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## 28% INCREASE IN KALKAROO RESOURCE TO 108 MILLION TONNES

Havilah Resources NL (Havilah – ASX:HAV) advises that it has updated its existing resource model at Kalkaroo to incorporate the 2006 drilling results from West Kalkaroo. **This has resulted in a 28% increase in the total resource, from 85 million tonnes (measured) to 108 million tonnes (measured and indicated) of combined copper, gold and molybdenum mineralisation.** The new West Kalkaroo component comprises an indicated resource of 23 million tonnes of 0.58 g/t Au and 0.33% Cu.

Using a A\$20 per tonne ore value cutoff, this resource **translates to 85 million mineable tonnes at a grade of 0.51 g/t Au and 0.45% Cu within an optimized open pit model. This is a conservative estimate** because all the internal lower grade material currently assigned to waste would be mined and could possibly be processed at current metal prices. Compared with the previous Kalkaroo resource announced 12 months ago (Kalkaroo line in the following table), **this represents a 21% increase in the open pit mineable tonnes with a corresponding 13% increase in gold grade** and a marginal change in the copper grade. The increased resource was achieved with 25 RC drillholes completed over a two month period for a net outlay of approximately \$ 400,000 or roughly 2.7 cents per resource tonne. The drilling programme was partly supported by a PACE grant from the South Australian Government.

Mineable Ore Envelope	Million Tonnes	Au g/t	Cu %	Mo ppm	Au g/t equiv	Cu % equiv	A\$ per tonne	Cu tonnes	Au ounces
Kalkaroo	70	0.46	0.47	124	2.28	0.86	62	329K	1.04M
W Kalkaroo	15	0.76	0.42		1.87	0.71	51	63K	0.37M
<b>Total</b>	<b>85</b>	<b>0.51</b>	<b>0.45</b>	<b>101</b>	<b>2.19</b>	<b>0.83</b>	<b>59</b>	<b>392K</b>	<b>1.41M</b>
A\$ prices		730 /oz	6250/t	110/kg			current	K=1000	M=million

The A\$ metal prices used to define the A\$20 per tonne cutoff are listed in the bottom row of the table and are lower than current metal prices. Spot metal prices as of yesterday's date (Au \$838 per oz, Cu \$7,240 per tonne) were used to calculate current A\$ per tonne ore values listed in the table. It is notable that the total contained gold of 1.41 million ounces has climbed 36% in the current resource reflecting the important contribution of higher gold grades at West Kalkaroo. **In gold terms, Kalkaroo has the equivalent of over 6 million ounces.**

The additional resource at West Kalkaroo is of indicated status at this stage because further drilling is required to confirm geological interpretations and thereby more confidently constrain the current fairly conservative ore envelope. Also, diamond drilling and high air capacity percussion drilling is required to check a few intervals where water inflows resulted in sub-standard drill samples.

It is notable that the West Kalkaroo resource still remains open to the west and at depth on all drill sections, with the most westerly hole, KKRC135, yielding excellent gold and copper assays and terminating in ore (see ASX Announcement 16 January 2006 for details). Thus there is good scope for future step out drilling to continue increasing the resource base. In addition, much of the West

Kalkaroo resource is oxidised ore and at shallower depth than the main Kalkaroo resource and would therefore be expected to have more favourable mining economics, although mining scoping studies are yet to be carried out.

**Havilah plans to commence a detailed feasibility study on the Kalkaroo deposit in February, and to this end is pleased to announce the appointment of an experienced senior resource geologist, Mr Peter Leah to manage the feasibility study.** Peter has had extensive experience with metallurgically similar copper-gold mineralisation in the Cobar district of NSW, where he worked for 12 years for Rio Tinto. During this time he had significant input into very successful exploration, feasibility studies, development and mining of several copper-gold deposits for Peak Gold Mines. Apart from his geological knowledge Peter brings with him important resource evaluation, metallurgical and mine operating experience that Havilah believes will be crucial to the proper economic evaluation of Kalkaroo and its ultimate development.

Dr K R Johnson  
CHAIRMAN

The information in this report 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.

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

