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NEWS

● RELEASE ●

HAVILAH EYES TRIAL MINING AFTER HIGH GRADE

GOLD DRILL RESULTS AT PORTIA

New drilling on the 100%-owned Havilah Resources NL (ASX code HAV) Portia gold project near Broken Hill has defined significant high grade mineralisation and the project owners are now planning a trial open pit mining operation.

The drill results returned from an area proposed as the floor of Portia's initial open pit included:

- **6 metres of 55 grams per tonne gold, and**
- **6 metres of 57 grams per tonne gold**

"We are confident of the accuracy of the high gold grades as the assays in this case have been obtained by the painstaking process of washing the entire 10-20 kg drill samples and physically picking out and weighing the coarse gold," Havilah's Chairman, Dr Bob Johnson, said today.

"The Portia project structurally is a very challenging, nuggetty gold deposit, but the laborious process of weighing out the gold grains from samples has at last generated solid and consistent results that we can believe," Dr Johnson said.

"We expect therefore to continue identifying comparable gold grades as we complete the washing program on the remaining drill samples," he said.

"This decision to wash all samples to obtain accurate gold values will mean some difficulty in achieving a JORC-compliant gold resource estimate within a reasonable time frame.

"However, Havilah is gaining the necessary confidence from these strong first drill outcomes to believe that there is sufficient bedrock gold to more than cover the expected mining costs for a trial open pit several times over.

"As such, we have now elected to assess how best to rapidly develop such a pit in the richest part of the potential resource envelope at Portia. This will also allow a large bulk sample to be taken for processing, with the primary objective of estimating the grade and distribution of gold within the project area.

“Our modelling already suggests Havilah potentially has several million tonnes of similar free digging material, enough for Portia to be mined for many years if we can prove that the gold grades are adequate.”

Dr Johnson said the experience learned in washing the whole drill samples – a unique exploration process in Australia’s hard rock gold sector - meant the Company was confident of recovering “just about all of the gold in a conventional gravity separation plant, greatly reducing the complexity and capital cost of a future mining operation at Portia”.

The percussion drill samples which returned the strong results were obtained at shallow depths of around 100 metres or less within high grade gold zones patchily developed and characterized by abundant coarse-grained primary gold. The gold has been deposited by mineralising fluids emanating from buried granitic rocks, along the contact of a carbonaceous shale formation.

“The important implication of work completed to date is that Portia’s gold mineralisation could potentially extend to significant depths below the zone of current drilling,” Dr Johnson said.

Havilah has lodged a mineral claim over the Portia gold resource in preparation for a mining lease application. Native title negotiations have also commenced.

“If Portia proves its worth, the longer term upside for Havilah is applying the knowledge gained at this project to the search for additional bedrock gold mineralisation in similar geological settings elsewhere on the Benagerie Dome,” Dr Johnson said.

“The Dome is host to known high grade bedrock gold mineralisation from earlier drilling for over 15 kilometres of strike of the prospective formation – for example, at the Shylock and Lorenzo prospects – but there has never been any follow up exploration on these targets.”

Portia’s gold nuggets were originally discovered by the Werrie Gold/Pasminco joint venture in the 1990s. Dr Johnson said inconsistent results caused by the erratic sampling of the nuggetty gold, deterred these early workers from proceeding.

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The information in this release has been prepared 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 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.

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