



HADDINGTON
RESOURCES LIMITED
ACN 093 391 774

7 Havelock Street
West Perth, WA 6005
Australia

PO Box 1909
West Perth, WA 6872

Tel: 61 8 9226 1550
Fax: 61 8 92261551
Email: info@haddington.com.au

ANNOUNCEMENT

27 January 2004

FARM-IN JOINT VENTURE AGREEMENT WITH XSTRATA

- ◆ **XSTRATA TO EXPLORE AND DEVELOP HADDINGTON'S JASPER COPPER PROSPECT**
 - ◆ **HADDINGTON TO ACQUIRE XSTRATA'S INTEREST IN THE MONAKOFF GOLD PROJECT**
-

JASPER COPPER PROSPECT

Haddington Resources Limited subsidiary Haddington Gold Pty Ltd has signed a farm-in joint venture agreement with Xstrata subsidiary, Mount Isa Mines Limited for the exploration and development of its Jasper Copper Prospect near Cloncurry in the North West Mineral Province of Queensland.

Xstrata will have an option to earn a 75% interest in Haddington's two sub-blocks at Jasper. Over a 2 year period, Xstrata will spend a minimum of A\$400,000 on geophysical and geological work (completing at least 2000metres of drilling). Where Xstrata has spent a minimum of A\$400,000 in this 2 year period, it may elect to form a joint venture with Haddington and acquire a 75% interest. From commencement of the joint venture until a decision to mine is made, Haddington will each year receive a cash payment of A\$100,000 multiplied by the number of years of the joint venture. Haddington will be free carried through exploration and feasibility studies, retaining a 25% interest through to a decision to mine.

At a decision to mine, Xstrata will have an option to purchase Haddington's equity in the joint venture for the greater of A\$2.5 million or 3% of the in-ground value as defined by proved and probable reserves (JORC definition) with the purchase price capped at A\$10.0 million. Should Xstrata exercise this option, Haddington will also receive a royalty of 25c per wet tonne of ore mined from any production.

Should Xstrata decide not to exercise its option to purchase Haddington's equity in the project, Haddington may elect to contribute its 25% share of Joint Venture expenditure or to dilute its equity.

Should Haddington dilute to less than 10% equity, its equity would be reduced to zero and be replaced by the production royalty of 25c per wet tonne of ore mined.

THE MONAKOFF GOLD TENEMENTS

Under the terms of the agreement Xstrata will transfer its 90% interest in the Monakoff Gold Project to Haddington.

Through its subsidiary MIM Exploration, Xstrata has spent approximately 1.1million on exploration at Monakoff over two years.

The Monakoff tenements are located 20km NE of Cloncurry, covering 46km² and comprising a total of 15 sub-blocks in EPM 7051,7085 and 8127. The area is held under joint venture between Xstrata (90%) and Nord Australex Nominees Pty Ltd (10%).

The tenements are located on prospective Toole Creek Volcanics containing iron associated copper/gold mineralisation similar to Ernest Henry (187Mt @ 1.1% Cu and 0.5g/t Au).

The main area of interest at Monakoff - Fisher Creek - has three defined drill targets.

MIM intersected copper-gold zones in the vicinity of Fisher Creek in 2002 after completing 5,056m of drilling, 1,382m of down hole geophysics, MIMDAS –IP, ground magnetics and gravity surveys and 953 soil samples. Three separate quartz carbonate iron zones along sediment-dolerite brecciated contacts and within dolerite realised the following results.

6m @ 3.2% Cu, 8.4g/t Au from 107m

5m @ 0.57% Cu, 0.21 g/t Au

28m @ 3.7% Cu, 3.1g/t Au from 66m

24m @ 3.2% Cu, 1 g/t Au from 88m

These are similar to intersections at the Company's Wallace and Kangaroo Rat Prospects and targets all remain open along strike and have oxide/supergene potential up dip.

The Company sees the joint venture with one of the world's largest mining houses as another exciting step forward for the development of its Wallace Project.

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



Colin McCavana
Managing Director