



HAVILAH RESOURCES NL
ABN 45 115 281 144



Coarser Grind Size Improves Recoveries at Lilydale Iron Ore Project

Havilah Resources

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 km² 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 Limited (45.4%) and hot rock geothermal explorer, Geothermal Resources Limited (58%.)

Issued Capital

82 million ordinary shares
8.58 million unlisted options

Contact

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Highlights

- Coarser grind size of 106 microns shows improved recoveries of up to 36% for only a small reduction in Fe concentrate grade of 68% Fe
- Levels of impurity elements remain very low (eg SiO₂, Al₂O₃, P,Ti)
- Ongoing negotiations with potential funding partners.



Coarse-grained magnetite recovered from drill sample by a hand magnet

Results

Excellent results have previously been reported for preliminary Davis Tube testwork on composite drill chip samples from Havilah's RC percussion drillholes at the Lilydale iron ore project for grind sizes of 38 and 75 microns (see ASX announcement 27 April 2010). Davis Tube analysis is designed to determine the percentage recovery of the magnetic minerals (in this case magnetite – Fe₃O₄) from the bulk sample. Chemical analysis of the resultant magnetic fraction gives the Fe content of the concentrate as well as the levels of impurity elements.

Further results have been received for a coarser grind size sample fraction of 106 microns (or just over 0.1 mm diameter) which continue to indicate relatively good recoveries of Fe for only a small reduction in the Fe concentrate grades (see table). **The levels of impurity elements such as alumina, phosphorous and titanium continue to remain extremely low.** It is notable that at the 106 micron grind size, 68% of the total iron in the sample is recovered, which is a 33% improvement over the total iron recovered for the finest grind size of 38 microns. This is achieved for only a minor reduction in the Fe concentrate grade (from 70% to 68%) and marginal increases in deleterious impurity element levels.

Sample Description	Sample Fe %	Recovery % Fe conc	Conc Fe %	Conc SiO ₂ %	Conc Al ₂ O ₃ %	Conc P %	Conc Ti %	% total Fe recovered
Average 106 micron	35.2	35	68	3.22	0.22	0.018	0.03	68
Average 75 micron	36.9	31.6	69.5	1.35	0.08	0.008	0.01	60
Average 38 micron	36.2	25.6	70	0.64	0.09	0.008	0.01	50

Davis Tube test results for composite drill chip samples from Havilah drillholes for three grind sizes

Dr Bob Johnson, Havilah's Chairman, said that the favourable recoveries for the coarser grind size meant that potentially significantly less energy would be required for grinding in order to achieve satisfactory Fe recoveries.

"Energy costs for grinding to liberate the magnetite are a major cost. If lower energy levels can still produce good recoveries of magnetite it means costs are less and profitability is improved. Considering that the Lilydale iron ore is already relatively soft to start with compared with other more siliceous iron ores, there is potentially a significant competitive advantage in reduced grinding costs " he said.

Havilah is presently in discussions with potential foreign investors, initially to assist with funding of a feasibility study for the Lilydale project. This will include extensive percussion drilling to determine a resource and diamond drilling in order to obtain representative samples for comprehensive Davis Tube testwork.

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 35 km of strike of the Braemar Iron Formation lie within EL 3519. The five drillholes recently completed by Havilah represent the only exploration holes ever drilled into this portion of the Braemar Iron Formation and the Davis Tube test results are the first ever published from the area.

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

Dr Bob Johnson, Chairman, on (08) 83389292 or email : info@havilah-resources.com.au

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.



RC percussion drilling of Braemar Iron Formation target at Lilydale iron ore project in March 2010