

HADDINGTON WELL POSITIONED FOR GROWTH AFTER RECORDING 100% INCREASE IN AFTER TAX PROFIT FOR 2005

\$1.2 MILLION AUDITED AFTER TAX PROFIT RECORDED FOR YEAR ENDING 30 JUNE 2005

Perth based tantalum producer **Haddington Resources Ltd (ASX:HDN)** today (Monday) announced an almost doubling of its after tax profit to \$1.2 million for the financial year to 30 June 2005 (\$0.65 million in 2004), positioning it for the continued growth and expansion of its Australian tantalite operations, including direct sales of tantalite into the global market.

Haddington's net profit after tax of \$1,214, 421 included the write-off of \$275,098 in exploration and other investment expenditure and was achieved on the sale of 205,000 pounds of tantalite (204,000 in 2004) generating sales revenue of \$13.3 million (\$13.3 million in 2004) from the Bald Hill Tantalite Project in the Pilbara region of Western Australia. Earnings before interest, tax, depreciation and amortisation (EBITDA), prior to exploration write-downs, was \$3.7 million (\$3.5 million in 2004).

In addition to the strong earnings from its tantalite operations, Haddington successfully completed an oversubscribed rights issue which raised approximately \$1.6 million during the year, and placed an additional 3.48 million shares to raise \$522,000.

At financial year end, the Company was in a strong financial position with \$5.6 million [in cash] and no debt, providing capital for an additional plant upgrade and the ability to expand its exploration activities.

Haddington's Managing Director, Mr Colin McCavana said he was extremely pleased with the excellent result, especially as it had been achieved in the shadow of the voluntary administration of the Company's only customer, Sons of Gwalia Ltd, and rising fuel, labour and operational costs.

"It has been an excellent year for Haddington," he said. "In spite of all the challenges, we have improved efficiency in plant performance at Bald Hill, reduced plant maintenance costs, achieved savings in mining and power costs through our owner-operator mining and power generation operations and streamlined our administration and corporate systems - all of which have contributed to our greatly enhanced bottom line."

The Bald Hill operations performed strongly in 2005 with over 318,000 tonnes of ore being processed for production of over 205,000 pounds of tantalite in approximately 1,000 tonnes of concentrate.

"We are now positioning the Company to sell tantalite concentrates directly into the global market when our licence agreement with Sons of Gwalia expires on 31 March 2006. As part of these preparations, we intend to modify the Bald Hill plant to upgrade concentrates to meet export specifications," Mr McCavana said.

"We believe we are now in a unique position to contribute to the tantalum market through the development of new supply sources from our extensive portfolio of tantalum exploration areas in Australia," he added.

Haddington has stepped up exploration around its Bald Hill operations and at its Mr Shoobridge and Finnis Range areas in the Northern Territory. This work has already resulted in success with the discovery of the Creekside deposit at Bald Hill Extended, where a resource containing 196,000 pounds of tantalite has been identified along with numerous other exploration targets.

In addition, the Company continues to evaluate mineral projects and prospects which could potentially add value through the application of Haddington's corporate expertise and management and operational skills.

“Our strategy for the coming year is to focus primarily on our development as an independent tantalite supplier and, to that end, we will continue to commit exploration funds to our portfolio of mineral properties in order to expand our existing resources and to enhance the opportunity for new discoveries,” Mr McCavana said.

“Since listing on the ASX, Haddington has successfully established itself as a reliable producer of concentrates and a successful explorer for tantalite resources and we believe that this has enabled us to gain the necessary expertise and knowledge base to participate directly in the tantalum market.”

ENDS

Released by:
Jan Hope/Nicholas Read
Jan Hope & Partners
Telephone: (08) 9388-1474

On behalf of:
Mr Colin McCavana
Managing Director
Telephone: (08) 9226 1550
www.haddington.com.au