NEW HOLLAND MINING LIMITED
ABN 50 009 126 238

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8 October 2004

Ms Marian Tang
Companies Adviser
Australian Stock Exchange Limited
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

By facsimile: (08) 9221 2020

Dear Marian

We refer to your letter of 7 October 2004. In response to your letter, we provide the following comments in accordance with your paragraph numbering.

1. Upon a review of the Australian Accounting Standards, it has been noted by the Company that the definition of "cash" does not include deposits previously included in the classification of "cash". The Company provides the following reconciliation as follows:

Reconciliation:

	$
Cash	16,000
Deposits	74,000
Cash per Appendix 5B – Cashflow for Quarter Ending 30 June 2004	90,000

Although these "deposits" are represented by mining restoration obligations as per Note 13 of the 2004 accounts, there are no current expenditure commitments. Please note that the offset liability for this deposit is represented as a "provision" in the non-current liability section of the company's accounts. It is noted that there are no current restoration or rehabilitation costs outstanding as at the date of this report. It is not envisaged by the Company that there will be any material restoration or rehabilitation costs to be incurred in the immediate future. The Company will make such alterations to reflect the current cash position it its forthcoming Appendix 5B – Cashflow for Quarter ending 30 September 2004. As at 30 June 2004, the Company had $16,000 available in "Cash" for working capital purposes to pay its debts as and when they fell due. The deposit held as at 30 June 2004, being $74,000 were not available for working capital purposes.

2. Company's cash balance as at 30 September 2004 pursuant to Australian Accounting Standards:

Cash	$10,000

It must be noted that the balance pursuant to the Australian Accounting Standards does not include the current deposits held by the Company, being $74,000.

3. Working capital balance as at 30 September 2004. Referring to the Net Current Asset position being:

Net current assets	37
Net current liabilities	322
	(285)

4. We refer to Note 25 – Subsequent Events in the 2004 Annual Report. Please note that the Convertible Note for $20,000 was settled in full.

The existing convertible note is as follows:

Date of Convertible Note: 30 August 2004
Expiry of Convertible Note: 28 February 2005
Terms: 10% interest per annum convertible on 20,000,000 convertible notes with a face value of $0.01 each and which are redeemable at the expiration of a period of 6 months being 28 February 2005. These Convertible Notes are convertible at the option of the Note Holder on or before the redemption date.
Holder: Challenger Trading Corporation

Challenger Trading Corporation is not a related party or associate of the Company.

5. Budget attached.

6. The Company is in compliance with the Listing Rules and in particular Listing Rule 12.2. Please refer to the attached budget for further details.

Immediate:

(a) The Company has the capacity to place up to a further 41 million shares under Listing Rule 7.1 to raise additional funding. If placed at the current market price (between 0.4 to 0.5 cents per share), the company would raise between $160,000 and $200,000.

(b) The Company is approaching its Annual General Meeting (2004), at which it will seek to refresh its capacity to issue shares under Listing Rule 7.1.

Long Term:

In addition to the Company continuing to pursue it's current activities, is also considering the following:

(a) acquisition of other gold and base metal exploration assets;
(b) announce a Share Purchase Plan ("SPP")
(c) continue to utilise its ability to finance its operations by way of Listing Rule 7.1

7. The Company is able to pay its debts as and when they fall due.

8. The Company is in compliance with the Listing Rules and in particular Listing Rule 3.1.

Yours sincerely

ALAN FRASER
Director

NEW HOLLAND MINING LTD
CASH FLOW BUDGET - TO JUNE 2005

	OCT	NOV	DEC	2005 JAN	FEB	MAR	APR	MAY	JUN	TOTAL
OPERATING ACTIVITIES										
Receipts - customers & others										0
Payments- exploration/evaluation (2)	-5,000	-5,000	-5,000	-5,000	-5,000	-10,000	-10,000	-10,000	-10,000	-65,000
Payments - development										0
Payments - production										0
Payments - administration(net)	-30,000	-30,000	-40,000	-30,000	-30,000	-30,000	-40,000	-40,000	-40,000	-310,000
Interest paid										0
Interest received										0
Other										0
	-35,000	-35,000	-45,000	-35,000	-35,000	-40,000	-50,000	-50,000	-50,000	-375,000
INVESTING ACTIVITIES										
Payments - prospects										0
Payments - other assets										0
Proceeds from - prospects										0
Proceeds from - fixed assets (3)			200,000		200,000		100,000			500,000
Loans repaid										0
Other										0
	0	0	200,000	0	200,000	0	100,000	0	0	500,000
FINANCING ACTIVITIES										
Share issues (4)	80,000	80,000								160,000
Costs of share issues										0
Repayment of borrowings										0
Other										0
	80,000	80,000	0	0	0	0	0	0	0	160,000
INCREASE (DECREASE)	45,000	45,000	155,000	-35,000	165,000	-40,000	50,000	-50,000	-50,000	285,000
CASH AT BEGINNING	10,000									10,000
CASH AT MONTH-END	55,000	100,000	255,000	220,000	385,000	345,000	395,000	345,000	295,000	295,000

Note: (1) Convertible Note Deed expires on the 27 February 05 for which shareholder approval will be sought for conversion. The terms and conditions of the Convertible Note are detailed at section 4 of the attached Announcement. Subject to Noteholder option, it is the intention of the Company to either "roll-over" the Convertible Note or satisfy the debt by way of issuing new shares in the Company.

(2) Represents the current minimum exploration commitments

(3) Represents the sale of selected property plant and equipment from the Heathcote Mine site

(4) Represents the current shares available to issue pursuant to ASX Listing Rule 7.1 at current market price

ASX
AUSTRALIAN STOCK EXCHANGE

FAXED
7 October 2004

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Mr Alan Fraser
New Holland Mining Limited
Level 25, 500 Collins Street
MELBOURNE VIC 3000

By facsimile: (03) 9614 0550

Dear Alan

NEW HOLLAND MINING LIMITED (the "Company") - ANNUAL REPORT

We refer to the Company's Annual Report for the year ended 30 June 2004, lodged with Australian Stock Exchange Limited ("ASX") on 27 September 2004 (the "Annual Report").

ASX notes that the Company has reported the following in the Annual Report.

1. Revenue from ordinary activities of $30,000.

2. Net loss from ordinary activities of ($1,520,000).

3. Cash receipts from customers in the course of operations of $3,000.

4. Net negative operating cash flows of ($494,000).

5. Cash at the end the year of $16,000.

6. Working capital deficiency at the end of the year of ($393,000).

7. An audit opinion containing an Inherent Uncertainty regarding the continuation of the Company as a going concern.

We refer also to the Company's monthly cashflow reports in the form of Appendix 5B for the months ended 30 June, 31 July and 31 August 2004 lodged with ASX, along with the Company's announcement dated 16 July 2004 which included a monthly cashflow budget for the Company until June 2005.

In light of the information contained in the Annual Report, the monthly cashflow reports and the monthly cashflow budget to June 2005, please respond to each of the following questions.

1. Please explain the discrepancy between the Company's audited cash balance at 30 June 2004 of $16,000, as set out in the Annual Report, and $90,000 as set out in the June monthly cashflow report.

   In your response, please explain whether the funds held on deposit which have been included in the $90,000 June cashflow report balance are available to the Company as working capital to pay its debts as an when they fall due. Please also explain the relationship between the funds held on deposit and any corresponding provisions or liabilities of the Company.

2. Please confirm the Company's cash balance as at 30 September 2004 (having regard to the definition of cash pursuant to the Australian Accounting Standards).

3. Please confirm the Company's working capital balance as at 30 September 2004.

4. In relation to the $220,000 convertible note issued by the Company and which was re-financed subsequent to 30 June 2004, please provide details of the following.

   4.1 The current, re-financed full terms and conditions of the convertible note.

   4.2 Identity of the holder(s) of the convertible note, and confirmation that they are not a related party or associate of the Company.

5. A revised monthly cashflow budget to June 2005 (having regard to the definition of cash pursuant to the Australian Accounting Standards).

6. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

   In your response, please comment on what steps the Company has taken, or what steps does it propose to take, to improve its working capital position in both the immediate and long term future.

7. Please confirm that the Company is able to pay its debts as and when they fall due.

8. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Please direct your response to me on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, before **9.30 a.m. E.S.T. on Friday, 8 October 2004.**

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Should you have any queries regarding any of the above, please do not hesitate to contact me.

Yours sincerely

Marian Tang
Senior Companies Adviser