ASX MEDIA RELEASE

Havilah Resources
A New Mining Force in South Australia

29 January 2019

486m Iron Ore Intersection in Grants Basin Drilling

HIGHLIGHTS

- **Grants Iron Ore Basin diamond drillhole GBDD014 has been completed at a final depth of 624.4m.**
- **The hole has intersected a significant 486m downhole thickness of iron bearing sequence based on a combination of handheld Niton XRF analyses, magnetic susceptibility readings and geological logging.**
- **Systematic handheld Niton XRF (NT_XRF) analyses produces a downhole intersection of 486m @ 24.06% iron (Fe) (from 127m to 613m).**

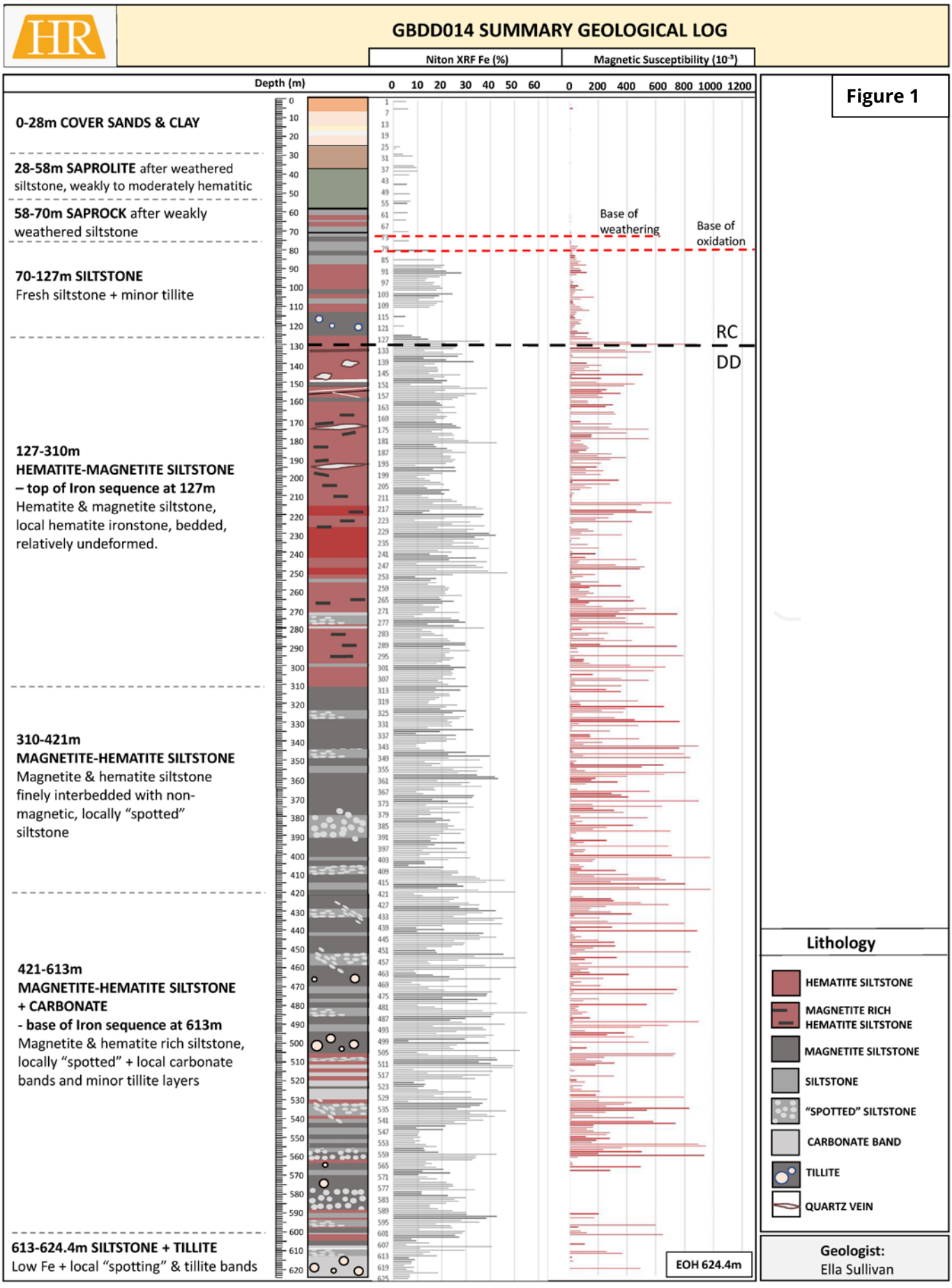
Havilah Resources Limited (**Havilah**) is pleased to report that diamond drillhole GBDD014 at Havilah's Grants Iron Ore Basin Project has recently been completed at a final depth of 624.4m.

The diamond drillhole has provided the first interpreted full thickness intersection of the Grants Basin iron bearing sequence, as well as providing material for preliminary metallurgical testwork from this new discovery. The hole will also provide partial twinned hole drill data for the adjacent GBRC008 (316 metres total depth) to compare reverse circulation (RC) data with drill core data.

Summary Geology (based on logging of RC chips to 129.5m then HQ3 core to 624.4m end of hole)

From (m)	To (m)	Lithology
0	28	Cover sands and clay (Quaternary + Tertiary)
28	58	**Top of Adelaidean basement**. Saprolite after weathered siltstone, weakly hematitic, low Fe
58	70	Saprock after weakly weathered Siltstone, weakly hematitic, low Fe
70	127	Fresh Siltstone, minor hematite + magnetite, minor tillite near base, low Fe
127	310	**Top of Iron (Fe) sequence** Hematite - magnetite Siltstone, local hematite Ironstone, bedded, relatively undeformed
310	421	Magnetite - hematite Siltstone, locally "spotted"
421	499	Magnetite - hematite Siltstone, locally "spotted", local carbonate bands
499	505	Magnetite - hematite Siltstone, locally "spotted", local carbonate bands, local tillite layers
505	567	Magnetite - hematite Siltstone, locally "spotted", local carbonate bands
567	585	Magnetite - hematite Siltstone, locally "spotted", local carbonate bands, local tillite layers
585	613	Magnetite - hematite Siltstone, locally "spotted", local carbonate bands. **Base of Iron (Fe) sequence at 613m**
613	624.4	Low Fe siltstone, weakly magnetic, local spotting and local tillite bands

See Figure 1 below for a graphic geological log of the drill hole with Niton XRF Fe values and magnetic susceptibility readings displayed.


GBDD014 SUMMARY GEOLOGICAL LOG
Niton XRF Fe (%)
Magnetic Susceptibility (10⁻³)
Depth (m)
0 10 20 30 40 50 60
0 200 400 600 800 1000 1200
0-28m COVER SANDS & CLAY
28-58m SAPROLITE after weathered siltstone, weakly to moderately hematitic
58-70m SAPROCK after weakly weathered siltstone
70-127m SILTSTONE
Fresh siltstone + minor tillite
127-310m
HEMATITE-MAGNETITE SILTSTONE
– top of Iron sequence at 127m
Hematite & magnetite siltstone, local hematite ironstone, bedded, relatively undeformed.
310-421m
MAGNETITE-HEMATITE SILTSTONE
Magnetite & hematite siltstone finely interbedded with non-magnetic, locally "spotted" siltstone
421-613m
MAGNETITE-HEMATITE SILTSTONE + CARBONATE
- base of Iron sequence at 613m
Magnetite & hematite rich siltstone, locally "spotted" + local carbonate bands and minor tillite layers
613-624.4m SILTSTONE + TILLITE
Low Fe + local "spotting" & tillite bands
Base of weathering
Base of oxidation
RC
DD
EOH 624.4m
Figure 1
Lithology
HEMATITE SILTSTONE
MAGNETITE RICH HEMATITE SILTSTONE
MAGNETITE SILTSTONE
SILTSTONE
"SPOTTED" SILTSTONE
CARBONATE BAND
TILLITE
QUARTZ VEIN
Geologist:
Ella Sullivan

This drilling is part of a comprehensive program of work currently being performed and funded by SIMEC Mining (an affiliate of the GFG Alliance) as part of their due diligence investigation of the commercialisation potential of Havilah's Maldorky and Grants iron ore projects. The drilling program was implemented and supervised by Havilah personnel.

Drilling was completed by MJ Drilling using a UDR650 drill rig. The HQ3 sized diamond cored hole used the existing reverse circulation (RC) hole GBRC006 (~130m total depth) as a precollar to drill to the final depth of 624.4m. The core has been logged in detail, photographed and will shortly be transported to SIMEC's Whyalla facilities for core cutting and laboratory analysis.

Core to bedding angles suggest an average bedding dip of approximately 35 degrees at this location, which, if correct, would indicate a true thickness of the iron sequence of approximately 450 metres (see cross section, Figure 4). Further drilling is required to verify this interpretation and to gain a better appreciation of the likely basin geometry. Notwithstanding this, the drilling results to date have been supportive of Havilah's original exploration concept and drill targeting.

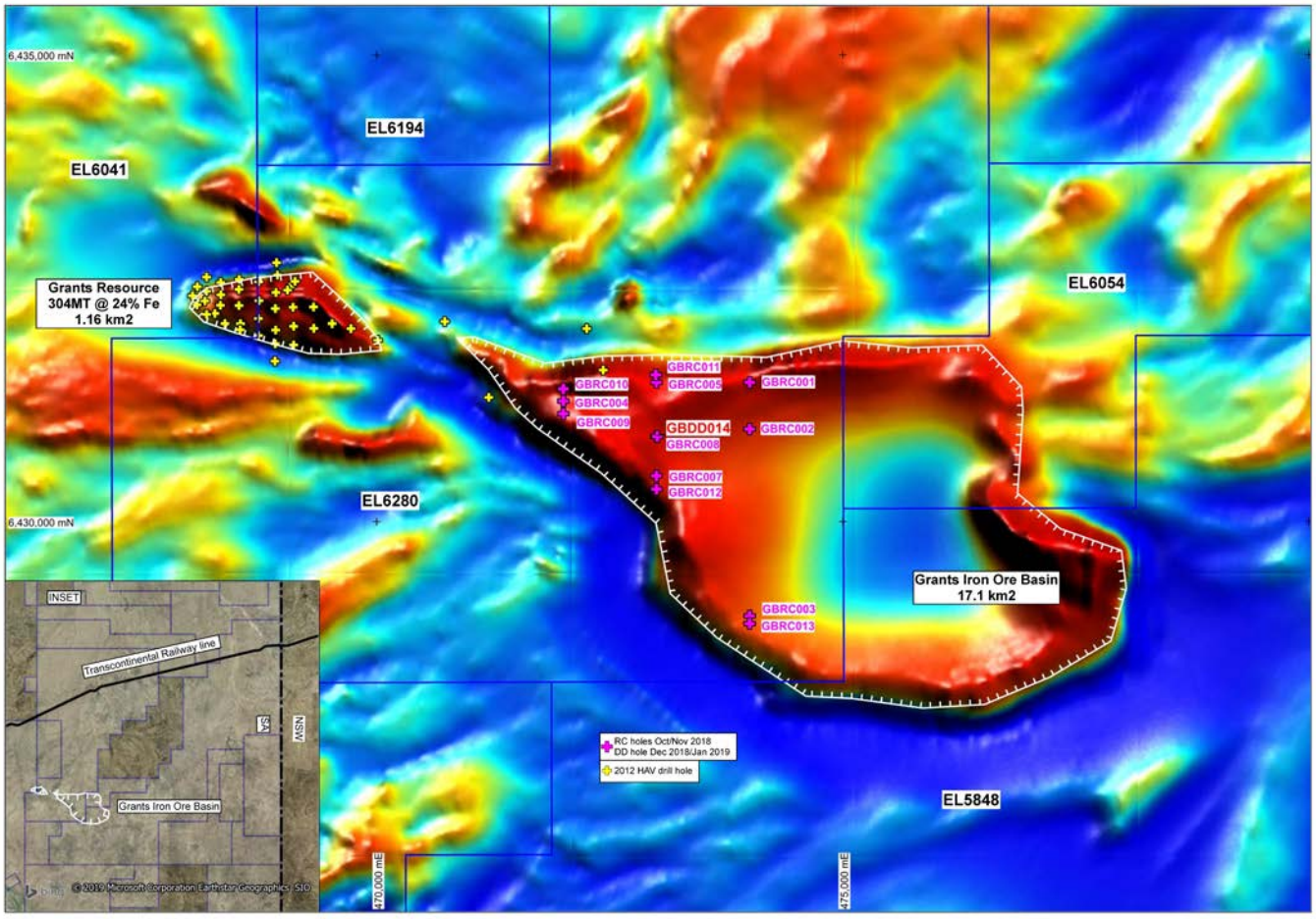


Figure 2: Overview map showing the recently completed diamond hole GBDD014 (centre of image) and previously completed RC drill holes in the Grants Iron Ore Basin on magnetic image showing the interpreted surface expression of the basin and the existing Grants Resource outline and drill holes.

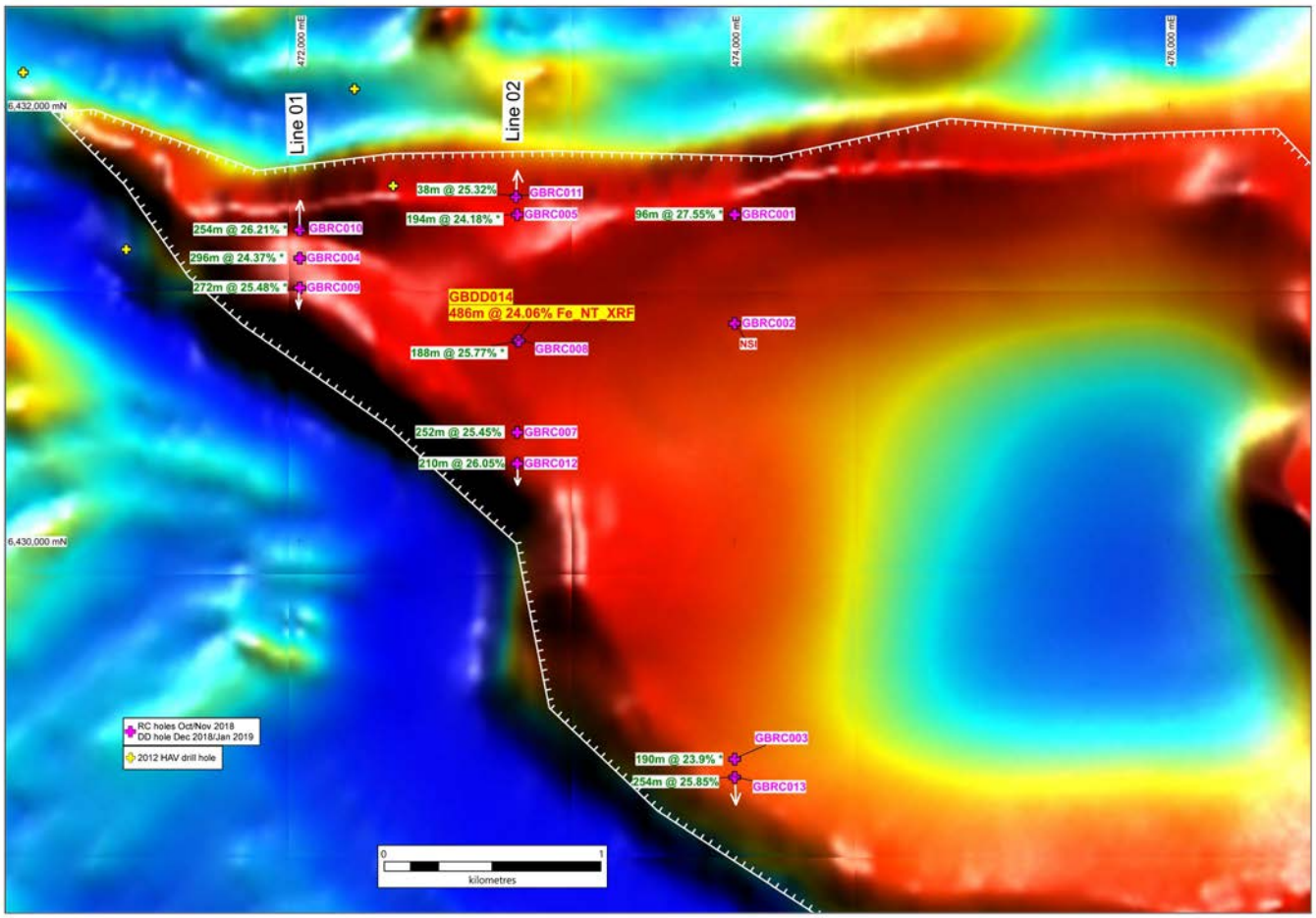


Figure 3: Zoomed in view of recently completed diamond hole GBDD014 and its drill intersection calculated using handheld Niton results (red text) and previously completed RC drill holes and iron intersections calculated using final laboratory results (green text) on magnetic image also showing the interpreted surface expression of the Grants Iron Ore Basin. Note "NSI" = no significant intersection, * = ended in iron sequence.

The Niton XRF Fe analyses of the drill core, while generally consistent with laboratory Fe assays in the adjacent GBRC008 RC drillhole, should not be relied upon as there are inherent uncertainties in XRF analyses of non-pulverised diamond drill core sample. At this stage the Niton-based intersection of 486m @ 24.06% Fe in drillhole GBDD014 should be regarded as a preliminary indicative estimate of the diamond drill intersection. Laboratory assay results will be reported when made available by SIMEC Mining and will provide a more accurate and reliable grade estimate of the intersection interval.

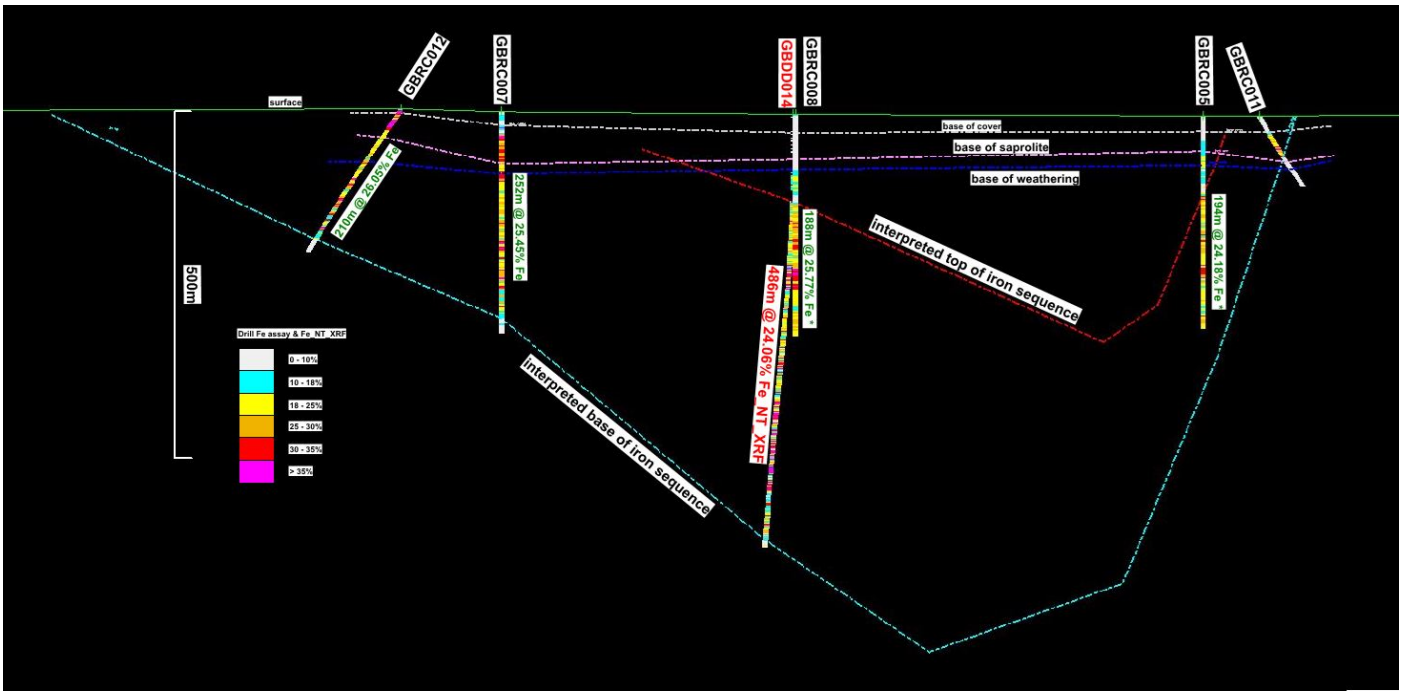


Figure 4: Drill cross section of Line 02 looking west showing the recently completed diamond cored hole GBDD014 and associated drill intersection calculated using handheld Niton Fe results (red text). Also shown are RC drill holes and iron intersections calculated using final laboratory results (green text) and interpreted shallower dip of iron sequence on southern side of basin. Full width of iron ore basin at surface is interpreted to be ~1,700m. Note the same colour legend has been used for the RC Fe assays and the handheld Niton XRF Fe values of the drill core to allow for comparison.

Figure 5: Site photo of recently completed diamond hole GBDD014.

Commenting on the drilling results, Havilah's technical director, Dr Chris Giles said:
"The 486 metre continuous intersection of iron formation with an indicative grade in excess of 24% iron is a truly amazing result by any standards.
"Considering this drillhole is located at the far western end of the Grants Basin (as indicated by the aeromagnetics), one can get an appreciation of the potential scale of this discovery.
"So far the drilling is supporting our original geological concepts, although a lot more drilling is required before we will be able to build a complete 3D picture of the basin geometry.
"We are appreciative of SIMEC Mining's support in funding such a deep hole and once again their judgement has been vindicated.
"The drillcore will provide sufficient sample for preliminary metallurgical analysis of the Grants Basin iron ore as part of SIMEC Mining's ongoing due diligence studies" 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.

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 and Mineral Resources 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.

Drilling Data

Hole_ID	GDA_E	GDA_N	RL	Azimuth	Dip	EOH_depth	Iron (Fe) intersections (based on Niton XRF)
GBDD014	473002.99	6430918.40	215.36	360	-90	624.4m	**486m @ 24.06% Fe_NT_XRF**

For further information visit www.havilah-resources.com.au
Contact: Dr Chris Giles, Technical Director, on (08) 8155-4500 or email: info@havilah-resources.com.au

APPENDIX 1: TABLE 1 OF THE 2012 EDITION OF THE JORC CODE

The table below is a description of the assessment and reporting criteria for the Grants Iron Ore Basin drilling program results, in accordance with Table 1 of The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	• Handheld Niton XRF readings were taken at a rate of three separate readings per metre of drill core and averaged into a single reading per metre. Approximately 1,490 separate readings of the drill core were collected.
Drilling techniques	• MJ Drilling completed the drillhole using a multipurpose UDR650 drill rig and HQ3 (triple tube) drill rods and equipment to maximise core recovery.
Drill sample recovery	• Drill core recovery was excellent at 100%.
Logging	• The drill core was logged in detail by an experienced geologist directly into a tablet with logging software. Data was then uploaded into an Excel spreadsheet database. • Logging is semi-quantitative and 100% of reported intersections have been logged. • Logging is of a sufficiently high standard to support any subsequent interpretations, resource estimations and mining and metallurgical studies.
Sub-sampling techniques and sample preparation	• No sample preparation has been completed to date. Handheld Niton XRF readings were undertaken on whole drill core.
Quality of assay data and laboratory tests	• Handheld XRF readings were collected using a Niton XL3t 500 unit. • XRF readings were collected by analysing drill core directly. XRF data was collected at a rate of three separate 15 second readings per metre of drill core and averaged into a single reading per metre. • Certified iron standards were analysed at the start of each session to check the accuracy of the XRF unit. • The reported Niton XRF Fe results are regarded as being indicative, and, based on previous experience, are expected to be within 10% of the final laboratory assay Fe results.
Verification of drilling sampling and assaying	• Certified iron standards were analysed at the start of each session to check the accuracy of the XRF unit. • All data entry is under control of an experienced geologist, who is responsible for data management, storage and security.
Location of drillholes	• Downhole surveys were completed using a gyroscopic survey tool due to the magnetic nature of the iron sequence. The survey was completed by Borehole Wireline with readings collected at 30m intervals. • The drillhole collar was located using a DGPS (Omnistar HP signal with ±0.1m accuracy x:y:z) and are quoted in GDA94 datum coordinates.
Data spacing and distribution	• The objective of this single diamond drill hole was to test the thickness of Grants Iron Ore Basin iron bearing sequence, provide partial twinned hole data and to provide material for preliminary metallurgical testwork on Grants Iron Ore Basin material.
Orientation of data in relation to geological structure	• The drillhole azimuth and dip was chosen to intersect the interpreted shallow dipping iron formation as close as possible to right angles to maximize the value of the drilling data. • The hole was drilled vertically into an interpreted shallowly north dipping sequence. • At this stage, no material sampling bias is known to have been introduced by the drilling direction.
Sample security	• Not applicable as no physical samples have been collected to date.
Audits, reviews	• None completed to date.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	• All drilling was undertaken on Havilah Resources 100% owned Exploration Licence EL 6280 (formerly EL 5393), "Mingary".
Exploration done by other parties	• There has been limited previous shallow, AC, RC and open hole percussion drilling carried out on the prospect by BHP, MIM and Havilah.
Geology	• Stratiform iron formation belonging to the Braemar Iron Formation of Adelaidean age. The sequence has been folded into a basin shape during deformation. The Adelaidean sequence is overlain by a cover sequence of 2 to 36m of Tertiary/Quaternary clays, grits and sand. The iron sequence is completely weathered to ~50-70m with the base of weathering at ~70-90m. The iron bearing sequence includes magnetite-hematite siltstones and magnetite-hematite ironstones. The iron bearing sequence is overlain by a quartz-biotite siltstone and underlain by tillites and quartzite. There is locally developed surficial lateritic iron enrichment where the iron sequence outcrops, which was the focus of mining in the late 1800s and early 1900s.
Drill hole Information	• See separate table in this report.
Data aggregation methods	• The reported drill intersection was calculated using a simple average of handheld Niton XRF results as all results are from single metres. Minimum grade truncations are applied (15% Fe cut off with intervals of up to 8 continuous metres of sub 15% Fe internal dilution).
Relationship between mineralisation widths and intercept lengths	• Down-hole lengths are reported. The drillhole was oriented with the objective of intersecting mineralisation as close as possible to right angles, and therefore the down-hole intersection is estimated to be close (within 10-15%) to the interpreted true width.
Diagrams	• Included figures show the location of the drillhole and a table of drillhole data is attached.
Balanced reporting	• All results to date are reported.
Other substantive exploration data	• Minimal substantive exploration data exists for this prospect.
Further work	• The drill core will need be cut and assayed at a laboratory. • Further work is planned but will depend on the results of the laboratory assays from this hole and a more detailed analysis and interpretation of this hole and the recent RC drilling program.