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KALKAROO COPPER – GOLD DEPOSIT RESOURCE STATEMENT

Havilah Resources NL (Havilah – ASX:HAV) advises that following completion of feasibility study drilling last year, and subsequent receipt of all assay results, its geologists have generated a detailed geological model of the Kalkaroo deposit as shown in the accompanying image. This geological model has formed the basis for an updated resource estimation, completed by a specialist geologist using Vulcan 3D software, resulting in a measured resource of **62 million tonnes of 0.55% copper and 0.44 g/t gold**.

The above resource estimate relies on results from a total of 353 drillholes, including 234 RC and 117 diamond tailed core holes and 2 AC holes. The database used for the resource calculation includes a total of more than 31,000 assayed samples and over 11,000 density measurements from core samples. The resource block model is tightly constrained by a \$20 metal value boundary or cut-off, created using a copper price of A\$5,000 per tonne and a gold price of A\$1,000 per ounce. This, combined with the excellent continuity of mineralisation between drill sections, provides a **high level of confidence in the integrity of the Kalkaroo deposit, thereby justifying its measured resource status**. The attached table summarises geological parameters relevant to the resource estimate.

Compared with previous scoping study results it is noted that :

1. The copper grade has increased (**0.55% vs 0.47%** for scoping study) resulting in a small increase in the total contained copper metal (**341,000 tonnes vs 329,000 tonnes**).
2. The reduction in the total resource tonnage (**62 million tonnes vs 70 million tonnes** for scoping study) is largely the result of a reduction in the overall SG from **2.7** for the scoping study to **2.37** which is based on more than 11,000 density measurements of drill core samples that have been incorporated into the resource model. The SG varies considerably throughout the deposit, depending on the degree and depth of weathering of the mineralised host rocks.
3. The gold grade is slightly lower than for the scoping study (**0.44g/t vs 0.46g/t** for scoping study) but its value is significantly higher due to the higher gold price. Certain areas of known gold mineralisation that lie peripheral to the measured resource are insufficiently drilled to be assigned resource status at this stage, but could add significantly to the gold inventory in future.
4. Molybdenum, although ubiquitous at Kalkaroo, has been excluded from the copper-gold resource estimate above because of the current low molybdenum prices. A discrete **inferred resource of 4.5 million tonnes of 615 ppm molybdenum** has, however, been defined within a section of the main copper-gold mineralised zone. Future molybdenum prices and efficiency of metallurgical extraction will determine the viability of exploiting this molybdenum resource.

The Kalkaroo mineralisation is hosted by a folded sequence of sediments that have been transected and disrupted by a major east-west trending, mineralised, vein/breccia system and offset by a northeast trending shear. Higher grade, supergene enriched zones containing gold, native copper and chalcocite occur in the shallower parts of the deposit and make up a significant percentage of

the total resource. This is an important positive factor for the mining economics because this enriched material, apart from being nearest the surface, is also considerably softer than the underlying fresh, chalcopyrite dominant, primary mineralization.

It is important to note that the feasibility study drilling focussed on comprehensively defining only that part of the resource that was considered directly amenable to open pit mining, based on an open pit shell outlined by earlier scoping studies. The potential to define further resources outside of the present measured resource is considered high based on existing, widely spaced mineralised drill intersections down dip and along strike.

The completed geological resource block model forms the basis for detailed mine design work currently in progress. The objective is to generate an optimum open pit mine design using current estimates of capital and operating costs in order to develop an economic model for mining the Kalkaroo deposit.

Chairman, Dr Bob Johnson said he was re-assured that the 62 million tonne copper and gold resource at Kalkaroo had been defined by several generations of drilling, which had shown the mineralisation to be remarkably consistent and predictable.

“Kalkaroo ranks as one of the largest undeveloped copper-gold deposits in Australia” he said. “There is very good exploration potential and we are confident that with our understanding of the mineralisation controls, we will be able to continue expanding the resource in future. In the meantime our immediate objective is to develop Kalkaroo as South Australia’s next large copper mine” he said.

Havilah’s effort will continue to be focused on completion of the feasibility study by mid-year in order to fully evaluate all development options for Kalkaroo with its joint venture partner, Glencore International.

Dr K R Johnson
CHAIRMAN

This Mineral Resource Statement has been compiled in the accordance with the guidelines defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition).

The information in this report has been compiled 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 mineralisation 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

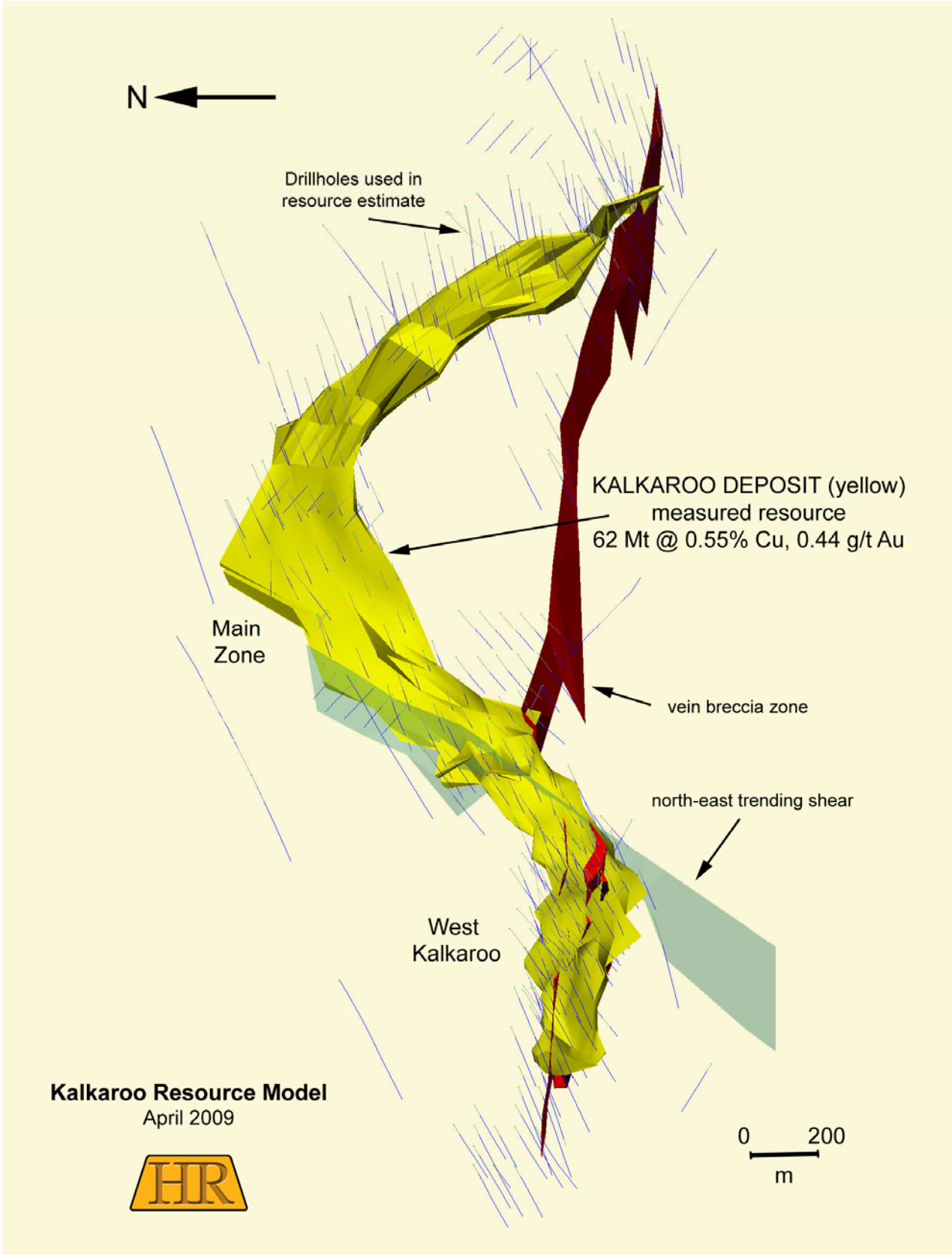


TABLE OF ASSESSMENT AND REPORTING CRITERIA

The following table provides a summary of important criteria related to the assessment and reporting of the Kalkaroo copper-gold resource.

Criteria	Status
Sampling Techniques, Assay Data, Drilling Details	
Havilah drillholes used in resource estimation	<ul style="list-style-type: none"> A total of 307 Havilah drillholes totaling approximately 53,957 metres are included. This includes a total of approximately 13,500m of drill core and 33,600m of RC samples.
Non-Havilah drillholes used in resource estimation	<ul style="list-style-type: none"> 46 earlier non-Havilah drillholes totaling approximately 10,500m were also used in the resource estimation. This includes three generations of pre-Havilah drillholes, completed by major mining companies, namely Placer Dome, Newcrest and MIM. There is good correlation of the geology and assay data between these earlier drillholes and Havilah drillholes.
Drilling techniques	<ul style="list-style-type: none"> All RC holes were drilled using standard face sampling hammers with bit sizes ranging from 120mm to 136mm. Diamond core sizes ranged from NQ (50mm) to PQ3 (83mm). Triple tube methods were used where required to maximize core recoveries. Drill core was routinely orientated where ground conditions allowed, mainly using the spear technique.
Sampling techniques	<ul style="list-style-type: none"> RC assay samples averaging 2-3kg were riffle split as 1-2m intervals. Half core samples were collected on 1m intervals.
Drill sample recovery	<ul style="list-style-type: none"> Overall RC sample recoveries and diamond drill core recoveries were good and are considered adequate for interpretation purposes. Core recovery for Havilah diamond drillholes averaged 93 %.
Logging	<ul style="list-style-type: none"> All RC samples and drillcore was logged by experienced geologists directly into a digital logging system with data uploaded into an Access database. All drillcore and RC chip trays have been photographed. All drillcore and RC chip sample trays and some back-up samples are stored on site at Kalkaroo.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> A range of elements were analysed by a range of slightly different techniques by the four companies, all of which are considered acceptable. Havilah samples were also subjected to the following additional check assaying to provide more reliable results where coarser grained native copper and to a lesser extent, gold, was present. <ul style="list-style-type: none"> Screen copper analyses were routinely carried out for samples where native copper had been identified during geological logging. Screen fire gold analyses were routinely carried out where the initial gold assays were in excess of 0.5ppm.

	<ul style="list-style-type: none"> • Assay data accuracy and precision was continuously checked through submission of field and laboratory standards, blanks and repeats which were inserted at a nominal rate of approximately 1 per 20 drill samples. No data quality issues of significance were identified.
Verification of drilling methods and sampling	<ul style="list-style-type: none"> • Ten pairs of twinned RC/DD holes were analysed with comparisons made for the relative intersection widths, hole size, volume differences, metre x %Cu and metre x gm Au, RC sample size and quality and any possible contamination issues. It was found that although there were wide variations in total copper metal and gold metal calculations between twinned holes, the overall average RC and drillcore metal calculations produced similar results (within 8% for copper and within 6% for gold). There was no observed bias between the drill methods and no significant differences in intersection widths.
Location of drillholes	<ul style="list-style-type: none"> • Drillhole collar coordinates were surveyed in UTM coordinates using a differential GPS system with an x:y:z accuracy of 20cm:20cm:40cm. • Diamond drillholes were surveyed at approximately 30m downhole intervals using an Eastman single or multi-shot down-hole camera or a digital camera. • Earlier Havilah RC holes were not surveyed and were assumed not to have deviated significantly from their collar azimuth and inclination. Most later RC holes were surveyed in the rods with only dip measurements recorded. The last RC program used non magnetic drill rods to allow dip and azimuth readings to be collected with only minor ($\pm 1^\circ$) deviations noted.
Drillhole spacing and distribution	<ul style="list-style-type: none"> • Havilah drilling was completed on nominal 50m sections perpendicular to the strike of the primary copper-gold mineralisation at Kalkaroo West and on nominal 100m sections perpendicular to the strike of the Kalkaroo Main Dome mineralisation. Holes were drilled towards the south at -60 to -75°. • Earlier non-Havilah holes were drilled at various oblique angles and directions including to the north. • The intersection angle is between 60 and 90 degrees through the Kalkaroo Main Dome style mineralisation and between 20 and 45 degrees through the more steeply dipping Kalkaroo West vein style mineralisation. • Resource drilling is predominantly concentrated between 453800E and 456600E and between 6488500N and 6490000N. The deposit is largely untested deeper than 250m below surface.
Estimating and Reporting of Mineral Resources	
Database integrity	Examination of the database has not revealed any issues of concern that could significantly affect the current resource estimation.

Geological interpretation	<ul style="list-style-type: none"> • The mineralisation at Kalkaroo is located around the north plunging nose of a major structural dome and the bulk of the mineralisation is hosted by a specific package of sediments, the Mine Sequence (MS). The Dome is transected by a major E-W trending, subvertical, quartz-carbonate vein breccia system. A later shear offsets the MS and vein/breccia system by 200m to the north along the western limb of the Dome. • Primary copper-gold sulphide mineralisation at Kalkaroo occurs as two main styles. <ul style="list-style-type: none"> 1. Stratabound style – Kalkaroo Main Dome and lesser Kalkaroo West - mineralisation is hosted within the MS which dips away from the Dome at 30-45°. 2. Vein/Breccia style - mainly Kalkaroo West - mineralisation is controlled by the quartz-carbonate breccia vein system within a gently W plunging anticlinal fold containing the MS. Best veining, alteration and mineralisation appears to be developed where the vein/breccia system intersects the MS lithologies. • Secondary/supergene copper-gold mineralisation is developed as saprolite/oxide gold, native copper and chalcocite dominant zones within the weathering profile. The depth of weathering and associated supergene mineralisation is enhanced around the vein/breccia style mineralisation at Kalkaroo West where it reaches 275m below surface.
Estimation and Modelling Techniques	<ul style="list-style-type: none"> • Polygons and hence triangulations are based on interpretations completed on nominal 50m sections for Kalkaroo West and nominal 100m sections for Kalkaroo Main Dome. Sectional interpretations are made perpendicular to the strike. • Triangulated interpretations have been generated for the following lithological domains: <ul style="list-style-type: none"> • Kalkaroo Main Dome East (KME) • Kalkaroo Main Dome West (KMW) • Kalkaroo West (KWEST) • Kalkaroo West Quartz Vein (KWESTQV) • The block model was constructed with parent blocks of 10mE by 10mN by 10mRL. • Ordinary kriging was used to estimate Cu, Au grades separately for all domains other than those classified as saprolite. Inverse distance estimation was used in saprolite domains. • Up to four estimation passes with increasing search neighbourhood size were run for all domains. The search radii for each pass was determined from variography within each domain and differed from domain to domain. • 2m assay composites were used. • A minimum of 3 and maximum of 9 composites were used per estimate.
Moisture	<ul style="list-style-type: none"> • Tonnes have been estimated on a dry basis.

Cut-off parameters	<ul style="list-style-type: none"> • Mineral resources have been reported including all material included within a \$20 metal value boundary interpreted from drill assays using Au price of A\$1,000/oz and a copper price of A\$5,000/tonne.
Bulk density	<ul style="list-style-type: none"> • A total of 11,774 core samples were measured for density. • Most SG calculations were made using the weight in air vs weight in water method.
Classification	<ul style="list-style-type: none"> • Mineral resources have been classified on the basis of geological confidence in the continuity of mineralisation. • In the geologist's opinion there is an extremely low likelihood that further drilling within the resource envelope would materially alter the current resource estimate.