



## Quarterly Report 2018

1 May 2018 – 31 July 2018

31 August 2018

### HIGHLIGHTS

- **North Portia project divestment – for \$14.7 million cash and 2% NSR royalty delivering future cash flow and allowing Havilah to focus on higher priority projects.**
- **Received \$1.0 million on closing of the divestment of North Portia and rehabilitation obligation of \$1.2 million eliminated.**
- **Exceptional cobalt sampling results from Mutooroo Cobalt District which highlights the potential for new cobalt discoveries.**
- **Mutooroo deeper cobalt potential confirmed with the resampling of 5 historic deep core holes returning economic copper, cobalt, and gold grades.**
- **High cobalt recoveries from Mutooroo massive sulphide ore in Cobalt Blue metallurgical test work.**
- **Kalkaroo maiden Ore Reserve of 100 million tonnes - confirming Kalkaroo as the largest undeveloped open pit copper deposit in Australia on a CuEq Ore Reserve basis, with a 0.74% CuEq grade.**
- **Exclusivity expired and Kalkaroo project free for Havilah to pursue alternative development opportunities and optimisation of the preliminary PFS under Havilah's direction.**
- **Acquisition of a key tenement in Grants Iron Ore Basin- provides Havilah with 100% ownership.**
- **SIMEC Mining (an affiliate of the GFG Alliance) commences due diligence on iron ore projects for the purpose of evaluating the commercialisation potential.**

## North Portia Divestment

During the quarter the Company completed the first step in the execution of its Copper Strategy – Enhanced by Cobalt through finalising the transaction with CMC to divest the North Portia project, which included the Portia Gold Mine that is also located on the Benagerie Mining Lease (ML) ([refer to ASX announcement of 12 July 2018](#)).

Key points of the transaction are:

- First payment of \$1.000 million was received on 11 July 2018.
- Second payment of \$3.500 million expected in the last quarter of 2018, upon Havilah's completion of the required permitting allowing the mining of overburden at North Portia and the subsequent processing of the oxide gold component of the resource.
- Third payment of \$3.500 million expected in the second half of 2019, with Havilah's completion of the permitting, which allows for the mining and processing of the supergene sulphide copper-cobalt-gold ore at North Portia.
- Final payment of \$5.500 million, 12 months after the second payment (expected in the last quarter of 2019).
- Payments from CMC are secured through a mortgage over the Benagerie ML and the Portia processing plant.
- 2% NSR (net smelter return) royalty on all metal sales from the Benagerie ML.
- The NSR royalty will increase to 3.25% on copper metal sales, once more than 101,400 tonnes of copper metal has been produced and sold from the ML (this being the current total JORC copper resource for North Portia). The 15% gold revenue stream from the Portia gold mine will remain on the current basis until 30 November 2018, when the oxidized ore in the Portia pit is expected to be mined out based on the current mine plan. At that time this interest will convert into the 2% NSR royalty.
- Havilah will receive guaranteed payments of \$0.300 million per quarter if the royalty payment is not at least \$0.300 million per quarter by 30 November 2020.
- Havilah maintains the first right to purchase any pyrite (contains cobalt) produced as a by-product from the production of copper and gold.
- CMC has replaced Havilah's \$1.225 million in bank guarantee obligations with respect to the Portia rehabilitation bond. This means Havilah has no further exposure to rehabilitation liabilities on the ML.
- Havilah retains the exploration rights to the Bassanio IOCG target on the Benagerie ML.
- To ensure mining and processing at North Portia can commence as soon as possible, Havilah has retained on-going responsibility for delivering the required permitting for the project, which is being actively pursued. The remaining expected cost of this work is \$0.768 million over the next 12 months.
- Havilah will retain responsibility for payment of the Investec Group Portia success fee (this fee will only apply if production from Portia exceeds 50,500 ounces of gold in total and is capped at a total production of 80,000 ounces). The security over the Havilah Group assets in favour of the Investec Group was released as part of this transaction.

## Mutooroo Project Update (Cu-Co-Au) – 100%

The delivery of promising cobalt recovery results from Cobalt Blue Holdings Limited's (COB) recent test work on Mutooroo ore opens the opportunity for possible future cooperation with Havilah.

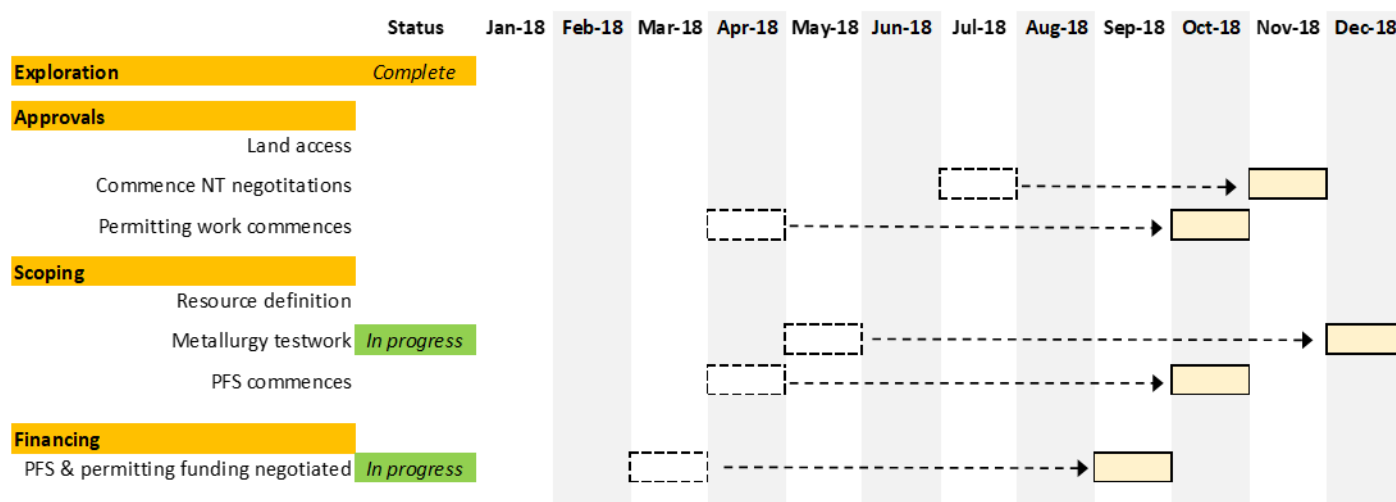
COB applied its proprietary recovery processing methodology to a 13 kg sample of Mutooroo massive sulphide ore and obtained an overall recovery of cobalt in the leach solution of approximately 88% ([refer ASX announcement of 21 June 2018](#)).

The Mutooroo ore was initially magnetically separated with the magnetic pyrrhotite fraction being treated in COB's leach circuit with 94% of the contained cobalt being leached. The non-magnetic pyrite fraction was calcined prior to leaching using the same process COB use on their Thackaringa cobaltian pyrite with 93% of the cobalt in the calcine reporting to solution.

A separate clean copper concentrate was produced at approximately 29% copper and the preliminary testwork showed that only 2.7% of the cobalt reports to this concentrate. The recovery of gold was not included in the scope of this testing program.

While additional testwork would be required to confirm the economic viability of COB's process on Mutooroo ore, results of the preliminary work are encouraging and HAV will continue to engage with COB as appropriate.

### MUTOOROO - Project status & timing of key milestones



During the quarter, Havilah released the results of core resampling from old Mines Exploration (MEPL) 1960's drill core at Mutooroo which returned high grade cobalt up to 3,180 ppm (0.32%), and up to 3.8% copper and 1.7 g/t gold ([refer ASX announcement of 30 May 2018](#)).

Originally, these holes were only assayed for copper and the recent re-sampling and multi-element analysis of the available massive sulphide intervals has defined new cobalt and gold intersections that include:

- 17.1 m @ 1.66% copper, 0.16% cobalt and 0.18 g/t gold from 162.0 m in DDMM21A.
- 9.4 m @ 1.72% copper, 0.19% cobalt and 0.63 g/t gold from 469.4 m in DDMM7.
- 6.9 m @ 1.32% copper, 0.13% cobalt and 0.07 g/t gold from 637.7 m in DDMM15D1.

The mineralisation in these holes is mostly typical Mutooroo style coarse-grained, massive sulphide breccia, consisting of 60 - 80% pyrrhotite (iron sulphide, Po) with, on average, 5% chalcopyrite (copper iron sulphide, Cpy) and 5% pyrite (iron sulphide, Py) along with typically 10 - 30% rounded quartz or altered host rock clasts. The width of mineralisation varies from less than 1 m (e.g. DDMM27A) to more than 17 m (e.g. DDMM21A) (refer Figure 1).

It is planned to use this new assay data to update part of the current deeper copper only Inferred JORC Resource component to include copper, cobalt and gold estimations which will increase the total contained cobalt and gold at Mutooroo. This work is part of the ongoing Mutooroo pre-feasibility study.

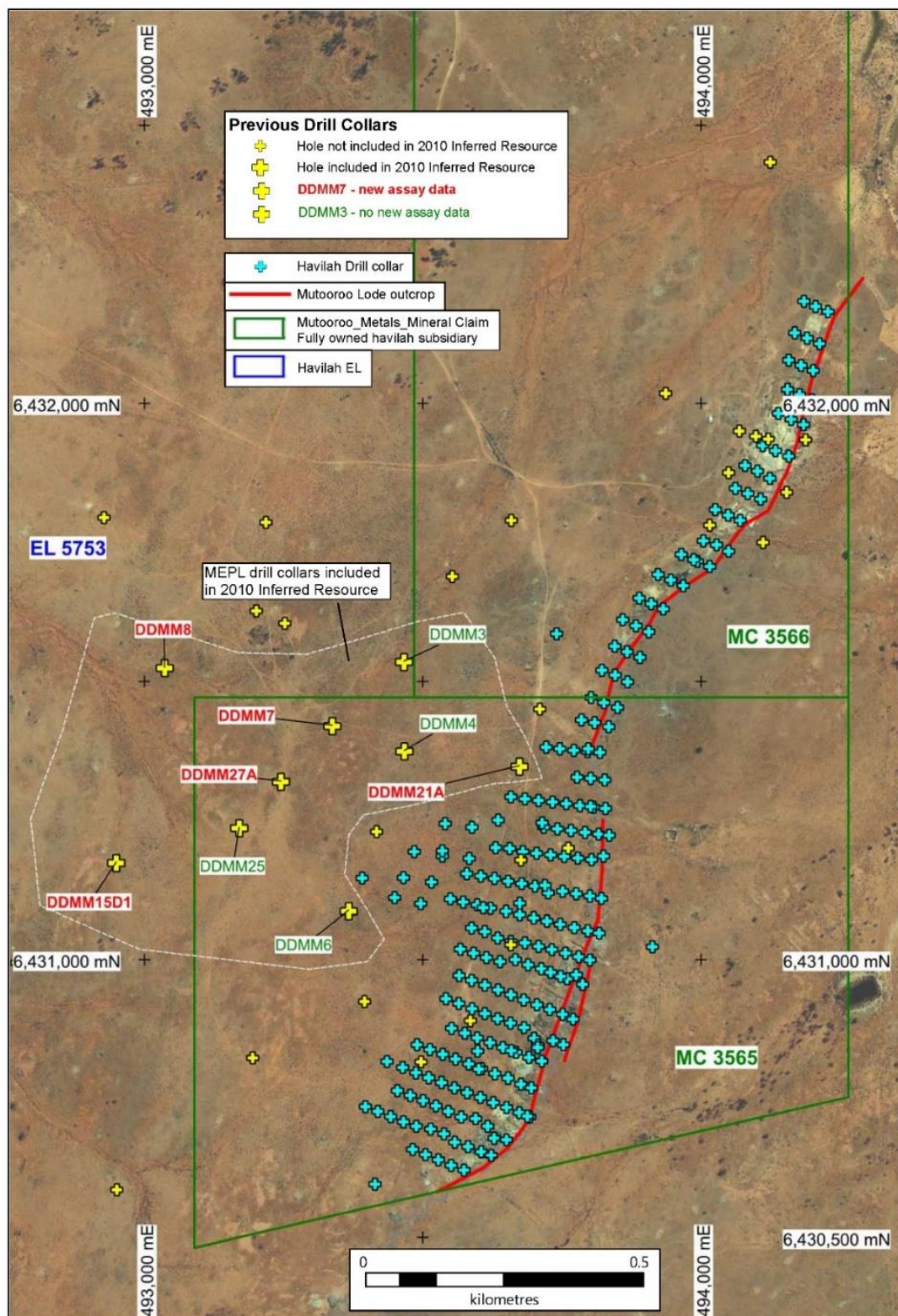


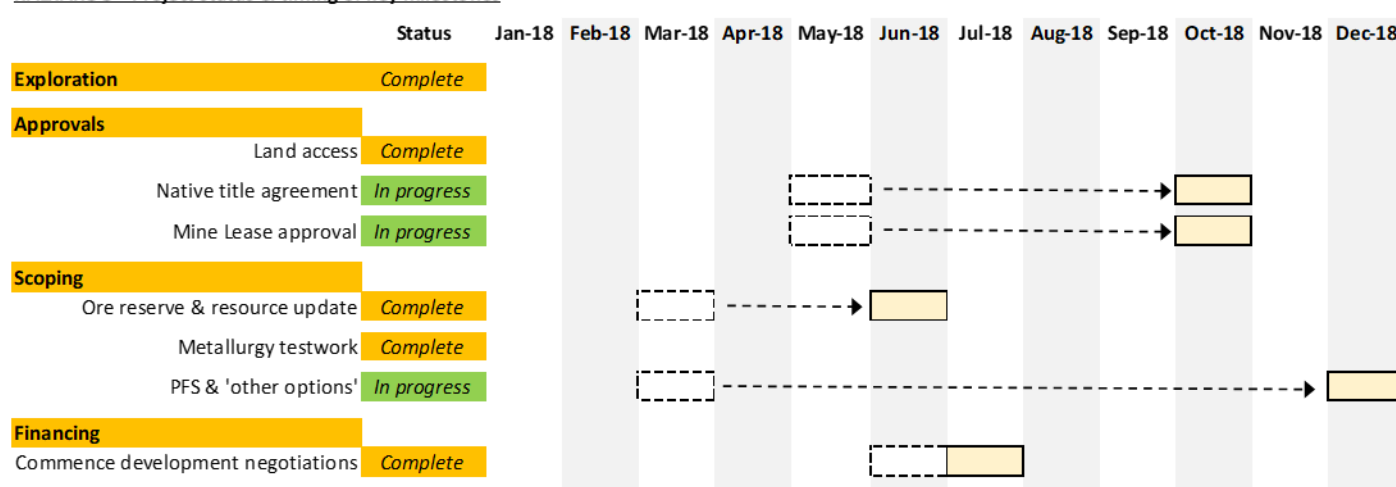
Figure 1 Location of MEPL holes cited in the text.

## Kalkaroo Project Update (Cu-Co-Au) – 100%

Following expiration of the exclusivity period with Wanbao Mining Limited on 30 June 2018, HAV is now considering all project development options, including follow up with a number of third parties that have expressed interest in the project ([refer ASX announcement of 2 July 2018](#)).

In order to assist in optimising Kalkaroo project economics, further PFS work is currently being undertaken and is expected to be completed by the end of 2018. The scope of the additional PFS work is initially focused on improving selected gold recoveries and also to include the appreciable potential cobalt value in pyrite tails. Three large diameter diamond drill holes in the Kalkaroo deposit were completed subsequent to the quarter's end to provide high quality samples for additional metallurgical testing that will be included in the PFS extension work program.

### KALKAROO - Project status & timing of key milestones



A maiden Ore Reserve for Kalkaroo of 474,000 tonnes of contained copper and 1.41 million ounces of gold was released during the quarter.

This Ore Reserve was independently estimated by mining consultants, RPMGlobal Asia Ltd (RPMGlobal), as part of the Kalkaroo preliminary pre-feasibility (PFS) study report prepared for Wanbao Mining Limited.

**Table 1 Kalkaroo Ore Reserve 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.

Release of the Kalkaroo ore reserve is an important milestone for Havilah, as it establishes the Kalkaroo project as the largest undeveloped open pit copper-gold deposit in Australia on a copper-equivalent Ore Reserve basis. Kalkaroo is second in size only to the Productora deposit in Chile amongst its ASX listed copper peers.

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. 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.

## North Portia Project Update (Cu-Co-Au)

In line with the change in ownership of the Benagerie ML, Havilah has shifted focus to delivering the permitting approvals to enable CMC, through its subsidiary Benagerie Gold & Copper Pty Ltd (**BGC**), to commence overburden removal and the mining and processing of saprolite ore at North Portia. This is expected to be complete by the end of 2018.

Subsequent to the end of the quarter, BGC announced that the Portia pit is being placed on care and maintenance for a period of time until an updated PEPR (Program for Environmental Protection and Rehabilitation) for the Benagerie ML had been approved. This development does not affect completion of the planned permitting.

BGC’s principal, Mr Steve Radford, is reported as saying that upon approval of the PEPR upgrade, mining of the North Portia copper-gold deposit would commence in the first quarter of 2019.

During the quarter, an updated resource model for the North Portia copper-cobalt-gold deposit was released ([refer ASX announcement of 15 May 2018](#)).

Most of the supergene copper-cobalt-gold sulphide mineralisation in the upper 150 metres of the deposit has now been upgraded to Measured Resource for an estimated 3.9 million tonnes of 0.73% copper, 0.015% cobalt and 0.51 g/t gold. The total North Portia resource, incorporating both the oxide and sulphide ore zones, is estimated to contain 101,000 tonnes of copper, 600 tonnes of cobalt, and 259,000 ounces of gold. Similar to Kalkaroo, the cobalt at North Portia is contained in cobaltian pyrite that will be recovered during the copper sulphide flotation process and could potentially add appreciable value to the deposit.

### NORTH PORTIA - Project status & timing of key milestones



\*Phase 1 - overburden removal and mining/processing of saprolite and supergene ore only (no sulphides)

^Phase 2 - mining and processing of Cu-Au sulphide ore

**Table 2 North Portia Resource**

Resource Category	Tonnes	Copper (%)	Gold (g/t)	Cobalt (ppm)	Moly (ppm)	Contained			
						Copper Metal (tonnes)	Gold (ounces)	Cobalt Metal (tonnes)	Moly Metal (tonnes)
<b>Total Oxide Gold Inferred</b>	<b>490,000</b>		<b>1.17</b>				<b>18,400</b>		
<b>Supergene Sulphide</b> Copper-Gold Measured	3,237,000	0.77	0.50	151	293				
<b>Supergene Sulphide</b> Copper-Gold Indicated	480,000	0.53	0.58	157	210				
<b>Supergene Sulphide</b> Copper-Gold Inferred	138,000	0.45	0.44	209	82				
<b>Total Supergene Sulphide</b>	<b>3,856,000</b>	<b>0.73</b>	<b>0.51</b>	<b>154</b>	<b>275</b>	<b>28,100</b>	<b>63,200</b>	<b>594</b>	<b>1,060</b>
<b>Primary Sulphide</b> Copper-Gold Inferred	8,610,000	0.85	0.64	ISD	531	73,200	177,200	ISD	4,570
<b>Total Sulphide All Categories</b>	<b>12,466,000</b>	<b>0.81</b>	<b>0.60</b>		<b>452</b>	<b>101,400</b>	<b>240,400</b>	<b>594</b>	<b>5,630</b>
<b>Total Resource Oxide and Sulphide</b>	<b>12,956,000</b>					<b>101,400</b>	<b>258,800</b>	<b>594</b>	<b>5,630</b>

**Notes to table:**

1. The new oxide gold resource is estimated using a lower gold cut-off of 0.5 g/t.
2. The updated supergene sulphide copper-gold resources are estimated using a lower copper equivalent cut-off of 0.4%. The copper equivalent grade has been calculated using a gold price of US\$1,279/oz and a copper price of US\$2.91/lb with an exchange rate of AU\$1=US\$0.75. Comparable recoveries for both metals are applied based on metallurgical test results to date.
3. Primary sulphide copper-gold resource has not been re-estimated and relies on the previously published JORC resource estimate details released to the ASX on 23 November 2010. The Company confirms that it is not aware of any new information or data that materially affects the resource figures included in the above table and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.
4. ISD means insufficient data to make a reliable resource estimate due to the fact that this estimate relies largely on pre-Havilah exploration drillholes that were not always assayed for cobalt. All Havilah drillholes used for the updated supergene sulphide copper-gold resource estimate were assayed for cobalt, providing an adequate level of confidence in this case.
5. All numbers cited in the table have been rounded to no more than 5 significant figures. There may be minor differences in quantities due to rounding.

## PORTFOLIO UPDATE

### Iron Ore (Maldorky & Grants)

Havilah has now acquired 100% ownership of the Grants Iron Ore Deposit through the purchase of EL5393 from Exco Operations (SA) Pty Ltd (Exco) and Polymetals (White Dam) Pty Ltd (Polymetals) ([refer ASX announcement of 18 May 2018](#)).

In June 2018, SIMEC Mining (an affiliate of the GFG Alliance) commenced due diligence on Havilah's Maldorky and Grants iron ore projects to determine the future development and commercialisation potential of the projects ([refer ASX announcement of 20 June 2018](#)).

As part of the due diligence process, SIMEC Mining is performing metallurgical test work on several tonnes of sample from the Maldorky deposit. It is expected that results from this work program will be delivered by the end of 2018. Any future agreement with SIMEC Mining regarding the projects would be subject to the results of these studies and negotiation of mutually acceptable terms.

SIMEC Mining has also committed to fund a reconnaissance drilling program to test the Grants Iron Ore Basin (see Figure 2), a potentially very large iron ore target lying to the east of the current Grants iron resource. Drilling is planned to commence in October 2018.

The work completed by SIMEC Mining will count towards Havilah's obligations under its Amalgamated Expenditure Agreement.



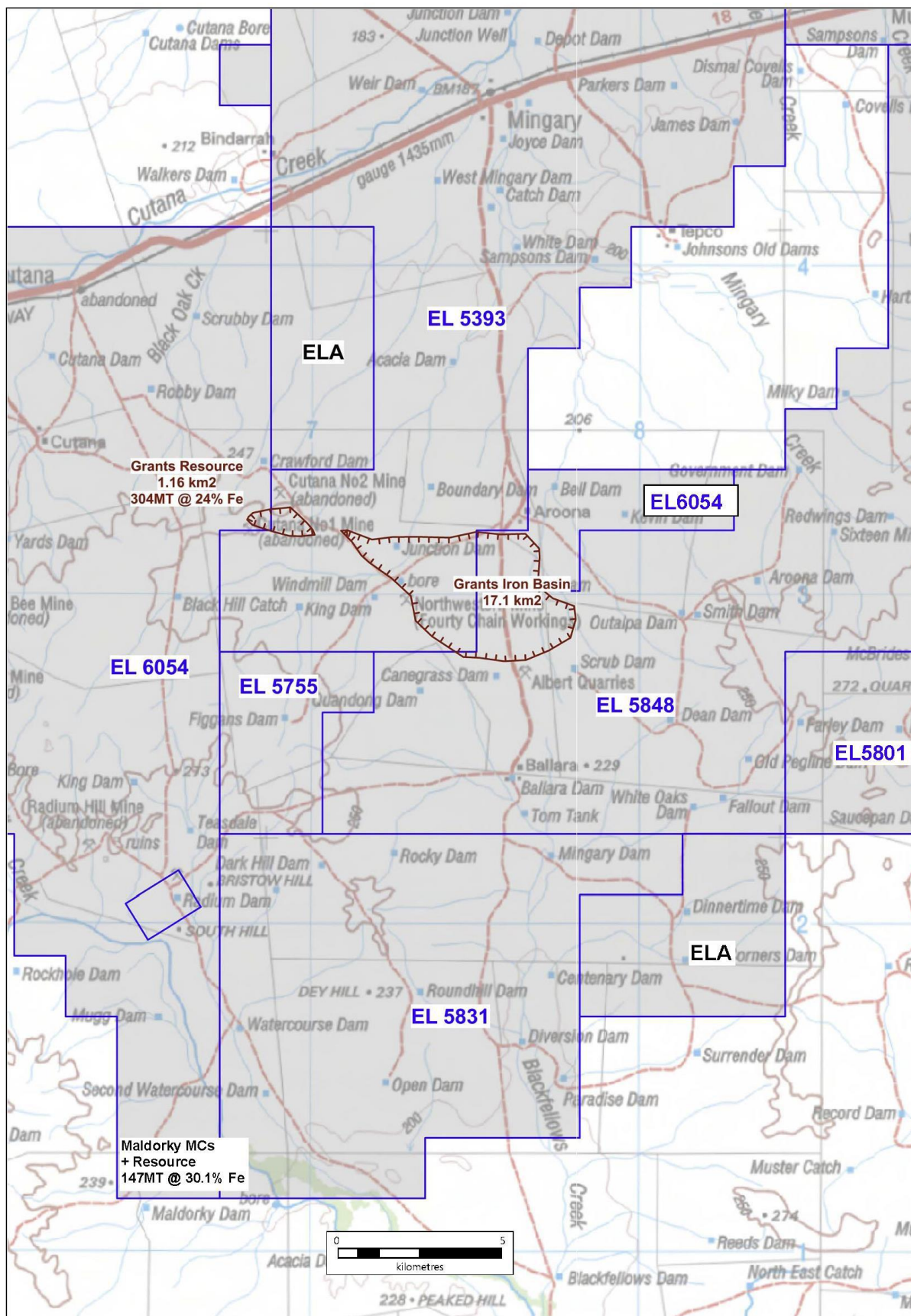


Figure 2 – Location of Havilah iron ore resources plus relevant Exploration Licences held by Havilah

## EXPLORATION UPDATE

### Mutooroo Project Area

The Mutooroo Project Area (MPA) covers most of Havilah's tenements to the south of the Barrier Highway. The MPA includes the sulphide-hosted Mutooroo copper-cobalt-gold resource with significant discovery potential in the surrounding tenement package within the Mutooroo Cobalt District for both Mutooroo style massive sulphide copper-cobalt-gold and Thackaringa style disseminated sulphide cobalt mineralisation.

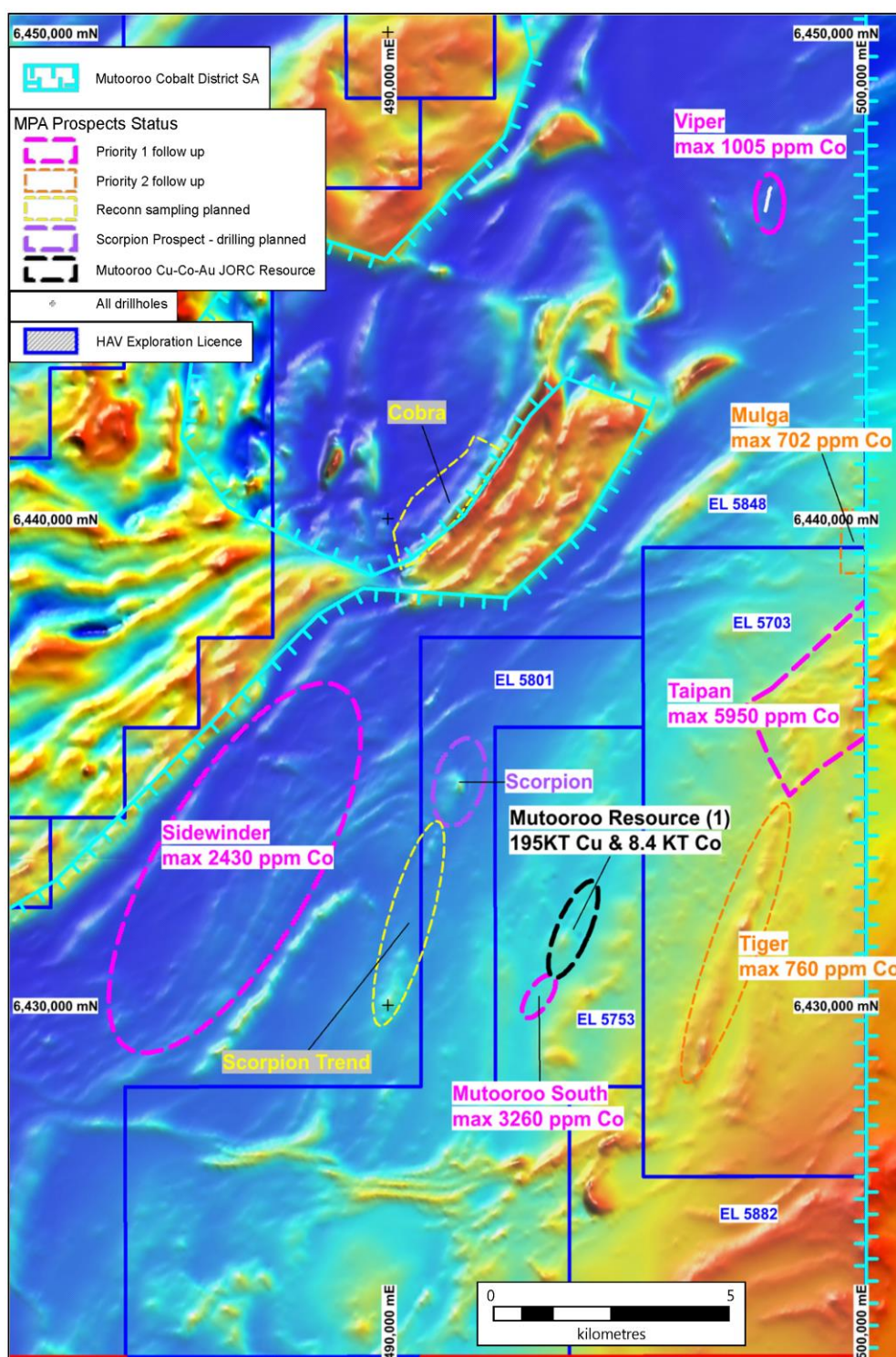
During the quarter significant progress was made on exploring the regional copper-cobalt potential of the area. First pass regional reconnaissance surface sampling highlighted five new copper-cobalt targets, and a potential extension to the Mutooroo copper-cobalt-gold deposit. A maximum cobalt value of 5,950 ppm was returned from the Taipan Prospect. A summary of these targets with multiple and confirmed high cobalt and copper results are tabled below and are shown in the following table.

**Table 3 Summary of Targets**

Prospect	Indicated Strike Length	Maximum Cobalt ppm	Maximum Copper ppm	Description
<b>Mutooroo South</b> (Priority 1)	0.5 km	3,260 (0.33%)	3,080 (0.31%)	Located SSW along Mutooroo Shear trend. A 1,640 ppm cobalt value is sited 0.3 km SSW of workings and the nearest drillhole, peak values sited near old workings, iron type and size of fragments indicates close proximity to source. Potential extension to the Mutooroo Lode system. Open to SSW.
<b>Sidewinder</b> (Priority 1)	7.0 km	2,430 (0.24%)	1,439 (0.14%)	Prospect composed of four separate anomalies on two lines 2.5 to 4.0 kms apart, associated with subtle NNE linear magnetic responses from structure/stratigraphy. Located 3.5 kms west of, and parallel to, the Scorpion Prospect structure. Iron rich material includes some pseudomorphs after magnetite or pyrite, minor float of amphibolite and gneiss indicating close proximity to source. Open to NE.
<b>Taipan</b> (Priority 1)	2.6 km x 2 km	5,950 (0.60%)	430 (0.04%)	Extends SW from the SA/NSW border, subtle magnetic stratigraphy association, common iron pseudomorphs after coarse pyrite, shallow cover, minor subcrop of amphibolite and gneiss. Close to source, open to S.
<b>Viper</b> (Priority 1)	0.5 km	1,005 (0.10%)	2,540 (0.25%)	Outcropping gossan and associated ironstone float traced for 0.5 km with northerly trend. No obvious magnetic response. Source identified - outcropping. Open to N and S.
<b>Tiger</b> (Priority 2)	5.5 km	760 (0.08%)	702 (0.07%)	Single line of samples across NNE trending subtle magnetic feature, minor gneiss float and minor magnetite pseudomorphs, close to source. Open to N and S, may link to Taipan Prospect.
<b>Mulga</b> (Priority 2)	0.8 km	702 (0.07%)	140 (0.01%)	Mostly finer iron lag to 20 mm, possibly locally transported from source, subtle magnetic response located 0.3 km to N.

The results from this initial regional reconnaissance sampling have highlighted several significant surface copper-cobalt anomalies with potentially the highest surface cobalt values ever recorded in the Mutooroo Cobalt District. This

reinforces Havilah's long-held belief in the prospectivity for major copper-cobalt discoveries within its extensive landholding in northeastern South Australia.



**Figure 3** Overview of Mutooroo Project Area prospects (on total magnetic intensity aeromagnetic image). (1) Refer [ASX announcement of 18 October 2010](#).

As a consequence of the initial highly encouraging results, Havilah has since completed two additional surface sampling programs in order to determine the nature and extent of the copper-cobalt anomalism. This includes infill and extensional sampling of the newly defined, high priority targets (namely Sidewinder, Taipan, Viper and Mutooroo South) and reconnaissance sampling of as yet untested targets (Scorpion Trend and Cobra) in order to advance the targets to drill testing status.

Subsequent to the end of the quarter, all final sampling results were received and these both confirm and enhance each of the target areas previously identified. On the basis of the exceptionally anomalous copper and cobalt results, Havilah's geologists now consider there is high potential for discovery of repetitions of Mutooroo style copper-cobalt-gold mineralisation at the Sidewinder, Viper and Mutooroo South prospects. All of these are located within short distances of the already significant, existing copper-cobalt-gold resource at Mutooroo ([refer ASX announcement of 28 August 2018](#)).

## Regional

Approvals have been received from the Department for Energy and Mining (DEM) for Programs for Environmental Protection and Rehabilitation (PEPRs) for planned drilling programs to be conducted during calendar 2018 within the Mutooroo Project Area and parts of the Grants Iron Ore Basin. Subject to the conduct of required heritage surveys, Havilah is targeting drilling to commence in the final quarter of this calendar year.

## Jupiter Project Area - Jupiter Iron Oxide Copper Gold IOCG Target

The Jupiter magnetotelluric anomalies, which bear similarities to features identified beneath the Olympic Dam IOCG deposit, lie within Havilah's northern Jupiter Project Area. Havilah is continuing to seek expressions of interest from potential joint venture parties. Havilah will evaluate the expressions of interest with the objective of selecting a suitable joint venture partner before the end of this calendar year to commence exploration of the Jupiter target.

## Amalgamated Expenditure Agreements

During the quarter Havilah concluded discussions with DEM with respect to a new Amalgamated Expenditure Arrangement (AEA), covering all its mineral exploration tenements (excluding Exploration Licences 5463 & 5579), which governs the Company's minimum exploration expenditure commitments. This AEA covers a period of 2 years from 1 January 2018 with an agreed overall expenditure commitment across the relevant mineral exploration tenements of \$8.000 million for that period. In addition, the arrangement includes a statutory relinquishment of 15% of the combined tenement area at the end of the two years if the expenditure commitment is met. Relinquishment of an additional percentage of the tenement area may be required if the expenditure commitment is not met.

## PORTIA GOLD MINE UPDATE

The results below reflect production results from Portia for the period to the divestment of the Benagerie ML (11 July 2018). This is therefore the last quarter that the detailed results will be reported.

The Portia Gold Mine production highlights for the quarter are summarised in the tables below. Key points from the production figures for the quarter are:

1. Gold sales were ~122% higher compared to the previous quarter at 2,960 ounces (note that current quarter was 19 days shorter than previous quarter due to the divestment of the Benagerie ML on 11 July 2018).
2. Gold production was ~122% higher in the quarter mainly as a result of higher grade material being mined and processed.
3. Plant throughput was only slightly lower compared to the previous quarter (note that current quarter was 19 days shorter than previous quarter due to the divestment of the Benagerie ML on 11 Jul 2018).
4. Ore tonnes mined for the quarter increased by ~43% compared to the previous quarter.

	Units	Quarter ending <sup>2</sup>				Month <sup>2</sup>			YTD <sup>2,3</sup>
		Oct 2017	Jan 2018	Apr 2018	Jul 2018 <sup>3</sup>	May 2018	Jun 2018	Jul 2018 <sup>3</sup>	2017/2018
Overburden mined	BCM	357,000	109,000	55,000	46,000	21,000	24,000	1,000	567,000
Ore mined	t	45,000	56,000	42,000	60,000	9,000	46,000	5,000	203,000
Total tonnes processed (wet)	t	118,000	99,000	63,000	59,000	29,000	23,000	7,000	339,000
Grade processed <sup>1</sup>	g/t	0.8	0.7	0.8	1.8	1.8	2.5	1.5	0.9
Gold produced <sup>1</sup>	oz	2,445	1,888	1,333	2,960	1,410	1,254	296	8,626
Gold sold	oz	2,681	1,888	1,333	2,960	1,410	1,254	296	8,862

1 Excludes gold nuggets recovered, but not processed into bullion.

2 Preliminary unaudited results.

3 Results to 11 July 2018 (Divestment of Benagerie ML, which included the Portia Gold Mine).

	Units	Quarter ending				YTD
		Oct 2017 <sup>2</sup>	Jan 2018 <sup>2,3,4</sup>	Apr 2018 <sup>2,3</sup>	Jul 2018 <sup>2,3,5</sup>	2017/2018 <sup>2,3,5</sup>
Gold Produced <sup>1</sup>	oz	1,223	515	200	444	2,382
Gold Sold	oz	1,341	515	200	444	2,499
Achieved Gold Price	A\$/oz	1,638	1,669	1,703	1,717	1,664

1 Excludes gold nuggets recovered, but not processed into bullion.

2 Preliminary unaudited results.

3 Does not include sale of nuggets owned 100% by Havilah.

4 Includes a 50% share which changed to a 15% share from 16 November 2017.

5 Results to 11 July 2018 (Divestment of Benagerie ML, which included the Portia Gold Mine).

Total production is summarised in the first table above. The operations at Portia are being accounted for as a Joint Operation under the applicable financial reporting standards, due to the specific agreement in place related to the development of Portia. Under this agreement the revenue was shared 50/50 with Consolidated Mining and Civil Pty Ltd (CMC) until 16 November 2017 when it changed to 85% CMC and 15% Havilah. The second table above therefore reflects only 50% of the ounces produced and sold from Portia, which were attributable to Havilah until 16 November 2017 when attributable ounces changed to 15%.

## FINANCE UPDATE

As at 31 July 2018 cash at bank was \$1.846 million.

A breakdown of Havilah's cash flows (exclusive of financing activities but inclusive of staffing costs) for the year-to-date (YTD) period is as follows:

	QTR 1 \$ millions	QTR 2 \$ millions	QTR 3 \$ millions	QTR 4 \$ millions	YTD \$ millions
<b>Revenue</b>					
Gold Sales – 50% share	2.195	0.554	-	-	2.749
Gold Sales – 15% share	-	0.305	0.340	0.763	1.408
Gold Sales – Nuggets	0.587	0.007	-	-	0.594
Royalty Revenue	-	-	-	0.061	0.061
<b>Total Sales Revenue</b>	<b>2.782</b>	<b>0.866</b>	<b>0.340</b>	<b>0.824</b>	<b>4.812</b>
<b>Divestment of Subsidiary</b>					
Consideration Received	-	-	-	1.000	1.000
Permitting Costs	-	-	-	(0.307)	(0.307)
<b>Total Other Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.693</b>	<b>0.693</b>
<b>Total Cash Inflows</b>	<b>2.782</b>	<b>0.866</b>	<b>0.340</b>	<b>1.517</b>	<b>5.505</b>
<b>Costs</b>					
Corporate and Administration	(0.341)	(0.478)	(0.417)	(0.514)	(1.750)
Working Capital Changes	0.473	(0.762)	(0.113)	(0.026)	(0.428)
Exploration	(0.794)	(0.845)	(0.619)	(0.806)	(3.064)
Production – Portia 50:50	(2.699)	(2.102)	-	-	(4.802)
Production – Portia 85:15	-	(0.144)	(0.308)	(0.029)	(0.481)
Fixed Asset (Purchases)/Sales	(0.117)	(0.177)	(0.072)	0.004	(0.362)
Other	(0.233)	0.174	(0.033)	(0.059)	(0.151)
<b>Total Cash Outflows</b>	<b>(3.711)</b>	<b>(4.334)</b>	<b>(1.562)</b>	<b>(1.430)</b>	<b>(11.038)</b>
<b>Net Cash Outflows</b>	<b>(0.929)</b>	<b>(3.468)</b>	<b>(1.222)</b>	<b>0.087</b>	<b>(5.533)</b>

Portia operations ceased to be an operating segment of the Company on 11 July 2018 when the divestment of the Benagerie Gold subsidiary was finalised. Prior to this date, Portia operations resulted in positive net cash inflow of \$0.734 million for the current quarter. Gold sales from Portia for the current quarter are ~124% higher than the previous quarter due mainly to processing higher grade material.

Following the divestment of North Portia, Havilah has established an operating segment for reporting future royalty income from the Benagerie ML. For the current quarter, beginning 12 July 2018, cash inflow generated from royalty payments was \$0.061 million. The temporary suspension of processing announced by BGC subsequent to the quarter end at Portia does not have a material impact on the total royalty payments to Havilah over the life of the operation.

The first instalment of \$1.000 million for the divestment of North Portia was received from CMC during the current quarter. Costs incurred in carrying out the North Portia permitting work, under the divestment agreement, were \$0.307 million, inclusive of the associated salaries.

Corporate and administration costs for the current quarter, inclusive of salaries, were \$0.514 million. Included in this were employee termination payments of \$0.140 million related to the divestment of Portia.

Exploration costs for the quarter increased by ~30% compared to the previous quarter and include a diamond drilling work program carried out at Kalkaroo to obtain additional metallurgical samples in support of the additional Kalkaroo PFS work that is being undertaken.

At the end of the quarter, the Company had 365 ounces of gold nuggets in inventory. 300 ounces of these remaining nuggets have already been committed under the gold forward sale announced on 11 March 2016, leaving 65 ounces of uncommitted nuggets.

Shares and Options Outstanding		
Category	ASX Code	Number millions
Listed Ordinary Shares	HAV	218.2
Listed Options	HAVOC	13.6
Unlisted Options		5.1

### Cash Flow Forecast

The current indicative cash flow forecast for the next 12 months is detailed below. This may be modified as additional work associated with the execution of Havilah's Copper strategy – Enhanced by Cobalt is approved.

	QTR 1 \$ millions	QTR 2 \$ millions	QTR 3 \$ millions	QTR 4 \$ millions
<b>Cash Inflows</b>				
Royalty Revenue	0.150	-	-	-
Benagerie Divestment	-	3.500	-	3.500
<b>Total Cash Inflows</b>	<b>0.150</b>	<b>3.500</b>	<b>-</b>	<b>3.500</b>
<b>Cash Outflows</b>				
Corporate and Administration	(0.400)	(0.400)	(0.400)	(0.400)
Exploration	(0.390)	(0.750)	(0.750)	(0.750)
Project Development	-	-	-	-
Benagerie Permitting	(0.192)	(0.192)	(0.192)	(0.192)
<b>Total Cash Outflows</b>	<b>(0.982)</b>	<b>(1.342)</b>	<b>(1.342)</b>	<b>(1.342)</b>
<b>Net Cash Inflows/(Outflows)</b>	<b>(0.832)</b>	<b>2.158</b>	<b>(1.342)</b>	<b>2.158</b>
<b>Net Cash Balance</b>	<b>1.014</b>	<b>3.172</b>	<b>1.830</b>	<b>3.988</b>

Timing of receipts from the Benagerie Divestment is dependent on the planned approval dates of the Stage 1 and 2 permitting milestones for North Portia.

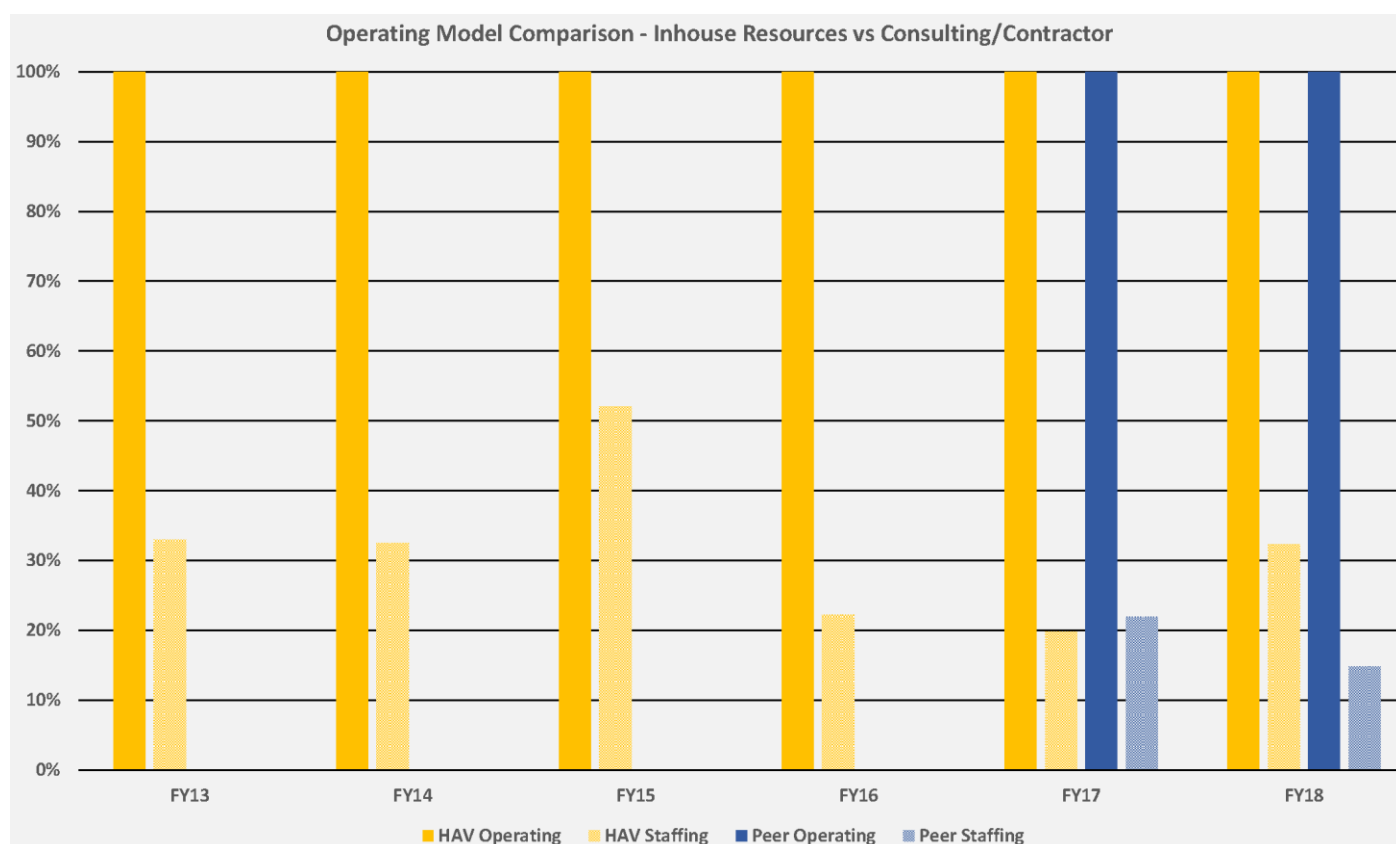
### Staffing Cost and Corporate & Overhead Review and Analysis

Havilah management is conscious of its obligation to make prudent use of shareholders' funds. To highlight management's approach and accountability, presented below is a review of the staffing costs and corporate and overhead costs with respect to the 2018 financial year which ended on 31 July 2018.

The operating model and philosophy of Havilah, since inception, has been to use in-house resources to perform work instead of engaging contractors or consultants wherever possible, practical, and cost effective. The best example of this approach is the fact that Havilah has always operated its own drilling rig instead of using a contractor to perform exploration drilling. This in-house capability has in recent years been extended to include mine planning, metallurgy

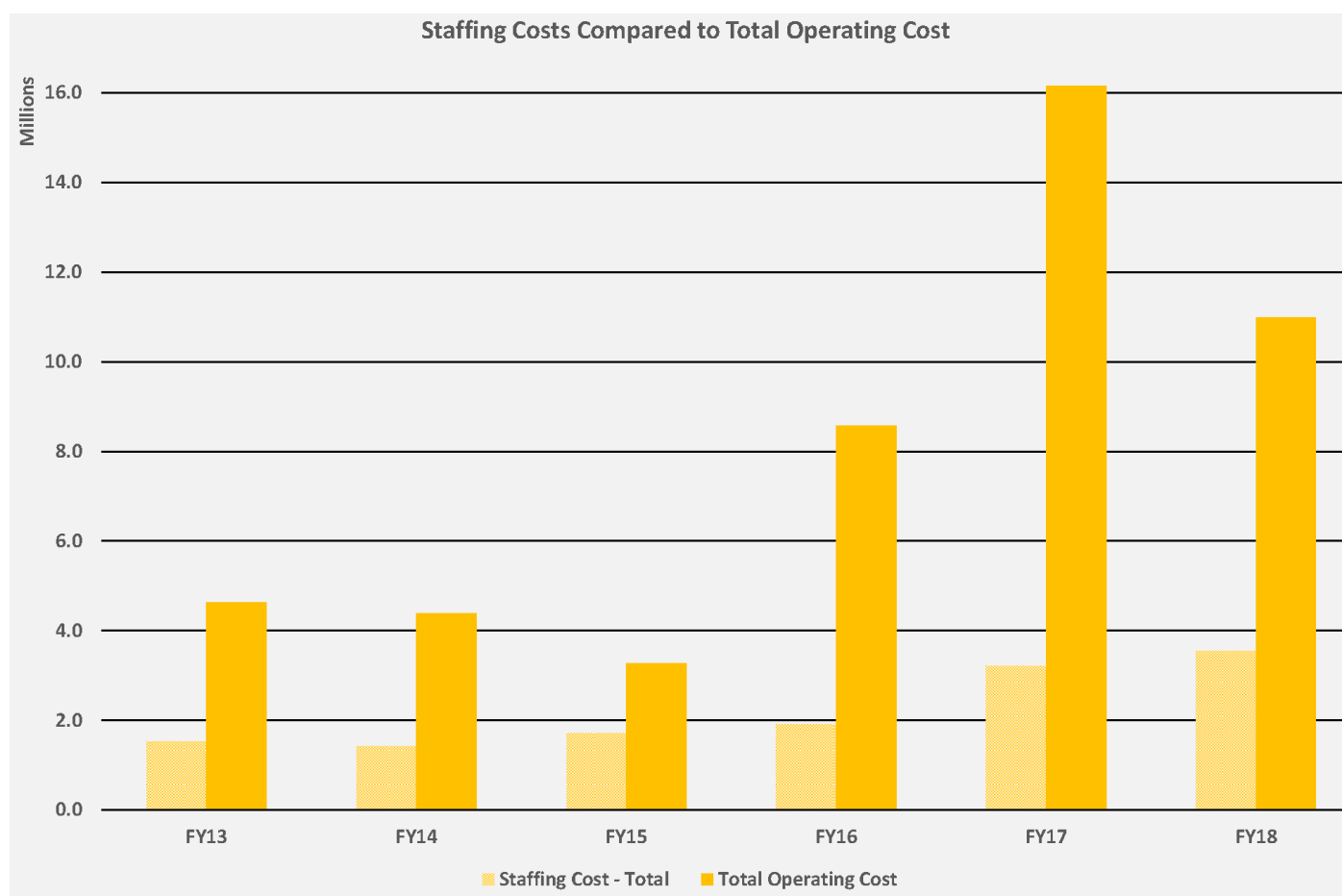
and permitting resources. This approach provides flexibility in the timing of work and also maintains the intellectual property within the Company, which is a significant benefit with the Company being focused and operating in a single location being the Curnamona Craton. A recognised and accepted consequence of this approach is that the Company's permanent staffing costs (excluding external consultants as used by some of its peers) can appear higher than those of its peers, costs which can generally only be reduced by the Company via redundancy payments.

Havilah's total staffing costs (Staffing costs include all costs associated with all employees, regardless of the work performed being associated with exploration, development, production, administrative) as a percentage of operating expenses in FY18 are 32% (FY17 = 20%). The peer group average is 15% (FY17 = 20%), which reflects the Company's preference for the use of in-house resources. The FY18 ratio of 32% is equal to the historical average of Havilah over the last six years.

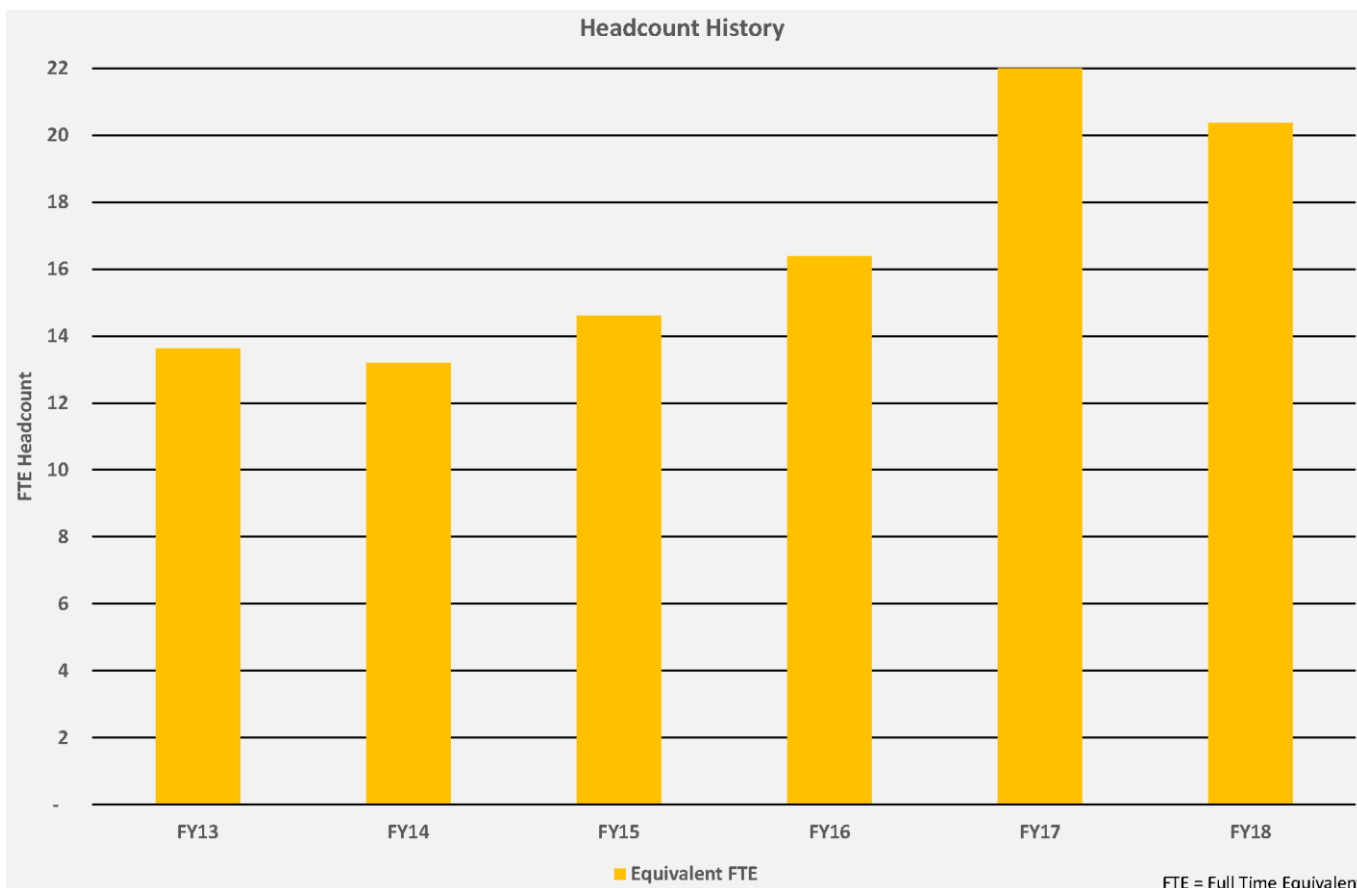
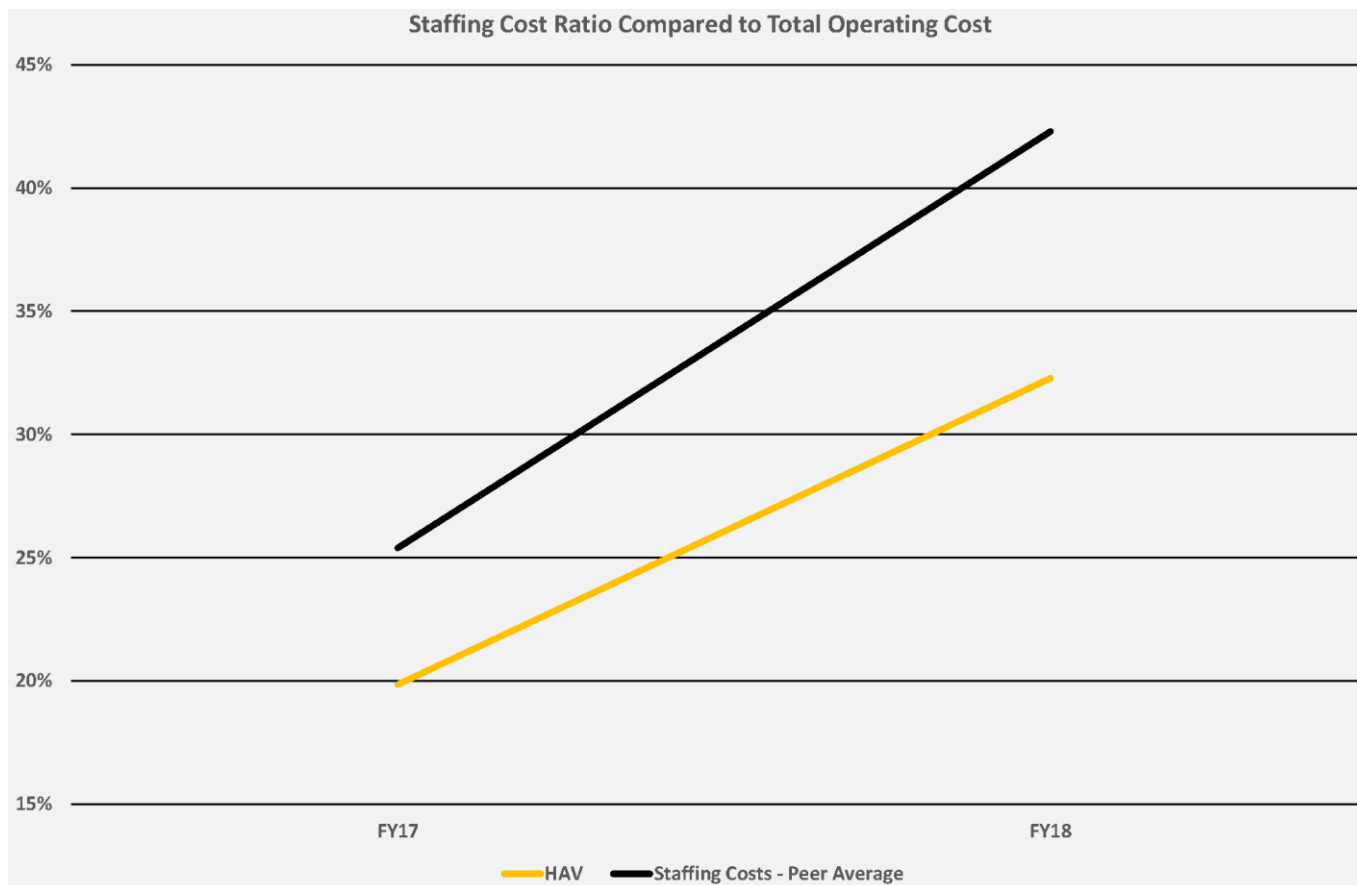


The data presented below also reflects the increase in the Company's scope of work since FY13, as indicated by increased operating costs over the period, which resulted in an increase in the staffing costs over the same period. However, although the scope of work has increased by almost 250% the staffing costs have only increased by just over 100%. In other words, the scope of work has increased by 2.5 times compared to the increase in staffing costs. Just over 66% of the increase in staffing costs is directly associated with the addition of technical resources to the team. It is also important to note that the percentage of professional staff has increased from 57% to 68% of the total headcount. The change in composition of Havilah's workforce contributed to the increase in staffing costs due to professional resources attracting higher rates of pay compared to hourly paid employees. Total consulting cost for the year was less than \$0.200 million.

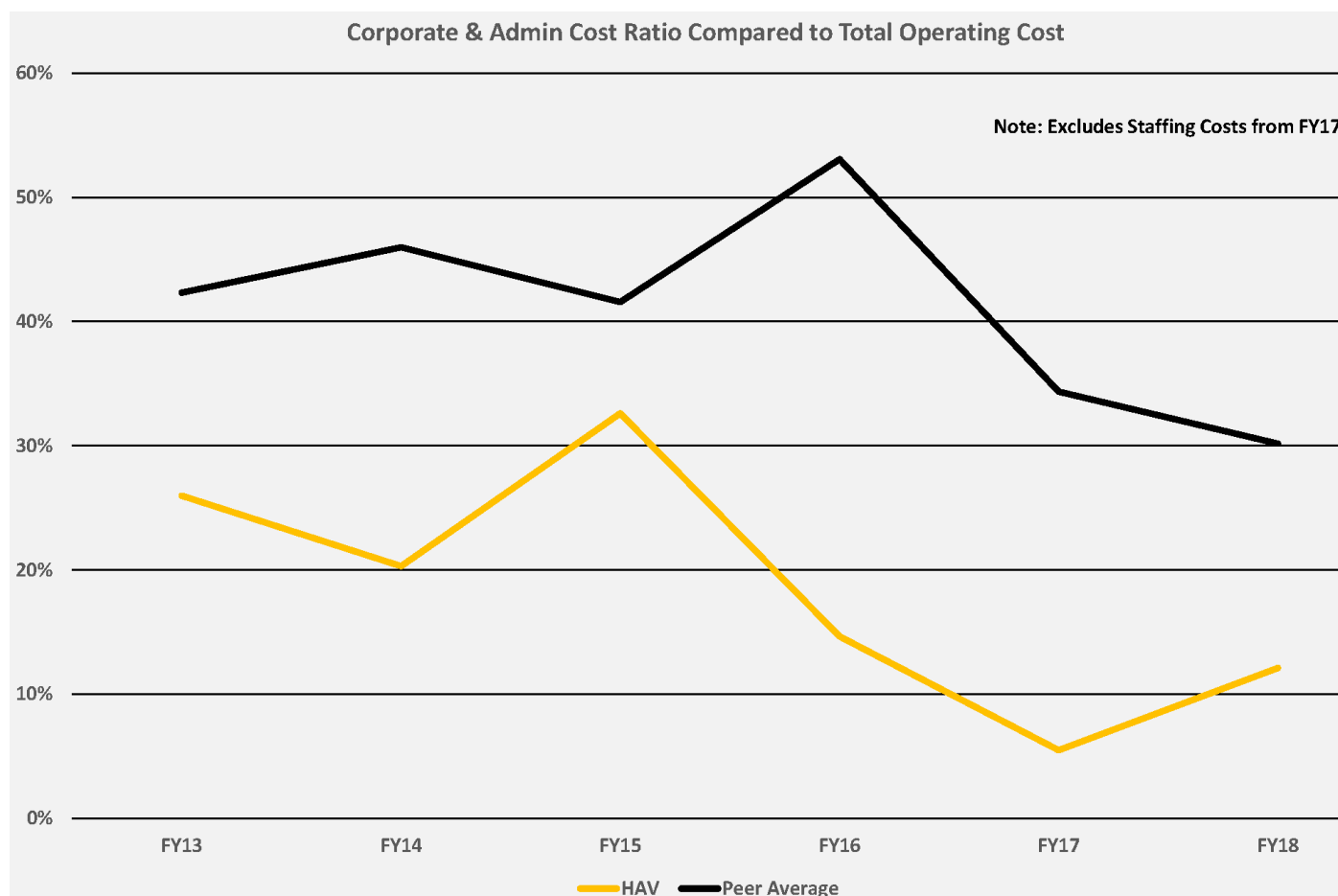




Havilah’s staffing costs as a percentage of operating cost have remained below that of its peer group over the last two years. This is a positive outcome considering that the scope of work being undertaken by the Company has grown significantly with Havilah now advancing three different projects within its Copper Growth Strategy – Enhanced by Cobalt. Staffing costs for Havilah as a percentage of operating costs in FY18 is 32% (FY17 = 20%) and compares very favourably with the average for its peer group at 42% for FY18 (FY17 = 25%). This demonstrates our ability to carry out an increased scope of work without a proportional increase in staffing cost.



Corporate and administrative costs for the Company compare very favourably with its peer group. Havilah's ratio of corporate and administrative costs as a percentage of operating expenses in FY18 is 12% (FY17 = 5%) compared to the peer group average of 30% (FY17 = 34%). In FY13, this ratio for Havilah was 20% and the average since FY14 has been 17%. This decrease since 2013 indicates how the Company has been successful in managing its overhead cost structure even with the increased scope of technical work undertaken.



Note: Staffing costs have only been required to be reported separately in Appendix 5B since FY17.

Staffing costs include all costs associated with all employees, regardless of the work performed being associated with exploration, development, production, administrative.

Operating costs include all exploration & evaluation, development, production, staffing costs, administrative and corporate costs, and other costs as reported in appendix 5B "Net cash from / (used in) operating activities" excluding "Receipts from customers".

Peer Group consists of Aeon Metals (AML), Artemis Resources (ARV), Cobalt Blue Holdings (COB), Cassini Resources (CZI), Gindalbie Metals (GBG), Hammer Metals (HMX), Northern Cobalt (N27), Rex Minerals (RXM).

All information captured from Appendix 5B of Peer Group as reported to the ASX.

### Update of AusIndustry Review of Research and Development (R&D) Projects

An AusIndustry review has been carried out on Havilah's R&D projects registered for the income years ended 31 July 2013 and 31 July 2014 (the only two years in which Havilah claimed R&D expenditure). Certain registered activities for both income years were found to not meet the requirements of the Income Tax Assessment Act. Claims of \$0.207

million were accepted. The Company is aware that AusIndustry is conducting broad industry reviews of prior financial year R&D incentive claims for many companies, with a focus on resource and energy related businesses.

Havilah has lodged an appeal to the Administrative Appeals Tribunal ('AAT') against the decisions, with a hearing in this matter set for late November 2018. The Company engaged a top four accounting firm to prepare and lodge the applications and prepare the R&D Tax Incentive Schedules. Havilah affirms its position that the claims are legitimate and looks forward to presenting its case at the AAT hearing.

The Company has also been in discussions with the Australian Taxation Office ('ATO') which advised that, prior to the conclusion of the appeals process, that the ATO wishes to implement the AusIndustry decisions. Consequently, Havilah has amended its income tax returns, notwithstanding that the decisions are still under review and subject to the AAT hearing. These amendments have been made in good faith at the behest of the ATO and do not reflect a change in Havilah's position regarding its view on the eligibility of the claims.

Havilah is currently deemed ineligible for the following amounts of R&D refundable offsets:

- Income Year ended 31 July 2013: \$0.689 million.
- Income Year ended 31 July 2014: \$0.330 million.

Should the amended assessments be issued, there is a reasonable expectation that a payment plan will be entered into. Part or all of these amendments may need to be further amended to reflect any future decision of the AAT and could result in a complete reversal.

Subsequent to the end of the quarter, the ATO issued a draft penalty position paper outlining the potential application of penalties to the referenced amendments.

## BUSINESS PLAN UPDATE

### Havilah's 2018 Business Plan Scorecard

1 <sup>st</sup> Quarter Ending 31 March	2 <sup>nd</sup> Quarter Ending 30 June	3 <sup>rd</sup> Quarter Ending 30 September	4 <sup>th</sup> Quarter Ending 31 December
<b>Mutooroo</b> PFS & permitting funding secured	<b>Mutooroo</b> Commence PFS & permitting work	<b>Mutooroo</b> Commence native title negotiations	<b>Mutooroo</b> PFS 50% complete
<b>Kalkaroo</b> Release PFS results	<b>Kalkaroo</b> Secure native title agreement	<b>North Portia</b> Development agreement negotiated	<b>Mutooroo</b> Compile draft mining lease proposal for submission
<b>Kalkaroo</b> Publish Ore Reserve	<b>Kalkaroo</b> Grant of mining lease	<b>North Portia</b> Commence overburden removal	<b>Portia</b> Commence processing of tails
<b>North Portia</b> Release JORC resource update	<b>Kalkaroo</b> Commence development negotiations	<b>North Portia</b> Permitting (Phase 2) continues	<b>Exploration</b> Secure exploration JV partner
<b>Portia</b> Release results of tails assays	<b>North Portia</b> Complete metallurgical testwork	<b>Maldorky</b> Submit public response document	<b>Exploration</b> Update progress on Jupiter anomaly
<b>Corporate</b> Place remaining rights issue shortfall	<b>North Portia</b> Complete PFS & permitting (Phase 1)	<b>Exploration</b> Publish list of copper & cobalt targets	
	<b>Portia</b> Approval to process tails		
<b>Status</b>			
<b>Completed</b>	<b>On Track</b>	<b>Potential Delay</b>	<b>Delayed</b>

## CORPORATE NEWS

### Annual General Meeting

The Company's Annual General Meeting will be held on Wednesday, 12 December 2018 at 'The Science Exchange' (55 Exchange Place, Adelaide) commencing at 10:00 am.

### Havilah Board Succession Planning

Following the announcement by Mr Ken Williams, Chairman, of his intent to retire at the next Annual General Meeting, the Havilah Board of Directors has commenced the process to appoint Mr Williams' replacement ([refer ASX announcement of 5 June 2018](#)). Mr Williams was appointed as an independent Non-Executive Director in November 2003 and elected as Chairman in November 2013.

### Marketing Update

On 26 June 2018, the Company participated in the Department for Energy & Mining's 'Copper to the World' conference. This international gathering at the Adelaide Convention Centre showcased the achievements of the mining and services sector with reference to South Australia's copper production ambitions and included national and international speakers from industry, research institutions and government. Included in this program was Dr Chris Giles who delivered Havilah's '[Copper in the Curnamona Craton, Northeastern South Australia](#)' presentation.

### Investor Relations

During the end of the quarter, Mr Walter Richards (CEO) and Dr Chris Giles (Executive Director - Technical) engaged in a series of meetings in Sydney and Melbourne with a range of potential investors as part of a roadshow focussed on Havilah's Copper Strategy - Enhanced by Cobalt.

#### **During the Quarter, the following presentations were delivered:**

[Copper in the Curnamona Craton, Northeastern South Australia in the Curnamona Craton](#)

#### **During the Quarter, the following price sensitive ASX announcements were made:**

[North Portia Divestment Completed: 12 July 2018](#)

[North Portia Divestment Update: 3 July 2018](#)

[New Kalkaroo Development Options Being Pursued: 2 July 2018](#)

[Exceptional Cobalt Results from Mutooroo Cobalt District: 25 June 2018](#)

[High Cobalt Recoveries for Mutooroo in Cobalt Blue Testwork: 21 June 2018](#)

[SIMEC Commences Due Diligence on Havilah's Iron Ore Projects: 20 June 2018](#)

[Kalkaroo Maiden Ore Reserve Confirms Large Copper Project: 18 June 2018](#)

[North Portia Divestment for \\$14.7 Million and 2% NSR Royalty: 4 June 2018](#)

[Mutooroo Deeper Cobalt Potential Confirmed: 30 May 2018](#)

[Havilah's Copper Strategy Enhanced by Cobalt: 21 May 2018](#)

[Acquisition of Key Tenement in Grants Iron Ore Basin: 18 May 2018](#)

[North Portia Copper Cobalt Gold Resource Upgrade: 15 May 2018](#)

## JORC RESOURCE AND RESERVE SUMMARY

Tables summarising the published JORC resources as of 31 July 2018 cited in this Quarterly Report.

Project*	Classification	Category	Tonnes	Copper %	Cobalt %	Gold g/t	Copper tonnes	Cobalt tonnes	Gold ounces	
Mutooroo <sup>1</sup>	Measured	Oxide	598,000	0.56	0.040	0.08				
	<b>Total</b>	<b>Oxide</b>	<b>598,000</b>	<b>0.56</b>	<b>0.040</b>	<b>0.08</b>	<b>3,300</b>	<b>200</b>	<b>1,500</b>	
	Measured	Sulphide Copper-Cobalt-Gold	4,149,000	1.23	0.140	0.18				
	Indicated	Sulphide Copper-Cobalt-Gold	1,697,000	1.52	0.140	0.35				
	Inferred	Sulphide Copper-Cobalt-Gold	6,683,000	1.71	ISD	ISD				
	<b>Total</b>	<b>Sulphide Copper-Cobalt-Gold</b>	<b>12,529,000</b>	<b>1.53</b>			<b>191,700</b>	<b>8,200</b>	<b>43,100</b>	
<b>Total Mutooroo</b>			<b>13,127,000</b>				<b>195,000</b>	<b>8,400</b>	<b>44,600</b>	
Kalkaroo <sup>2</sup>	Measured	Oxide Gold Cap	12,000,000			0.82				
	Indicated	Oxide Gold Cap	6,970,000			0.62				
	Inferred	Oxide Gold Cap	2,710,000			0.68				
	<b>Total</b>	<b>Oxide Gold Cap</b>	<b>21,680,000</b>			<b>0.74</b>			<b>515,900</b>	
	Measured	Sulphide Copper-Gold	85,600,000	0.57		0.42				
	Indicated	Sulphide Copper-Gold	27,900,000	0.49		0.36				
	Inferred	Sulphide Copper-Gold	110,300,000	0.43		0.32				
	<b>Total</b>	<b>Sulphide Copper-Gold</b>	<b>223,800,000</b>	<b>0.49</b>		<b>0.36</b>	<b>1,096,600</b>		<b>2,590,300</b>	
	<b>Total Kalkaroo</b>			<b>245,480,000</b>				<b>1,096,600</b>	<b>23,200</b>	<b>3,106,500</b>
	Inferred	Cobalt Sulphide <sup>3</sup>	193,000,000		0.012				23,200	
<b>Total All Projects</b>		<b>All Categories (rounded)</b>	<b>258,607,000</b>				<b>1,291,600</b>	<b>31,600</b>	<b>3,151,100</b>	

\* Based on JORC resources, details released to ASX: <sup>1</sup>. 18 Oct 2010, <sup>2</sup>. 30 Jan 2018 & 7 Mar 2018. The Company confirms that it is not aware of any new information or data that materially affects the resource figures included in the above table and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

<sup>3</sup> Note that the Kalkaroo cobalt Inferred resource is not added to the total tonnage.

ISD means insufficient data

Project*	Classification	Category	Tonnes	Copper %	Cobalt %	Gold g/t	Copper tonnes	Cobalt tonnes	Gold ounces
North Portia <sup>1</sup>	Inferred	Oxide	490,000			1.17			
	<b>Total</b>	<b>Oxide</b>	<b>490,000</b>			<b>1.17</b>			<b>18,400</b>
	Measured	Supergene Sulphide Copper-Gold	3,237,000	0.77	0.015	0.50			
	Indicated	Supergene Sulphide Copper-Gold	480,000	0.53	0.016	0.58			
	Inferred	Supergene Sulphide Copper-Gold	138,000	0.45	0.021	0.44			
	<b>Total</b>	<b>Supergene Sulphide Copper-Gold</b>	<b>3,855,000</b>	<b>0.73</b>	<b>0.015</b>	<b>0.51</b>	<b>28,100</b>	<b>600</b>	<b>63,000</b>
Inferred	Primary Sulphide Copper-Gold	8,610,000	0.85	ISD	0.64				
<b>Total</b>	<b>Total Sulphide</b>	<b>12,465,000</b>	<b>0.81</b>		<b>0.60</b>	<b>101,000</b>	<b>600</b>	<b>240,600</b>	
<b>Total North Portia</b>			<b>12,955,000</b>				<b>101,000</b>	<b>600</b>	<b>259,000</b>

\* Based on JORC resources, details released to ASX: <sup>1</sup>. 24 Nov 2010 & 15 May 2018. The Company confirms that it is not aware of any new information or data that materially affects the resource figures included in the above table and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

ISD means insufficient data

Table summarising the published JORC reserves as of 31 July 2018 cited in this Quarterly Report.

Project*	Category	Tonnage (Mt)	Copper Grade %	Gold Grade g/t	Copper content (Kt)	Gold Content (Koz)
Kalkaroo <sup>1</sup>	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>

\* Based on JORC reserves, details released to ASX: <sup>1</sup>. 18 June 2018. The Company confirms that it is not aware of any new information or data that materially affects the reserve figures included in the above table and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.


**Appendix 5B  
(Unaudited)**
**ASX Quarterly Financial Report**
**For the Quarter Ended 31 July 2018**

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

Havilah Resources Limited

**ABN**

39 077 435 520

**Quarter ended ("current quarter")**

31 July 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	824	4,812
1.2 Payments for		
(a) exploration & evaluation	(347)	(1,383)
(b) development	-	-
(c) production	(41)	(4,441)
(d) staff costs	(881)	(3,546)
(e) administration and corporate costs	(281)	(1,330)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	12	16
1.5 Interest and other costs of finance paid	(71)	(167)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(785)</b>	<b>(6,039)</b>

+ See chapter 19 for defined terms  
1 September 2016

Page 1



**Appendix 5B**  
**Mining exploration entity quarterly report**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(390)
(b) mineral tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	7	28
(b) mineral tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – net proceeds on sale of subsidiary	868	868
<b>2.6 Net cash from / (used in) investing activities</b>	<b>872</b>	<b>506</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	7,502
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(165)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other – Bergen funding agreement	-	(846)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>6,491</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	1,759	888
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(785)	(6,039)

+ See chapter 19 for defined terms  
1 September 2016

Page 2

**Appendix 5B**  
**Mining exploration entity quarterly report**

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	872	506
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	6,491
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,846</b>	<b>1,846</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances (cash on hand and at bank)	1,630	1,318
5.2	Call deposits (cash on deposit)	216	441
5.3	Bank overdrafts	-	-
5.4	Other (Share Capital Trust Account)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,846</b>	<b>1,759</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	155
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Item 6.1 consists of director's fees, salaries and superannuation paid to directors. All transactions are on commercial terms.

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

+ See chapter 19 for defined terms  
1 September 2016

**Appendix 5B**  
**Mining exploration entity quarterly report**

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	200
9.2 Development	-
9.3 Production	-
9.4 Staff costs	700
9.5 Administration and corporate costs	80
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>980</b>

<b>10. Changes in mineral tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Mineral tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mineral tenements lapsed, relinquished or reduced	ML6346 SA	Mining lease owned	100%	Nil
10.2 Interests in mineral tenements acquired or increased	EL5260 SA EL5393 SA	Exploration tenement acquired	Nil	100%

+ See chapter 19 for defined terms  
1 September 2016

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(CEO & Company Secretary)

Date: 31 August 2018.....

Print name: Walter Richards

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

+ See chapter 19 for defined terms  
1 September 2016

## TENEMENT TABLE

Summary of Tenements for Quarter Ending 31 July 2018 (ASX Listing Rule 5.3.3)						
Location	Project Name	Tenement No.	Tenement Name	Registered Owner <sup>1</sup>	% Interest	Status
<b>Tenements held during Quarter Ended 31 July 2018:</b>						
South Australia	Curnamona	EL6211	Cochra	Havilah	100	Current
South Australia	Curnamona	EL5369	Lake Charles	Havilah	100	Current
South Australia	Curnamona	EL5370	Yalkalpo	Curnamona	100	Current
South Australia	Curnamona	EL5393	Mingary	Exco, Polymetals <sup>2</sup> /Havilah	100	Current
South Australia	Curnamona	EL5396	Olary	Havilah	100	Current
South Australia	Curnamona	EL5420	Lake Namba	Havilah	100	Current
South Australia	Curnamona	EL5421	Swamp Dam	Havilah	100	Current
South Australia	Curnamona	EL5422	Telechie	Havilah	100	Current
South Australia	Curnamona	EL5423	Yalu	Havilah	100	Current
South Australia	Curnamona	EL5437	Woodville Dam	Havilah	100	Current
South Australia	Curnamona	EL5448	Carnanto	Havilah	100	Current
South Australia	Curnamona	EL5463	Prospect Hill South	Havilah	100	Current
South Australia	Curnamona	EL5476	Lake Yandra	Havilah	100	Current
South Australia	Curnamona	EL5478	Tarkarooloo	Havilah	100	Current
South Australia	Curnamona	EL5488	Eurinilla	Havilah	100	Current
South Australia	Curnamona	EL5502	Collins Tank	Havilah	100	Current
South Australia	Curnamona	EL5505	Lake Frome	Havilah	100	Current
South Australia	Curnamona	EL5578	Kalabity	Havilah	100	Current
South Australia	Gawler Craton	EL5579	Sandstone	Havilah	100	Current
South Australia	Curnamona	EL5593	Billeroo West	Havilah	100	Current
South Australia	Curnamona	EL5703	Bundera	Havilah	100	Current
South Australia	Curnamona	EL5753	Mutooroo Mine	Havilah	100	Current
South Australia	Curnamona	EL5754	Mundi Mundi	Havilah	100	Current
South Australia	Curnamona	EL5755	Bonython Hill	Havilah	100	Current
South Australia	Curnamona	EL5760	Bumbarlow	Havilah	100	Current
South Australia	Curnamona	EL5764	Maljanapa	Havilah	100	Current
South Australia	Curnamona	EL5785	Moko	Havilah	100	Current
South Australia	Curnamona	EL5800	Kalkaroo	Havilah	100	Current
South Australia	Curnamona	EL5801	Mutooroo West	Havilah	100	Current
South Australia	Curnamona	EL5802	Mulyungarie	Havilah	100	Current
South Australia	Curnamona	EL5803	Telechie North	Havilah	100	Current
South Australia	Curnamona	EL5824	Coolibah Dam	Havilah	100	Current
South Australia	Curnamona	EL5831	Bonython Hill (2)	Havilah	100	Current
South Australia	Curnamona	EL5848	Mingary (2)	Havilah	100	Current
South Australia	Curnamona	EL5853	Oratan	Havilah	100	Current
South Australia	Curnamona	EL5873	Benagerie	Havilah	100	Current
South Australia	Curnamona	EL5882	Mutooroo (2)	Havilah	100	Current
South Australia	Curnamona	EL5891	Prospect Hill	Teale & Brewer <sup>3</sup>	65	Current
South Australia	Curnamona	EL5903	Border Block	Havilah	100	Current
South Australia	Curnamona	EL5904	Mundaerno Hill	Havilah	100	Current
South Australia	Curnamona	EL5915	Emu Dam	Havilah	100	Current
South Australia	Curnamona	EL5940	Coonarbine	Havilah	100	Current
South Australia	Curnamona	EL5951	Jacks Find	Curnamona	100	Current
South Australia	Curnamona	EL5952	Thurlooka	Curnamona	100	Current
South Australia	Curnamona	EL5956	Wompinie	Havilah	100	Current
South Australia	Curnamona	EL5964	Yalkalpo East	Curnamona	100	Current
South Australia	Curnamona	EL5966	Moolawatana	Curnamona	100	Current
South Australia	Gawler Craton	EL6014	Pernatty	Red Metal, Havilah <sup>4</sup>	12.6	Current
South Australia	Curnamona	EL6041	Cutana	Havilah	100	Current
South Australia	Curnamona	EL6054	Bindarra	Havilah	100	Current
South Australia	Curnamona	EL6056	Frome	Havilah	100	Current
South Australia	Curnamona	EL6099	Lake Carnanto	Havilah	100	Current
South Australia	Curnamona	EL6161	Chocolate Dam	Havilah	100	Current
South Australia	Curnamona	EL6163	Mutooroo South	Havilah	100	Current
South Australia	Curnamona	EL6164	Cootabarlow	Havilah	100	Current
South Australia	Curnamona	EL6165	Poverty Lake	Havilah	100	Current
South Australia	Curnamona	EL6194	Bundera Dam	Havilah	100	Current
South Australia	Curnamona	ELA2018/00090	Watsons Bore	Havilah	100	Application*
South Australia	Curnamona	ELA2018/00115	Kidman Bore	Havilah	100	Application*

Location	Project Name	Tenement No.	Tenement Name	Registered Owner <sup>1</sup>	% Interest	Status
South Australia	Portia	ML6346	Portia	Benagerie <sup>5</sup>	100	Current
South Australia	Kalkaroo	MC3826	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MC3827	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MC3828	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MC4368	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MC4369	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MPLA T02680	Kalkaroo	Kalkaroo	100	Application
South Australia	Kalkaroo	MPLA T02978	Kalkaroo	Kalkaroo	100	Application
South Australia	Maldorky	MC4271	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4272	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4273	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4274	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4364	Maldorky	Maldorky	100	Current
South Australia	Mutooroo	ML5678	Mutooroo	Mutooroo	100	Current
South Australia	Mutooroo	MC3565	Mutooroo	Mutooroo	100	Current
South Australia	Mutooroo	MC3566	Mutooroo	Mutooroo	100	Current
South Australia	Frome	GEL181	Frome	Geothermal	100	Current
<b>Tenements disposed during Quarter Ended 31 July 2018:</b>						
South Australia	Portia	ML6346	Portia	Benagerie <sup>5</sup>	100	Current
South Australia	Curnamona	EL5965	Billeroo	Curnamona	100	Relinquished
South Australia	Curnamona	EL5420	Lake Namba	Havilah	100	Partial Relinquishment
South Australia	Curnamona	EL5423	Yalu	Havilah	100	Partial Relinquishment
South Australia	Curnamona	EL5463	Prospect Hill South	Havilah	100	Partial Relinquishment
South Australia	Curnamona	EL5478	Tarkarooloo	Havilah	100	Partial Relinquishment
South Australia	Curnamona	EL5593	Billeroo West	Havilah	100	Partial Relinquishment
South Australia	Curnamona	EL5785	Moko	Havilah	100	Partial Relinquishment
South Australia	Curnamona	EL5802	Mulyungarie	Havilah	100	Partial Relinquishment
South Australia	Curnamona	EL5824	Coolibah Dam	Havilah	100	Partial Relinquishment
South Australia	Curnamona	EL5831	Bonython Hill (2)	Havilah	100	Partial Relinquishment
South Australia	Curnamona	EL5903	Border Block	Havilah	100	Partial Relinquishment
South Australia	Curnamona	EL5915	Emu Dam	Havilah	100	Partial Relinquishment
South Australia	Curnamona	EL6056	Frome	Havilah	100	Partial Relinquishment
<b>Note 1</b>						
<i>Havilah:</i>	<i>Havilah Resources Limited</i>					
<i>Curnamona:</i>	<i>Curnamona Energy Pty Limited, a wholly owned subsidiary of Havilah Resources Limited</i>					
<i>Benagerie:</i>	<i>Benagerie Gold Pty Limited, a wholly owned subsidiary of Havilah Resources Limited</i>					
<i>Kalkaroo:</i>	<i>Kalkaroo Copper Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited</i>					
<i>Lilydale:</i>	<i>Lilydale Iron Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited</i>					
<i>Maldorky:</i>	<i>Maldorky Iron Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited</i>					
<i>Mutooroo:</i>	<i>Mutooroo Metals Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited</i>					
<i>Geothermal:</i>	<i>Geothermal Resources Pty Limited, a wholly owned subsidiary of Havilah Resources Limited</i>					
<i>Exco, Polymetals:</i>	<i>Exco Operations (SA) Ltd, Polymetals (White Dam) Pty Ltd</i>					
<i>Red Metal:</i>	<i>Red Metal Limited</i>					
<i>Teale &amp; Brewer:</i>	<i>Teale and Associates Pty Ltd, Adrian Mark Brewer</i>					
<b>Note 2</b>						
<i>During the quarter EL5393 was purchased from Exco/Polymetals</i>						
<b>Note 3</b>						
<i>Agreement - farm-in to earn 85% interest in tenement</i>						
<b>Note 4</b>						
<i>Agreement - farm-in to dilute to 10%</i>						
<b>Note 5</b>						
<i>During the quarter ML6346 was sold to CMC</i>						
<i>* Denotes a change in the quarter.</i>						

## COMPETENT PERSON & FORWARD-LOOKING STATEMENT

### Competent Person Statement

The information in this Quarterly Report that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on data compiled by geologist, Dr Chris Giles, a Competent Person who is a member of The Australian Institute of Geoscientists. Dr Giles is a Director of the Company and is employed by the Company on a consultancy agreement. Dr Giles has sufficient experience, which is relevant to the style of mineralisation and type of deposit and activities described herein, 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 this report of the matters based on his information in the form and context in which it appears. Information for the Kalkaroo resource and part of the North Portia resource complies with the JORC Code 2012. All other information was prepared and first disclosed under the JORC Code 2004 on the basis that the information has not materially changed since it was last reported.

### Forward-Looking Statement

This Quarterly Report prepared by Havilah Resources Limited includes forward-looking statements. Often, but not always, forward-looking statements can generally be identified by the use of forward-looking words such as 'may', 'will', 'expect', 'intend', 'plan', 'estimate', 'anticipate', 'continue', and 'guidance', or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward-looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward-looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward-looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward-looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements in this Quarterly Report speak only at the date of issue. Subject to any continuing obligations under applicable law or the ASX listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

### Registered Office and Principal Place of Business

Address: 164 Fullarton Road  
Dulwich, South Australia 5065  
Telephone: +61 (08) 8155 4500  
Website: [www.havilah-resources.com.au](http://www.havilah-resources.com.au) Email: [info@havilah-resources.com.au](mailto:info@havilah-resources.com.au)