

22 May 2019

## Kalkaroo Mining Leases Granted

### HIGHLIGHTS

- **Kalkaroo Mineral Leases and Miscellaneous Purpose Licences granted by the Department for Energy and Mining.**

**Havilah Resources Limited (Havilah)** is pleased to advise that the South Australian Minister for Energy and Mining has granted three Mineral Leases (**MLs**) and two Miscellaneous Purposes Licenses (**MPLs**) for the Kalkaroo Copper-Gold Project (**Kalkaroo Project**).

This decision now secures Havilah's right to mine the Kalkaroo Project. The next step in the permitting process is to obtain permission to mine which requires the submission and approval of a Program for Environment Protection and Rehabilitation (**PEPR**), as required under South Australia's Mining Act.

Work continues on the finalisation of the updated prefeasibility study (**PFS**), due for completion in the last quarter of 2019. Work is continuing on investigating development opportunities, which includes progressing discussions with potential investment partners.

Havilah's steady progress on the Kalkaroo Project over a period of 15 years is a testament to the patience, persistence and vision of Havilah's personnel, as summarised in the brief history chronicled below.

Throughout this entire period, Havilah has consistently strived to add value to the project in order to increase the likelihood of the development of the project and to attract investment development partners who can assist to bring the Kalkaroo Project into production.

**Commenting on the granting of the three MLs and two MPLs for Kalkaroo, CEO, Mr Walter Richards said:**

"The grant of the mining tenements for the Kalkaroo Copper-Gold Project is a significant milestone for Havilah and the result of many years of persistence, dedication and hard work.

"We look forward to progressing the Kalkaroo Project to the next stages of development including the finalisation of the updated PFS," he said.

For further information visit [www.havilah-resources.com.au](http://www.havilah-resources.com.au)

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## A Brief History of the Kalkaroo Copper-Gold Project

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|-------------------|--|
| <b>1992</b>       | <ul style="list-style-type: none"> <li>• Original discovery of the Kalkaroo deposit by Placer Pacific (<b>Placer</b>) who obtained several economic grade intersections while drilling a magnetic anomaly in the footwall rocks.</li> <li>• Extensive air core drilling mostly in weathered bedrock zone during Joint Venture (<b>JV</b>) with Newcrest Mining Limited.</li> <li>• Subsequent farm in with MIM Holdings (<b>MIM</b>) saw exploration focus on proprietary MIMDAS deep-looking geophysical targeting method.</li> </ul>   |
| <b>2003-06</b>    | <ul style="list-style-type: none"> <li>• Havilah acquires almost 1,000 km<sup>2</sup> of exploration tenements from the Placer-MIM JV and compiles high quality drilling and geophysical data generated by previous explorers into a Vulcan 3D database to develop a new exploration concept.</li> <li>• Havilah drills out 80 million tonnes copper-gold resource confirming the geological model (<a href="#">ASX announcement 15 February 2005</a>).</li> <li>• Further drilling boosts Kalkaroo resource by 28% to 108 million tonnes (<a href="#">ASX announcement 1 February 2007</a>).</li> <li>• Havilah discovers new copper-gold mineralisation in several outlying areas within a few kilometres of Kalkaroo (<a href="#">ASX announcement 3 November 2005</a>).</li> </ul> |
| <b>2007-10</b>    | <ul style="list-style-type: none"> <li>• \$14 million PFS funded by Glencore involving further resource drilling, metallurgical testwork and mine design (<a href="#">ASX announcement 2 July 2007</a>). PFS work focused on a 4.5 million tonne per annum open pit mining operation with a capital cost of approximately \$400 million (<a href="#">ASX announcement 8 April 2010</a>).</li> <li>• Following completion of the PFS, Glencore elected not to proceed due to other commitments at the time (<a href="#">ASX announcement 14 October 2011</a>).</li> </ul>   |
| <b>2011</b>       | <ul style="list-style-type: none"> <li>• Havilah continued with its own drilling, leading to an increased 143 million tonne resource for the Kalkaroo deposit, containing 622,500 tonnes copper and 2 million ounces gold (<a href="#">ASX announcement 29 February 2012</a>).</li> <li>• New open pit mine design generated using improved metal prices and a selective mining approach for the various ore types.</li> </ul>   |
| <b>2012</b>       | <ul style="list-style-type: none"> <li>• Havilah seeks to sell down its project interest in a tough post-Global Financial Crisis climate, to an investor in exchange for providing project financing (<a href="#">ASX announcement 30 March 2012</a>). Declining copper price and the relatively low market capitalisation of Havilah versus the Kalkaroo project NPV, resulted in Havilah not receiving what it considered to be fair and reasonable project investment terms at the time.</li> </ul>   |
| <b>2013-16</b>    | <ul style="list-style-type: none"> <li>• Havilah continues inhouse, low budget work during a depressed period for copper in order to add value to the project including further drilling, metallurgical work and completion and submission of a mining lease proposal over Kalkaroo (<a href="#">ASX announcement 8 May 2014</a>).</li> <li>• Havilah acquires the Kalkaroo Station pastoral property to secure long term land access for the project (<a href="#">ASX announcement 18 September 2014</a>).</li> </ul>   |
| <b>March 2017</b> | <ul style="list-style-type: none"> <li>• New mineral resource estimate for Kalkaroo, based on inclusion of an additional 74 drillholes, of 232.5 million tonnes at 0.49% copper and 0.37g/t gold (0.79% CuEq grade), applying a 0.4% copper equivalent lower cut-off (<a href="#">ASX announcement 29 March 2017</a>). Contained copper increased by more than 80% to 1.14 million tonnes and contained</li> </ul>   |

gold by more than 60% to 2.77 million ounces (excluding 0.52 million ounce gold cap) compared with the previous resource estimate of 29 February 2012.


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- May 2017**
    - Memorandum of Understanding signed with Chinese copper producer, Wanbao Mining to fund an updated PFS incorporating the new March 2017 resource estimate and Havilah's additional metallurgical test work. Independent international mining consultants, RPM Global commissioned by Wanbao Mining to complete the PFS ([ASX announcement 29 May 2017](#)).
  - January 2018**
    - Havilah's March 2017 resource estimate independently validated by RPM Global ([ASX announcement 30 January 2018](#)).
  - March 2018**
    - Havilah releases cobalt resource estimate for Kalkaroo of 23,200 tonnes ([ASX announcement 7 March 2018](#)).
  - June 2018**
    - Maiden Ore Reserve of 100 million tonnes (90% Proven) containing 474,000 tonnes of copper and 1.41 million ounces of gold at 0.74% CuEq grade, as determined by RPMGlobal in the PFS ([ASX announcement 18 June 2018](#)).
    - Exclusivity period with Wanbao Mining expires and Havilah announces its intention to consider other development options ([ASX announcement 2 July 2018](#)).
  - July 2018**
    - Havilah initiates a supplementary metallurgical work program with the aim of improving certain metal recoveries which could potentially materially improve project value ([ASX announcement 11 September 2018](#)).
  - December 2018**
    - After five years of patient negotiations, the Kalkaroo Native Title Mining Agreement was signed; a critical step in the grant of a mining lease ([ASX announcement 19 December 2018](#)).
  - April 2019**
    - Notification by Department for Energy and Mining of proposed terms and conditions for grant of Kalkaroo mining tenements ([ASX announcement 1 April 2019](#)).
  - May 2019**
    - Havilah releases positive metallurgical test results for Kalkaroo including >90% gold recovery in saprolite gold ore and appreciable levels of gold and cobalt in pyrite concentrates ([ASX announcement 9 May 2019](#)).
    - Three MLs and two MPLs granted for the Kalkaroo Copper-Gold Project.



Photo overlooking Kalkaroo Station and Kalkaroo Copper-Gold Project area

#### **Cautionary Statement**

This announcement contains certain statements which may constitute “forward-looking statements”. Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

#### **Competent Persons Statement**

The information in this announcement that relates to, Exploration Results, Mineral Resources or Ore Reserves is based on data and information compiled by geologist, Dr Chris Giles, a Competent Person who is a member of The Australian Institute of Geoscientists. Dr. Giles is Technical Director of the Company and is employed by the Company on a consulting contract. Dr. Giles has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Dr. Giles consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears. Some of this information that is pre-2012 was prepared and first disclosed under the JORC Code 2004 and where it has not materially changed since it was last reported (e.g. factual drilling results and metallurgical results) has not been updated since to comply with the JORC Code 2012. However, some of the information, especially relating to Mineral Resources and Ore Reserve, has been periodically updated and complies with the JORC Code 2012. For all ASX announcements reported here the Company confirms that all material assumptions and technical parameters underpinning the data, information, projections or estimates in the relevant market announcement continue to apply and have not materially changed.