

2 July 2018

## New Kalkaroo Development Options Being Pursued

### HIGHLIGHTS

- **Exclusivity period with Wanbao has expired.**
- **Havilah will now consider all development options, including follow up of the considerable third party interest in the Kalkaroo project.**
- **On-going PFS work by Havilah to optimise the project economics expected to be completed by the end of 2018.**
- **Places Havilah and the Kalkaroo copper-cobalt-gold project in a very favourable position in the current strong up-trending copper cycle.**

**Havilah Resources Limited (Havilah)** advises that the exclusivity period with Wanbao Mining Limited (**Wanbao**) ([refer ASX announcement of 19 April 2018](#)) relating to the Kalkaroo copper-cobalt-gold project expired on 30 June 2018.

Havilah is now free to engage with all other parties who have expressed an interest in the project during the exclusivity period. The Company intends to pursue a variety of options available to it to maximize shareholder value from the project.

The pre-feasibility study (**PFS**) received from RPMGlobal mining consultants, based on the scope of work as defined and funded by Wanbao, is still in draft form. Havilah is carrying out additional PFS work that will include evaluating the positive contribution of cobalt in the Kalkaroo ore and enhancing gold recoveries, with the specific objective of optimising the project economics and the ultimate value of the Kalkaroo project. This work is expected to be completed by the end of this year.

**Commenting on the path forward with the Kalkaroo project, CEO, Mr Walter Richards said:** "I would like to record our thanks to Wanbao for its support to date and for its positive engagement during the PFS process.

"Havilah is in the fortunate position of owning 100% of the largest open pit copper deposit in Australia on a copper equivalent ore reserve basis, at a time when there is a shortage of good quality copper development projects in the world ahead of a predicted surge in the usage of copper.

"There is significant upside in the already attractive robust project through improved gold recoveries, inclusion of cobalt, and resource expansion opportunities.

"We are continuing to work with RPMGlobal on additional inputs into the draft PFS to define the full value of this project.

"Interest has been expressed in the Kalkaroo project by a number of parties and Havilah will carefully evaluate all development and investment options in order to maximise shareholder value from the project, now that we are free to engage with third parties," he said.

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

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## About the Kalkaroo Project

The Kalkaroo copper-gold-cobalt deposit (Kalkaroo or the Project) is located approximately 500 km northeast of Adelaide in proximity to a main highway, the transcontinental railway and the regional mining centre of Broken Hill (**Figure 1**). Based on a 100 million tonne Ore Reserve independently estimated by RPM Global (see Table 1 below), it is the largest undeveloped open pit copper-gold deposit in Australia on a copper-equivalent Ore Reserve basis (**Figure 2**).

**Table 1 Ore Reserves as at June 2018**

Category	Tonnage (Mt)	Copper Grade (%)	Gold Grade (g/t)	Copper Content (Kt)	Gold Content (Koz)
Proved	90.2	0.48	0.44	430	1,282
Probable	9.9	0.45	0.39	44	125
<b>Total</b>	<b>100.1</b>	<b>0.47</b>	<b>0.44</b>	<b>474</b>	<b>1,407</b>

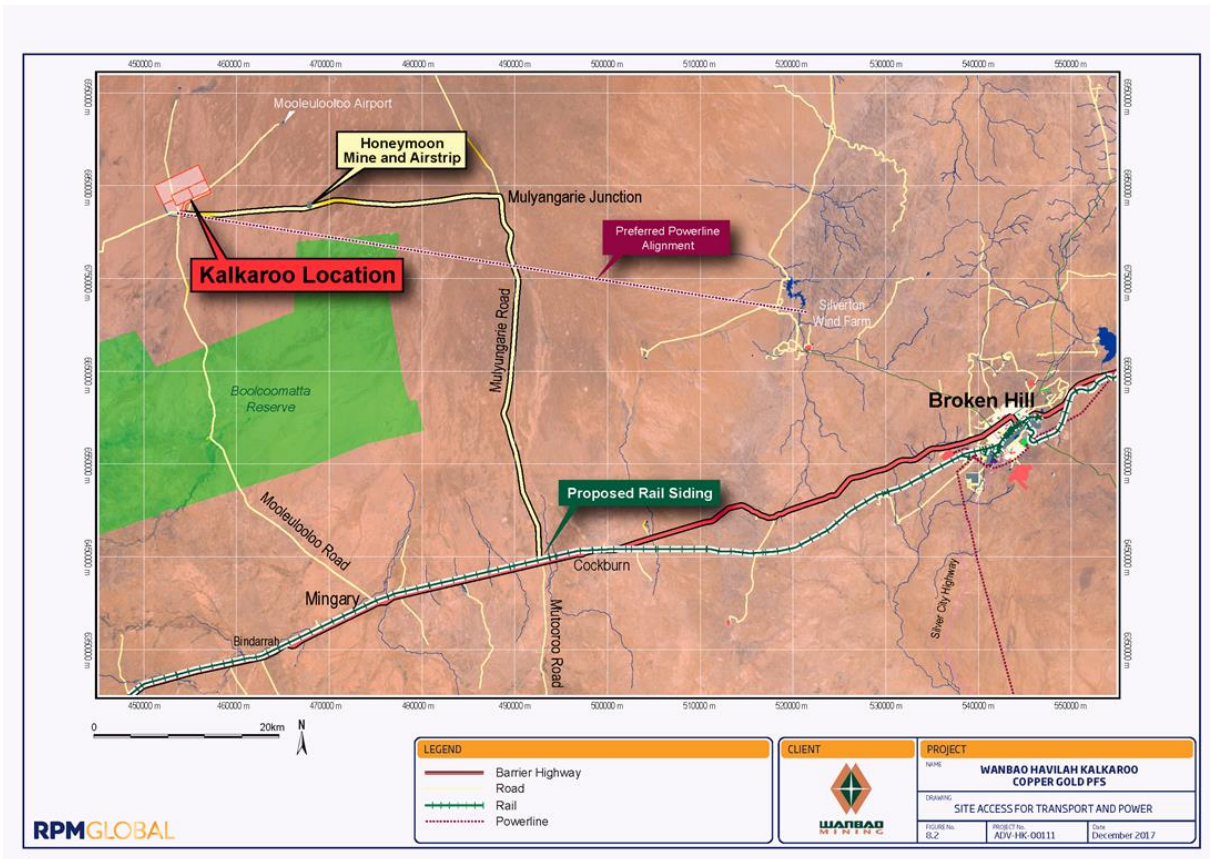
*Note: Estimate has been rounded to reflect accuracy. All the estimates are on a dry tonne basis.*

Kalkaroo's copper-equivalent grade of 0.74%, which is enhanced by a material gold credit, exceeds that of its comparable size Australian based peers (**Figure 4**). The gold serves as a natural hedge, with copper and gold prices often being in opposite metal price cycles, which potentially lowers the inherent risk of the project.

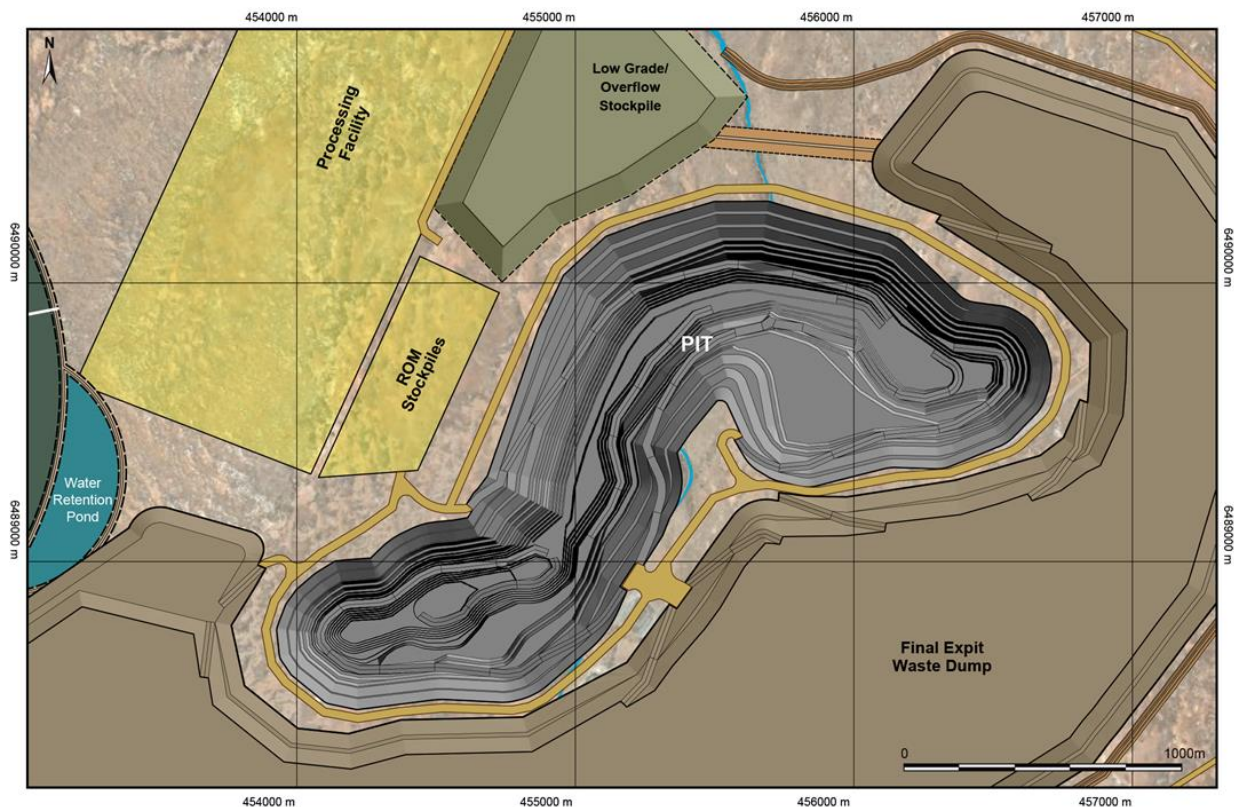
Kalkaroo is unique amongst its Australian copper peers in containing a 23,200 tonne cobalt resource (in an Inferred Resource of 193 million tonnes at 0.012% - [refer ASX announcement of 7 March 2018](#)). **This also makes Kalkaroo the largest sulphide cobalt deposit underpinned by copper in Australia** on a mineral resource basis, as highlighted in Havilah's recent [Copper Strategy - Enhanced by Cobalt](#) presentation.

There is **good potential for discovery of additional resources**, given that the Kalkaroo deposit is not closed off on any drill section either along strike or down dip. Three separate nearby prospects, each with well mineralised drill intercepts, can also potentially add appreciable ore feed, if converted to resources by further drilling. Havilah's geological models show that Kalkaroo forms part of very substantial replacement copper-cobalt-gold mineralized system the full extent of which has yet to be determined.

Kalkaroo is one of the few large undeveloped open pit copper deposits located in a politically stable jurisdiction and favourable logistical setting. This is at a time of unprecedented projected future demand for copper and cobalt to satisfy the rapidly expanding electric vehicle and renewable energy industries.



**Figure 1** The Kalkaroo project lies in northeastern South Australia approximately 90 kilometres west-northwest of the regional mining centre of Broken Hill. It is located in an area of favourable logistics, with access to roads, rail and power.



**Figure 2** Kalkaroo ultimate open pit design.

