



Haoma Mining NL

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

October 31, 2002

Dear Sir, **REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2002 – HIGHLIGHTS**

- **Group Consolidated Result** – The unaudited consolidated financial result for the three months ended September 30, 2002 before tax was a loss of \$0.96 million (2001- loss \$0.98 million). The result for the Quarter was after charging depreciation and amortisation of \$0.64 million (2001: \$1.24 million), interest of \$0.10 million (2001 - \$Nil) and group exploration, development and evaluation expenditure of \$0.05 million (2001 - \$0.51 million).

- **Legal Action Against MIM Holdings Ltd and Carpentaria Gold Pty Ltd –**

Haoma holds MIM and Carpentaria Gold responsible for the above loss and operational difficulties going forward at Ravenswood, including

- not correctly allocating the full value of Haoma's gold to Haoma (in full knowledge that the gold allocation system was flawed),
- preventing Haoma accessing its Nolan's pit to mine existing ore reserves, and
- until recently refusing to include a simple modification (a screen) to the processing system which is required to profitably process Haoma's low grade ore, mineralised waste and acid waste – i.e. using beneficiation.

It is planned that from March 2003 a 40mm and a 80mm screen will be added to the Nolan's primary crusher which will enable low-grade sulphide ore to be beneficiated before processing through the Nolan's plant.

Processing beneficiated ore will result in a significant increase in Haoma's cash flow. Haoma has approximately 3 million tonnes of low-grade Nolan's sulphide ore readily available to beneficiate.

- **Bamboo Creek, Pilbara WA –**

- During the Quarter the Bamboo Creek plant was recommissioned and processed 4,107 tonnes of Mickey's Find oxide ore. In total 360 ozs of gold and 3,493 ozs of silver were produced at Bamboo Creek. (This production included a minor quantity of bullion produced from the Normay vats.)
- During the current Quarter recovery tests were conducted on batches of North Shaw sulphide ore and Normay tails (mainly North Shaw tails.)
- The tests on the Normay tails showed the calculated gold grades after processing were significantly higher than the mill-feed head-grades.
- From October 31, 2002 Mickey's Find oxide ore is being processed continually through the Bamboo Creek Plant at the rate of approximately 350 tonnes a day. Use of the Bamboo Creek gravity recovery circuit should improve the gold and especially the silver recoveries during the current Quarter.

- **Mickey's Find, Pilbara WA –**

- Recent shallow drilling at Mickey's Find has defined a Resource of 1.76 million tonnes at 2.47 g/t Au, 22.7 g/t Ag. The latest drilling demonstrated that the main target is a near-flat structure which is radically different from that interpreted earlier using the results of deep historic drilling, which had suggested a steep dip to the mineralised zone (See Figure 1). The near-flat altitude of the mineralised zone means that it will be possible to mine a much larger tonnage of ore than if the body of mineralisation had a steep dip.
- Significant intersections from recent drilling include:-

MFRC1 – 16 m at 2.16 g/t Au, 17.1 g/t Ag

MFRC3 – 14 m at 3.38 g/t Au, 61.3 g/t Ag

MFRC6 – 11 m at 4.90 g/t Au, 36.2 g/t Ag

MFRC18 – 36 m at 2.27 g/t Au, 24.0 g/t Ag

MFRC10 – 13 m at 3.30 g/t Au, 17.0 g/t Ag

MFRC13 – 19 m at 3.72 g/t Au, 19.7 g/t Ag

MFRC13 – 5 m at 27.70 g/t Au, 43.6 g/t Ag

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1. GROUP CONSOLIDATED RESULT TO SEPTEMBER 30, 2002

Haoma Mining NL Consolidated Profit & Loss		2001/02 1 st Quarter (\$m)	2001/02 Full Year (\$m)	2002/03 1 st Quarter (\$m)	2002/03 Full Year (\$m)
Revenue		8.40	31.26	2.47	2.47
Profit before Interest, Depreciation and Amortisation and Exploration and Development expenditure		0.77	4.03	(0.17)	(0.17)
Interest		-	(0.09)	(0.10)	(0.10)
Depreciation & Amortisation		(1.24)	(4.56)	(0.64)	(0.64)
Exploration, Development & Evaluation		(0.51)	(2.00)	(0.05)	(0.05)
Profit (Loss) before Tax		(0.98)	(2.63)	(0.96)	(0.96)

Nolan's production – (oz)		11,912	42,458	3,475	3,475
Av. Cash cost (excl capex - \$/oz)		547	532	\$460	\$460
Sustaining capital (\$/oz)		4	15	-	-
Av. Cash cost including sustaining capital (\$/oz)		\$551	\$547	\$460	\$460
Gold sold (ozs)		11,513	44,254	3,313	3,313
Av. Selling price (\$/oz)		\$656	\$667	\$698	\$698
Normay/Bamboo Creek gold prod'n (ozs)		-	849	364	364
Gold sold (ozs)		-	849	150	150
Av. selling price (\$/oz)		-	\$563	\$578	\$578
Normay/Bamboo Creek silver prod'n (ozs)			-	3,493	3,493
Silver sold (ozs)			-	1,181	1,181
Av. selling price (\$/oz)			-	\$8.60	\$8.60

1.1 Haoma's Group Consolidated Results

Haoma's unaudited Consolidated Financial result for the three months ended September 30, 2002 before tax was a loss of \$0.96 million (2001- loss \$0.98 million). The result for the Quarter was after charging depreciation and amortisation of \$0.64 million (2001: \$1.24 million), interest of \$0.10 million (2001 - \$Nil) and group exploration, development and evaluation expenditure of \$0.05 million (2001 - \$0.51 million).

The loss for the Quarter includes all costs associated with recommissioning of the Bamboo Creek Processing Plant.

Group Exploration, Development and Evaluation expenditure for the 3 months to September 30, 2002 totalled \$522,000. Expenditures included \$409,000 in the Ravenswood area of Queensland and \$113,000 in the Pilbara region of Western Australia.

1.2 Forward Gold Sale Contracts

No future gold production is currently sold forward.

2. LEGAL ACTIONS AGAINST CARPENTARIA GOLD PTY LTD AND MIM HOLDINGS LTD

These matters have previously been reported in Haoma's 2001 Annual Report and Quarterly Activity Reports for the three months ended September 30, 2001, December 31, 2001, April 30, 2002 and July 31, 2002

A summary of the status of proceedings follows.

2.1 Current Action: Incorrect Allocation of Gold Produced at the Nolan's Processing Plant.

On January 10, 2002 Haoma commenced legal proceedings against Carpentaria Gold Pty Ltd in the Supreme Court of Queensland to recover gold that it produced but did not receive. Hearing of the dispute was initially held in the Supreme Court of Queensland on January 29, 2002 and January 30, 2002. The case was adjourned pending the completion of expert witness statements and discovery of additional data.

The case resumed on October 4, 2002 after Haoma had unsuccessfully appealed the ruling of Mr Justice Fryberg to continue as the presiding Judge after advising, on the day before the trial was meant to begin, that he owned 13,692 MIM shares in his superannuation fund. (Mr Justice Fryberg presided over numerous pre-trial hearings when he had ample opportunity to advise of his share holding to those involved in the trial.) The case was heard for three weeks and adjourned on October 25, 2002 until early in the new year.

Haoma has claimed Carpentaria Gold as Manager did not allocate Haoma its correct share of gold. It is seeking through the Supreme Court of Queensland an order for full recovery of Haoma's gold and compensatory damages for the loss suffered by Haoma as a consequence of misappropriation of gold.

The case is complicated and relies on Carpentaria Gold allocating the amount of gold poured by calculation from a formula which uses the gold grade measured from a sample taken by a cross-belt sampler and the tonnes measured by a weightometer. During the period June 5, 2001 to December 31, 2001, the grade of Haoma's sulphide ore as measured by samples from the cross-belt sampler, was significantly lower than the calculated grade based on gold bars poured. During the same period, Carpentaria Gold mainly processed oxide ore or a combination of oxide ore and sulphide ore and the gold grade measured was closer to the calculated grade based on gold bars poured. The method of gold allocation distributes gold under-estimated by the cross-belt sampler (ie Haoma's gold) in proportion to each party's cumulative total gold input to the mill as measured.

The weight of ore measured by the crusher weightometer during the period is the other key measurement used in the formula to calculate the theoretical amount of gold poured for each party. For Haoma to December 16, 2001 the crusher weightometer measured 721,542 tonnes compared with the mill weightometer which measured 736,149 tonnes (14,607 t more). On the other hand, for Carpentaria Gold to December 16, 2001 the crusher weightometer measured 993,196 tonnes compared with the mill weightometer which measured 929,712 tonnes (63,484 t less). Obviously estimating the quantity of gold using the crusher tonnage instead of the mill tonnage gives Carpentaria Gold a significant advantage. Despite requests to 'sit down' and fix the problem, MIM/Carpentaria Gold has shown no interest in settling the dispute.

2.2 Counterclaim & Accounting Irregularities by MIM Holdings Ltd & Carpentaria Gold PL

Because it was obvious to Haoma's Directors that Carpentaria Gold had misappropriated Haoma's gold, Haoma refused to pay Carpentaria Gold's costs for processing in November and December 2001. Carpentaria Gold lodged a Counter Claim against Haoma for these costs.

On October 7, 2002, Haoma received under discovery a report titled 'Review of Ravenswood Batch Processing Cost Allocation Process'.

The report was prepared in October 2001 by the MIM Holdings Ltd internal Business Audit Division following work performed by Price Waterhouse Coopers in July 2001. The report identified significant errors with the accounting processes applied at the Joint Venture. Carpentaria Gold (wrongly in Haoma's opinion) "classified" the report as "privileged". Printed on the front of the document was the following: "This document is confidential and subject to legal professional privilege. It has been prepared for use in legal proceedings". It has now been conceded by MIM that this report is not privileged and was not prepared for use in legal proceedings.

Relevant extracts from the report wrongly withheld from Haoma include:

"Significant changes have occurred in the cost structure over the period increasing the likelihood of errors in cost data. Significant budget to actual variations in individual accounts, and coding errors have been noted during the review"

"Errors in the cost coding process have led to an inaccurate allocation of costs between JV partners"

"The Business Services Indirect Cost apportionment method has deficiencies in its application and allocations over the period.As a result costs are being apportioned incorrectly between JV partners...."

"During our review of the apportionment of Business Services Indirect Costs, and following work performed by Price Waterhouse Coopers in July 2001, a number of weaknesses were noted in applying the allocation methodology. Deficiencies included:

- *Cost drivers not updated on a monthly basis – The cost drivers have not been updated on a monthly basis for actual data and potentially this has resulted in an incorrect allocation of Business Services indirect costs.*
- *Simple average cost allocation basis that does not reflect adequately the dollar value contained in the underlying cost pools – using a simple average allocation does not properly weight the allocated costs. As indicated by Price Waterhouse Coopers, it is clear that a weighted average allocation provides an allocation of costs more in line with actual activities than a simple average allocation.*

The final conclusion of the internal audit was as follows:

"Considerable weaknesses have been identified in the Batch Processing Cost Allocation Process at Ravenswood that require immediate attention and rectification"

The Directors and senior personnel of Haoma are reviewing the financial information recently discovered and expect the review to continue for some months.

At this time Directors have formed a view that Carpentaria Gold may have overcharged Haoma by a significant amount and this could be material to interpreting Haoma's financial performance and financial position. As a result Haoma's Directors believe Haoma may be entitled to

significant financial claims against Carpentaria Gold Pty Ltd for costs wrongly allocated to Haoma during the Joint Venture processing activities since June 2001 and possibly going back to 2000 when Carpentaria Gold began its Sarsfield Development, or even earlier.

Haoma's Directors believe the investigation into the cost allocation procedures is likely to improve both Haoma's financial performance and financial position from that recently presented in Haoma's June 30, 2002 Financial Statements.

Haoma advised The Australian Companies and Securities Commission (ASIC) of the above problem and was granted an extended period of one month to prepare and file its annual accounts with ASIC. The Australian Stock Exchange (ASX) would not grant a similar extension.

2.3 Second Further Amended Statement of Claim

On October 21, 2001, the Court approved a Second Further Amended Statement of Claim for the gold allocation case S233 of 2002. This expands the case to cover problems with the cross-belt sampler, and contraventions of the Trade Practices Act.

2.3.1 Cross-Belt Sampler

The Trial Batching Procedure, as implemented by Carpentaria, produces inaccurate and unreliable results for the following reasons:

- (a) The primary sampler, being the belt cutter on conveyor belt "CV02":
 - (i) Has not been installed, commissioned or operated in accordance with Australian Standard 4433.1, 4433.4 and 4433.6;
 - (ii) As a result of such incorrect installation, takes samples which do not accurately represent the gold contained in the ore being processed; and
 - (iii) Has not been operated correctly by Carpentaria, with the result that samples taken by it do not accurately represent gold contained in the ore being processed;
- (b) The belt cutter on conveyor belt "CV02" was, by its nature, an inappropriate piece of equipment for the purposes of sampling ore, that is to say:
 - (i) When the ore is crushed, fine particles of diameter less than 1.18 mm (herein called "**fin**es") are yielded;
 - (ii) When the ore is on the conveyor belt, the fines drop to the bottom of the ore mass on the conveyor belt;
 - (iii) The fines contain the greatest concentration of gold within sulphide ore and transitional sulphide ore (in oxide ore the gold is more evenly distributed);
 - (iv) If, through wear and tear, the belt develops grooves or other indentations, the fines may collect in them;
 - (v) When the belt cutter passes across the belt it does not always pick up all of the material resting on the belt and given that the fines are mostly at the bottom of the ore mass on the belt, the belt cutter is more likely to leave fines on the belt than larger particles;
 - (vi) Because in the claim period Haoma delivered ore predominantly of the sulphide kind to be processed in the plant and Carpentaria delivered ore predominantly of the oxide kind, the belt cutter delivered samples which were biased against Haoma;
 - (vii) In the circumstances, the appropriate choice of sampling equipment would have been a falling stream sampler, that is to say, a falling stream sampler is more likely to be able to be configured to regularly take samples which include representative amounts of ore categorised by size;

- (c) Carpentaria has failed to take necessary measures to ensure the operational integrity of the secondary (vezin) splitter, so as to produce splitting which is free of bias;
- (d) Carpentaria has failed to take necessary measures to ensure the operational integrity of the tertiary (riffle) splitter, so as to produce splitting which is free of bias;
- (e) Laboratory assay methods adopted by Carpentaria are inadequate to indicate the true level of gold contained in the various ores being fed into the plant;
- (f) Carpentaria has failed to ensure that a sufficient amount of ore has been assayed in order to accurately represent the true level of gold in the various ores being fed into the plant;
- (g) The calibration schedule for the weightometers nominated in the Trial Batching Procedure has not been adhered to or maintained by Carpentaria.

2.3.2 Contraventions of the Trade Practices Act

By delivering the Trial Batching Procedure Overview, Carpentaria impliedly represented that the Trial Batching Procedure would provide for a fair and equitable allocation of gold as between Haoma and Carpentaria, that is to say:

- (a) There was owed a fiduciary duty to act fairly and equitably;
- (b) Given that the duty was owed it was reasonable for Haoma to expect that it would be discharged;
- (c) Further, by taking up the appointment under the management agreement to be the manager, Carpentaria impliedly represented that it would act fairly and equitably in the discharge of its duties;
- (d) The Trial Batching Procedure Overview contained:
 - (i) The following about the Trial Batching Procedure:
“It utilises a calibrated weightometer, a crushed ore Sampling Station, and a tails auto-sampler, to measure gold from each Joint Venturer, so that an adjustment can be made in a cumulative manner to reflect actual gold production in the Nolans Processing Plant”;
 - (ii) The following words:
“The method relies on the design and installation of a Sampling Station which can provide a representative sample of each Joint Venturers crushed ore for determination of moisture content and subsequent assay of gold head grade”;
 - (iii) Under the heading “BATCHING GOLD RECONCILIATION AND ALLOCATION METHOD”, a description of a gold allocation method based on the assumption that the sampling station used in the method would collect a representative sample of the crushed ore, that is to say, the description contained words to that effect; and
 - (iv) The following words:
“The Joint Venturers will need to fund a Sampling Station which will be designed and constructed by the Manager and which is capable of attaining representative samples of both ‘Nolans’ and ‘Sarsfield’ ores”.

2.4 Mediation and Mr Justice Fryberg's Advice

In September 2002 the Directors of Haoma sought mediation with Carpentaria Gold before Sir Lawrence Street to resolve the dispute - there was no success. In addition, the Directors have sought to negotiate a fair price from MIM for Haoma's 49.9% share in the Joint Venture plant (cost to Haoma more than \$25 million in 1994/1995), the remaining ore in Nolan's pit (at least 5 million tonnes) and the significant value in the low-grade stockpiles (at least 4 million tonnes).

On October 25, 2002, Mr Justice Fryberg advised both parties of the following:

"That very real possibility, or those very real possibilities emphasise the potential futility of the litigation. Prior to the commencement of the trial, you will recall I dealt with a number of applications. In the course of one of them, evidence was put before me of the fact that the mediation which had been ordered was adjourned. I would urge that both sides give serious consideration to settling the action, either by resuming the mediation or otherwise.

It must be said, in the state of the evidence - and I would think that both sides' legal advisors would have this view of the present state of the evidence, so no doubt you will take your own legal advice - at present, neither side could have confidence of being successful. That being the state of play, it is eminently sensible for both sides to look at alternative ways of resolving the litigation. There are better things to do in life than sit in the courtroom and that applies not only to Mr Morgan but it applies to those whose time is being taken away from Carpentaria's more beneficial operations. Those associated with Carpentaria ought to have the experience to perceive the wisdom of what I am saying, but both sides will have to realise that if there is to be a settlement, it will involve them giving more money away to the other side than they think is fair. That's what settlements are like. You do it because the alternative will cause you to give more money than that yet again away to lawyers, and you might as well, from an economic point of view, give it to the other side rather than spend it on useless activity when you could be doing better things.

The only thing that usually stands in the way of a settlement in those circumstances is personalities, where one side or the other or both take the view that they would rather rot in hell than give the other side one cent. That is stupid activity in an economic sense and it is particularly stupid in a context where you have an ongoing joint venture operation that has to be made to work. So, I would urge that both sides look seriously at their positions in this litigation and do what they can to avoid the continuance of this whole exercise."

Irrespective of the Court's final decision on the gold allocation case, it is important for Haoma's shareholders to realise that the evidence presented to the Court and obtained under discovery shows clearly that MIM/Carpentaria Gold and Carpentaria Gold as Manager of the Nolan's Joint Venture have not complied with their fiduciary duty - the above facts regarding the Joint Venture accounts is an easy to see example - there are many more!

Haoma's shareholders may justifiably feel disappointed with the cumbersome legal system which Haoma's Directors have had to resort to in order to enforce fair play. However, the Directors believe not taking action against MIM/Carpentaria Gold would have allowed its Directors and Management to flaunt their fiduciary duty toward their Joint Venture partner.

2.5 Second Action subject to Appeal to the Queensland Court of Appeal to re-instate the Statement of Claim which was dismissed on June 4, 2002 on a technicality without the merits of the case being considered:

2.5.1 Management of Nolans Joint Venture at Ravenswood, Queensland.

On October 2, 2001, Haoma filed a Statement of Claim against Carpentaria Gold Pty Ltd and MIM Holdings Ltd for various breaches of fiduciary and contractual responsibilities owed to Haoma in respect of the Nolans Joint Venture at Ravenswood, Queensland. The full text of the media statement released to the Australian Stock Exchange at that time was included in Haoma's 2001 Annual Report.

Claim 1: Malversation of Ore - Haoma's claim \$14 million

Claim 1A: Malversation of 320,000 tonnes of sulphide ore
 Claim 1B: Malversation of wrongly classified ore
 Claim 1C: Malversation of mineralised waste
 Claim 1D: Malversation of sulphide ore by increasing cut-off grade
 Claim 1E: Failure to mine sulphide ore from Sarsfield Lease

Haoma claims that the malversation of Haoma's ore amounts to approximately 2.1 million tonnes and that the loss suffered by Haoma as a result of Claims 1A to 1E is \$14 million.

Claims 2 and 3: Withholding of Information and Misuse of Confidential Information - Haoma's claim \$50.35 million

Claim 2A & 2B: Withholding material information in relation to Beneficiation of Nolan's ore.
 Claim 2C: Failure to Beneficiate Haoma's Nolans ore
 Claim 3: Misuse of Confidential Information

Haoma claims that as a consequence of matters pleaded in respect of Claims 2 and 3, Haoma has suffered loss and damage which Haoma estimates at \$50.35 million.

On April 12, 2002 Haoma for the first time received from Carpentaria Gold Pty Ltd/MIM significant Joint Venture results on beneficiation tests conducted by Carpentaria Gold Pty Ltd in late 1997 and early 1998 using Joint Venture facilities. Those results showed that Nolan's sulphide ore could be easily upgraded with minimal additional costs.

Haoma's Statement of Claim for the Supreme Court of Queensland Brisbane Registry Number 8882/01 was settled by Mr Anthony Morris, Queens Counsel. It states under Points 42, 43 and 44:-

- "1. The beneficiation tests:
- (a) Were conducted by Carpentaria:
 - (i) In its capacity as Manager under the agreements; and
 - (ii) Utilising property, data and resources which were the joint property of Carpentaria and Haoma under the agreements; and

- (b) In the premises, produced results which:
 - (i) Constituted information in which Haoma had a joint proprietary interest with Carpentaria under the Agreements; and
 - (ii) Should therefore have been disclosed by Carpentaria to Haoma.
- 2. Carpentaria's and MIM's conduct in conducting the beneficiation tests for their own use and benefit, without disclosing to Haoma the results of the beneficiation tests, constituted:
 - (a) A breach of the agreements;
 - (b) Further or alternatively, insofar as the beneficiation tests involved the use of property, data and resources which were the joint property of Carpentaria and Haoma under the agreements:
 - (i) The wrongful detention of such property from Haoma, and the conversion thereof to Carpentaria's and MIM's own use; and
 - (ii) A breach of Carpentaria's equitable duty of confidence with respect to such property; and
 - (c) Further or in the further alternative, a breach of Carpentaria's duties of honesty and good faith towards Haoma.
- 3. Further or alternatively, by Carpentaria's and MIM's conduct constituting the beneficiation misrepresentations, Carpentaria and MIM:
 - (a) Committed conduct, in trade or commerce, which was misleading or deceptive, in contravention of s.52 of the TPA;
 - (b) Further or alternatively, committed fraud; and
 - (c) Further or alternatively, breached Carpentaria's duties of honesty and good faith towards Haoma."

Claim 4: Misuse of Property

Haoma can not particularise the extent of loss and damage which it alleges it has suffered under Claim 4 until after discovery.

Claim 5: Improper Mining Practices - Haoma's claim \$5.8 million

Haoma claims that as a consequence of conduct of Carpentaria Gold in relation to Claim 5, Haoma has suffered loss and damage which Haoma estimates at \$5.8 million.

2.6 Upgrading Low Grade Sulphide Ore Using Beneficiation

Haoma's June 2002 Quarterly Report covers Haoma's dispute with Carpentaria Gold over the beneficiation issue. In 1997/1998, MIM/Carpentaria Gold conducted a series of sizing tests on Nolan's sulphide ores. These tests obtained highly significant results which showed that most of the gold was contained in the finer particles after being crushed through the Nolan's Joint Venture plant. Haoma was not given these results until after discovery in April 2002.

MIM/Carpentaria Gold used this information and spent \$40 million to expand the existing Nolan's plant and construct a 9 million tonnes per annum beneficiation plant now operating at

Ravenswood. (See photo and optimistic assessment on Page 20 of the MIM 2002 Report to Shareholders.)

Sadly the Directors and Management of MIM/Carpentaria Gold continue to espouse the view that there was nothing "wrong" in MIM/Carpentaria Gold obtaining knowledge from processing Nolan's Joint Venture ore and keeping details of this knowledge to themselves. In 1998/1999 MIM Senior Management approached Haoma's Directors to extend the Joint Venture with Haoma while keeping the beneficiation information to themselves. They then proceeded with a plan to spend \$40 million to expand the plant and to include a 9 million tonnes per annum beneficiation facility.

While the ASX and ASIC have been advised of the above, both have to date seen no wrong in the non-disclosure of MIM/Carpentaria Gold!

3. OPERATIONS AT RAVENSWOOD, QLD

3.1 Mining and Processing of Ore from the Nolan's Lease, Qld. (ML 1394)

The Nolan's Gold Mine is located at Ravenswood 90km south of Townsville and 60km east of Charters Towers in North Queensland.

Since June 2002, Haoma has not been able to access the bottom of the Nolan's Pit as a consequence of Carpentaria Gold Pty Ltd preventing access over the section of the Nolan's Pit that is situated on the adjoining Sarsfield Lease (owned and operated by Carpentaria Gold Pty Ltd). At the date of this Quarterly Report, Haoma's access is still restricted. Haoma considers there were no valid reasons for this action and believes it was prompted by an intent of causing financial harm to Haoma.

3.2 Nolan's Mine Production - Summary for 3 Months to September 30, 2002

	1 st Qtr 2001/02	Full Year 2001/02		1 st Qtr 2002/03	Full Year 2002/03
CIL Plant					
Nolan's ROM Milled					
Tonnes Mined	436,993	1,470,614		N/A	N/A
Tonnes Milled	390,607	1,321,181		125,869	125,869
Crusher Av. Grade (g/t)*	1.01	1.07		0.93	0.93
Av. Metallurgical Recovery (%)	94.3%	93.6%		89.2%	89.2%
Overall Av. Gold Grade (g/t)	1.01	1.07		0.86	0.86
Gold Prod'n (oz)	11,912	42,459		3,475	3,475
Silver Prod'n (oz)				1,578	1,578

*Significantly lower than 'grade control' grade

3.3 Nolan's CIL Operation

For the 3 months to September 30, 2002, the reported Nolan's gold production was 3,475 ounces from 125,889 tonnes milled at an average crusher grade of 0.93 g/t Au and an average recovery of 89.2%. (Haoma does not agree the average crusher grade estimate (0.93 g/t Au) supplied by Carpentaria Gold Pty Ltd is correct.)

Commencing January 2003, Haoma will feed ore to the Nolan's Processing Plant every second month. This will enable approximately 120,000 tonnes of ore to be processed every second month.

It is planned that from March 2003 a 40mm and a 80mm screen will be added to the primary crusher which will enable low-grade sulphide ore to be beneficiated before processing through the Nolan's plant. Approximately 120,000 tonnes per month will be beneficiated after the primary crusher producing approximately 50% ore (1.5 g/t) for processing every second month through the Joint Venture plant and 50% discarded as waste. Processing beneficiated higher grade ore will result in a significant increase in Haoma's cash flow. Haoma has available

approximately 3 million tonnes of low-grade Nolan's sulphide ore that was mined during the Joint Venture and can now be beneficiated before processing through the Nolan's Joint Venture Plant.

3.4 Production Costs & Results from Beneficiating Low Grade Nolan's Ore

The cost per gold ounce produced for the 3 months to September 30, 2002 was approximately \$460. The significantly reduced cost of production is due to the processing of ore mined and stockpiled in the previous Quarter along with ore beneficiated during the Quarter to September 30, 2002. There were no direct costs of mining during the Quarter. (See comments in 3.1 above regarding Haoma's restricted access to the Nolan's Pit during the Quarter).

During the Quarter, Haoma successfully beneficiated and milled significant tonnes of low grade Nolan's ore which was available from stockpiles near the Nolan's plant.

A Finlay 595 Hydratrak vibrating screen was used to separate the finer gold-bearing ore particles from the larger barren rock fragments.

In total, 2,900 tonnes of ore (1.14 g/t Au) was produced from beneficiating mineralised waste (grade 0.9 g/t Au, 30% was rejected), and 36,100 tonnes of ore (1.32g/t Au) was produced from beneficiating acid waste (grade 0.35 g/t Au, 75% was rejected).

Ore that is immediately available to Haoma for beneficiation and processing includes Haoma's entitlement to approximately 507,000 tonnes of mineralised waste (after beneficiation approximately 250,000 tonnes @ 1.5g/t) mined during the Joint Venture and approximately 350,000 tonnes of acid waste (after beneficiation approximately 120,000 tonnes @ 1.15 g/t) mined by Haoma since June 2001. These inventories will provide Haoma with a low cost supply of ore for processing in the first half of 2003.

4. EXPLORATION ACTIVITIES IN QUEENSLAND

During the Quarter exploration activity conducted by Haoma in the Ravenswood area was maintained at a reduced level due to the adverse impact of Haoma's ongoing Supreme Court of Queensland case against Carpentaria Gold over their misappropriation of Haoma's gold.

The majority of Haoma's exploration effort in Queensland was directed towards the ongoing assessment of Haoma's Ravenswood mining leases. Trial mining of the Copper Knob Lease (ML 1330) was undertaken during the Quarter and exploration focused on gaining additional data on ore controls through mapping and more detailed sampling. Work also progressed on the Eight Mile Creek Lease where some previously untested prospects were located and sampled. Trench logging was completed during the Quarter at the Empress of the North, Beaumont and Helena Prospects.

4.1 Eight Mile Creek Lease, Ravenswood. Qld (ML1325)

During the Quarter the remaining ore stockpiles on Eight Mile Creek (ML 1325) were trucked to the Nolan's plant. The volume of gold bearing ore trucked (10,840 tonnes at 2.54 g/t Au) was greater than anticipated due to some dumps filling old drainage areas. These areas have now been restored and rehabilitated to the original land surface.

Dumps on the historic Budgerie and Flying Cloud mines have been reclaimed and the sites restored. Some old tracks have been upgraded to provide access to untested workings, located in the eastern portion of the lease. Trenching was undertaken to investigate this area in more detail and revealed that historical workings were focussed on two main lines of lodes (and some smaller reefs) that could be traced on surface for a length of approximately 300 meters. Trenching revealed that the reefs follow a NNE trend and dip steeply to the west, generally at

60-80 degrees. It appears that the reefs were locally of high grade as a number of the trenches encountered backfilled workings that extended beyond the floor of the trenches.

The quartz veins constituting these lodes pinch and swell along strike but rarely exceed 20cms in width. Mineralization consists of galena (dominant) with minor pyrite and chalcopyrite irregularly distributed in the quartz. Sulphide concentrations are generally less than 10%. Assays of this material averaged 6.5 g/t Au with other samples returning 1.84 g/t, 4.95 g/t and 1.69 g/t Au. Another four samples of reef material returned assays < 1.0 g/t Au, indicating that the gold is irregularly distributed in the veins and is probably localized in shoots. Trenching failed to reveal the presence of any quartz stringers or alteration zones in proximity to the reefs.

A shallow (25 m) drilling program is planned in the New Year to test the main targets, quartz stringers and alteration zones. The well defined structures developed in this area offer potential to host high-grade gold mineralization. In addition, this mineralisation is likely to be preferentially localized in more shallowly dipping portions of the lode further enhancing its economic potential.

4.2 Copper Knob Lease, Ravenswood. Qld (ML 1330)

During the Quarter additional pitting and sampling was undertaken on the Copper Knob Lease. The oxide ore generated from the activity was stockpiled on surface. The work focused on the southern end of ML1330 in order to localise the disturbance. This area also offers the best near surface potential and is closest to the Nolan's Joint Venture plant.

A total of five oxide ore stockpiles (totalling 1,600 tonnes) were sampled and returned average assay grades of 1.23 g/t, 1.26 g/t, 1.18 g/t, 0.91 g/t and 1.83 g/t Au respectively. These results correspond closely with the average grade of 1.3 g/t gold measured during the initial batching of Copper Knob ore through the Nolan's Joint Venture plant.

The near surface grades have been decreased by depletion of high grade material from historical workings encountered in many of the pits during excavation. Most of the historical workings have been backfilled and with low-grade material resulting further dilution of the ore grade. It is expected that the extent of the workings will diminish at depth which should result in an increase in the overall grade.

Mining of Copper Knob has currently been suspended because sufficient tonnes of this oxide ore is now located at the Nolan's sidecast ore stockpile ready for processing through the Nolan's Joint Venture plant.

4.3 Empress of the North Prospect and Beaumont Prospect, Ravenswood. Qld (ML1326)

A bulldozer was engaged to rehabilitate the Empress of the North and Beaumont sites and open up access to prospects covered by lantana thickets and thornbush. Drill rigs can now readily access the area and a limited shallow (to 25m) drilling program (400m) will be undertaken in the New Year to test for possible extensions of the gold mineralization located on surface.

5. **PROCESSING AND EXPLORATION ACTIVITIES IN WESTERN AUSTRALIA**

5.1 **Pilbara Joint Venture with DeBeers Australia Exploration Limited (E45/2183, E46/473)**

DeBeers Australia Exploration Ltd have provided the following advice in respect of the above tenements for the September 2002 Quarter activities:

"Ground investigation of anomalous chrome spinels involved the collection eighteen (18) follow-up stream samples and hammer prospecting. No rocks of interest were located in the background of basalts and related volcanic units. The full sample results are awaited, however some chrome spinels with internal textures of interest were recovered. Detailed analysis will be conducted once all results have been received."

5.2 **Recommissioning the Bamboo Creek Treatment Plant and Processing Mickey's Find Oxide Ore at Bamboo Creek.**

Trucking of Mickey's Find oxide ore (3,814 tonnes) to the Bamboo Creek treatment facility commenced on August 13, 2002 utilising a local cartage contractor based in Port Hedland. A further 200 tonnes had previously been trucked to Bamboo Creek.

On August 26, 2002 recommissioning of the Bamboo Creek treatment plant commenced on a day shift basis. Full production was commenced on September 12, 2002 with the plant reverting to a full 24 hour/day operation. Processing Mickey's Find oxide ore was completed on September 25, 2002 with a total of 4,107 tonnes fed to the ball mill.

The run-of-mine Mickey's Find oxide ore was crushed through the Bamboo Creek conventional 3 stage circuit. The tertiary crusher (a Nordberg gyro-disc) was set at a closed side setting of 5 mm producing a screened fine mill feed product of 3 mm.

The processing plant was configured as a conventional single mill closed circuit operation with a cyclone followed by a carbon in pulp circuit comprising 5 x 110 m³ leach tanks and 6 x 36 m³ carbon adsorption tanks. Gold recovery was via a standard 1.2 tonne capacity pressure Zadra elution circuit.

Initially a 20 tph feed rate utilising the single mill was achieved with the cyclone overflow grind size set at 80% passing 75 microns. The 20 tph feed rate could not be maintained for the duration of the milling trial due to congestion in the adsorption circuit as the production rate was outside the designed capacity of the interstage screen surface area. This resulted in the mill feed rate being cut to 15 tonnes per hour which is the present screen designed maximum throughput rate - larger screens will be trialed in the current Quarter.

Tests were also conducted on grind size verses leach recovery. Results confirmed previous laboratory trials that Mickey's Find oxide ore requires to be milled to 75 micron to liberate the gold.

P80	Recovery
75 micron	92.80%
150 micron	87.69%
212 micron	73.00%

The initial trial achieved an overall 90.17% gold recovery from the treatment plant. The average leach feed sizing was 66.63 % passing 75 micron.

Cyanide consumption for the ore parcel was 1.21 kilograms per tonne.

During the Quarter 360 ozs of gold and 3,493 ozs of silver was mostly produced from Bamboo Creek milling of Mickey's Find oxide ore. A small quantity of the production came from the Normay vats.

Calculated Gold & Silver Recoveries for Mickey's Find Oxide Ore:

Gold

Total Hours Run	Cumulative Dry Tonnes Milled	Average Tonnes per Hour	Average Mill Feed Grade g/t	Cumulative Gold in Mill Feed gms	Average Cyclone O/F Grade g/t	Cumulative Gold in Cyclone O/F gms
276.58	4,107.07	14.85	2.28	9,367.22	2.30	9,458.69

Silver

Total Hours Run	Cumulative Dry Tonnes Milled	Average Tonnes per Hour	Average Mill Feed Grade g/t	Cumulative Silver in Mill Feed gms	Average Cyclone O/F Grade g/t	Cumulative Silver in Cyclone O/F gms
276.58	4,107.07	14.85	39.58	162,563.66	39.22	161,068.63

Gold

Average Tails Solids Grade g/t	Cumulative Gold in Tails Solids gms	Average Tails Solution Grade g/t	Cumulative Gold in Tails Solution gms	COF Percent Recovery
0.21	842.35	0.02	87.39	90.17%

Silver

Average Tails Solids Grade g/t	Cumulative Silver in Tails Solids gms	Average Tails Solution Grade g/t	Cumulative Silver in Tails Solution gms	COF Percent Recovery
7.11	29,182.58	3.08	12,220.54	74.29%

5.2.1 Future Processing at Bamboo Creek

During the current Quarter recovery tests were also conducted on batches of North Shaw sulphide ore (344 tonnes with a mill-feed head-grade of 4.33 g/t Au) and Normay tails (mainly North Shaw tails – 301 tonnes with a mill-feed head-grade of 0.90 g/t Au) using the Bamboo Creek treatment and milling facilities (including a Falcon concentrator and flotation circuits).

Summary of Results from Processing Normay Tailings Bulk Samples

Date	Shift	Mill-feed tonnes	Mill-feed head-grade (g/t)	Cyclone overflow grade (g/t)	Flotation cleaner concentrate grade (g/t)	Feed to the leach tank grade (g/t)	Calculated head-grade (g/t)	% Feed reporting to concentrate
27/10/2002	N/S	32	1.53	3.15	58.69	2.04	4.97	5 ⁽¹⁾
28/10/2002	D/S	68	1.11	1.81	61.30	0.89	3.96	5 ⁽¹⁾
28/10/2002	N/S	58	0.76	1.80	7.97	0.55	0.95	5 ⁽¹⁾
29/10/2002	D/S	68	0.70	1.74		0.73	0.73	0 ⁽²⁾
29/10/2002	N/S	75	0.72	1.12	11.18	1.29	2.07	7 ⁽³⁾
Average		301	0.90	1.76	31.53	1.01	2.29	5.64

(1) – Flotation grade from Cleaner Concentrate

(2) – Flotation circuit not used

(3) – Flotation grade from Rougher and Scavenger Concentrate

The above table shows the calculated gold grades after processing were significantly higher than the mill-feed head-grades.

The test results are extremely encouraging with some results still awaited. When tests are completed the physical gold and silver recovered will make it possible to calculate the actual gold and silver grades and compare them with the above mill-feed head-grades.

Similar tests were conducted at Bamboo Creek during the period April 2 – May 19, 1993. Shareholders should compare the results to the June 4, 1993 Kitchener Mining NL Special Report to Australia Stock Exchange (Perth). After processing 275.7 tonnes of high grade Kitchener sulphide ore (with a mill-feed head-grade of 38.3 g/t Au) the calculated gold grade from gold bullion produced was estimated to be 49.59 g/t - significantly higher than the mill-feed head-grade of 38.3 g/t.

From October 31, 2002 Mickey's Find oxide ore is being processed continually through the Bamboo Creek Plant at the rate of approximately 350 tonnes a day. Use of the Bamboo Creek gravity recovery circuit should improve the gold and especially the silver recoveries during the current Quarter.

Samples from the following other areas will be processed at the Bamboo Creek plant in the current Quarter:

- Copenhagen (M45/682, M45/240, P45/2391)
- Klondyke (M45/547, M45/671, P45/2316)
- Fieldings Gully (M45/521)

5.3 Exploration at Mickey's Find East (M45/328)

A programme of 23 reverse circulation (RC) drill holes commenced on August 7, 2002 at the Mickey's Find East (MFE) project to determine the continuity of the gold and silver mineralisation along strike and at depth. Four of these holes penetrated the southern and central part of the MFE structure, but the fifth hole (MFRC10) was drilled into a structural target about 100 metres to the south of the Main Zone of MFE and intersected significant grades of gold and silver over mineable widths.

Drilling recommenced on the September 20, 2002, and the programme was completed by October 4, 2002, with an additional 16 holes drilled. Previously, only the shallow part of the gold-bearing Main Zone had been reliably defined.

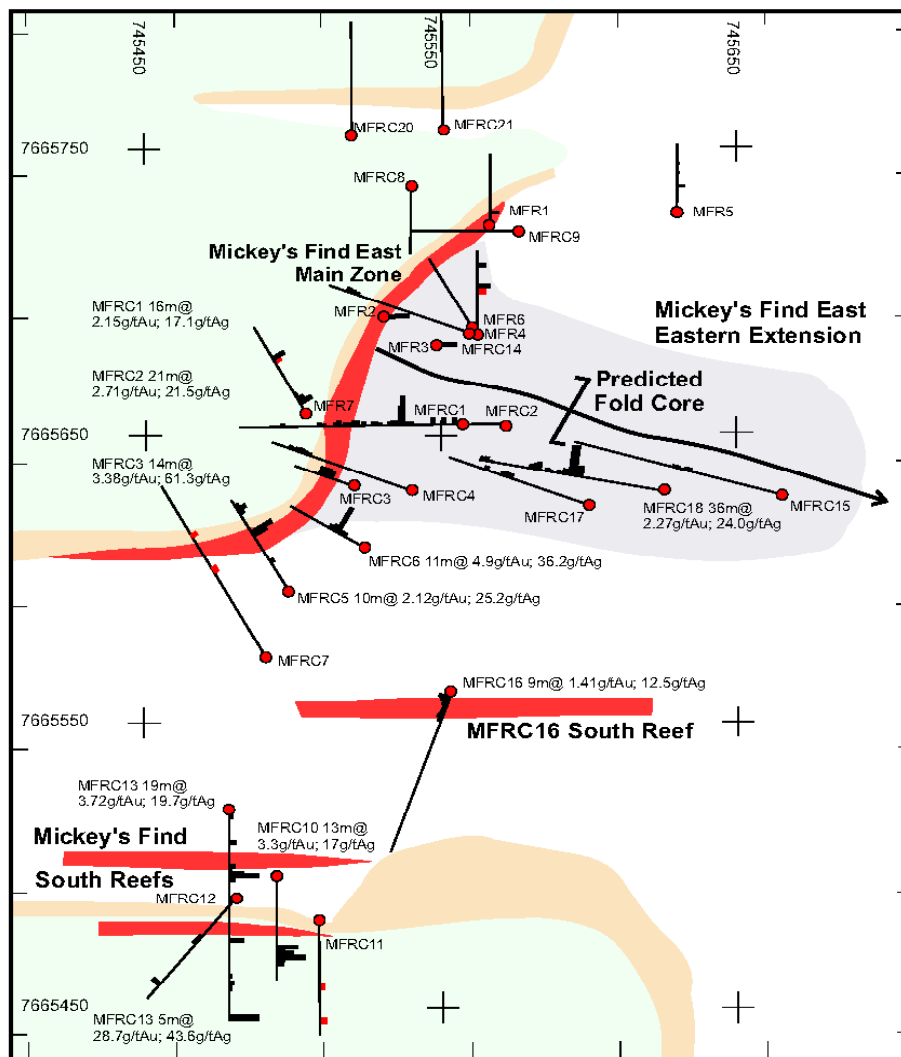
The latest drilling demonstrated that the main target is a near-flat structure **which is radically different from that interpreted earlier** using the results of deep historic drilling, which had suggested a steep dip to the mineralised zone (See Figure 1). The near-flat altitude of the mineralised zone means that it will be possible to mine a much larger tonnage of ore than if the body of mineralisation had a steep dip. (A steep dip would impose mining constraints because of increasing stripping ratios with depth, with the maximum anticipated depth to economic mining probably being around 100 metres below surface).

The new drill information enabled the correlation of outcropping mineralisation with intersections along a line of five drill holes (MFRC's 1, 2, 17, 18 and 15) to the east of the outcropping ore-zone (See Figure 2). This showed that the north-trending Main Zone plunges gently eastward, with the degree of plunge being only about 20 degrees. As a result the mineralised zone intersected in MFRC18 is only 40 metres below surface at a distance of 130 metres east of the outcropping ore-zone. The apparent plunge of the mineralisation is then shown to steepen to around 50 degrees by the results of hole MFRC15 - the most easterly hole to be drilled on this line.

The drilling supports the interpretation that the sulphidic gold-silver mineralisation lies within a gentle easterly plunging fold and that the drilling penetrated the core of this structure. The presence of this fold adds significantly to the potential gold-silver resources of the project with the minable volume of these resources being dependent on the amplitude of the fold, the dip of the limbs and the degree of steepening of the fold plunge to the east of hole MFRC15. If the fold has a broad or near flat crest, as suggested by its pattern of outcrop, then the potential for a large increase in resource tonnage, over and above the earlier estimated 600,000 – 700,000 tonnes, is high. Its high silver content, which may exceed five ounces to the tonne often, offsets the moderate grade of gold mineralisation shown sometimes to be present within the ore.

The RC drilling of the Main Zone shows that the gold is often present in two zones consisting of a wide (higher grade) hanging wall and a well-mineralised and narrower (lower grade) foot wall. The ore material tends to be richer within a pyritic, quartz veined, chert breccia and argillised fault gouge containing high volume percents of pyrite. Intersected high grade zones measured 5-10g/t gold with assays up to 42.0 g/t gold over narrow widths.

Figure 1
Mickey's Find East Project - Plan of Drilling Highlights with Simplified Geology



Green: Basalt

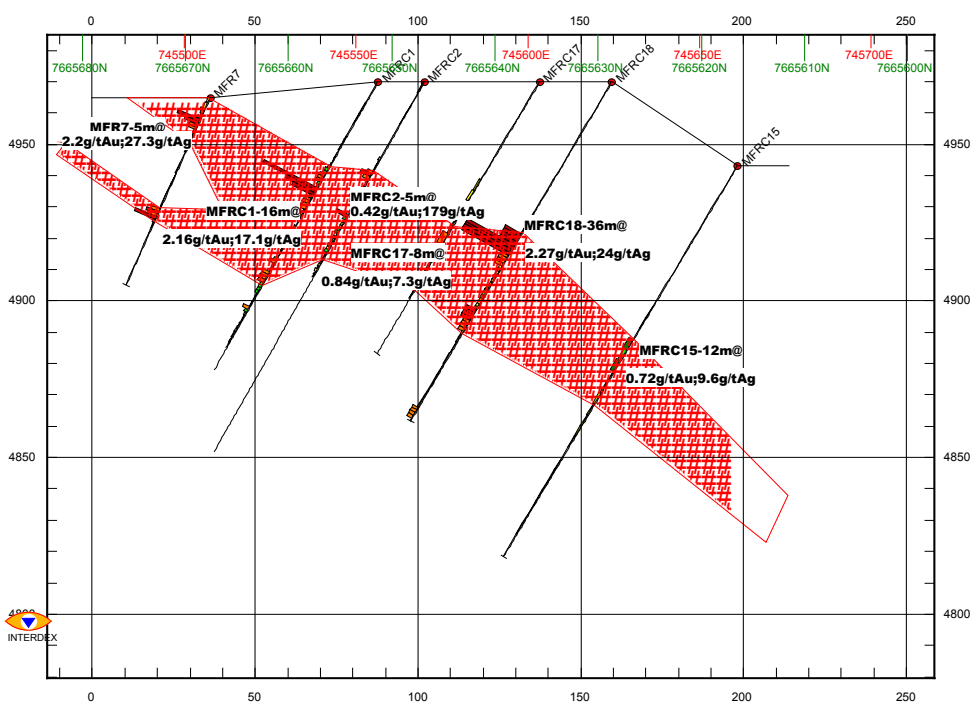
Beige: Chert

White: Ultramafic Rocks

Red: Gold mineralised zones

Grey: Main Zone extension

Bar graphs indicate the location of main gold intersections with a cut-off set at 10g/t

Figure2. Longitudinal Section through Mickey's Find Eastern Extension

5.3.1 Drill Targets – East and South of Mickey's Find East Main Zone

Two additional drill targets were tested near the MFE Main Zone.

The first target (Mickey's Find South) is a new zone of gold-silver mineralisation and was first intersected by hole MFRC10 which contained 13 metres of 3.30 g/t Au and 17.0 g/t Ag from 50 to 63 metres depth. Following on from this a further three holes were drilled near the collar of MFRC10 and a fourth hole was drilled to the east and topographically much lower than the main area of drilling. MFRC13, drilled beneath RC10 revealed the presence of two separate gold mineralised zones. The first contained 3.72g/t Au and 19.7 g/t Ag over 19m from 39 metres to 58 metres depth, while the second contained 27.7g/t Au and 43.6g/t Ag over 5m from 144 metres to 149 metres depth with the hole finishing in mineralisation grading 3.28g/t.

The second (Mickey's Find North) lies just north of the Main Zone and four drill holes into this target failed to improve upon the earlier best intersection of 3 metres at 0.7g/t Au. The drilling tested several hundred metres of strike of a chert-basalt sequence with some similarities to that at the Main Zone. Holes were drilled to 80 metres depth and orientated north or west to accommodate variations in geological trends.

Hole MFRC16 failed to intersect the main MFRC's 10 and 13 gold-bearing zones but intersected a lower grade zone (1.41g/t Au and 12.5 g/t Ag over 9m) from surface. This increases to three the number of newly discovered gold mineralised zones within Mickey's Find South.

The MFRC's 10 and 13 intersections are completely new gold-silver targets. Unlike Mickey's Find East they are not sulphidic nor are they associated with a chert marker. They are most probably a less predictable, shear-controlled series of high-grade gold shoots and can significantly add to the total reserves of the project. They are therefore included as an Inferred Resource in the inventory shown below.

Mickey's Find drill details to-date are as follows:

Mickey's Find East – Main Zone

Hole	East	North	Direction True North	Depth	Dip	From	To	Width (m)	Grade Au g/t	Grade Ag g/t
MFRC1	745518	7665643	270	98	-60	34	50	16	2.16	17.1
						66	74	8	0.83	1.0
MFRC2	745576	7665651	270	120	-60	33	36	3	1.52	20.2
						39	44	5	0.42	179.2
						49	51	2	1.49	6.7
MFRC2	745531	7665691	0	52	-90	0	21	21	2.71	21.5
MFRC3	745520	7665632	290	40	-60	16	30	14	3.38	61.3
MFRC3	745548	7665681	0	100	-90	52	100	48	1.23	6.9
<i>MFRC4</i>	745540	7665630	290	120	-60	76	88	12	0.89	7.6
MFRC5	745515	7665604	330	72	-60	45	55	10	2.12	25.2
						65	67	2	1.80	46.1
MFRC6	745515	7665633	300	72	-60	16	27	11	4.90	36.2
						57	63	6	1.34	9.1
MFRC7	745504	7665657	330	69	-60	7	12	5	2.20	27.3
						41	45	4	2.36	6.2
<i>MFRC7</i>	745490	7665572	330	148	-60	68	100	32	0.73	6.0
<i>MFRC14</i>	745582	7665689	290	90	-60	68	88	20	0.71	3.5

Mickey's Find East - Eastern Extension

Hole	East	North	Azimuth	Depth	Dip	From (m)	To (m)	Width (m)	Grade (Au g/t)	Grade (Ag g/t)
MFRC17	745599	7665629	290	80	-60	56	64	8	0.84	7.3
<i>MFRC18</i>	745630	7665633	280	145	-60	56	92	36	2.27	24.0
MFRC15	745665	7665628	285	144	-60	64	76	12	0.72	9.6

Mickey's Find South

Hole	East	North	Azimuth	Depth	Dip	From (m)	To (m)	Width (m)	Grade (Au g/t)	Grade (Ag g/t)
MFRC10	745510	7665477	180	72	-60	50	63	13	3.30	17.0
<i>MFRC11</i>	745508	7665480	220	80	-60	44	48	4	1.80	6.5
						64	72	8	1.63	3.0
<i>MFRC12</i>	745480	7665488	180	92	-60	37	42	5	0.87	3.0
						78	80	2	2.02	33.8
<i>MFRC13</i>	745478	7665519	180	149	-60	39	58	19	3.72	19.7
						144	149	5	27.70	43.6
MFRC16	745549	7665568	200	120	-60	0	9	9	1.41	12.5

Italicised hole numbers indicate assays of 4m composite sample.

Bold drill holes from early 1990's drilling.

5.3.2 Mickey's Find Resource Estimates

The above drilling is sufficient to allow a measured to Indicated Resource estimate to be calculated for the southern and northern portion of the mineralised Main Zone. Earlier resource calculations from shallow RAB drilling still stand. Because the new Mickey's Find Southern Shoot has been intersected in only two drill holes the lowest category (Inferred Resource) is attributed to this mineralisation. Inclusion of the Southern Shoot Inferred Resource within the inventory is justified because the erratic distribution of gold within drill hole MFRC10 shows that the mineralisation is a wide primary reef and not a product of the redistribution of secondary gold from a narrow, high grade shoot.

Estimated Resources are now as follows:

Mineralisation - Main Zone and Southern Shoot	Resource Category	Tonnes	Grade Au g/t	Grade Ag g/t	Ounces Au	Ounces Ag
Main Zone - Shallow resources- <30m depth	Measured-Indicated	255,000	2.31	29.0	18,900	237,000
Main Zone – southern segment- 30-100m	Measured-Indicated	300,000	2.48	27.0	23,500	260,000
Main Zone – Northern segment	Inferred Resource	105,000	2.13	20.0	7,200	67,300
Main Zone–New Eastern Fold Extension	Inferred Resource	900,000	2.08	21.0	60,000	605,700
Mickey’s Find Southern Shoot	Inferred Resource	200,000	4.69	17.4	30,100	111,500
	All Resources	1,760,000	2.47	22.7	139,700	1,281,500

The above drill information is based on a cut-off of 1g/t gold over 2 metres or on wider intervals of lower grade mineralisation (eg 4m @ 0.8g/t) where combined gold and silver values approach accepted economic parameters. With one exception, silver grades were calculated for the gold mineralised zone only, although it should be noted that over an ounce to the tonne of silver is commonly encountered proximal to, but outside, the gold-bearing zones. All RC samples are being analysed at Haoma’s Bamboo Creek laboratory by Aqua Regia Digest.

The above Resource figures are constrained by the amount of drilling and will be subjected to modification and upgrade as exploration progresses. A programme of similar specifications to the one just completed will be conducted to convert the Eastern Fold Extension to the measured or Indicated category – at present this new Resource has been intersected in only three holes.

The Mickey’s Find Southern Zone has potential to contribute high-grade gold ore to the project and further drilling is expected to increase Resources once the structure of the reefs is better understood.

The above information and Resource calculations were prepared by Mr H. Davies who is a Fellow of the Australasian Institute of Mining and Metallurgy and a competent person under the JORC Code for the Reporting of Identified Mineral Resources and Ore Reserves.

6.0 Haoma’s 2002 Annual General Meeting

Date: Monday, December 16, 2002
Commencing at 10.00am

Venue: "Morgans at 401"
Ground Floor,
401 Collins Street
Melbourne. Victoria

Light refreshments will be available to members and guests following the AGM.



Gary C Morgan
CHAIRMAN

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 2002

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (...3.. months) \$A'000
1.1	Receipts from product sales and related debtors	1,398	1,398
1.2	Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(3,539)	(3,539)
1.3	Dividends received	--	
1.4	Interest and other items of a similar nature received	--	
1.5	Interest and other costs of finance paid	(93)	(93)
1.6	Income taxes paid	--	
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(2,234)	(2,234)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(522)	(522)
1.9	Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	(57)	(57)
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	(57)	(57)
1.13	Total operating and investing cash flows (carried forward)	(2,813)	(2,813)

1.13	Total operating and investing cash flows (brought forward)	(2,813)	(2,813)
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	3,734	3,734
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	3,734	
Net increase (decrease) in cash held			
		921	921
1.20	Cash at beginning of quarter/year to date	14	14
1.21	Exchange rate adjustments to item 1.20	--	--
1.22	Cash at end of quarter	935	935

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	N/A
1.24	Aggregate amount of loans to the parties included in item 1.10	N/A

1.25 Explanation necessary for an understanding of the transactions

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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

N/A

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

N/A

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	NIL	N/A
3.2	Credit standby arrangements	NIL	N/A

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	500
4.2	Development	
Total		500

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		14
5.2	Deposits at call	1,000	--
5.3	Bank overdraft	(65)	--
5.4	Other (provide details)	--	--
Total: cash at end of quarter (item 1.22)		935	14

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	E45/2048 E45/2062 E45/2063 E45/2065 E45/2068 E45/2069 E45/2094 E45/2095 E45/2096 E45/2098 E45/2182 E45/2182 E46/473 E46/474 E46/476	100%	0%
6.2	Interests in mining tenements acquired or increased	nil		

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>	N/A	N/A	N/A	N/A
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>	N/A	N/A	<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>	N/A	N/A		
7.12 Unsecured notes <i>(totals only)</i>	N/A	N/A		

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 give a true and fair view of the matters disclosed.



Gary C. Morgan
Chairman

Date: October 31, 2002