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ANNOUNCEMENT

7 July 2004

OPTION FARM-IN AND JOINT VENTURE AGREEMENT WITH TECK COMINCO

TECK COMINCO TO EXPLORE AT THE SMITHFIELD PROSPECT IN SOUTH WEST WESTERN AUSTRALIA

Haddington Resources Limited is pleased to announce that its 100% subsidiary Australian Tantalum Limited (ATL) has signed an Option Farm-In and Joint Venture Agreement with Teck Cominco Australia Pty Ltd for the exploration and development of its Smithfield Prospect, near Bridgetown in south west Western Australia.

The Haddington Directors consider the arrangement to be a significant development for the Company, as it brings the prospect into the portfolio of another of the world's major mining companies. The agreement brings to three the number of exploration joint ventures negotiated with the world's major mining companies in the past six months.

Haddington has recently entered two other significant joint ventures - one at its Wallace project in Queensland where Rio Tinto Exploration will spend up to \$3.0 million on a search for base metals, and the other with Xstrata Copper at the Jasper/Great Australia copper prospects, also in Queensland.

The Smithfield Prospect is located within Teck Cominco's Wheatley base metal project where drilling carried out by Teck Cominco last year demonstrated that the region is highly prospective for volcanogenic base metal deposits. Teck Cominco has a significant involvement in the region through various joint ventures.

Under the terms of the agreement, Teck Cominco will have a one year option to evaluate the Smithfield prospect with a view to earning an interest. On exercise of its option Teck Cominco will have the right to earn a 75% interest in the tenement by spending \$500,000 on exploration.

Year 1 Option

1. Teck Cominco pays ATL a \$5,000 option fee for one year evaluation of the Smithfield tenement.
2. Teck Cominco must spend a minimum \$25,000 on evaluating the tenement in year 1.
3. At the end of year 1, if it elects not to exercise its option to proceed, Teck Cominco will provide ATL with all data, maps, interpretation and information gathered for the tenement.

Year 2 enter an Earn In/Joint Venture

1. Teck Cominco may pay ATL \$10,000 to exercise its option to earn an interest in the Smithfield tenement.
2. If Teck Cominco exercises its option to earn an interest, it can earn a 75% interest in the Smithfield tenement by spending a minimum of \$500,000 on exploration of the tenement over three years.
3. Teck Cominco can withdraw at any time within the three years, however, if it has not spent \$500,000 it will not retain an interest in the tenement.
4. If Teck Cominco withdraws from the joint venture it will provide ATL with all data, maps, interpretation and information gathered for the tenement.
5. After Teck Cominco has earned its 75% interest, ATL may contribute its 25% of ongoing costs or may elect to dilute to 10% and be free carried through exploration and feasibility studies to a decision to mine.
6. After a decision to mine ATL may contribute its 10% of development costs or further dilute to a minimum 5% below which it will be deemed to have withdrawn from the project.

Haddington is excited about the potential for a base metal discovery at Smithfield and the Company sees the proposed arrangement with another of the world's major mining companies as an exciting step forward in the development of its exploration prospects.

**ON BEHALF OF THE BOARD OF DIRECTORS OF
HADDINGTON RESOURCES LIMITED.**



Colin McCavana
Managing Director