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ANNOUNCEMENT

2 November 2006

PRE-FEASIBILITY STUDY ON ALLUVIAL GARNET

Haddington Resources Limited has reached agreement with Tyson Resources Pty Ltd to conduct a pre-feasibility study on Tyson's Balline alluvial garnet deposit near Kalbarri in Western Australia.

There is growing demand for alluvial garnet in industrialised countries as an abrasive blast medium for cleaning steel structures, ships, pipelines, offshore platforms, chemical plants and anywhere where blast cleaning of steel is required. It is also used for water jet cutting where precision cutting of material such as steel, copper, granite, rubber, glass and wood is required.

Worldwide garnet consumption for abrasives has increased significantly since the late 80's. Alluvial garnet, which is free of any heavy metals and toxic components, is replacing silica sand as a safer blasting medium.

Haddington's wholly owned subsidiary Australian Garnet Pty Ltd will carry out resource drilling, metallurgical testing and marketing studies on the Balline deposit to establish its viability ahead of a development decision. In the event of development of a mine, Tyson will receive a royalty per tonne of garnet sold.

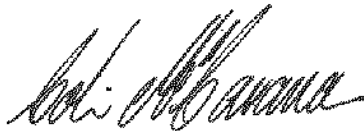
The development of an alluvial garnet mine at Balline would renew the Company's cash flow and make use of our mothballed plant, infrastructure and abilities as a reliable producer of mineral concentrates.

The Balline deposit is immediately adjacent to an existing alluvial garnet mine operated by private company GMA Garnet Pty Ltd. GMA's operation is one of the world's largest mining and processing facilities for alluvial garnet. Recent media reports attributed a value of \$32 million to GMA's alluvial garnet exports in 2005/06.

Historic exploration for heavy minerals on the Tyson ground indicated significant quantities and grades of alluvial garnet. It is also reasonable to expect that the quality of the regional alluvial garnet mineralization would extend beyond the GMA boundary into the Tyson ground.

The Company will carry out verification drilling immediately to establish the quality and extent of the alluvial garnet resources on the Tyson ground. It will also use the drilling sample to carry out detailed metallurgical testing before developing a process flow sheet and establishing economic viability.

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



Colin McCavana
Managing Director

*This announcement accurately reflects information compiled by full time officers of the Company.
The technical information in this announcement that relates to Mineral Resources or Ore Reserves is based on information compiled by Mr James Pearson, who is a Member of the Australasian Institute of Mining & Metallurgy and who 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 James Pearson is a Non-Executive Director of the Company and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*