



# Haoma Mining NL

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## **CHAIRMAN'S ADDRESS TO THE SPECIAL GENERAL MEETING**

**By Gary C. Morgan, 9.30, Tuesday May 11, 2010**

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The Directors and I extend a warm welcome to all present at today's Special General Meeting.

The business of today's meeting is to vote on the Special Resolution contained in the Notice of Meeting. That resolution concerns the approval of a buy-back of 10 million Haoma shares from BHP Billiton Nickel West Pty Ltd.

### **Purchase of BHP Billiton's 10 million Haoma Mining shares**

We are pleased to recommend to shareholders that Haoma purchases the 10 million Haoma shares held by BHP Billiton.

BHP Billiton's representative approached Haoma on February 19, 2010 advising BHP Billiton wished to sell the shares they owned in Haoma. We recommended to BHP Billiton Directors not to sell their Haoma holding and advised them that following [Haoma's important December 2, 2010 announcement](#) we expected to soon be releasing more significant results from ongoing tests.

[www.haoma.com.au/2009/Haoma ASX Release %20re Trading Halt %20Dec 1-2 Dec 09.pdf](http://www.haoma.com.au/2009/Haoma_ASX_Release_%20re_Trading_Halt_%20Dec_1-2_Dec_09.pdf)

BHP (Billiton) and WMC have been closely involved with Haoma since the early 1990s. Many of their previous Executives and Directors have helped Haoma in solving the metallurgical problem we have had measuring and extracting gold from Bamboo Creek ores.

We now understand 'why' we cannot assay Bamboo Creek ores and we understand how to 'extract' gold from these ores in a laboratory and plant. The 'key' to Haoma's (and Australia's) future success is to be able to **extract economically** a high proportion of gold from the high grade gold ore we have at Bamboo Creek. We now know how to achieve this on a commercial basis.

At Bamboo Creek we have many millions of tonnes of high grade gold bearing ore available to be processed. The gold value is worth many millions of dollars.

On [April 8, 2010](#) we advised shareholders we were able to produce 3.11gm of fine gold (55.5g/t gold) from 56kg of Bamboo Creek Tailings. The residual (tails) grade measured 0.36g/t gold. This gold recovered result is significant.

[www.haoma.com.au/2010/Haoma ASX 08Apr2010%20.pdf](http://www.haoma.com.au/2010/Haoma_ASX_08Apr2010%20.pdf)

The gold produced was measured by The Perth Mint Australia. Since then we have had ALS Chemex check the Perth Mint results. ALS Chemex obtained similar grades for the Bamboo Creek Tailings samples tested.

Today I am pleased to advise Haoma's shareholders that we expect to have **a test plant producing gold at Bamboo Creek by the end of June.**

During the first Quarter of 2010-2011 we anticipate we will be producing sufficient gold at Bamboo Creek to be operating on a commercial basis.

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## **Haoma's 25% interest in the Iron Ore Discovery at Mt Webber**

The Rudd Government's proposed Mining 'Super Profits' Tax will be disastrous for most mining companies that anticipate establishing a new mine in Australia. We believe Australian Banks will be hesitant to provide funds for most new projects. **Unfortunately, the damage is done and it will take generations of prudent Government to reverse this damage to the status of Australia's sovereign risk.** As I said last week:

*"The full impact of increasing taxes on mining projects has not been fully understood. (Not being fully understood is more obvious today as there has over the last few days been masses of complete nonsense reported and attributed in the media - TV, Radio, Internet and Print).*

*From last week the Australian share market has dropped significantly as **Australia's sovereign state status has been badly damaged** and it's anticipated many new mining projects will be deferred. ([See today's News-bites story](#))*

As [80% of electors have money invested in superannuation funds](#) the Mining 'Super Profits' Tax affects everyone.

*There is little doubt the Federal Election will be as bitter as 1975. This time mining companies will be financially supporting the Coalition, indeed Australian electors can expect corporate involvement in the next Federal Election as strong as when Chifley tried to 'Nationalise the Banks' in 1949. For the first time the Rudd Government is no longer a 'certainty' to be re-elected. Too many 'things' over 'too many fronts' are going wrong!" (<http://www.rovmorgan.com/resources/pdf/papers/20100505.pdf>)*

**On December 17, 2009** the Directors advised Haoma shareholders that Haoma (25%) and Giralia (75%) had defined a commercial grade iron ore deposit at Mt Webber. ([www.haoma.com.au/2009/Haoma ASX 17 Dec 09 Haoma MtWebber ASX Report.pdf](http://www.haoma.com.au/2009/Haoma_ASX_17_Dec_09_Haoma_MtWebber_ASX_Report.pdf))

Since then Haoma's Directors and Consultants have been concerned that BHP Billiton and Fortescue were not being receptive to other companies with nearby iron ore deposits using their railways and Port Hedland port facilities on a commercial basis. (Over the last few years Haoma has supplied much of the dolerite rock material used for their new railway lines on a commercial basis.)

Because of the difficulties Haoma is experiencing in obtaining rail and port access Haoma has been 'exploring' whether it would be possible to establish iron ore smelting at Marble Bar.

In the first Quarter of 2010-2011 we anticipate establishing smelting facilities to treat test samples of Mt Webber iron ore.

Before proceeding with this new venture, Haoma's Directors need to know whether smelting profits will be taxed at the normal company tax rate or whether at the new Mining 'Super Profits' Tax.

If the smelting profits (made from smelting Haoma's iron ore) are to be subjected to the proposed new Mining 'Super Profits' Tax then Haoma will not proceed with establishing smelting facilities at Marble Bar.

Then, unfortunately, most residents of Marble Bar will continue to reside in Australia's hottest town and live mainly on welfare!

So far my family has invested at least \$50 million in the Marble Bar area on mineral exploration and metallurgical research with no Government help and no return!

Paul Howes of the Australian Workers' Union said in the Sunday Telegraph: "And some of the money (Mining 'Super Profits' Tax) must go towards supporting entrepreneurs who want to process raw materials before being shipped overseas." Paul Howes is right, Australian miners must add value to their exports.

Haoma's Directors do not want any Government money now or in the future. All we want is to be taxed at the same rate as other Australian companies. And we want the BHP Billiton and Rio's 'stranglehold' on the Pilbara rail and port infrastructure to be available to all Pilbara mineral miners – making these facilities available on a commercial basis will achieve more for Australian profits and tax revenue than the proposed new Mining 'Super Profits' Tax. BHP Billiton and Rio should then be allowed to merge their iron ore mining in the Pilbara – a simple win win!



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# Special General Meeting

Tuesday May 11, 2010

Welcome



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## Agenda

- Chairman's Address
- Business of the day



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## Exploration Activities – Western Australia



Pilbara area Project Location Map



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Bamboo Creek Plant



Bamboo Creek Valley



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Mt Webber looking south showing GIR/HAO drilled area in foreground





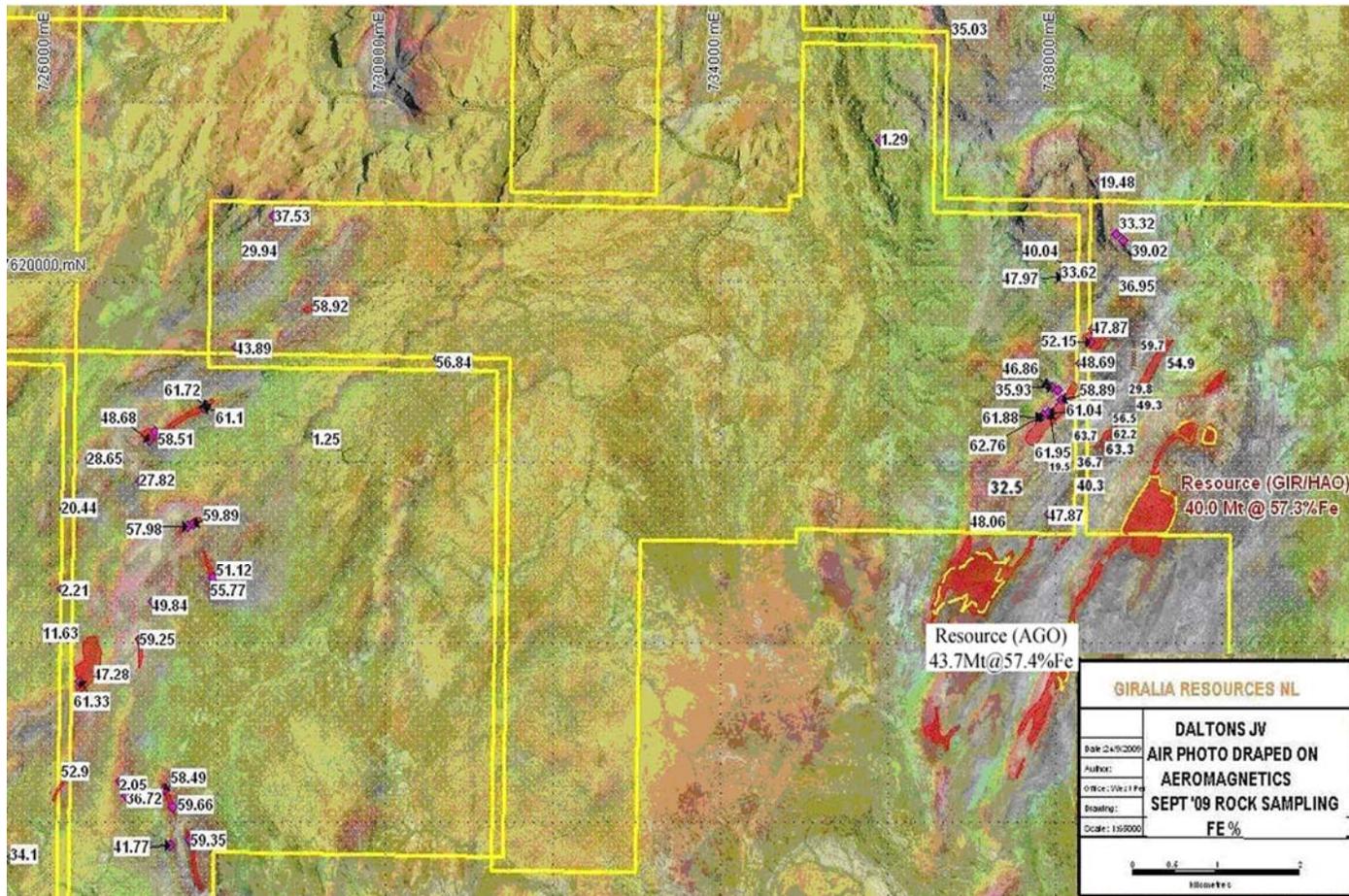
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Looking north-east from Mt Webber to adjacent Daltons JV ‘  
Western Ranges’ terrain



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Daltons JV area showing iron surface rock sample assay grades. JV Tenements in yellow, red polygons are areas of mapped hematite outcrop. Background is air photo draped on aeromagnetic image.



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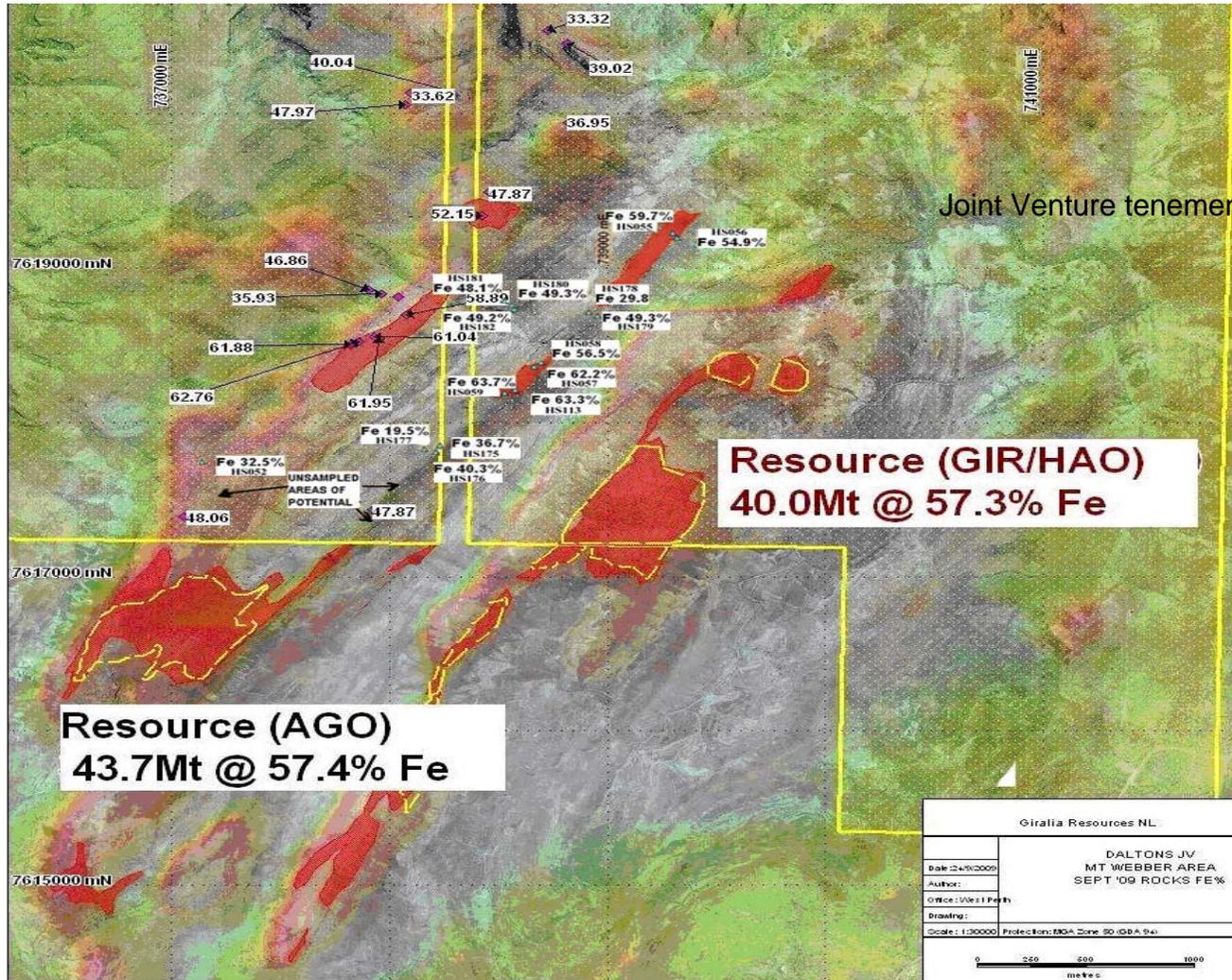
<b>Daltons JV- Mt Webber Iron Ore Project - Mineral Resource Estimate</b>								
<b>At 11 September 2009 (Fe Grade Cutoff &gt;50 %)</b>								
<b>Deposit</b>	<b>Category</b>	<b>Tonnes (Mt)</b>	<b>Fe %</b>	<b>P %</b>	<b>SiO2 %</b>	<b>Al2O3 %</b>	<b>LOI %</b>	<b>CaFe%</b>
Main Southern Zone	Inferred	33.76	57.9	0.093	6.39	1.44	8.19	63.06
Lenses below Main Zone	Inferred	4.36	53.7	0.045	15.39	0.51	6.33	57.3
Northern Zone	Inferred	1.89	54.8	0.070	8.22	3.28	8.57	59.9
<b>Total</b>	<b>Inferred</b>	<b>40.0</b>	<b>57.3</b>	<b>0.086</b>	<b>7.46</b>	<b>1.42</b>	<b>8.00</b>	<b>62.3</b>

Calcined Iron grade (CaFe) is a measure of iron content upon removal of volatiles (i.e. LOI).



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### Daltons JV Mt Webber iron ore prospect



Joint Venture tenements in Yellow.

Gitalia Resources NL	
Date: 24/03/2009	DALTONS JV MT WEBBER AREA SEPT '09 ROCKS FE%
Author:	
Office: West Perth	
Drawing:	
Scale: 1:30000	Projection: UTM Zone 50, GDA 94
0 250 500 1000 metres	