



Haoma Mining NL

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

July 31, 2002

Dear Sir,

REPORT FOR THE QUARTER ENDED JUNE 30, 2002 – HIGHLIGHTS

- **Group Consolidated Result** – For the year to June 30, 2002 the unaudited loss before tax was \$2.63 million (2001: profit of \$1.55 million) after interest of \$0.09 million (2001: \$nil) and depreciation and amortisation of \$4.56 million (2001: \$3.70 million).
For the Quarter to June 30, 2002, Haoma's unaudited profit before tax was \$0.81 million after interest of \$0.05 million and depreciation and amortisation of \$1.25 million.
- **Legal Action Against Carpentaria Gold Pty Ltd and MIM Holdings Ltd** –
Haoma holds Carpentaria Gold and MIM 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
 - 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.Oppressive behaviour by Carpentaria Gold/ MIM has made operations at Ravenswood difficult and more expensive than necessary.
Haoma has sought, and continues to seek, to negotiate a settlement, or commercial resolution with MIM. However, at this time it appears the issues will be dealt with legally (See Section 2 "Legal Action by Haoma Mining NL Against Carpentaria Gold Pty Ltd and MIM Holdings Ltd").
- **Beneficiation Tests - Nolan's Lease, Ravenswood QLD** - During the Quarter further beneficiation trials were conducted on Nolan's low-grade ore. A larger 120mm screen size was trialed on a 44,650 tonne parcel of ore with a head grade of 0.62 g/t Au. This simple screening process was successful in up-grading low-grade Nolan's ores to produce a commercial gold grade product (1.20 g/t). Haoma has commissioned a mobile screening plant to beneficiate all low-grade ore stocks on its Ravenswood leases. The plant was commissioned July 24, 2002. Beneficiating of ore will commence during the first week in August 2002. However it appears it will be necessary for Haoma to seek a Court Order to ensure Carpentaria Gold processes the beneficiated ore through the Joint Venture plant.
- **Trial Pits - Copper Knob Lease, Ravenswood QLD** - During the Quarter 14 trial pits of approximately 5m depth were completed at the Copper Knob prospects. To obtain a reliable bulk sample, the pits were excavated at 50 metre intervals along two parallel shear zones for a distance of approximately 400 metres. The results of this work are encouraging. Most trial pits returned grades greater than 1g/t Au. Ore from the pits has been trucked to the Nolan's Processing Plant for processing.
- **Nolan's Mining Operation** – For the 3 months to June 30, 2002, Haoma was advised by the Nolan's Processing Plant Joint Venture Manager, Carpentaria Gold Pty Ltd, that Haoma produced 10,412 ounces of gold bullion and stock in circuit. Haoma does not accept the Manager's production advice as being correct.
- **Mickey's Find, Pilbara WA** – Most of the shallow drill targets at Mickey's Find have now been tested indicating the likelihood of a significant ore body being defined. A program of reverse circulation drilling is planned to commence in the current Quarter to test the mineralisation at depth and to provide a measured resource. This will enable the project to progress to a mine-planning stage and further increase the resource of 720,000 tonnes @ 1.8 g/t gold and 16 g/t silver. New targets 400 metres west of Mickey's Find East will also be drilled.

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1. GROUP CONSOLIDATED RESULT TO JUNE 30, 2002

Haoma Mining NL Consolidated Profit & Loss	2000/01 4th Quarter (\$m)	2000/01 Full Year (\$m)	2001/02 1st Quarter (\$m)	2001/02 2nd Quarter (\$m)	2001/02 3rd Quarter (\$m)	2001/02 4th Quarter (\$m)	2001/02 Full Year (\$m)
Revenue	7.06	31.00	8.40	6.87	7.46	8.53	31.26
Profit before Interest, Depreciation and Amortisation and Exploration and Development expenditure	1.10	9.25	0.77	(1.16)	1.43	2.98	4.03
Interest	-	-	-	-	(0.04)	(0.05)	(0.09)
Depreciation & Amortisation	(1.44)	(3.70)	(1.24)	(1.15)	(0.92)	(1.25)	(4.56)
Exploration, Development & Evaluation	(0.61)	(4.00)	(0.51)	(0.27)	(0.35)	(0.87)	(2.00)
Profit (Loss) before Tax	(0.95)	1.55	(0.98)	(2.58)	0.12	0.81	(2.63)

Nolan's production – (oz)	8,980	51,965	11,912	9,702	10,432	10,412	42,458
Av. Cash cost (excl capex - \$/oz)	350	309	547	665	480	612	532
Sustaining capital (\$/oz)	35	33	4	15	13	32	15
Av. Cash cost including sustaining capital (\$/oz)	\$385	\$342	\$551	\$680	493	650	547
Gold sold (oz)	10,176	54,134	11,513	10,532	10,480	11,729	44,254
Av. Selling price (\$/oz)	\$694	\$616	\$656	\$652	\$677	\$680	\$667
Normay production (oz gold)	-	169	-	162	391	296	849
Av. Selling Price (\$/oz)	-	486	-	\$549	\$565	\$567	\$563

1.1 Haoma's Group Consolidated Results

Haoma's Consolidated Group Profit for the year ended June 30, 2002 before interest, depreciation and amortisation and exploration, development and evaluation costs was \$4.03 million (2001: \$9.25 million).

The Haoma Consolidated Group Profit for the three months ended June 30, 2002 before tax was \$0.81 million (2001: loss \$0.95 million) after charging depreciation and amortisation of \$1.25 million (2001: \$1.44 million) and group exploration, development and evaluation expenditure of \$0.87 million (2001 - \$0.61 million).

Group Exploration, Development and Evaluation expenditure for the 3 months to June 30, 2002 totalled \$650,000. Expenditures included \$270,000 in the Ravenswood area of Queensland and \$380,000 in the Pilbara region of Western Australia.

Haoma now knows that significant revenue can be obtained from processing stockpiled low grade Nolan's ore (acid waste 0.2 - 0.5g/t Au and mineralised waste 0.5 - 0.75g/t Au) by a simple beneficiation procedure involving the screening of ore before processing through the Joint

Venture plant. Since 1997/98 Carpentaria Gold Pty Ltd (50.1% participant in Nolans Joint Venture) has been aware that low grade Nolan's ore was amenable to beneficiation. Haoma was only provided with Carpentaria Gold's correct information on size and grade of low grade Nolan's ore on April 12, 2002 (See Haoma's May 1 and 2, 2002 releases to the Australian Stock Exchange). Also refer to the MIM Holdings Ltd, May 1, 2002 Information Release to the Australian Stock Exchange **which is misleading and deceptive.**

Approximately 500,000 tonnes of the 1 million tonnes of Nolan's mineralised waste (estimated grade 0.7 g/t Au) was allocated to Haoma at the conclusion of the Nolans Phase 2 Mining Joint Venture. Haoma believes that all mineralised waste (approximately 1 million tonnes) should have been processed by the Joint Venture and included in the 12.5 million tonnes of ore that was mined in accordance with the Mining Joint Venture Agreement. This issue is one of Haoma's claims against Carpentaria Gold which is before the Queensland Supreme Court.

Due to the economic viability of processing the Nolan's mineralised waste, Haoma has for the first time in the Quarter ended June 30, 2002 included in its financial report the value of Haoma's mineralised waste ore which is ready for processing.

1.2 Forward Gold Sale Contracts

No future gold production is currently sold forward.

2. LEGAL ACTION BY HAOMA MINING NL 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 and March 31, 2002, and other releases to the Australian Stock Exchange.

It is only fair to advise shareholders that legal costs are expensive and MIM/Carpentaria Gold appear to be attempting to prevent the legal actions commenced by Haoma reaching the Court. This should concern MIM shareholders, the Australian financial community and politicians.

Gary Morgan is underwriting the legal costs of Haoma and will continue to do so.

A summary of the status of both proceedings follows.

2.1 First Action: 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.

On June 4, 2002, after Haoma's "Further and Better Particulars" were tendered to the Court as a draft, the case was dismissed by the Queensland Supreme Court on a technicality, as Haoma had not been able to respond within the designated four week time period. Carpentaria Gold had requested "Further and Better Particulars" on over 200 points.

Because it is unusual for a case of this size and complexity to be dismissed on a technicality, it is important that shareholders understand there has been no consideration of the merits of the case. The Court has in no way determined the case is without merit.

Haoma has appealed the Queensland Supreme Court decision to dismiss the case on a technicality ("Further and Better Particulars" were late in being lodged). Given the evidence Haoma released to the Australian Stock Exchange on May 2, 2002 (See attached release), and other significant information now known, Haoma is confident that once the case is presented to the Courts, the judgement will be in Haoma's favour.

2.2 Second 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 Queensland Supreme Court to recover gold that it produced but did not receive. Hearing of the dispute was held in the Queensland Supreme Court on January 29, 2002 and on January 30, 2002. The case was adjourned pending the completion of expert witness statements and discovery of additional data.

It is now clear that MIM/Carpentaria Gold was well aware that the gold allocation system was fundamentally flawed and unfair to Haoma well before it was put into practice to allocate gold between the two parties.

Expert reports highlighting the problems were intentionally withheld from Haoma.

Haoma does not accept that it has received its full and correct allocation of gold and is continuing with the legal action in order to seek full recovery of Haoma's gold and compensatory damages for the losses suffered by Haoma as consequence of the misallocation of gold and the cover-up.

The Court case is due to begin again at the end of September in the Queensland Supreme Court.

Haoma is confident of the outcome in this case unless MIM/Carpentaria Gold can in some way use the legal system to delay/stop the case proceeding, or they are successful in preventing experts and suppliers giving evidence or information.

2.3 Misleading and Deceptive Statement by MIM Holdings in May 1, 2002 Information Release.

The following statement was made by MIM to the Australian Stock Exchange on May 1, 2002:

"In relation to what Haoma alleges are "significant Joint Venture results on beneficiation tests conducted by Carpentaria Gold Pty Ltd in late 1997 and early 1998", Haoma has had the relevant information since early 1998 and is wrong in its assertion that it first received this information in April 2002."

This statement is not correct as information provided to Haoma in early 1998 was fundamentally different. It was incomplete and incorrect.

To date, Haoma has not been successful in getting MIM to correct their misleading and deceptive statement about information given to Haoma. See Haoma's May 2, 2002 release to the Australian Stock Exchange which is attached to this release.

3. MINING AT RAVENSWOOD, QLD

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

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

The mining project was previously managed under a Joint Venture agreement by Carpentaria Gold Pty Ltd, a wholly owned subsidiary of MIM Holdings Limited.

In June 2001, Haoma commenced mining the remaining ore (5.5 million tonnes @ 1.28g/t Au) in the Nolan's open pit in its own right. Haoma commenced feeding its ore to the Nolan's Processing Plant on July 16, 2001 in accordance with a batch processing arrangement being trialed between the Joint Venture participants.

3.2 Nolan's Mine Gold Production - Summary for 12 Months to June 30, 2002

CIL Plant Nolan's ROM Milled	Nolan's J V		Haoma Mining NL				
	4 th Qtr 2000/01	Full Year 2000/01	1 st Qtr 2001/02	2 nd Qtr 2001/02	3 rd Qtr 2001/02	4 th Qtr 2001/02	Full Year 2001/02
Tonnes Mined	404,775	1,991,045	436,993	395,644	340,427	297,550	1,470,614
Tonnes Milled	446,014	2,450,691	390,607	345,540	239,992	345,042	1,321,181
ROM Av. Grade (g/t)	1.27	1.34	1.01	0.95	1.43	1.02	1.07
Av. Metallurgical Recovery (%)	95.0	93.0	94.3	91.7	94.4	92.5	93.6
Gold Prod'n (oz) 100%	17,353	98,194	11,912	9,702	10,432	10,412	42,458
49.9%	8,659	48,999	-	-	-	-	-
Heap Leach (Milled from 97/98)							
Tonnes trucked from pad	114	240,715	-	-	-	-	-
Tonnes Milled	26,546	253,599	-	-	-	-	-
HL Av. Grade (g/t)	0.79	0.78	-	-	-	-	-
Av. Metallurgical Recovery (%)	95.0	93.0	-	-	-	-	-
Gold Prod'n (oz) 100%	643	5,944	11,912	9,702	10,432	10,413	42,459
49.9%	321	2,966	-	-	-	-	-
Overall Av. Grade (g/t)	1.25	1.29	1.01	0.95	1.43	1.02	1.07
Gold Prod'n (oz) 100%	17,996	104,138	11,912	9,702	10,432	10,413	42,459
49.9%	8,980	51,965	-	-	-	-	-

3.3 Nolan's CIL Operation

For the 3 months to June 30, 2002, the reported Nolan's gold production was 10,412 ounces from 345,042 tonnes milled at an average grade of 1.02 g/t Au and an average recovery of 92.5%. (Haoma does not agree the average grade estimate (1.02 g/t Au) supplied by Carpentaria Gold Pty Ltd is correct.)

3.4 Cost Per Gold Ounce Produced

The cost per gold ounce produced for the 3 months to June 30, 2002 was approximately \$650 (including \$32 per ounce sustaining capital). The full year cost per gold ounce produced was approximately \$547 (including \$15 per ounce sustaining capital).

The Quarterly costs per ounce estimates are calculated after including the cost of mining and stockpiling significant tonnes (approximately 500,000 tonnes in the last year) of low grade Nolan's ore which is now available to beneficiate and process through the Joint Venture plant.

4. EXPLORATION ACTIVITIES IN QUEENSLAND

Exploration undertaken by Haoma Mining NL during the Quarter has involved additional trenching and trial mining at Copper Knob (ML1330). Channel sampling of trenches was also completed in proximity to the historical gold diggings at the Empress of the North Prospect and Beaumont Prospect (ML1326), situated 2 kilometres west of Ravenswood. The three mining leases (Eight Mile Area) held by Haoma are approximately 9 kilometres to the east of Ravenswood. Preliminary exploration of the area produced initial results which are encouraging.

4.1 Nolan's Lease, Ravenswood. Old (ML 1394)

Nolan's Beneficiation Trials

During the Quarter further beneficiation screening/production trials were conducted on a range of low grade Nolan's ore (in the range 0.24 to 0.71 g/t Au). A larger 120mm screen size (compared to previous tests) was trialed on a 44,655 tonne parcel of ore with a head grade of 0.62 g/t Au (refer trial result LG-4 in Table 1 below). Approximately 52% of the mass was rejected as oversize, producing 21,434 tonnes of product with an estimated gold grade of 1.20 g/t Au.

Due to the success of this simple screening step in up-grading low-grade Nolan's ores to produce a commercial gold grade product, Haoma decided to commission its own mobile screening plant to beneficiate all low-grade ore stocks on its Ravenswood leases.

A new Hydratrak 595 Plant capable of processing up to 500 tonnes of ore per hour was acquired. The plant was commissioned on site on July 24, 2002. Full production-scale processing will commence during the first week of August 2002.

Table 1: Nolans Beneficiation Trials

Trial reference	Screen size	Sample Size (tonnes)	Fine product (tonnes)	% of fine product	Grade control before screening (g/t Au)	Grade after screening (g/t Au)	Crusher grade (g/t Au)
LG-1	40	43,389	9,467	21.8%	0.71	1.45	1.41
LG-2	80	5,580	1,912	34.3%	0.55	1.63	1.77
LG-3	80	23,120	7,630	33.0%	0.54	1.60	**
LG-4	120	44,655	21,434	48.0%	0.62	1.20	**
AW-1	40	1,415	236	16.7%	0.24	0.46	0.82
AW-2	40	12,319	3,023	24.5%	0.35	1.89	1.90
AW-3	80	6,207	2,048	33.0%	0.35	1.34	1.13
AW-4	40	7,888	2,031	25.8%	0.35	1.92	0.97
		144,573	47,781		0.58	1.41	

** Awaiting data

4.2 Copper Knob Lease, Ravenswood. Old (ML1330)

Geological mapping on Copper Knob located a large north-westerly trending structure which is strongly altered and has been pitted by prospectors in the past. As this zone remained untested by previous drilling or trenching programmes, the zone was trenched at 20 metre intervals. In total 8 trenches involving 210 metres were completed to test for extensions of known mineralisation detected in the previous trenching programme (reported last Quarter). Significant results ($> 0.4\text{g/t Au}$) from this programme are detailed below.

Table 2A: Copper Knob Trench Assay Results

Location	Interval (metres)	Length (metres)	Assay (g/t Au)
CKWB	14-16	2	1.06
CKWE	30-32	2	0.48
	32-34	2	0.51
CKWF	2-4	2	0.41
	20-22	2	0.56
CK925	2-4	2	1.46
CK950A	6-8	2	0.76

Copper Knob - Bulk Sampling Programme

A total of 14 trial pits to approximately 5m depth were completed on the Copper Knob prospect. The pits were excavated at 50 metre intervals along two parallel shear zones for a distance of approximately 400 metres to obtain a reliable bulk sample for trial mining and metallurgical testwork. They also provide additional geological information and more reliable grade information than was provided by the original trench assay data.

The results of this work are very encouraging with the material from most trial pits returning grades greater than 1g/t Au as listed in the table below. This ore has now been trucked to the Nolan's Processing Plant.

Table 2B: Copper Knob Trial Pit Results

Summary	Volume (Cubic metres)	Tonnes	Grade (g/t Au)	Grams Au	Ounces Au
Float Stockpiles	384.7	615.5	1.00	615.47	
Trial Pit 1	92.0	174.8	2.10	367.08	
Trial Pit 2	87.5	166.3	1.83	304.24	
Trial Pit 3	304.1	577.8	1.86	1,072.31	
Trial Pit 4	125.0	237.5	1.15	273.55	
Trial Pit 5	61.6	117.0	0.74	86.61	
Trial Pit 6 (1999 trial pit extension)	608.7	1,156.6	1.61	1,862.08	
Trial Pit 7	177.8	337.8	0.51	172.29	
Trial Pit 8	102.5	194.8	1.20	233.70	
Trial Pit 9	44.2	84.0	2.05	172.16	
Trial Pit 10	111.7	212.2	1.03	218.60	
Trial Pit 11	96.1	182.6	2.71	494.82	
Trial Pit 12	181.9	345.6	1.54	532.24	
Trial Pit 13	120.7	229.3	1.36	311.89	
Trial Pit 14	213.4	405.5	1.26	510.88	
TOTAL TRIAL PITS	2,498.5	5,037.2	1.43	7,227.90	232

The following table shows the Copper Knob measured, indicated and inferred resource prepared in 1999 by Mr. Bill Darcey with an average depth of 90m using a primary cut-off of 0.3 g/t gold.

Table 2C: Copper Knob Resource

Classification	Tonnes	Gold grade (g/t)	Silver grade (g/t)	Gold (oz)
Measured	621,104	1.03	7.6	20,628
Indicated	1,239,955	0.81	2.9	32,171
Inferred	801,746	0.85	2.9	21,807
Total resource	2,662,805	0.87	4.0	74,606

The above resource calculations were prepared by Mr Bill Darcey in a report dated October 11, 1999. Mr Darcey is a competent person under the JORC 'Code for the Reporting of Identified Mineral Resources and Ore Reserves'.

4.3 Empress of the North Prospect and Beaumont Prospect, Ravenswood. Qld (ML 1326)

Evaluation of the Empress of the North Prospect and Beaumont Prospect (situated 2 kilometres west of Ravenswood) proceeded during the Quarter. A number of reefs have been worked in the past and the relatively large area of surface disturbance (100m x 300m) indicated possible bulk tonnage potential.

A total of 408 samples were collected for gold analysis. In addition, the prospect areas have been mapped and all drill holes and old trenches located and surveyed. Trench assays are listed below. Significant results include 18m at 2.9g/t Au in trench B2 from the Beaumont Prospect area, and 10m at 4.13g/t Au in trench EM5 from the Empress of the North Prospect area. Some trenches failed to intersect reefs due to the presence of old diggings and backfilled stopes. Drill testing of these areas will be conducted in the future.

Table 3: Empress of the North Prospect and Beaumont Prospect - Trench Assay Results

Location	Interval (metres)	Length (metres)	Assay (g/t Au)
EM1	8-10	2	1.5
	22-24	2	1.1
	44-46	2	1.5
	98-100	2	0.6
	118-120	2	0.7
	126-128	2	0.5
	132-134	2	0.6
	158-160	2	0.8
	172-174	2	8.1
EM2	2-4	2	0.4
	14-16	2	1.05
	32-34	2	0.5
	56-58	2	0.5
	62-64	2	0.7
	64-66	2	0.9
EM3	8-14	6	0.6
	24-26	2	0.6
	36-40	4	0.7
	48-50	2	0.8
	52-54	2	0.6
EM4	(No significant results)		
EM5	22-24	2	0.6
	26-28	2	0.9
	36-40	4	0.5
	42-52	10	4.13
EM6	40-42	2	1.8
B2	4-22	18	2.9

4.4 Eight Mile Creek Area, Ravenswood. Old (ML1325, MC1552, MC1652)

The exploration potential of Haoma's three "Eight Mile Creek" mining leases (covering approximately 360 hectares) located 9 kilometres to the north-east of Ravenswood, is currently being assessed. The area is known historically to have been one of the richest gold producing areas in the Ravenswood district. Past records indicate gold grades in excess of 10 ounces per ton were often recovered from underground operations. The reefs in the area were also reported to contain visible gold that could be recovered by gravity concentration.

Field inspection during the Quarter has indicated that the gold mineralisation on the Golden Point Prospect (ML1552) is hosted by a number of sub-parallel quartz-carbonate veins cross-cutting a north-south trending zone of pervasive sericite alteration within a porphyry. The porphyry lies adjacent to the Molybdenite Creek Granite, a small 1.5 kilometre round carboniferous intrusive stock.

The alteration zone extends for over 600 metres. A number of historical pits and small shafts have been located within this area. Bulk samples collected from the main dump on the surface returned an average grade of 3.4g/t Au (maximum value of 9.15 g/t Au) and selected grab samples from 12 other old workings returned an average of 8.2g/t Au (maximum value of 49.7 g/t Au).

The preliminary results are regarded as encouraging particularly given that the reefs lie near surface and the ore is likely to be amenable to beneficiation with the potential to significantly drop the cost-per-tonne of ore mined. Ongoing exploration efforts will focus on the potential for locating additional high grade ore shoots in proximity to the margins of the porphyry.

The alluvial gold potential of the 3 kilometre creek section of the Eight Mile Creek leases will also be assessed in the current Quarter. The creek drains some of the richest historical gold mines in the district. It is approximately 50m wide and contains significant volumes of alluvial sand and gravels.

5. EXPLORATION ACTIVITIES IN WESTERN AUSTRALIA

5.1 Pilbara Joint Ventures with DeBeers Australia Exploration Limited

(E45/2046, E45/2047, E45/2095, E45/2096, E45/2179, E45/2182, E45/2183, E45/2184, E45/2186, E45/2187, E45/2188, E45/2189, E45/2191, E45/2327, E46/473, E46/474, E46/476, E46/477, E46/488).

Due to a late start to the 2002 field season there was little activity to report for the Quarter. Field work has now commenced in the north-east Nullagine region and will be reported in the Haoma's Activity Report for the Quarter ending September 30, 2002.

5.2 Bamboo Creek Ore Processing

The Bamboo Creek processing plant has been modified to mill a test parcel of 2,000 tonnes of ore from Mickey's Find. During the Quarter, tests were conducted on Mickey's Find ore to determine the correct crushing and grinding size that will allow for the most cost effective recovery of gold by cyanide leaching. Laboratory tests conducted at Bamboo Creek on Mickey's Find ore show there are no metallurgical problems recovering the gold by cyanide leaching.

Samples from the following other areas have been crushed and stockpiled at the Bamboo Creek plant for processing during the current Quarter:

- North Shaw (L45/60, E45/1453, E45/1513)
- Copenhagen (M45/682, M45/240, P45/2391)
- Klondyke (M45/547, M45/671, P45/2316)
- Fieldings Gully (M45/521)
- Normay (M45/302, M45/1395)
- Mickey's Find (M45/329, M45/665)
- Comet Mine (M45/478, M45/459, M45/438, M45/385, M45/14, M45/16)
- Just-in-time (M45/2427)
- Sterling (M45/357, M45/346, M45/238, GM45/36, E46/426, E46/427)

In addition, bulk samples will be mined and trucked to the Bamboo Creek plant from Big Stubby (M45/284, M45/554, M45/453, M45/57), the Spear Hill (M45/980, M45/981, M45/982) group of tenements, Copper Hills (M46/177) and 20oz Gully (M45/411).

5.3 Normay Mine (M45/328, M45/329)

During the Quarter, the Normay processing plant and vat leach pads were operated on a trial basis at the old Normay Mine site. In November, production of gold commenced with 553 ounces of gold poured to March 31, 2002. During the Quarter to June 30, 2002 a further 296 ounces were poured.

5.4 **Mickey's Find East (M45/328)**

The evaluation of the Mickey's Find East gold-silver project continued with a bulk sample of approximately 4,000 tonnes of ore mined from the northern outcrop of the mineralised zone. Of this ore, 2,000 tonnes is being transported to the Bamboo Creek plant for metallurgical testing and milling while 2000 tonnes is presently being vat leached at Normay.

Mining of ore body involved conventional pattern drill-and-blast methods, which has exposed the mineralisation zone in three dimensions over forty metres of its strike.

The ore body is now known to be visually identifiable at surface and contains two layers - an upper (or hanging wall) pyritic, quartz veined, chert breccia zone and a lower (or footwall) oxidised quartz mylonite zone. The contact wall rocks are intensely bleached and silicified with the average width of the ore body at surface being around 15 metres.

The blast-hole drilled section of the oxide ore zone averaged over 3.0 g/t gold, and contained high to very high grades of silver. Aqua Regia Digest assay results received recently had grades of up to 10.2g/t gold contained within a lower grade envelope varying from 0.4g/t to 1.5g/t gold. Silver grades within the gold-bearing zone was in the range of half an ounce to over an ounce per tonne with the highest assay being 143g/t (4.6 ounces) of silver.

Several shallow (to 27m depth) exploratory RAB holes were drilled to provide infill drill information and to test for extensions to the ore zone. Three holes were drilled at the southern and western edge of the ore body and demonstrated continuity of gold mineralisation in this area. One hole (MFE114) drilled to test the north-west extension of the ore body intersected no significant gold mineralisation. Two holes (MFE111 and MFE116) drilled into new targets at least 50 metres from the main ore zone both intersected gold mineralisation.

Results of drilling are shown in Table 4 below.

Table 4: Mickey's Find East Drilling Results (M45/328)

Drill hole	East AMG	North AMG	Azi-muth	Dip	From	To	Width	Grade (g/t Au)	Target
MFE111	745549	7665769	360	-60	4m	9m	5m	0.52	New reef north of Mickey's Find East
MFE114	745536	7665719	180	-60	No gold intersected.				Possible north-west extensions to Mickey's Find East
MFE115	745510	7665620	330	-60	9m	14m	5m	1.60	Infill on southern end of Mickey's Find East
MFE117	745460	7665607	180	-60	0m	27m	27m	0.36	South-west extension to Mickey's Find East
MFE118	745485	7665603	330	-60	12m	24m	12m	1.00	Infill to southern end of Mickey's Find East
MFE116	745580	7665480	180	-60	24m	27m	3m	0.40	New reef south of Mickey's Find East

Significantly holes MFE111, MFE115 and MFE116 all ended in gold mineralisation with hole MFE111 and MFE116 giving some indications of the presence of new gold mineralised zones.

Most of the shallow drill targets at Mickey's Find have now been tested indicating the likelihood of a significant ore body being defined. A programme of reverse circulation drilling is planned to commence in the next few weeks to test the mineralisation at depth and to provide a measured resource. This will enable the project to advance to a mine-planning stage. The new targets and gold mineralised zones defined by drilling in the 1990's (located 400 metres west of Mickey's Find East) will also be drilled in the current Quarter.

Table 5: Current Resources Identified at Mickey's Find East:

Depth	Tonnes	Gold grade g/t	Silver grade g/t	Contained gold	Contained silver	Resource category
0-30m	320,000	2.3	26	22,600 oz	266,000 oz	Indicated
30-100m	400,000	1.5	9	19,200 oz	115,000 oz	Inferred
Total	720,000	1.8	16	41,800 oz	381,000 oz	Inferred and indicated

The above resource calculations were prepared by Mr Taff Davies in a report dated July 29, 2002. Mr Davies is a competent person under the JORC 'Code for the Reporting of Identified Mineral Resources and Ore Reserves'.

5.5 Other Areas in the Shaw River Region

In addition to the Mickey's Find orebody, there are other accessible resources available in the Shaw River region. These include remnants of the Normay Mine vein system, the North Shaw Mine and Lalla Rookh Mine. Over the next 12 months, these ore sources will be processed at the Normay processing plant and vat leached.



Gary C Morgan
CHAIRMAN