



ASX ANNOUNCEMENT

Balline Garnet Project – Initial Ore Reserve Statement and Upgraded Mineral Resource Statement

Haddington Resources Limited (**ASX: HDN**) is pleased to report the initial Ore Reserve estimate and Mineral Resource upgrade for the Balline Garnet Mineral Sands Project located south of Kalbarri in Western Australia.

- **Probable Ore Reserve of 65.5 million tonnes @ 5.7% heavy mineral (3.7 million tonnes HM)**
- **Ore Reserves garnet content 76.8% of heavy mineral (2.9 million tonnes garnet)**
- **Ore Reserves altered Ilmenite content 13.8% of heavy mineral (0.5 million tonnes altered Ilmenite)**
- **Total Mineral Resource of 226.9 million tonnes @ 3.7% heavy mineral (8.4 million tonnes HM)**

Haddington commissioned AMC Consultants Pty Ltd (AMC) to complete an estimate of the Ore Reserves for the Balline Garnet Project and report them according to the JORC Code. AMC also upgraded the Balline Garnet Mineral Resource estimate (previously released on 16 December 2008) prior to the estimation of Ore Reserves.

The revised Mineral Resource and Ore Reserve estimation is calculated from three (3) mineralised zones, **Menari**, **Balline North** and **Balline South** (see Figure 1 over). The identification of Balline South is additional to previously reported mineral resource areas.

Ore Reserve estimates for Balline Garnet, reported in accordance with the Australasian code for reporting of exploration results, Mineral Resources, and Ore Reserves (The JORC Code, 2004 Edition), are summarised in the table below:

Balline Garnet Ore Reserve Estimate						
Classification	Tonnes (Mt)	HM (%)	Garnet (% of HM)	Rutile (% of HM)	Ilmenite (% of HM)	Altered Ilmenite (% of HM)
Proved	0	0	0	0	0	0
Probable	65.5	5.7	76.8	0.6	1.6	13.8
Total	65.5	5.7	76.8	0.6	1.6	13.8

Balline Garnet Mineral Resources were reviewed and upgraded by AMC in accordance with The JORC Code, 2004 Edition.

The Mineral Resource estimate inclusive of Ore Reserves, reported above a 2% Heavy Mineral (HM) cut-off grade, is summarised in the table below:

Balline Deposit Mineral Resource Estimate at cut-off of 2% HM					
Zone	Classification	Tonnes (M)	HM (%)	Over Size (%)	Slimes (%)
Menari	Indicated	32.9	4.7	2.5	6.2
	Inferred	9.2	2.2	3.0	8.1
Subtotal		42.1	4.2	2.7	6.6
Balline South	Indicated	40.8	3.7	3.5	4.6
	Inferred	36.6	2.3	3.7	6.0
Subtotal		77.4	3.0	3.6	5.3
Balline North	Indicated	66.1	4.9	3.2	5.8
	Inferred	41.2	2.4	2.8	6.5
Subtotal		107.4	3.9	3.1	6.0
Total		226.9	3.7	3.2	5.9

Tenements

On 18 August 2009 both exploration licenses E70/2509 and E70/2546 over the Balline project were successfully transferred into the name of Australian Garnet Pty Ltd, a 100% owned subsidiary of Haddington Resources Limited. On 19 August 2009 Mining Lease M70/1280 over the Menari deposit was granted to Australian Garnet Pty Ltd.

Future Activities

Haddington has continued to focus on completion of the prerequisite tasks required for the decision to proceed with the Balline Garnet Project development.

The following major pre-development components have been completed:

- Balline Garnet Scoping Study including Gravity Separation Plant design and flowsheet.
- Initial infrastructure design and costing.
- Metallurgical testing of proposed plant ore feed and recoveries.
- Workforce plan.
- Garnet product market samples dispatched to potential customers, initial feedback indicates a market acceptance of product.

- Market study for global garnet and supply projections.
- Capital expenditure trade-off study.
- Product transport study and options (including port facility).
- Phase 2 of groundwater investigation for process water supply.
- DMP approvals for further development drilling to upgrade “probable” reserves to “proven” in the initial mining area.
- Agreed to First Right of Refusal with Geraldton Port Authority on preferred site for port storage facility.

Completion of the above tasks form the majority of inputs required for the successful completion of the Balline Garnet Feasibility Study. Review of the study will underpin the decision to mine Balline and the overall production timeline. The study is expected to be completed and presented to the Haddington Board of Directors before the end of September 2009.

Industrial Garnet

Garnet is a naturally occurring mineral that is mined and processed as part of a suite of heavy mineral sands. Garnet sand is a hard mineral, free of heavy metals and toxic components. It is used as a blast medium for cleaning steel structures, ships etc, as well as water-jet cutting and water filtration. It is a highly sought after and widely used commodity in the industrial blasting and cutting industry.

Competent Persons Statements

The information in this report that relates to Ore Reserves is based on information compiled by Mr Pier Federici. Pier Federici is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of AMC Consultants Pty Ltd. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in The JORC Code, 2004 Edition. Pier Federici consents to the public release of the material contained within this report.

The information in this report that relates to Mineral Resources is based on information compiled by Therese Cameron and Rod Webster, both full time employees of AMC Consultants Pty Ltd and Members of the Australasian Institute of Mining and Metallurgy. Rod Webster has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in The JORC Code, 2004 Edition. For the purpose of this estimate, Therese Cameron has undertaken responsibility for data collection and geological input and Rod Webster has undertaken responsibility for preparing the estimate and resource classification.

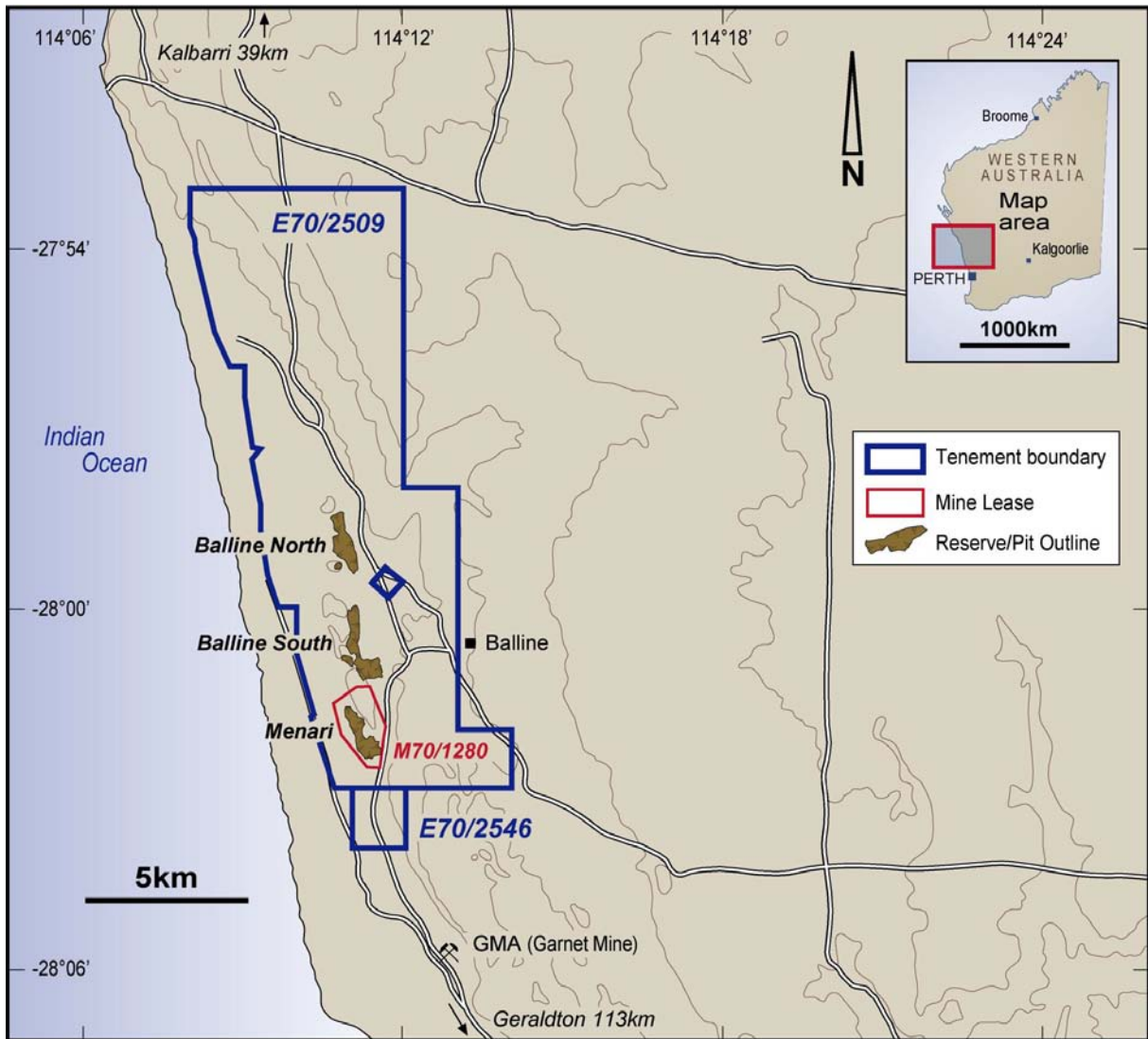


Figure 1: Plan of tenement boundaries and outline of proposed pits at Balline Garnet Minerals Sands Project

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