



# Havilah Resources NL

63 Conyngham Street  
Glenside 5065 South Australia  
phone 61 8 8338 9292  
fax 61 8 8338 9293  
email [info@havilah-resources.com.au](mailto:info@havilah-resources.com.au)  
ABN 39 077 435 520

## Australian Stock Exchange Announcement

---

6 February 2006

### **MUTOOROO COPPER-COBALT PROJECT VALUATION**

Over the past few weeks Havilah has updated its preliminary mining scoping study and financial model for the Mutooroo deposit taking into account current metal prices and revised capital and operating cost estimates. An optimized open pit to 250m depth incorporates 11.5 million tonnes at a grade of 1.1% Copper and 0.096% Cobalt. This is sufficient to maintain a mining operation for a period of at least 11.5 years at an annual throughput of 1 million tonnes to produce approximately 10,000 tonnes copper and 1000 tonnes of cobalt per annum. Based on the various assumptions used, the project has the potential to be profitable at current metal prices and has an estimated net present value (NPV) of \$143 million (at a 10% discount rate).

The purpose of the scoping study is to assist in the planning of future drilling and to provide shareholders with guidance as to the potential value of the deposit to Havilah. It is evident from the above estimates that Mutooroo represents a valuable mineral asset, potentially being worth almost three times Havilah's current market capitalization at present metal prices. There is excellent potential for discovery of extensions to the deposit, which would further improve the economics.

Current drilling data gives considerable geological confidence in the continuity and grade of the mineralisation, as there is good correlation between the outcropping lode, Havilah's shallow RC drilling and the previous deeper diamond drilling. It is emphasised that more drilling is required to bring the resource to the confidence level required by the JORC code.

A summary of the parameters used and assumptions made in these calculations will be provided under the Mutooroo Mine project description on Havilah's website. The proposed operation would produce a sulphide concentrate for shipment to a smelter thus eliminating the need for a complex processing plant and thereby minimising capital costs.

Havilah's Mutooroo project lies roughly sixty kilometres west of Broken Hill and fifteen kilometres south of the Indian Pacific railway line. Extensive diamond drilling by Broken Hill South in the early 1970's to depths of 500 metres outlined a published copper resource of approximately 8.7 million tonnes of 1.9% copper in a sulphide lode structure. This historic resource figure may not comply with current JORC reporting standards, although it is based on 28 diamond drillholes and is therefore considered reliable. A feature of the deposit, not known to the earlier explorers, is the presence of appreciable amounts of cobalt in the sulphide ore, which has a significant impact on the current mining economics.

Havilah carried out two RC drilling campaigns last year targeting the shallower up-dip extensions of the known ore zone at open pitable depths. Havilah's drilling confirmed the previous diamond drilling results, and included some of the best copper-cobalt sulphide intersections ever obtained in the deposit (eg 31 metres of 1.71% Cu and 0.18% Co in drillhole MTRC044).

In September 2005 Havilah signed an MOU with a Chinese consortium associated with the Jiangxi copper smelter, which provided for the consortium to earn an exclusive right to develop the Mutooroo deposit and earn an equity interest in the project. This group have now advised that they no longer wish to take up their exclusive right to participate, leaving Havilah free to offer the project to other interested parties.

In anticipation of a future mining operation, Havilah has pegged two Mineral Claims over the deposit in the name of its wholly owned subsidiary, Mutooroo Metals Pty Ltd as the first step towards application for a Mining Lease.

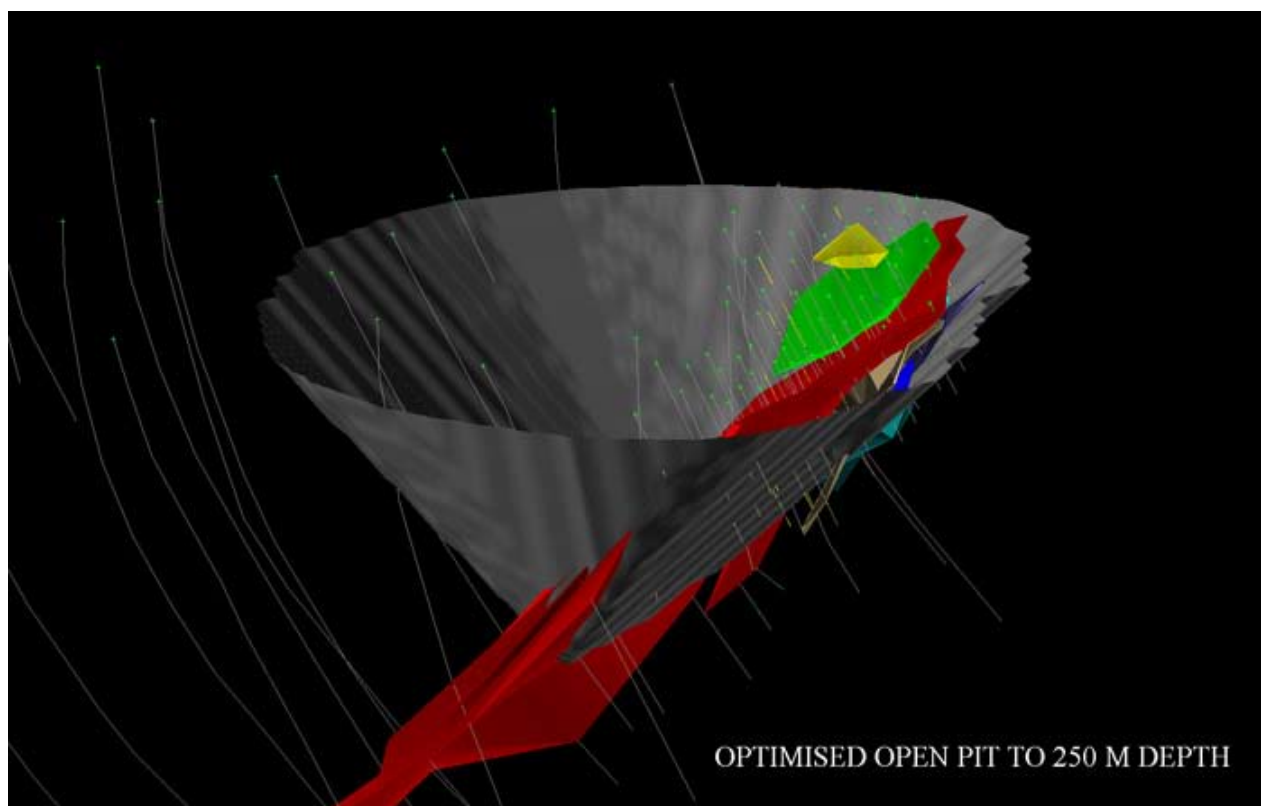
Havilah is currently in the process of completing a similar revised mining scoping study for Kalkaroo, to be reported shortly, which is also expected to increase the in ground value of this deposit.

Both the Kalkaroo and Mutooroo projects are 100% owned by Havilah and are ready to be advanced to the feasibility study stage. This is an expensive and time consuming phase of activity that requires a team of specialised experts, with an order of magnitude greater funding than that currently available to Havilah.

Given the shortage of quality advanced mineral projects in Australia and the premiums attached to them in the current market, Havilah has taken the decision to seek major partners to fund the feasibility studies and mine development, in exchange for project equity. Havilah has compiled a shortlist of major companies who would be capable development partners for both Mutooroo and Kalkaroo and over the next two months will give these companies the opportunity to review the technical data with a view to participation.

Both projects will be offered on a standalone basis and Havilah will retain the very considerable exploration upside in all of its Curnamona Craton regional exploration areas. No further drilling is planned by Havilah at either project until the process of securing development partners is complete. Future drilling to determine the precise resource parameters will form part of the feasibility study.

This strategy will leave Havilah management free to maintain focus on value adding exploration. The continuous programme of drilling planned for 2006 commenced earlier in January.



The information in this report has been compiled 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. Both are employed by the Company on consulting contracts and qualify as Competent Persons as defined in the JORC Code 2004. Both 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