



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 Website: www.haoma.com.au

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

Haoma Mining (25%) and Giralia Resources (75%) Daltons Mt Webber Deposit Scoping Study Outcomes

- **Findings from independent Scoping Study on development options for Mt Webber DSO iron ore deposit at the Daltons JV delivered by consultants ProMet Engineers;**
 - **Base Case of 2Mtpa fully owner-operated mining and road haulage to Port Hedland**
 - **NPV(10%) of A\$170 million, IRR of 53.9%**
 - **Operating costs A\$42.12/ tonne, (A\$47.80/ tonne for lease/contract alternative)**
 - **Capital Costs A\$115 million, (A\$49.5 million for lease/contract alternative)**
 - **Dry, low alumina ore, >50% lump, waste to ore ratio 0.03:1**
- **ProMet recommend proceeding directly to a Definitive Feasibility Study, targeting production by 2nd quarter 2011.**

The Directors of Haoma Mining NL and Giralia Resources NL (“Giralia”) are pleased to report the findings of an independent Scoping Study on development options for the Mt Webber iron ore deposit, part of the Company’s Daltons Joint Venture (Haoma Mining NL (“Haoma”) 25% interest, Giralia 75% interest), located 150 kilometres south of Port Hedland in the Pilbara region of Western Australia.

The Daltons JV’s Mt Webber deposit has an Inferred Mineral Resource reported on 14 September 2009 of 40 million tonnes @ 57.3% Fe, including 33.8 million tonnes @ 57.9% Fe, 1.44% Al₂O₃ (63.06% CaFe) in the Main Southern Zone. The Daltons JV tenements at Mt Webber directly adjoin Atlas Iron Limited’s Mt Webber prospect, which has a reported resource of 43.7 million tonnes @ 57.4% Fe.

The Daltons JV commissioned ProMet Engineers Pty Ltd (“ProMet”) to prepare a Scoping Study for its Mt Webber Iron Ore Project, targeting the production of direct shipping iron ore (“DSO”) at 2 million tonnes per year by open pit mining. A number of mining, processing and transport options were considered.

Mining, processing and trucking options were:

- Owner owns and operates the plant and equipment (Base Case).
- Owner owns and operates the processing plant and infrastructure, and leases the mining fleet and contracts out the transport to port to a contractor who purchases and operates his own trucking fleet (Alternative 1).
- Build, own and operate by the contractor.

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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Logistic options reviewed were:

- Road haul to Port Hedland, sales FOB ship
- Road haul to rail loop at 3rd party rail, sales FOB rail wagon
- Road haul to rail loop at 3rd party rail, sales FOB ship.

The proposed Base Case operation would consist of:

- mining by conventional truck and shovel methods;
- mobile crushing and screening plant;
- mine product stockpiles;
- fleet of side tipping truck/trailers, ~115 t net payloads; and
- use of port facilities at Pt Hedland.

The Base Case yields a NPV (10%) of A\$170 million and an IRR of 53.9% with 30% equity and 70% debt funding.

The estimated capital and operating costs for an owner owned and operated plant and equipment (Base Case) and leasing of mining fleet and contract Trucking (Alternative 1) with an accuracy of ±25% are:

<u>Case</u>	<u>Description</u>	<u>CAPEX</u>	<u>Contingency included</u>	<u>#OPEX \$/t</u>
Base Case	Owner Owned and Operated	\$115M	\$19.3M	\$42.12
Alternative 1	Lease and Contract Trucking	\$49.5M	\$7M	\$47.80

Note: # Excluding Royalties

Almost half (47%) of the total operating costs (OPEX) are related to road haulage, and operating costs would be significantly lower if access can be negotiated to 3rd party rail infrastructure.

ProMet consider that the project has attractive returns and is viable under a number of different development scenarios from fully owner owned and operated (Base Case) to various combinations of leasing and contracting out. The implementation schedule for the Project indicates that it may be possible to achieve a first shipment of ore by the 2nd quarter of 2011. ProMet has recommended that the Daltons JV proceed directly with further drilling, testwork and environmental studies as part of a Definitive Feasibility Study to confirm these results.

The information in the report that relates to the Scoping Study has been approved for release by ProMet Engineers.

The information in the report that relates to in-situ Mineral Resources is based on information compiled by Mr Chris Allen of CSA Global. Mr Chris Allen takes overall responsibility for the reported Mineral resource. He is a Member of the Australian Institute of Geoscientists and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code 2004 Edition). Mr Chris Allen consents to the inclusion of such information in this Report in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by R M Joyce, who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of the Company. Mr Joyce has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Joyce consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

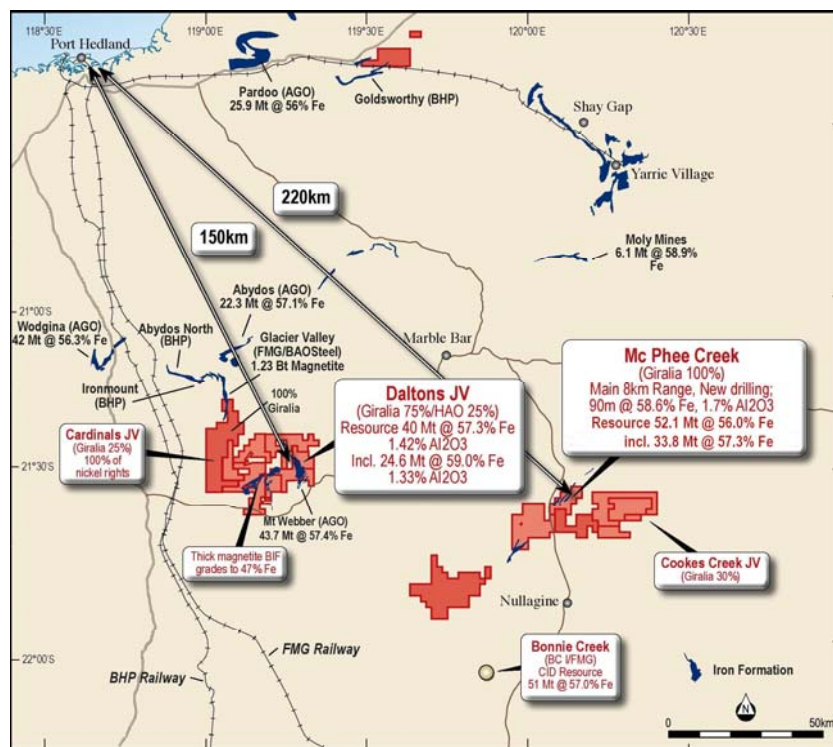


Fig 1: Location plan Daltons JV tenements

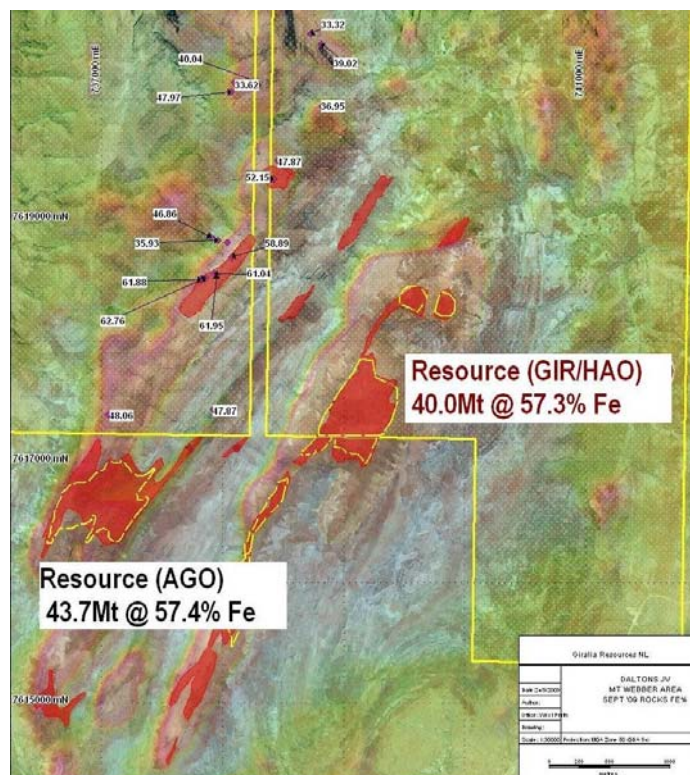


Fig 2: Daltons JV Mt Webber iron ore prospect. JV tenements in Yellow

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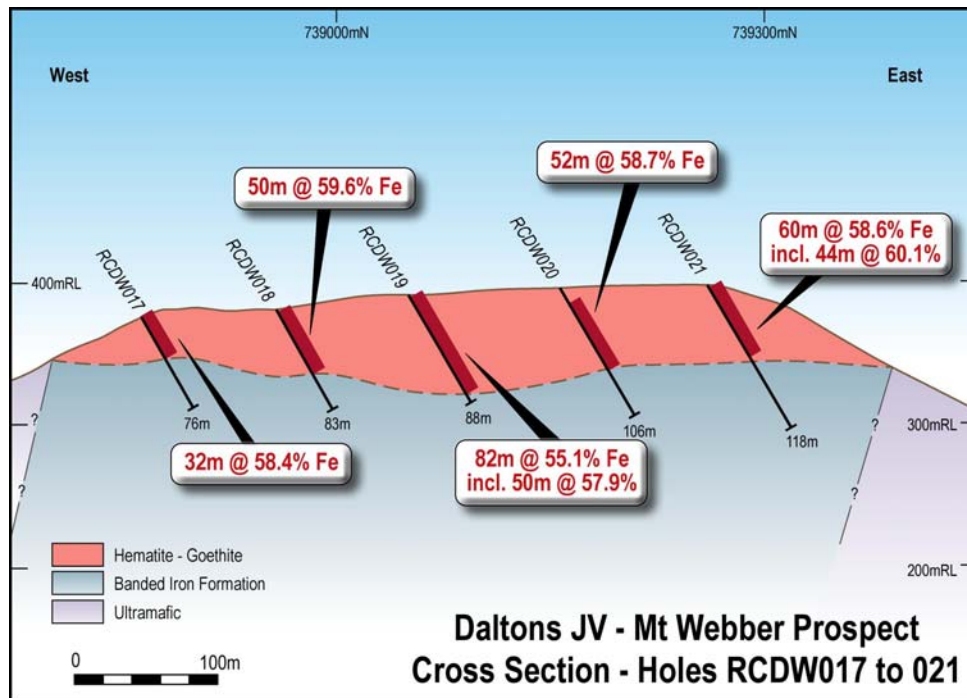


Fig 3: Mt Webber Cross Section



Fig 4: Photo of Mt Webber looking south showing GIR/HAO drilling in foreground

For further information, please contact:
Gary Morgan: Chairman +61 411 129 094

Yours sincerely,

Gary C. Morgan
Chairman