



HADDINGTON
RESOURCES LIMITED

Announcement

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**HADDINGTON FORMS
TANTALUM ALLIANCE WITH
MITSUBISHI DEVELOPMENT PTY LTD
AND
ZINIFEX LIMITED**

Haddington is pleased to announce the formation of an alliance with two significant mining houses for exploration of its portfolio of tantalum exploration areas and the acquisition of other tantalum mining and marketing businesses.

Haddington Resources Limited with its wholly owned subsidiary Australian Tantalum Pty Ltd (ATL) has teamed with Mitsubishi Development Pty Ltd, one of Australia's largest producers of coal; and Zinifex Limited, one of the world's largest integrated zinc and lead companies, in a binding Heads of Agreement under which;

- An exploration alliance, to be known as the Tantalum Exploration Alliance will be formed, which will identify, explore, evaluate, develop, mine and process tantalum reserves and market tantalum product from the Haddington/ATL's existing exploration areas; and
- Upstream tantalum assets will be sought for acquisition including exploration tenements, tantalum concentrate marketing, operating mines and processing facilities.

The Alliance significantly boosts Haddington's exploration effort and enhances Haddington's strategy of becoming an independent tantalite producer. It will provide Haddington with the opportunity to expand its position and profile in the tantalite market through participation in the acquisition of other large tantalite production businesses.

7 Havelock Street, West Perth WA 6005 Australia

Telephone: (61 8) 9226 1550 Facsimile (61 8) 9226 1551 Email: info@haddington.com.au Web: www.haddington.com.au



Mitsubishi Development Pty., Ltd. (MDP) is a wholly owned subsidiary of Mitsubishi Corporation in Australia, and specialises in producing coking coal for use in making steel and thermal coal for use in generating electrical power. MDP has joint ventures with major resource companies to develop coking coal and thermal coal in Australia. MDP is a 50/50 joint venture partner with BHP Billiton Ltd., the world's leading mineral resources company, in the BMA Joint Venture. BMA manages seven coal mines and a shipping terminal for JV partners, and is positioned as the world's premier mega-supplier of coking coal. MDP is also in partnership with Rio Tinto Ltd and Xstrata in the production and supply of thermal coal.

Mitsubishi brings to the Alliance considerable world wide expertise in the production and global marketing and trading of mineral products.

Zinifex Limited was founded in April 2004 and is one of the world's largest integrated zinc and lead producers, supplying 6% and 4% respectively of global demand for finished zinc and lead metal. It is the world's 2nd largest producer of zinc and a leading producer of lead and also one of the world's major producers of refined silver.

Zinifex sells its products across the core markets of Asia, Europe, the United States and Australia. It has two mines in Australia – the Century Mine in north Queensland, the world's second largest zinc mine, and the Rosebery Mine in western Tasmania. The majority of the concentrate produced at these mines is processed into zinc, lead, copper, silver, gold and sulphuric acid at Zinifex's four smelters located in Hobart (Tasmania), Port Pirie (South Australia), Budel (the Netherlands) and Clarksville (Tennessee, USA).

Zinifex also manages Australian Refined Alloys (ARA), a 50/50 Joint Venture with the Sims Group. ARA operates the only two lead acid battery recycling facilities in Australia at Alexandria in Sydney and Laverton North in Melbourne.

Haddington Resources Limited is one of only two tantalite producers in Australia. Haddington is an established and reliable producer of tantalite concentrates and a successful explorer for tantalite resources. Together with ATL it brings to the Alliance the largest portfolio of tantalite specific exploration areas in Australia and a knowledge base and expertise across the spectrum of tantalite production from exploration techniques to process design, plant construction and operation.

Haddington views the Alliance with two of Australia's most prominent resource companies as the most significant step in the development of the Company since its listing in 2001. The Alliance has the potential to provide substantial corporate growth and enhanced value for Haddington shareholders.



Bald Hill Project Excluded

Haddington will continue its existing tantalum production business by mining and processing ore for its own benefit from an area within a five kilometre radius of its existing Bald Hill treatment plant, which has been excised from the Alliance areas.

Main Points of the Alliance

- MDP and ZFX collectively will fund exploration on Haddington/ATL's exploration areas, with a minimum expenditure of \$1.5 million per annum, for a minimum of one year and renewable thereafter on an annual basis.
- HDN will manage the Alliance and conduct the exploration under the direction of the Alliance Management Committee.
- HDN and ATL will continue to investigate opportunities for securing additional mineral tenements that are prospective for tantalum, which it will offer for inclusion in the Alliance.
- MDP and ZFX will fund feasibility studies on discoveries that meet their development criteria.
- When a decision to mine a deposit is made, a Joint Venture will be formed to develop the Project, with each of ATL/HDN, MDP and ZFX having a 33.33% participating interest.
- The participants in the Alliance will collaborate on the acquisition of other tantalum assets and Haddington will be entitled to take up a participating interest in acquisitions.
- ATL/HDN will have the option to develop and operate smaller exploration discoveries that the participants determine are most effectively exploited by ATL/HDN as operator.

This Tantalum Exploration Alliance with two outstanding partners in Mitsubishi and Zinifex confirms the Company's tantalum exploration and development capability and promotes the importance of our exploration areas to a new level. It advances the opportunity for Haddington to gain a substantial increase in exposure to world class tantalite projects.

**ON BEHALF OF THE BOARD OF DIRECTORS OF
HADDINGTON RESOURCES LIMITED.**

Colin McCavana
Managing Director

Note: The information in the statements relating to Mineral Resources is based on the information compiled by Mr A.J. Pearson. Mr. Pearson is a Member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken in the preparation of the Mineral Resource Estimate to qualify as a Competent Person as defined in the JORC Code.