
NEWS

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CHINESE GROUP IN NEW JOINT VENTURE TO DEVELOP COPPER-COBALT MINE NEAR BROKEN HILL

Havilah Resources NL (Havilah – ASX:HAV) today announced a joint venture with a Chinese minerals group for a feasibility study and development of a mine at Havilah's Mutooroo copper-cobalt deposit, west of Broken Hill in South Australia.

Havilah has signed a Memorandum of Understanding (MOU) to form a Joint Venture with Heilongjiang Resources Limited which could see the Chinese Group fund development of a mine to earn a 50% interest.

Heilongjiang Resources (HJR) is a company formed by the Heilongjiang Provincial Institute of Geological Research, a commercial entity of the Heilongjiang Bureau of Geology and Mineral Resources under authority of the Heilongjiang Provincial Government in north-eastern China.

Havilah's Chairman, Dr Bob Johnson, said the HJR group was active in mineral projects in its region, including eastern Russia, and was seeking to acquire mining projects in Australia.

Dr Johnson said the Mutooroo feasibility study - which would cover additional drilling, metallurgy and mining studies - would commence next month.

"The study will be funded by HJR for an initial investment of \$3 million, with initial funds already advanced," he said.

"Thereafter HJR will fund 100% of the mine development until production, for a maximum share in the mine output of 50%. Equity will be progressively earned as funds are injected in the project up to the maximum of 50%."

Dr Johnson said the drilling in the feasibility study would be aimed at determining a JORC measured resource and a minimum production schedule of around 10,000 tonnes of contained copper and 1,000 tonnes of contained cobalt per annum.

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“This joint venture is a very favourable outcome for Havilah because our focus on the mining side will be complemented by Heilongjiang Resources concentration on the sales and marketing of the mine products,” he said.

Havilah’s Mutooroo copper-cobalt deposit is located in South Australia, some 60 kms west of Broken Hill in South Australia. It is an outcropping lode sulphide deposit which has been drilled by Havilah and a prior explorer (Broken Hill South) down to a depth of over 300m below the surface.

The deposit is located 17 kilometres south of the Barrier Highway and the intercontinental railway, which links directly to Port Pirie approximately 300 km to the west. It is envisaged that a bulk concentrate will be produced at the mine and shipped overseas for extraction of the valuable components.

Scoping studies based on Havilah’s Mutooroo drilling to date indicate that the deposit contains at least 11 million tonnes of ore with grades of 1.1% copper and 0.1% cobalt, along with minor amounts of gold. Deeper ore sections, where the ore is well-developed, indicate grades of around 2% copper and 0.2% cobalt.

Havilah is focused on exploration of the world class Curnamona Craton mineral province in South Australia, where it has a large 100% owned tenement holding.

Besides Mutooroo, it holds several other advanced projects including Kalkaroo and North Portia, which contain a substantial copper metal inventory. Its major shareholder is Lion Selection Limited (19.4%).

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