



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
ABN 39 077 435 520

ASX Release

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NON-RENOUNCEABLE ENTITLEMENT ISSUE

Havilah Resources NL (Havilah – ASX:HAV) is pleased to announce a pro-rata non-renounceable entitlements issue to its shareholders to raise up to \$9,440,115 through the issue of up to 7,261,627 new fully paid ordinary shares in Havilah. Each shareholder eligible to participate will be entitled to subscribe for one new ordinary share in the capital of the Company for every ten existing ordinary shares registered in their name at 5.00 pm Adelaide time on 31 January 2007.

The new ordinary shares will be issued at a cost of \$1.30 per share, which is a discount to the last sale price of \$1.43. Each two new ordinary shares issued will have an attached option, which will be exercisable at a price of \$1.60 any time on or before 30 April 2010.

The entitlements issue is not underwritten. There will be a shortfall facility and eligible shareholders will have a priority right to apply for additional shares on a shortfall application form.

The funds raised will be used primarily to complete various tasks required in advance of commencing a trial open pit gold mine at Portia, including obtaining a mining lease, construction of required infrastructure and processing plant and ongoing technical studies. Directors consider that the Portia gold project offers the best opportunity for Havilah to generate an early cashflow and plan to advance the project as rapidly as possible in 2007. The objective of the trial open pit is to determine a bulk gold mining grade and if this proves economic it is expected that mining would continue on a sustainable basis for some years.

\$1 million of the funds raised will be directed towards commencement of a feasibility study on the Kalkaroo copper-gold deposit in early 2007. This work will include comprehensive metallurgical testing and processing plant design plus deeper drilling to determine the depth extensions of the sulphide ore. Sufficient funds will also be allocated to maintain an active exploration programme during 2007, which will include drilling extensions of the historic Radium Hill uranium lodes.

A Prospectus in relation to this entitlements issue and the Appendix 3B is attached. We have also attached a letter to shareholders that will be mailed tomorrow.

Dr K R Johnson
CHAIRMAN

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