Havilah to Acquire Glencore's Rights in Kalkaroo Project

Havilah Resources
(ASX:HAV)

Havilah Resources NL *aims to become a significant producer of copper, gold, cobalt and molybdenum from its 100% owned Kalkaroo, Mutooroo and Benagerie projects, which are at advanced feasibility stage. It holds more than 6,500 km^2 of surrounding tenements in the highly mineralized Curnamona Province of South Australia, where it maintains an active drilling program. Deposits of iron ore, tin and hard rock uranium have been drilled, with good exploration upside. Havilah owns strategic interests in uranium explorer, Curnamona Energy (45.4%) and hot rock geothermal explorer, Geothermal Resources (58%.)*

Issued Capital
82 million ordinary shares
20.495 million listed options
2.425 million unlisted options

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Havilah Resources NL ("Havilah") advises that Glencore will sell its rights in the Mining Tenements and the Feasibility Study to Havilah in consideration for the issue of A$7 million of ordinary shares in Havilah.

When this transaction is complete, uncertainty surrounding the Kalkaroo Project will be removed, and Havilah will control 100% of an attractive copper gold deposit with a completed bankable feasibility study.

Havilah Chairman Dr Bob Johnson said:

"Havilah will now pursue a measured strategy to maximise the value of this large copper-gold asset and explore various development options. This will include further drilling to expand shallow gold and copper metal resources along strike and alternative metallurgical processing methods to improve recoveries particularly of gold and native copper."

"Kalkaroo contains almost 1 million ounces of contained gold, and is a large gold deposit in its own right, therefore optimising gold recoveries will be a high priority in future work."

In accordance with the Heads of Agreement ("HOA"), Havilah will issue $7million of ordinary shares in Havilah to Glencore**.**

It is Havilah's view that the shares to be issued will be calculated on the volume weighted average price of the shares on the ASX in the 20 days previous to the date of the Heads of Agreement. This is calculated to be $2.147 per share resulting in issue of 3,260,203 shares representing approximately 3.95% of Havilah's issued capital. It is Glencore's view that the shares to be issued will be calculated on the volume weighted average price of the shares on the ASX in the 20 days previous to the date of expiry of Glencore's option to participate. This is calculated to be $0.6894 per share resulting in issue of 10,153,756 shares representing approximately 12.3 % of Havilah's issued capital.

Havilah and Glencore are in discussions regarding the amount of shares to be issued. If discussions fail to resolve the dispute then the parties are likely to engage in a formal dispute resolution process in due course.

Upon issue of the shares, the HOA with Glencore will terminate, except for Havilah's obligation to pay a further $7m from 10% of Havilah's share of future profits distributed from any future mining operation at Kalkaroo.

For further information visit the Company website www.havilah-resources.com.au or contact :

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Competent Persons Statement

The information in this report has been prepared by geologists Dr Bob Johnson, who is a member of the Australasian Institute of Mining and Metallurgy, and Dr Chris Giles who is a member of The Australian Institute of Geoscientists. Drs Johnson and Giles are employed by the Company on consulting contracts. They have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration to qualify as Competent Persons as defined in the JORC Code 2004. Drs Johnson and Giles consent to the release of the information compiled in this report in the form and context in which it appears.