



HAVILAH RESOURCES NL

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Dear Sir / Madam,

BEST EVER CU-CO DRILLING RESULTS FROM MUTOOROO

KEY POINTS

- Best ever copper-cobalt drill intersections at **Mutooroo prospect**, including **26 metres of 1.55% Cu and 0.18% Co** in drillhole MTRC045 and **31 metres of 1.71% Cu and 0.18% Co** in drillhole MTRC044.
- Economic grade mineralisation now confirmed over more than **750 metres of strike**.
- On track to establish a **shallow open pit mining resource**, which continues at depth.
- Drilling has commenced at **Kalkaroo** with the aim of **expanding the current mineral resource and discovering new stand-alone copper-gold-molybdenum deposits**.

MUTOOROO (copper-cobalt)

New results from reverse circulation drillholes at the Mutooroo prospect continue to indicate a **well mineralised lode system at shallow depth** as reported below:

Hole ID	From	To	Metres	Cu %	Co %	Value A\$/tonne*
MTRC026	123	127	4	0.93	0.17	123
MTRC030	63	67	4	2.2	0.28	236
MTRC033 and	8 55	28 60	20 5	0.7 1.97	0.25	59 212
MTRC034	73	79	6	1.25	0.15	130
MTRC036	29	32	3	1.78	0.13	148
MTRC037	57	60	3	1.65	0.24	193
MTRC040	34	38	4	1.4	0.14	131
MTRC043 and	97 142	101 145	4 3	1.26 1.75	0.08 0.19	85 175
MTRC044	78	109	31	1.71	0.18	166
MTRC045	101	127	26	1.55	0.18	157

Ore grade intersections have now been obtained on **9 separate drill section lines over a strike length of more than 750 m** within Havilah's target 3D modelled ore envelope at Mutooroo. The latest results, particularly for drillholes MTRC 044 and 045, **are comparable or better than the highest results achieved in the much deeper Broken Hill South diamond drilling of the lode system** in the 1970's and exceed Havilah's earlier drilling results. The target lode dips roughly 45-50 degrees west and is composed of both disseminated and massive copper and cobalt bearing sulphides within a predominantly amphibolite host rock. Consequently, the intersections reported above approximate the true width of the mineralised lode.

Small amounts of gold are generally present, while the levels of potentially deleterious elements such as arsenic and cadmium are negligible. The relatively high value of the sulphide ore, listed in the right hand column of the table above, is partly due to the current relatively high cobalt price (roughly ten times that of copper).

Commenting on the latest results Chairman, Dr Bob Johnson, said that Havilah's drilling had now demonstrated that the Mutooroo lode system contains high value copper-cobalt mineralisation at shallow depths and over significant widths. He said that while the lode had proven to be quite variable in thickness and grade, requiring more drilling to establish a JORC standard resource, he was confident that Havilah was on track to achieve **its stated objective of a 5 million tonne open pit deposit**. There is excellent scope to expand this down dip at depth and also in the footwall where new lode positions had been discovered.

Dr Johnson said that over the next few weeks Havilah would complete preliminary resource estimates and mining scoping studies in order to determine the likely profitability of the deposit and the best processing and marketing options for the sulphide concentrate. He pointed to **the favourable location, roughly 60 kilometres west of Broken Hill and about 15 kilometres south of the main east-west railway line to Port Pirie**, as a major positive factor that would enhance development prospects for the Mutooroo project.

KALKAROO (copper-gold-molybdenum)

Drilling has now commenced at Kalkaroo. The first objective will be to double the size of the current resource at Kalkaroo **to over two hundred million tonnes**, by drilling extensions of the known mineralisation down dip and along strike. A second objective is to discover repetitions of the Kalkaroo orebody along the more than 40 kilometres of strike of the prospective Kalkaroo copper-gold horizon as defined by new aeromagnetic data. The Government of South Australia will contribute up to \$137,000 towards this drilling under a recently awarded PACE grant.

Dr K R Johnson
CHAIRMAN

The information in this report has been prepared by Dr Bob Johnson and Dr Chris Giles, who are members of the Australasian Institute of Mining and Metallurgy and The Australian Institute of Geoscientists, respectively, and are adherents to the respective Institute's codes and recommended practices. Both have had a minimum of five years experience in the types of activities being reported.

Enquiries should be directed to Dr Bob Johnson, Chairman, on (08) 83389292

* based on the in-situ combined copper and cobalt metal values averaged over the reported interval at metal prices for copper and cobalt current as of 20 September 2005