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Extended Gravity Survey Confirms Lilydale Iron Ore Project Potential

Havilah Resources NL (ASX : HAV) advises that it has completed the second stage of a detailed gravity survey at the Lilydale iron ore project, targeting the area of highest magnetic intensity of the Braemar Iron Formation. Gravity readings were carried out at 50m spacing along traverses 200m apart, and now cover approximately 8 km of strike of the western limb of the non-outcropping iron formation.

Strong positive gravity anomalies (marked by the orange, red and white colours on the attached gravity image) coincide with the areas of intense magnetism along at least 4 km of this strike length. This coincidence is further highlighted by the superimposed oblique 3D views of both the magnetic data (reprocessed from PIRSA open files) and the new gravity data shown in the second picture.

While the magnetic anomalies show the location of the magnetic iron formation in the subsurface, the gravity peaks indicate where the denser iron rich material within the iron formation is best developed or concentrated. The gravity results suggest that the iron formation is considerably thickened to widths of more than 100m within much of the survey area. Accordingly, the potential for an economic resource tonnage is greatly enhanced in this area and it therefore represents a priority target for an iron ore deposit.

A key factor in determining the economics of any discovery is the quality of the iron ore. There is some cause for optimism in this regard, based on a surface sample containing 58.6% Fe, which was collected from a small isolated outcrop located on the margin of the coincident gravity and magnetic anomalies (see gravity image).

A drilling program is planned to test the high gravity target area in early February immediately upon mobilization of the drill rig to site after completion of the current routine maintenance schedule. In the absence of surface outcrops, the drilling is critical in establishing the geometry and grade distribution of iron ore within the iron formations in the target area.

The Lilydale iron ore projects lies 50 km southeast of Yunta, which is located on the Transcontinental Railway, some 200 km east of Port Pirie. Aeromagnetic anomalies associated with magnetic ironstone indicate at least 20 km of strike of the Braemar Iron Formation lie within Havilah's 100% owned EL 3519.

Dr K R Johnson
CHAIRMAN

The information in this report has been compiled by 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 mineralisation 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.

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



