



# Haoma Mining NL

A.B.N 12 008 676 177

**Registered Office & Head Office:**

Level 1, 401 Collins Street, Melbourne, Vic., 3000, GPO Box 2282U, Melbourne, Vic., 3001.

Telephone (03) 9629 6888, Facsimile (03) 9629 1250

Email: [haoma@roymorgan.com](mailto:haoma@roymorgan.com) Website: [www.haoma.com.au](http://www.haoma.com.au)

Company Announcements Office  
Australian Stock Exchange  
Level 45, South Tower, Rialto  
525 Collins Street  
MELBOURNE, VIC 3000

October 31, 2010

Dear Sir,

## **ACTIVITIES REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2010 – HIGHLIGHTS**

- **Group Consolidated Result** – Haoma Mining’s unaudited consolidated financial result for the three months ended September 30, 2010 was a before tax loss of \$2.10 million after interest of \$0.85 million, depreciation and amortisation of \$0.09 million and group exploration, development and test work expenditure of \$0.95 million.
- **Bamboo Creek Test Work** - On Friday October 29, 2010 the first bulk ore test using the new Bamboo Creek Pilot Plant processed 12.5 kg of Bamboo Creek Tailings (similar ore to the samples tested in July/August 2010, results reported to shareholders on September 3, 2010 and repeated below). Gold and silver bullion was produced, final assays are awaited. Initial gold and silver assay grades were significant (like reported on September 3, 2010). Final results will be released to shareholders when repeat assays are completed.

**The Refined Elazac Assay Method can now accurately measure grades of gold, silver and other metals. With many Pilbara ores the assay results are significantly higher than when traditional assay methods are used.**

Results reported on September 3, 2010 were significantly higher than results from previous test work carried out at Bamboo Creek and [reported to shareholders in the June Quarterly Report](#):

**Table 1:**

Bamboo Creek Tailings			
Bamboo Creek Assays		Independent Assays	
Gold	Silver	Gold	Silver
Calc Head	Calc Head	Calc Head	Calc Head
(g/t)	(g/t)	(g/t)	(g/t)
<b>145.66</b>	<b>186.93</b>	<b>189.02</b>	<b>385.05</b>

- Conventional Aqua Regia Assay: 0.302 g/t Au and 0.000 g/t Ag
- Conventional Fire Assay: 0.152 g/t Au and 0.091 g/t Ag
- **Daltons Joint Venture (E45/2186, E45/2187, E45/2921, E45/2922) – Haoma 25%, Giralia 75%** – The new Indicated Mineral Resource for the Main Southern Zone of the Daltons JV’s Mt Webber deposit is; 28.9 million tonnes @ 57.9% Fe, 6.69% SiO<sub>2</sub>, 1.49% Al<sub>2</sub>O<sub>3</sub>, 0.097% P and **8.17% LOI** (63.05% CaFe). Additional Inferred Resources in the Lower Zone and Northern Zone are essentially unchanged at 6.2 million tonnes. The current Indicated plus Inferred Mineral Resource for the Mt Webber deposit is 35.1 million tonnes @ 57.2% Fe, 7.81% SiO<sub>2</sub>, 1.5% Al<sub>2</sub>O<sub>3</sub>, 0.089% P and 7.99% LOI (62.16% CaFe).

**Perth Office:**

Suite 22 Piccadilly Square 7 Aberdeen Street, Perth, W.A. 6000

Tel: (08) 9325 4899 Fax: (08) 9221 1341

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### **1. GROUP CONSOLIDATED RESULT TO SEPTEMBER 30, 2010**

<b>Haoma Mining NL Consolidated Profit &amp; Loss</b>	<b>2009/10 1st Qtr (\$m)</b>	<b>2009/10 Full Year (\$m)</b>	<b>2010/11 1st Qtr (\$m)</b>	<b>2010/11 YTD (\$m)</b>
Operating Revenue				
Sale of Gold	-	0.09	-	-
Sale of Gold Nuggets	-	-	-	-
Royalties	0.23	0.46	<b>0.02</b>	<b>0.02</b>
Retail Sales & Misc.	0.06	0.29	<b>0.06</b>	<b>0.06</b>
Profit on Sale of Assets		0.60	-	-
<b>Operating Revenue</b>	<b>0.29</b>	<b>1.44</b>	<b>0.08</b>	<b>0.08</b>
<b>Operating profit before interest, depreciation, amortisation, exploration &amp; development costs:</b>				
	(0.26)	0.56	<b>(0.21)</b>	<b>(0.21)</b>
Interest	(0.68)	(2.87)	<b>(0.85)</b>	<b>(0.85)</b>
Depreciation & amortization	(0.08)	(0.52)	<b>(0.09)</b>	<b>(0.09)</b>
Exploration, development & test work	(0.73)	(3.00)	<b>(0.95)</b>	<b>(0.95)</b>
<b>Operating (loss) before tax</b>	<b>(1.75)</b>	<b>(5.83)</b>	<b>(2.10)</b>	<b>(2.10)</b>

<b>Bamboo Creek Processing</b>				
Gold Production (ozs)	60	<b>71</b>	-	-
Gold sold (ozs)	60	<b>71</b>	-	-
Av. Selling price (\$/oz)	1,228	<b>1,289</b>	-	-
<b>Bamboo Creek silver prod'n</b>				
Silver Production (ozs)	11	<b>24</b>	-	-

#### **1.1 Haoma's Group Consolidated Result**

Haoma Mining's unaudited consolidated financial result for the three months ended September 30, 2010 was a before tax loss of \$2.10 million after interest of \$0.85 million, depreciation and amortisation of \$0.09 million and group exploration, development and test work expenditure of \$0.95 million.

#### **1.2 Funding of Group Operations**

Since February 2007, funding for the Company's operations has been provided by Haoma's major shareholder, Leaveland Pty Ltd. Leaveland has confirmed that until further notice it will fund the company's cash flow requirements while the Bamboo Creek Processing Plant remains on care and maintenance.

At September 30, 2010 the principal debt to Leaveland was \$32.27 million. Haoma has approved payment of interest to Leaveland at the 30 day commercial bill rate plus a facility margin (margin 4% from April 1, 2009). Interest on the debt will accrue until such time as the company is in a position to commence interest payments. Interest accrued for the 3 months to September 30, 2010 was \$873,029. Total interest accrued and unpaid to September 30, 2010 is \$8.895 million.

#### **1.3 Forward Gold Sale Contracts: No future gold production is sold forward.**

## 2. OPERATIONS AT BAMBOO CREEK, WESTERN AUSTRALIA

The Haoma Board is pleased to advise shareholders that the new Bamboo Creek Pilot Plant has been successfully commissioned and during November will be operating on a continuous basis processing Bamboo Creek **Tailings Concentrates**.

**On Friday October 29, 2010 the first bulk ore test using the new Bamboo Creek Pilot Plant processed 12.5 kg of Bamboo Creek Tailings (similar ore to the samples tested in July/August 2010, results reported to shareholders on September 3, 2010 and repeated below). Gold and silver bullion was produced, final assays are awaited. Initial gold and silver assay grades were significant (like reported on September 3, 2010). Final results will be released to shareholders when repeat assays are completed.**

[Haoma shareholders were advised on March 29, 2010](#) that conventional assays for the Bamboo Creek Tailings sample were as follows:

- Conventional Aqua Regia Assay: 0.302 g/t Au and 0.000 g/t Ag.
- Conventional Fire Assay: 0.152 g/t Au and 0.091 g/t Ag.

It is expected that the gold and silver grades from **Tailings Concentrates** to be processed will be **significantly higher** than the Bamboo Creek Tailings gold and silver grades reported above and in Table 1 below. Conventional assays of Bamboo Creek Tailings **Concentrates** are 0.84 g/t gold and 15.50 g/t silver. The Directors expect to be able to advise shareholders before the Annual General Meeting of the expected gold and silver monthly production.

The initial throughput capacity of the Pilot Plant will be about a tonne per day of Bamboo Creek **Tailings Concentrates**. Over the next 12 months the Directors anticipate increasing the throughput capacity to increase above 5 tonnes of Bamboo Creek **Tailings Concentrates** per day.

**Iron Ore Smelting:** A small **smelting plant** has been installed at Bamboo Creek to test the viability of smelting iron ore samples from Haoma's tenements at Mt Webber, Spinifex Ridge (near Bamboo Creek), Karratha and other Pilbara tenements. Initial iron ore smelt tests have been encouraging.

### 2.1 Significant Bamboo Creek Results using the Refined Elazac Assay Method and Refined Elazac Extraction Method (Elazac Process)<sup>1</sup> (Reported to the ASX on September 3, 2010)

During July and August this year bulk ore tests continued at the Bamboo Creek Plant facilities using the **Refined Elazac Extraction Method** and the **Refined Elazac Assay Method** on samples of Bamboo Creek **Tailings** and **Tailings Concentrates**.

The **latest results significantly up-grade previous Bamboo Creek test results** which showed that conventional assays did not accurately measure the amounts of gold and silver that can be extracted from Bamboo Creek ores.

**Three independent trials** on Bamboo Creek Tailings (samples 50g, 50g and 400g) using the **Refined Elazac Extraction Method** have just been completed in Melbourne at an Independent Facility to test recoveries of gold and silver from the samples tested. Assays from these three trials

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<sup>1</sup> The information and data contained in this report as it relates to Metallurgical Results is based on information compiled by Mr Peter Cole who is a competent person in regard to having sufficient experience which is relevant to this type of metallurgical test work. The information was compiled in July and August 2010. Mr. Cole has consented to the inclusion in this release of the information and data in the form and context in which it appears.

at the Independent Facility used the **Refined Elazac Assay Method** and check assays were carried out at the Bamboo Creek Laboratory.

Results were significantly higher than results from previous test work carried out at Bamboo Creek and [reported to shareholders in the June Quarterly Report](#):

**Table 1:**

Bamboo Creek Tailings			
Bamboo Creek Assays		Independent Assays	
Gold	Silver	Gold	Silver
Calc Head	Calc Head	Calc Head	Calc Head
(g/t)	(g/t)	(g/t)	(g/t)
<b>145.66</b>	<b>186.93</b>	<b>189.02</b>	<b>385.05</b>

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- Conventional Aqua Regia Assay: 0.302 g/t Au and 0.000 g/t Ag.
- Conventional Fire Assay: 0.152 g/t Au and 0.091 g/t Ag.

In addition to the three independent trials, a **20kg bulk sample of Bamboo Creek Tailings** was processed by the **Refined Elazac Extraction Method** at the Bamboo Creek Treatment Plant with all assays carried out at the Melbourne Independent Facility. **The 20kg bulk sample returned calculated grades from bullion of 174.89g/t gold and 92.95g/t silver.**

Haoma has approximately one million tonnes of Bamboo Creek Tailings and one million tonnes of mined ore ready to be processed through the Bamboo Creek Plant.

Comparison of the above results with previous Bamboo Creek Tailings bulk ore test (sample 56 kg) show significantly higher gold and silver grades were obtained.

(See [Haoma's June 30, 2010 Quarterly Activities Report to Shareholders](#), [http://www.haoma.com.au/2010/Haoma\\_Qtrly\\_Q4\\_Jun\\_10-App5B.pdf](http://www.haoma.com.au/2010/Haoma_Qtrly_Q4_Jun_10-App5B.pdf)).

**Table 2:**

	The Perth Mint	Australian Laboratory Services	Other Independent Facility
	g/t	g/t	g/t
Gold	55.66	47.74	63.87
Silver	Not Measured	55.19	31.32

The latest results and the above previous results [outlined in Haoma's June 30, 2010 Quarterly Activities Report](#) both confirmed the initial bulk ore test which measured 55.90 g/t gold in Bamboo Creek Tailings and released to the ASX in [Haoma's April 8, 2010 Special Report](#). [http://www.haoma.com.au/2010/Haoma\\_ASX\\_08Apr2010%20.pdf](http://www.haoma.com.au/2010/Haoma_ASX_08Apr2010%20.pdf)

**The latest Elazac results showed that the measured gold and silver grades can now be recovered into gold and silver bullion. Residues from using the Elazac Process may contain some additional gold, silver and other metals which can be recovered with additional processing.**

## 2.2 Refined Elazac Assay Method

As detailed in previous reports, assays conducted on Bamboo Creek and other Pilbara ores by the traditional methods (Fire assay and Aqua Regia Acid Digestion methods) often significantly under estimate the true grades of gold, silver and other metals.

The Refined Elazac Assay Method can now accurately measure grades of gold, silver and other metals. With many Pilbara ores the assay results are significantly higher than when traditional assay methods are used.

## 3. EXPLORATION AND EVALUATION ACTIVITIES IN WESTERN AUSTRALIA

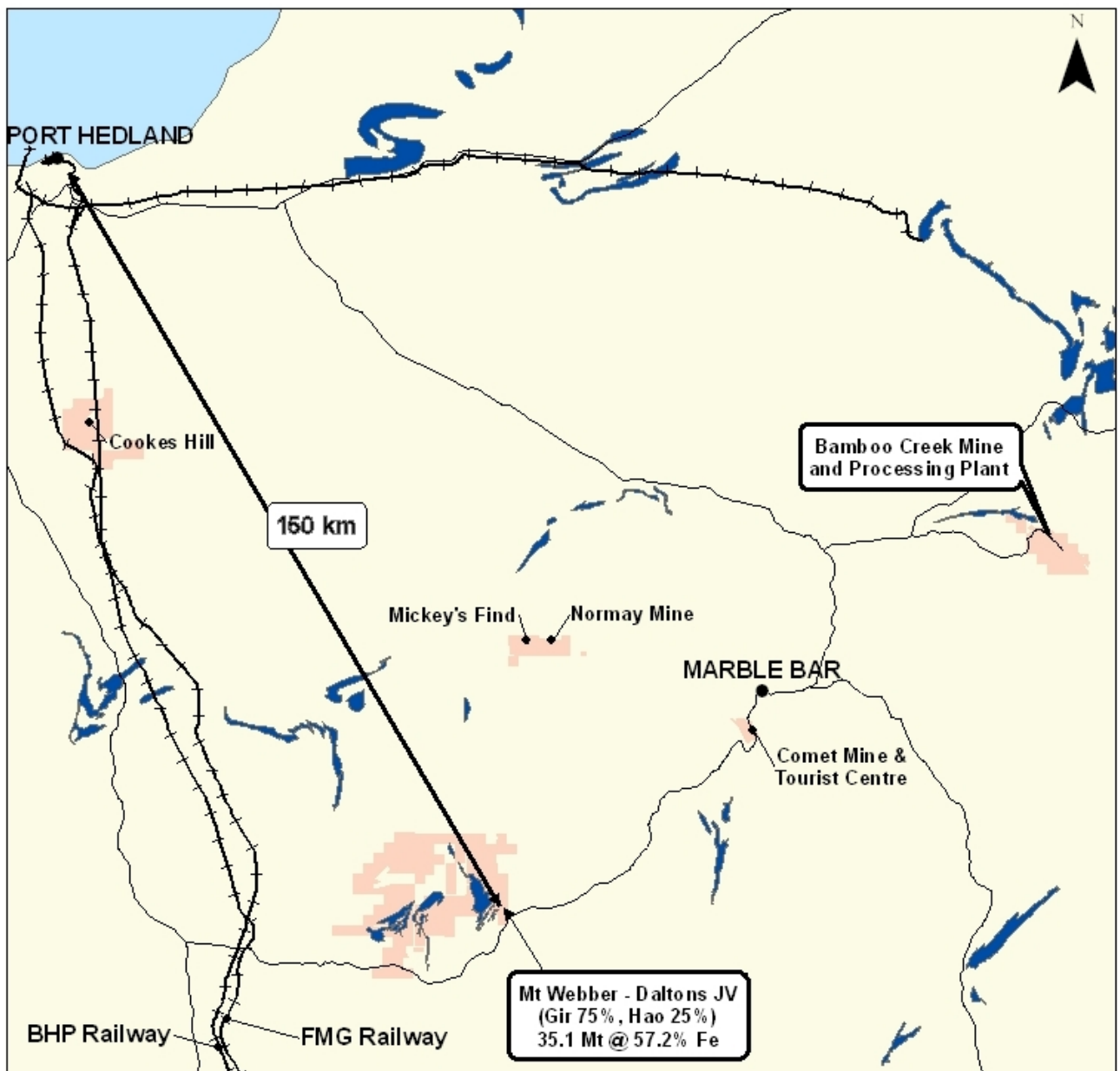


**Figure 1: Pilbara Area Project Location Map**

Source: Moly Mines Ltd (Now included in Moly Mines' map are locations of Bamboo Creek, Normanby Mine, Cookes Hill BGC Quarry, Daltons/ Mt Webber and the Comet Mine)

### 3.1 Daltons Joint Venture (E45/2186, E45/2187, E45/2921, E45/2922) with Giralia Resources NL - Haoma Mining 25%, Giralia Resources 75% (Includes 100% Haoma M45/780, M45/847, P45/2292 – 2298)

Haoma holds a 25% interest in the Daltons Joint Venture with Giralia Resources NL (“Giralia”) 75% interest. The Daltons JV tenements are located 150 kilometres south of Port Hedland and only 20 to 30 kilometres east of the BHP Billiton and FMG rail lines in the Pilbara region of Western Australia. **Haoma retains rights to 100% of the gold/silver and tin/tantalum mineralisation.**



**Figure 2: Location of Daltons JV - Mt Webber Iron Ore Project**

Map includes location of Haoma's Bamboo Creek Processing Plant, North Pole Area (including Mickey's Find and Normay Mine), Cookes Hill and the Comet Mine and Tourist Centre.

### **Mt Webber Iron Ore Project**

On September 8, 2010, Haoma advised shareholders of an upgrade to the JORC Mineral Resource category from Inferred to Indicated for the major portion of the Daltons Joint Venture Mt Webber iron ore deposit.

The Main Southern Zone, which comprises over 80% of the direct shipping iron ore ("DSO") resource at Daltons-Mt Webber, is a flat lying, tabular hematite-goethite enrichment cap up to 70 metres thick, with mineralisation starting from surface in most holes. The Daltons JV's Mt Webber tenements directly adjoin the Atlas Iron Limited (70%)/Altura Mining Limited (30%) Mt Webber project, for which a revised Mineral Resource estimate of 41.9 million tonnes @ 57.1% Fe (Indicated 21.9 million tonnes @ 57.2% Fe, and Inferred 20.0 million tonnes @ 57.0% Fe) was reported on September 1, 2010.

The new Indicated Mineral Resource for the Main Southern Zone of the Daltons JV's Mt Webber deposit is: **28.9 million tonnes @ 57.9% Fe, 6.69% SiO<sub>2</sub>, 1.49% Al<sub>2</sub>O<sub>3</sub>, 0.097% P and 8.17%**

**LOI (63.05% CaFe).** Additional Inferred Resources in the Lower Zone and Northern Zone are essentially unchanged at 6.2 million tonnes. The current Indicated plus Inferred Mineral Resource for the Mt Webber deposit is **35.1 million tonnes @ 57.2% Fe, 7.81% SiO<sub>2</sub>, 1.5% Al<sub>2</sub>O<sub>3</sub>, 0.089% P and 7.99% LOI (62.16% CaFe).**

The upgraded Main Southern Zone resource will form the basis for Ore Reserve estimation and detailed mine engineering studies as part of the ongoing Daltons-Mt Webber Pre-Feasibility Study. A high rate of conversion from resource to reserves is anticipated as the deposit will require little waste removal, and is entirely “above ground”. The Joint Venture is aiming to complete mine permitting by early 2011 and is continuing to assess various transport options with a base case of public road haulage to Port Hedland.

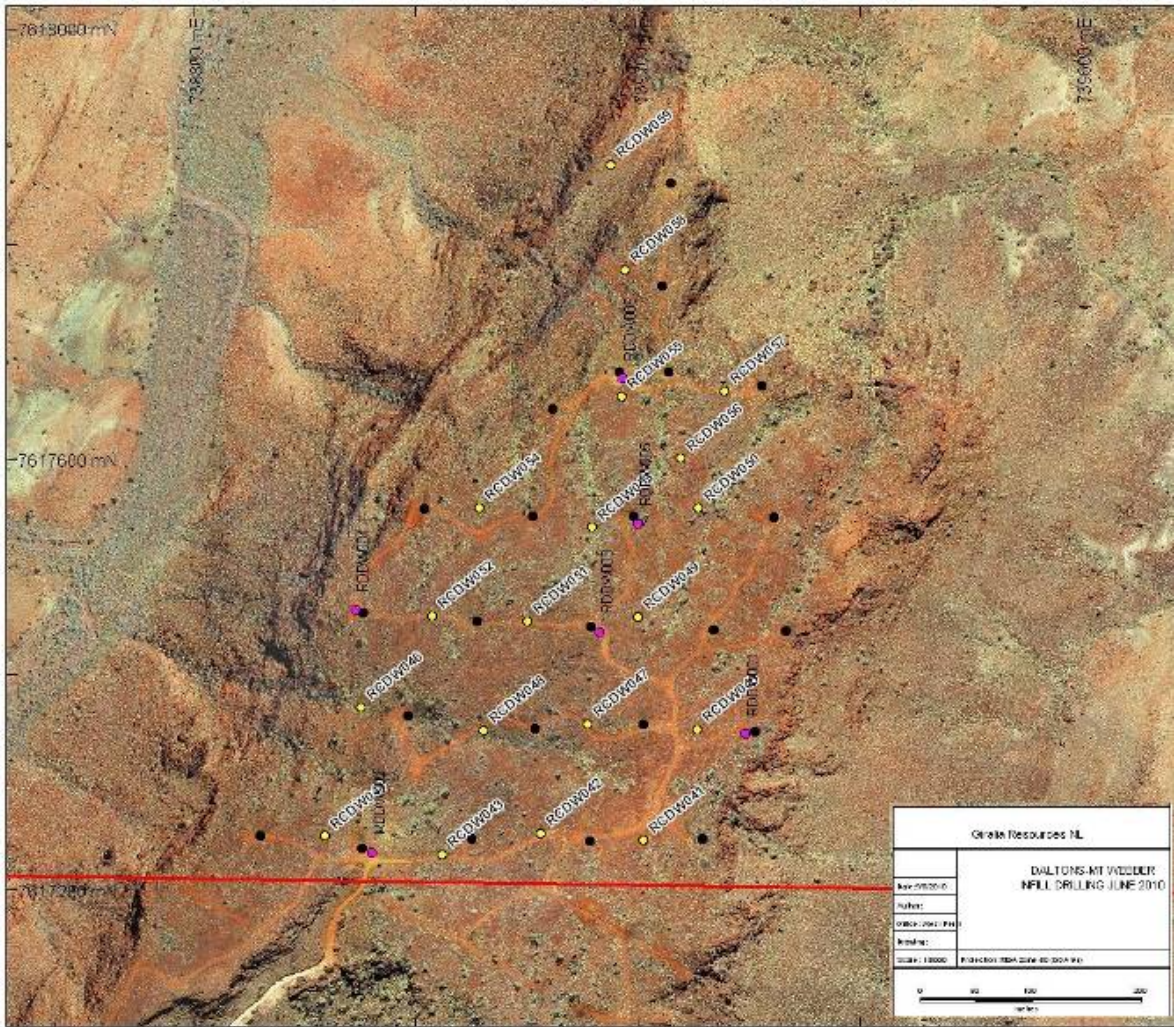
**Table 3: Mineral Resource Estimate – Mount Webber Deposit as at August 23, 2010.**

Area	Category	Volume (m <sup>3</sup> )	Tonnes	Fe%	P%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI%	CaFe%
Main Southern Zone	Indicated	10,300,000	28,900,000	57.9	0.097	6.69	1.49	8.17	63.05
Lower Zone	Inferred	1,500,000	4,300,000	53.7	0.046	15.29	0.81	6.50	57.43
Northern Zone	Inferred	700,000	1,900,000	55.0	0.070	8.10	3.24	8.52	60.12
<b>TOTAL</b>		<b>12,500,000</b>	<b>35,100,000</b>	<b>57.2</b>	<b>0.089</b>	<b>7.81</b>	<b>1.50</b>	<b>7.99</b>	<b>62.16</b>

*Note: The CSA Mineral Resource was estimated within wireframe solids based on a nominal lower cut-off grade of 50% Fe. The resource is quoted from blocks above the specified Fe % cut-off grade. Differences may occur due to rounding.*

Delineation of the new Daltons-Mt Webber Indicated Mineral Resource is based on recent infill drilling (19 RC holes and 6 PQ diamond core holes), plus 40 RC drill holes completed in late 2009. The recent drilling confirmed the continuity of the near surface DSO mineralisation, and returned better results (reported to ASX on August 11, 2010) including; **78 metres (to end of hole) @ 59.8% Fe, 0.11% P, 0.8% Al<sub>2</sub>O<sub>3</sub>, 68 metres @ 60.1% Fe, 0.09% P, 1.4% Al<sub>2</sub>O<sub>3</sub>, and 58 metres @ 59.1% Fe, 0.10% P, 1.8% Al<sub>2</sub>O<sub>3</sub>.**

Detailed metallurgical test work on drill core including specific gravity determinations, has resulted in an SG of 2.8 being used by consultants CSA Global for the upgraded resource estimate compared with 3.3 for the previous Inferred Resource estimate reported in September 2009, resulting in a small reduction in tonnage, despite a slightly increased volume.



**Figure 3:** Main Southern Hill at Daltons-Mt Webber deposit (looking north) showing 2009 drill collars (black dots), new June 2010 infill holes (yellow dots) and PQ diameter core holes (purple dots)



**Figure 4:** Main Southern Hill at Mt Webber deposit showing approximate position of tenement boundary with Atlas/ Altura JV (photo looks south).



**Table 4: Intersections Daltons-Mt Webber Deposit RC infill drilling 2010**

Hole No	Coordinates		Dip / Az	Depth (m)	From (m)	To (m)	Interval (m)	Fe %	CaFe %	P %	SiO2 %	Al2O3 %	LOI %
	East	North											
RCDW041	739205	7617246	60/90	110	4	72	<b>68</b>	<b>60.1</b>	<b>64.4</b>	<b>0.09</b>	<b>5.6</b>	<b>1.4</b>	<b>6.6</b>
				and	84	104	20	50.7	53.8	0.02	19.7	0.5	5.7
RCDW042	739112	7617252	60/90	118	0	52	52	54.0	59.6	0.09	9.5	2.7	9.4
				incl.	32	52	<b>20</b>	<b>56.5</b>	<b>62.7</b>	<b>0.10</b>	<b>7.0</b>	<b>1.7</b>	<b>9.9</b>
RCDW043	739024	7617233	60/95	94	10	44	<b>34</b>	<b>58.1</b>	<b>64.0</b>	<b>0.11</b>	<b>5.8</b>	<b>1.5</b>	<b>9.1</b>
RCDW044	738917	7617250	60/93	64	0	64	<b>64 EOH</b>	<b>57.5</b>	<b>62.8</b>	<b>0.11</b>	<b>6.4</b>	<b>2.4</b>	<b>8.4</b>
RCDW045	739253	7617349	60/90	118	0	36	<b>36</b>	<b>57.5</b>	<b>62.5</b>	<b>0.09</b>	<b>7.5</b>	<b>1.8</b>	<b>8.0</b>
				incl.	16	34	<b>18</b>	<b>60.6</b>	<b>65.5</b>	<b>0.10</b>	<b>4.5</b>	<b>1.3</b>	<b>7.5</b>
				and	40	52	12	50.1	52.8	0.04	22.0	0.7	5.1
				and	86	112	<b>26</b>	<b>56.9</b>	<b>61.2</b>	<b>0.04</b>	<b>8.1</b>	<b>1.5</b>	<b>7.2</b>
RCDW046	738951	7617370	60/90	70	0	24	<b>24</b>	<b>57.8</b>	<b>61.9</b>	<b>0.10</b>	<b>6.3</b>	<b>3.7</b>	<b>6.9</b>
				incl.	8	24	<b>16</b>	<b>63.7</b>	<b>67.3</b>	<b>0.10</b>	<b>2.3</b>	<b>1.1</b>	<b>5.2</b>
RCDW047	739154	7617354	60/90	94	4	28	<b>24</b>	<b>55.9</b>	<b>60.5</b>	<b>0.10</b>	<b>9.8</b>	<b>1.2</b>	<b>7.6</b>
				incl.	4	22	<b>18</b>	<b>58.1</b>	<b>62.8</b>	<b>0.11</b>	<b>7.2</b>	<b>0.9</b>	<b>7.5</b>
				and	32	46	14	51.1	53.8	0.05	19.0	1.3	4.9
RCDW048	739060	7617348	60/90	76	0	36	<b>36</b>	<b>58.9</b>	<b>63.1</b>	<b>0.09</b>	<b>6.6</b>	<b>2.0</b>	<b>6.6</b>
				incl.	2	32	<b>30</b>	<b>60.3</b>	<b>64.4</b>	<b>0.08</b>	<b>5.2</b>	<b>1.8</b>	<b>6.4</b>
RCDW049	739200	7617454	60/90	76	0	44	<b>44</b>	<b>56.1</b>	<b>60.0</b>	<b>0.08</b>	<b>11.4</b>	<b>1.0</b>	<b>6.4</b>
				incl.	12	38	<b>26</b>	<b>59.9</b>	<b>64.1</b>	<b>0.09</b>	<b>6.4</b>	<b>0.9</b>	<b>6.5</b>
RCDW050	739254	7617555	60/90	94	0	64	<b>64</b>	<b>56.2</b>	<b>62.3</b>	<b>0.09</b>	<b>6.6</b>	<b>2.2</b>	<b>9.8</b>
				incl.	10	60	<b>50</b>	<b>57.1</b>	<b>63.3</b>	<b>0.09</b>	<b>5.4</b>	<b>2.2</b>	<b>9.8</b>
RCDW051	739100	7617450	60/90	58	0	30	<b>30</b>	<b>57.5</b>	<b>62.4</b>	<b>0.07</b>	<b>7.1</b>	<b>1.6</b>	<b>7.9</b>
				incl.	8	30	<b>22</b>	<b>60.4</b>	<b>65.2</b>	<b>0.08</b>	<b>4.7</b>	<b>1.2</b>	<b>7.4</b>
				and	38	44	6	52.9	56.9	0.11	15.1	0.7	7.1
RCDW052	739015	7617455	60/90	64	0	58	<b>58</b>	<b>59.1</b>	<b>63.6</b>	<b>0.10</b>	<b>6.1</b>	<b>1.8</b>	<b>7.1</b>
RCDW053	739159	7617537	60/90	58	0	56	<b>56</b>	<b>56.4</b>	<b>61.1</b>	<b>0.10</b>	<b>10.0</b>	<b>1.0</b>	<b>7.5</b>
				incl.	0	42	<b>42</b>	<b>58.8</b>	<b>63.8</b>	<b>0.10</b>	<b>6.3</b>	<b>1.1</b>	<b>7.7</b>
RCDW054	739057	7617556	60/90	58	0	34	<b>34</b>	<b>58.6</b>	<b>63.3</b>	<b>0.09</b>	<b>6.7</b>	<b>1.9</b>	<b>7.4</b>
RCDW055	739185	7617659	60/90	88	10	88	<b>78 EOH</b>	<b>59.8</b>	<b>65.8</b>	<b>0.11</b>	<b>3.9</b>	<b>0.8</b>	<b>9.1</b>
RCDW056	739238	7617601	90/0	70	2	46	<b>44</b>	<b>56.5</b>	<b>61.9</b>	<b>0.09</b>	<b>7.7</b>	<b>1.7</b>	<b>8.7</b>
				incl.	8	44	<b>36</b>	<b>57.7</b>	<b>63.5</b>	<b>0.09</b>	<b>5.7</b>	<b>1.7</b>	<b>9.0</b>
				and	64	70	<b>6 EOH</b>	<b>58.0</b>	<b>62.6</b>	<b>0.04</b>	<b>7.4</b>	<b>1.9</b>	<b>7.3</b>
RCDW057	739278	7617664	60/90	94	12	68	<b>56</b>	<b>57.6</b>	<b>64.2</b>	<b>0.11</b>	<b>5.2</b>	<b>1.0</b>	<b>10.3</b>
				incl.	20	68	<b>48</b>	<b>58.7</b>	<b>65.4</b>	<b>0.12</b>	<b>3.9</b>	<b>0.7</b>	<b>10.3</b>
				and	82	92	<b>10</b>	<b>56.0</b>	<b>61.2</b>	<b>0.10</b>	<b>10.3</b>	<b>0.6</b>	<b>8.5</b>
RCDW058	739188	7617776	90/0	64	0	4	4	53.9	60.5	0.10	8.2	2.7	10.9
RCDW059	739175	7617874	60/270	94				NSV					

Intersections quoted using lower cut-offs of 50% and 55% Fe.

All coordinates in MGA Zone 50 GDA 94, by hand held GPS ( $\pm 6m$ ).

NSV= no intersections of 2m @ >50% Fe.

XRF analyses by Spectrolab Laboratory Geraldton.

RC drill samples collected as 2 metre riffle split composites.

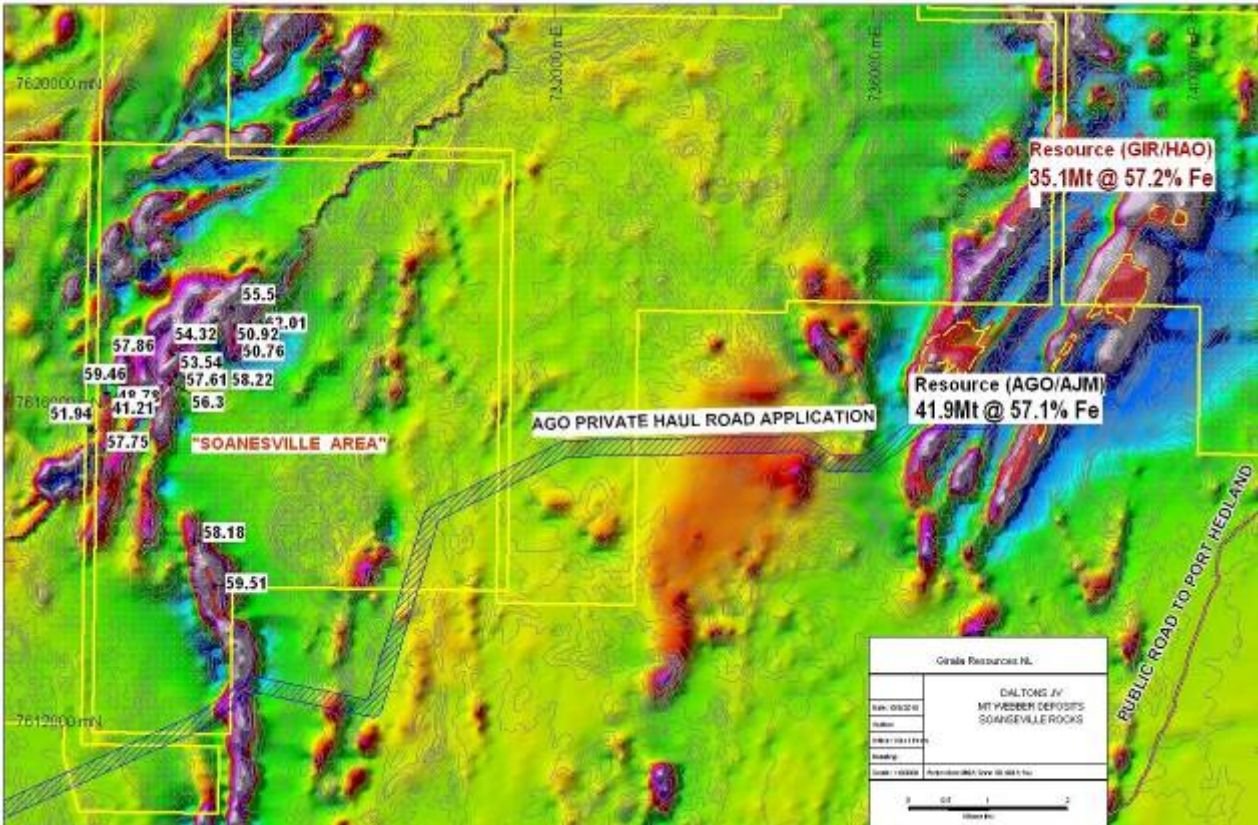
QA/QC included field duplicate samples and two standards (Certified Reference Material), comprising one coarse standard and one pulverised standard. EOH means iron intersection open at end-of-hole.

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

Follow up rock chip sampling and mapping has been completed in the Soanesville area approximately 10 kilometres west of the Mt Webber deposit, where several undrilled zones of outcropping hematite mineralisation were recognised in helicopter reconnaissance in late 2009.

**Table 5: Daltons JV Soanesville area - rock chip sample results July 2010**

SAMPLE	EAST	NORTH	Fe %	P %	SiO2 %	Al2O3 %	LOI %
DW001	727441	7614219	<b>58.2</b>	0.15	4.06	1.71	10
DW002	727698	7613673	<b>59.5</b>	0.16	2.32	1.17	10.45
DW003	726525	7616063	48.8	0.03	2.93	8.81	10.67
DW004	726384	7616065	<b>59.5</b>	0.08	2.64	1.14	10.66
DW005	726407	7615879	41.2	0.05	4.46	18.7	7.91
DW006	726347	7615451	<b>57.7</b>	0.24	3.54	1.83	10.88
DW007	726197	7615634	51.9	0.21	7	5.44	9.96
DW008	727050	7616137	<b>57.9</b>	0.12	4.24	2.15	9.18
DW009	727148	7616247	<b>56.3</b>	0.37	5	2.35	10.7
DW010	727206	7616344	<b>57.6</b>	0.26	3.76	2.58	10.25
DW011	727311	7616471	53.5	0.39	8.19	3.21	10.72
DW012	727177	7616579	54.3	0.08	12.25	0.81	8.74
DW013	727956	7616577	<b>58.2</b>	0.28	2.41	1.9	11.48
DW014	728016	7616696	50.8	0.33	8.65	5.03	9.77
DW015	727983	7616835	50.9	0.23	6.78	7.02	11.87
DW016	727950	7616945	<b>62.0</b>	0.10	2.26	0.67	7.82
DW017	727918	7617154	<b>55.5</b>	0.23	2.9	4.5	9.86



**Figure 5: Daltons JV eastern portion aeromagnetic image, showing Mt Webber deposits and new Soanesville area sampling results (Fe %).**

An overall DSO Exploration Target of 60 to 80 million tonnes @ 56-60% Fe has been established for the Daltons JV tenements, inclusive of the current Mt Webber resource, and including several newly defined smaller hematite zones near Mt Webber and in the Soanesville area.

### **3.2 Cookes Hill (E45/2983 (previously E45/1562), M45/1005, M45/1031 - 1036) - Including BGC Tribute Agreement to Mine Dolerite from Haoma's Cookes Hill Quarry**

The Haoma Quarry at Cookes Hill is operated by BGC Contracting Pty Ltd. BGC Contracting mine and crush dolerite aggregate which is then supplied to customers for infrastructure construction including new railway lines in the Pilbara.

Haoma receives a royalty of \$0.75c per tonne for railway ballast and \$0.40c per tonne for by-product. During the Quarter 18,862 tonnes of by-product rock was mined from the Cookes Hill Quarry and Haoma earned royalties of \$7,545.

### **4. Sub-Marketable Parcel Sale Facility**

Haoma has recently instigated a sale facility for unmarketable share parcels. An unmarketable parcel is a holding where the shares are valued at less than \$500. Affected shareholders will soon be mailed details of the sale facility and what action needs to be taken if they wish to retain their holding. It is anticipated this sale facility will apply to approximately 1,300 shareholders holding approximately 1.8 million shares.

### **5. Sale of Linden Tenements and Exterra Resources Ltd IPO Priority for Haoma Shareholders**

As announced at the Annual General Meeting on December 17, 2009, Haoma sold all of its Linden Tenements (E39/293, E39/428 M39/649, M39/650, N39/794, P39/2974, P39/2975, P39/2976) and the Linden Camp to Exterra Resources Ltd. These tenements were not core to Haoma's operations and were sold to focus on Haoma's Pilbara tenements and Queensland activities.

The Directors determined that Exterra was the appropriate company to bring forward the development of the existing Second Fortune Gold Mine on these tenements. In addition Exterra have a team of people experienced in exploration and mining high grade underground ore bodies. The Linden Tenements combined with other tenements in the Linden and Leonora District held by Exterra are a significant land holding. We believe proposed drilling will quickly define new mining projects and hopefully facilitate a swift move to the development of new mines.

The terms of the sale was a cash consideration of \$1.1 million (which Haoma was paid at the time of sale) and a Convertible Note with a face value of \$1 million. Haoma may converted the Convertible Note to 10 million ordinary Exterra shares at any time during the 18 month period after Exterra is admitted to the official list of the ASX. When Exterra proceeds to an ASX listing an additional \$500,000 will be paid to Haoma for reimbursement of previous exploration costs paid by Haoma on the Linden Tenements.

At the time of this Annual Report, if Exterra achieves its maximum subscription under its initial public share offer (IPO), conversion of the Convertible Note would result in Haoma holding 12.1% of Exterra's share capital. While Haoma will not be involved in Exterra on a day-to-day basis both Peter Cole (our Haoma's Acting General Manager) and I are both on the Board of Exterra.

As part of the Exterra IPO all Haoma shareholders have been given a Priority Offer to apply for shares in this issue. The terms of this offer are:

- Haoma shareholders will be given first preference in the share offer if they subscribes for 10,000 Exterra Shares (representing an investment of \$2,000) before the November 24, 2010 Offer Closing Date.
- To have preference in the share offer Haoma shareholders must subscribe for a minimum of 10,000 Exterra Shares.
- Any additional subscription greater than the initial \$2,000 worth of Exterra Shares (which must be in multiples of 2,000 Shares, \$400) will be considered as part of the normal IPO process.

Offers of Exterra shares will only be made through the Prospectus which will be issued on or about the first week in November. Haoma Shareholders can only acquire shares in Exterra by completing the Application Form accompanying the Prospectus. It is expected that demand for the shares will be strong. If you wish to take advantage of this Priority Offer then you should download the Prospectus from [www.exterraresources.com.au/prospectus](http://www.exterraresources.com.au/prospectus) or alternatively, request a copy of the Prospectus from Exterra by calling 08 9 481 7288, and one will be sent to you.

**Immediately after listing Exterra intends to commence drilling of the Second Fortune Mine lode system. This drilling program is part of the feasibility study being conducted to determine the requirements to re open the Second Fortune Mine. The drilling results will be used to verify and upgrade the current resource estimates.**

## **6. EXPLORATION ACTIVITIES IN THE RAVENSWOOD DISTRICT - QUEENSLAND**

### **6.1 Ravenswood District Tenements**

During the Quarter, activities at Haoma's tenements in the Ravenswood and Charters Towers Districts of North Queensland primarily focused on the ongoing review of Haoma's extensive geological database. Visual field inspections and assessments of Haoma's prospects were conducted by Haoma's geologist based at the company's Ravenswood Office. A feasibility study is being prepared to determine the viability of recommencing gold and silver mining on Haoma's mining leases near Ravenswood. The ore produced would be toll milled at nearby treatment plants.

The Ravenswood Top Camp Motel in North Queensland is at present operating its accommodation facilities on a successful commercial basis.

## **7. ANNUAL GENERAL MEETING**

The 2010 Annual General Meeting of Haoma Mining NL will be held at 9.30am on Tuesday November 30, 2010 at 'Morgans at 401', 401 Collins Street, Melbourne Victoria.

Yours sincerely,



**Gary C Morgan**  
CHAIRMAN



**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(714)	(714)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	747	747
1.17	Repayment of borrowings	(14)	(14)
1.18	Dividends paid		
	<b>Net financing cash flows</b>	733	733
	<b>Net increase (decrease) in cash held</b>	19	19
1.20	Cash at beginning of quarter/year to date	9	9
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	28	28

**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	--
1.24	Aggregate amount of loans to the parties included in item 1.10	--

1.25 Explanation necessary for an understanding of the transactions

Nil

**Non-cash financing and investing activities**

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

Nil.

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

Nil

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	--	--
3.2 Credit standby arrangements	--	--

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	600
4.2 Development	--
4.3 Administration	100
4.4 Production	300
<b>Total</b>	1,000

### 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	28	9
5.2 Deposits at call	--	--
5.3 Bank overdraft	--	--
5.4 Other (provide details)	--	--
<b>Total: cash at end of quarter</b> (item 1.22)	28	9

### 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	--	--	100%	0%
6.2 Interests in mining tenements acquired or increased	--	--	--	--

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

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

	Total Number	Number Quoted	Issue price per security (see note 3) cents	Amount paid up per security (see note 3) cents
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	182,993,655	182,993,655		
7.4 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs (See note 1)	-	-	-	-
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	N/A	N/A		
7.6 Changes during quarter				
(a) Increases through issues	Nil	Nil		
(b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter	--	--	--	--
7.9 Exercised during quarter	--	--		
7.10 Expired during quarter	--	--	--	--
7.11 <b>Debentures</b> <i>(totals only)</i>	N/A	N/A		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	N/A	N/A		

+ See chapter 19 for defined terms.



## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Mr. Gary C Morgan  
Chairman

1/11/2010