AGD 84 Zone 50; PGE = Pt, Pd and Au; True thickness is estimated to be approximately 50% of the intersected length

Mineralisation in RDDN029 is hosted by metasediments in the immediate footwall of a thick serpentinised ultramafic body, and occurs as fine disseminations and fracture controlled remobilised veinlets. The grade of the intersection (around 2% nickel equivalent) is significant as total sulphide content is relatively low (up to 10%) confirming the presence of highly enriched base and precious metal sulphides at Kingsway. Previous intersections suggest that grades in massive sulphides at Kingsway will exceed 20% nickel (ie: hole KDDH5 drilled in the 1970s reportedly returned 0.36 metres @ 22.5% nickel, 4.12% copper).

The intersection in hole RDDN029 is located 65 metres up dip of previously drilled RDDN022 (which intersected 0.5 metres @ 1.98% Ni, 0.97% Cu, 0.42 g/t PGE, including 0.15 metres @ 5.82% Ni, 1.41% Cu, 1.35 g/t PGE) and 60 metres west of RDDN025 (0.2 metres @ 2.57% Ni, 1.42% Cu, 0.83 g/t PGE).

A follow up hole (RDDN030) targeted 100 metres west and below RDDN029 has been completed, and assay results from a zone of disseminated, and vein style mineralisation in serpentinite are awaited”.

3.2 Cookes Hill (E45/1562, M45/1031, 1032, 1033, 1034, 1035, 1036)

The Cookes Hill gold deposit was discovered in 1999. This deposit comprises a dolerite-hosted quartz stockwork style of mineralisation. It has been the subject of extensive soil sample surveys, three shallow Rotary Air Blast (RAB) and one deep Reverse Circulation (RC) drilling programs, together with interpretation of geological, air magnetic and satellite data. Interpretation of this data shows that the gold lies on a north-east trending splay fault off the major Mallina-Mt Dove shear.

The Cookes Hill deposit is estimated to contain approximately 50,000 ounces of gold to a depth of 100 metres. The RC drilling indicated that the mineralisation is open below 100 metres. Preliminary metallurgical tests show that the gold is not refractory and most is recoverable by cyanidation after fine grinding of the ore. Preliminary investigation into extensions of the Cookes Hill deposit was carried out with soil sampling on tenements M45/1031 and M45/1032.

Early results have indicated encouraging gold anomalies in areas to the North East and South West of the previously defined Cookes Hill deposit.. Full results will be available in the December 31, 2005 Quarterly Report.

A more detailed description of the ore body and a table of significant intersections were included in Haoma's Activities Report for the Quarter ended December 31, 2003 - http://www.haoma.com.au/2004/Q2_DEC2003.pdf

Since June 2003, Haoma has noted that DeGrey Mining Ltd has issued a number of ASX releases detailing highly promising results from the extensive exploration program conducted on its tenements adjacent to Haoma's E45/1562 (referred to by DeGrey Mining as the "Turner River Province").

On June 1, 2005 DeGrey released further results of additional high grade gold intersections at its Amanda Prospect which is located west of the Cookes Hill tenement boundary. (See [DeGrey release June 1, 2005](#)). The best results released by DeGrey included 11 metres @ 4.52 g/t Au (includes 2m @ 15.75g/t Au).

On July 4, 2005 DeGrey announced strong gold anomalies (up to 30.90 g/t Au) identified in soil sampling of its Orchard Well Prospect located on the Mallina-Mt Dove shear near to the eastern boundary of E45/1562. (See [DeGrey release July 4 2005](#)). This shear zone, together with several north-east trending splay faults (one of which contains the Cookes Hill gold deposit) continue through Haoma's ground.

Haoma will continue to evaluate the results released by DeGrey Mining Ltd.

4. **EXPLORATION ACTIVITIES IN THE QUEENSLAND RAVENSWOOD DISTRICT**

Because of the heavy focus on achieving gold production at Bamboo Creek, exploration activities on the Ravenswood projects have been limited during the current Quarter.

Literature reviews and historical data compilations have been undertaken over two new Exploration Permits (EPM14038 & 14297) covering approximately 355 square kilometers in the Ravenswood District. The two permits cover a number of historical gold mines with mineralisation hosted by quartz-sulfide veins and high level breccias situated on a ring dyke structure at Mt Canton. Ongoing exploration will be guided by airborne geophysical data that highlights a number of major structures that traverse the exploration permits.

Native Title negotiations have been initiated with respect to the company's two Mining Lease applications covering the Podosky's (MLA10315) and Cleopatra (MLA10275) gold deposits. Agreement has been reached with one of the claimants to date and discussions are continuing with the second group of claimants.

A trenching program was conducted on the Waterloo Prospect (ML1529) aimed at locating the source of a significant gold anomaly highlighted by surface rock chips. The area lies to the west of the main Waterloo lode in a soil covered area that remains largely untested. A magnetic low is coincident with the anomaly and is thought to be reflecting alteration in the underlying pluton. The results of this program should be available in the next Quarter.

5. **HAOMA MINING ASX RELEASES**

Any person who would prefer to receive Haoma ASX Releases by email is advised to email Haoma Mining at haoma@roymorgan.com or telephone the Company Secretary on (03) 92245142.

Yours sincerely,



Gary C Morgan
CHAIRMAN

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

HAOMA MINING NL

ABN

12 008 676 177

Quarter ended ("current quarter")

30th September 2005

Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter June 30, 2005 \$A'000	Year to date June 30, 2005 (twelve Months) \$A'000
1.1 Receipts from product sales and related debtors	167	167
1.2 Payments for (a) exploration and evaluation	(108)	(108)
(b) development		
(c) production	(998)	(998)
(d) administration		
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(33)	(33)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	(972)	(972)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects		
(b)equity investments		
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a)prospects		
(b)equity investments		
(c)other fixed assets	-	-
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(972)	(972)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(972)	(972)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	1,064	1,064
1.17	Repayment of borrowings	(113)	(113)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	951	951
Net increase (decrease) in cash held			
		(21)	(21)
1.20	Cash at beginning of quarter/year to date	29	29
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	8	8

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	30
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Nil

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		

+ See chapter 19 for defined terms.

3.2 Credit standby arrangements		
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Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	150
4.2	Development	-
Total		

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	8	29
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		8	29

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	E39-379 E380 & E428	Linden	\$15,006	\$9,006
		E45/2047	Corunna Downs	\$5,081	-
		EPM 9629 & 10375	Towers Gold	\$100,000	-
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	192,993,655	192,993,655		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil	Nil		
7.5 +Convertible debt securities <i>(description)</i>	N/A	N/A		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	5,800,000	5,800,000	\$0.10	August 8 th , 2005
7.11 Debentures <i>(totals only)</i>	N/A	N/A		
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.



Mr. Gary C Morgan

31st October 2005

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.