



Haoma Mining NL

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December 14, 2004

Mr Rick Iveson
Australian Stock Exchange
530 Collins Street
MELBOURNE VIC 3000

Dear Sir,

This letter is further to your telephone conversation with Gary Morgan (Chairman) and Jim Wallace (Secretary) whereby you requested Haoma to advise:

1. Whether the Chairman's Report and attached technical report presented at the Haoma Mining AGM today increase the resource value as measured by the JORC code, and
2. Whether the economic value of Haoma has been materially affected by the release.

Haoma confirms that gold resources measured on Haoma's leases in the Pilbara region in accordance with the JORC code have not changed.

Despite this however, Haoma believes the economic value of Haoma's mining assets in the Pilbara has been materially affected by today's announcement. In February 1996 Haoma (Kitchener Mining NL) stopped mining at Bamboo Creek because of metallurgical problems which have been well documented in Haoma's Reports. Since that time Haoma has only conducted Research & Development on Bamboo Creek and other Pilbara ores. Gold produced was not sufficient for Haoma's Pilbara operations to be cash positive.

The Directors announced today that Haoma's mining operations in the Pilbara can now extract gold from Pilbara ores. They expect Haoma's mining and processing of Bulletin ore at the Bamboo Creek Plant will now be cash positive. In other words, the mining and processing operation at Bamboo Creek will be operating as a commercial mine site rather than as a Research & Development test plant.

It is for this reason that Directors believe that the economic value of Haoma has changed. At this early stage however, the extent of the change in value cannot be quantified. Shareholders have been made aware of all drilling results (based on Aqua Regia assays) and Bamboo Creek Plant test results.

The Directors now know that the Aqua Regia assays underestimate the amount of gold in Pilbara ores.

Yours sincerely,

Gary Morgan
Chairman

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