

20 June 2018

## SIMEC Commences Due Diligence on Havilah's Iron Ore Projects

### HIGHLIGHTS

- **SIMEC Mining (an affiliate of the GFG Alliance) has commenced due diligence on Havilah's Maldorky and Grants iron ore projects.**
- **The objective of the study is to evaluate the commercialisation potential of the two iron ore projects.**
- **Maldorky and Grants projects are favourably located in relation to GFG Alliance's existing operations at Whyalla, with a continuous rail link available to the port.**
- **Metallurgical studies are being undertaken on representative ore samples from both deposits.**

**Havilah Resources Limited (Havilah)** is pleased to announce that it has reached agreement with SIMEC Mining, an affiliate of the GFG Alliance, to carry out due diligence on the Maldorky and Grants iron ore projects in northeastern South Australia. The joint objective is to determine the future development and commercialisation potential of the projects.

As part of the due diligence, Havilah has provided SIMEC Mining with several tonnes of RC drill samples from the Maldorky and Grants deposits and drillcore from the Maldorky deposit for metallurgical testing purposes.

Any commercialisation agreement with SIMEC Mining regarding the projects would be subject to the results of the current due diligence studies and finalisation of a mutually acceptable deal structure and commercial terms.

**Commenting on the co-operation with SIMEC Mining, CEO, Mr Walter Richards said:** "We are pleased to have SIMEC Mining, supported by the GFG Alliance, performing due diligence on our iron ore assets.

"SIMEC Mining has the technical expertise, and most importantly, the logistical capability at Whyalla to handle iron ore shipments from the Maldorky and Grants projects.

"Our co-operation has started well, with SIMEC Mining now in possession of all Havilah's technical data relating to the projects, as well as representative drill chip samples and drill core that is being used for the metallurgical test work, which is now in progress.

"This co-operation has the potential to realise value from the iron ore component of Havilah's multi-commodity portfolio without distracting from our primary focus on the [Copper Growth Strategy - Enhanced by Cobalt](#).

"SIMEC Mining's solid track record, demonstrated capability, and extensive resources available to execute this study make them an ideal partner on these projects," he said.

---

### **About SIMEC Mining (SIMEC: Shipping, Infrastructure, Mining, Energy, Commodities) and the GFG Alliance**

SIMEC Mining is a division of the SIMEC Group which is an international energy, infrastructure and natural resources business founded 50 years ago, which in 2016 had an annual turnover of almost US\$2.5 billion and net assets valued at US\$350 million. It is part of the Gupta Family Group (GFG Alliance), which has combined turnover of ~US\$15.0 billion and combined net assets of ~US\$3.0 billion. Its activities span renewable energy generation, mining, shipping and commodities trading through its key hubs in Europe, the Middle East, Asia and Australia.

SIMEC Mining owns and operates iron ore mines in the Middleback Ranges in South Australia, approximately 60 kilometres from the town of Whyalla. These operations incorporate the Iron Baron, Iron Knob and South Middleback Ranges mine sites. SIMEC Mining mines both hematite and magnetite iron ore which is respectively railed and piped to Whyalla. The majority of the magnetite is pelletised and is used within Liberty OneSteel's Whyalla Steelworks (an associated Company). The hematite and magnetite ore is loaded onto ships for transport to a primarily Asian customer base. Total reserves and resources are just under 0.5 billion tonnes.

### **About the Maldorky and Grants iron ore projects**

Havilah's 100% owned Maldorky and Grants iron ore deposits are hosted by the Braemar Iron Formation in northeastern South Australia. Maldorky contains a JORC Indicated resource of 145 million tonnes of 30% iron, while Grants contains a JORC Inferred resource of 300 million tonnes of 24% iron (refer to Table below). Both deposits are close to the transcontinental railway line and outcrop at the surface with little or no waste material. The hematite-magnetite ore is comparatively soft and Havilah's metallurgical test work shows that it can be beneficiated by gravity methods to a 65% iron product with low content of unwanted elements. Grants in particular, is interpreted to be the faulted end of a very extensive iron ore basin, the full iron ore potential of which remains to be tested.

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

**Contact:** Mr Walter Richards, CEO, on (08) 8155-4500 or email: [info@havilah-resources.com.au](mailto:info@havilah-resources.com.au)

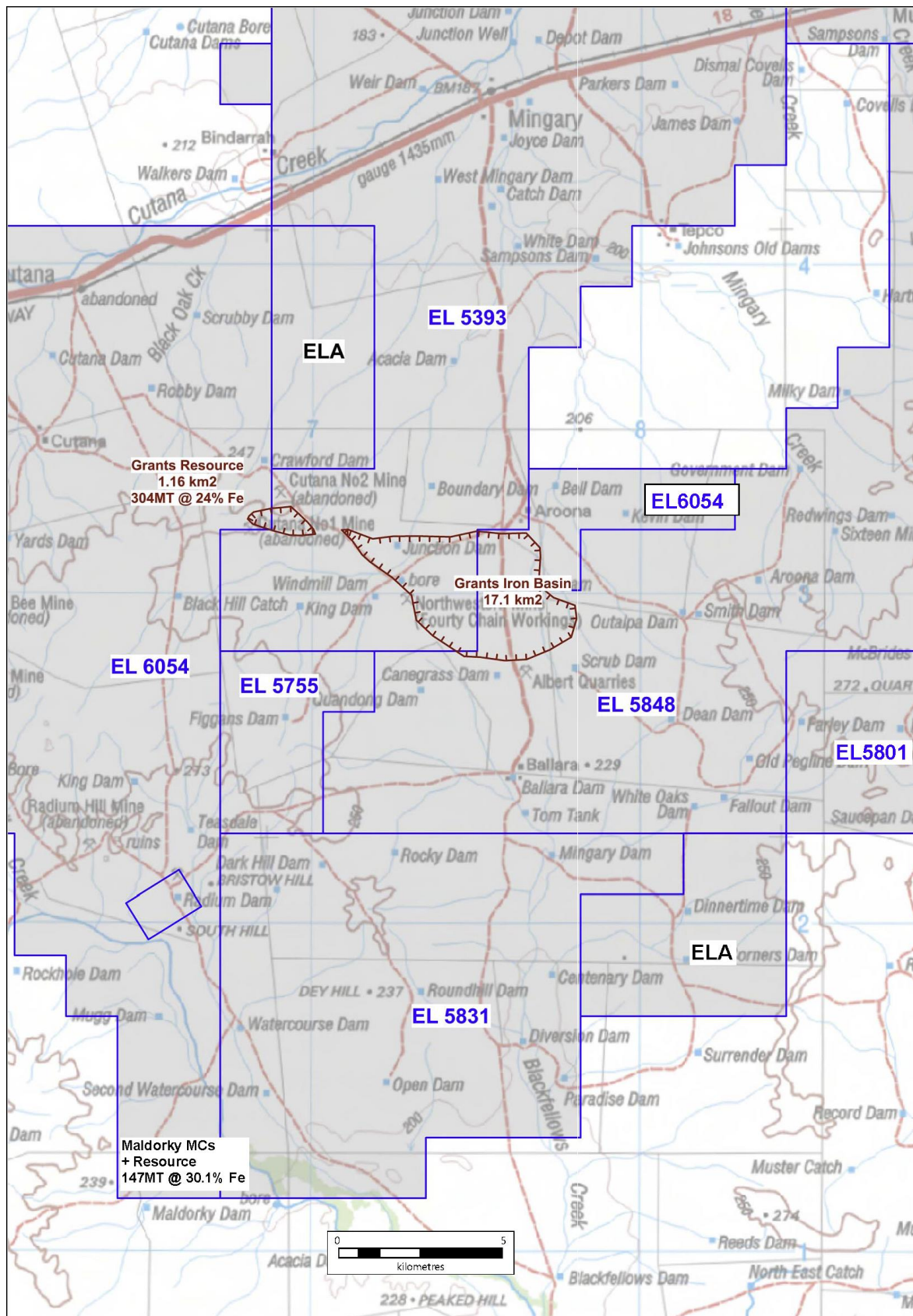
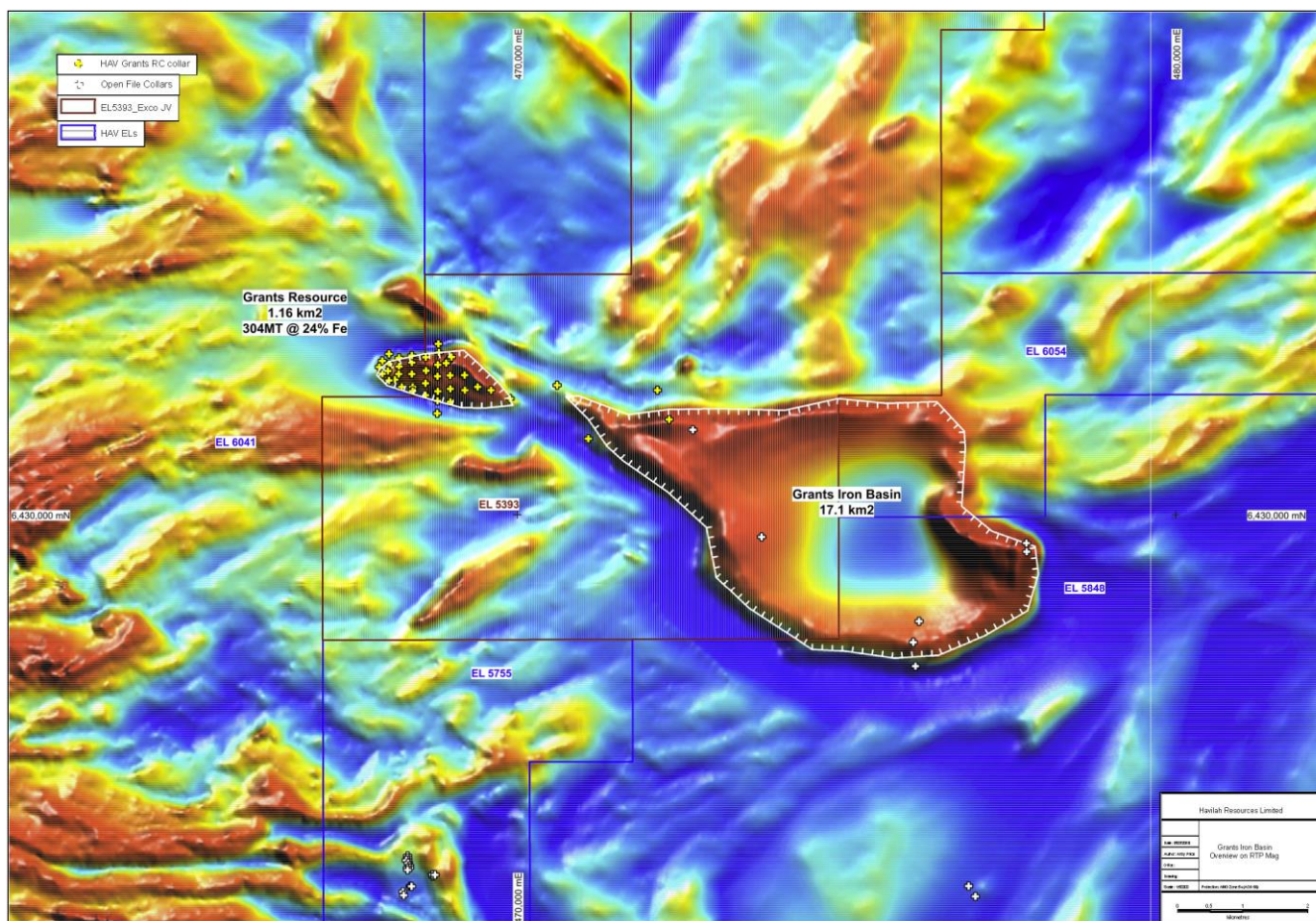


Figure 1 – Location of Havilah iron ore resources plus relevant ELs held by Havilah



**Figure 2 – Grants iron ore resource and Grants iron ore basin**

Project	Resource Category	Ore Tonnes	Iron* (%)	Beneficiated Tonnes (63 - 65% Fe)	Estimated Beneficiation Yield
Maldorky <sup>1</sup>	Indicated	147,000,000	30.1%	59,000,000	40%
Grants <sup>2</sup>	Inferred	304,000,000	24%	100,000,000	33%
<b>Total All Projects</b>	<b>All Categories</b>	<b>451,000,000</b>		<b>159,000,000</b>	

**Iron ore resource table** - based on JORC resources, details released to the ASX on: <sup>1</sup> 10 June 2011, <sup>2</sup> 5 December 2012 \*Applying an 18% Fe cut-off in both cases.