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ASX / Media Release

11 October 2013

Maldorky Iron Ore Mining Lease Proposal Submitted

Havilah Resources is pleased to report that this week it submitted a Mining Lease Proposal document (MLP) to the Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) in support of its application for a mining lease over its proposed Maldorky Iron Ore Mine.

Further details of the proposed mining operation as outlined in the MLP are provided in the attached Information Sheet.

Dr K R Johnson
CHAIRMAN

Enquiries should be directed to Dr Bob Johnson, Chairman, on (08) 8338 9292



HAVILAH RESOURCES NL



Havilah Resources NL (Havilah) 100% owned proposed Maldorky Iron Ore Mine (Maldorky Mine) is located in northeastern South Australia, about five hours drive from Adelaide. The Maldorky deposit is a new discovery by Havilah, and has the highest grade and most favourable mining geometry of all recent discoveries in the Braemar iron ore province. It is located only 26km south of the transcontinental railway.

Maldorky will be a New Premier Iron Ore Mine in South Australia

Production Rate	Planned ramp up to 2 Mtpa of premium quality, low impurity saleable product
Mine Life	20+ years based on JORC Indicated Resource 147 Mt @ 30% Fe
Operating Costs (Total)	Estimated A\$66/tonne on ship
Capex	Preliminary estimate A\$60-70m using existing rail and port infrastructure, equipment leasing, contract mining

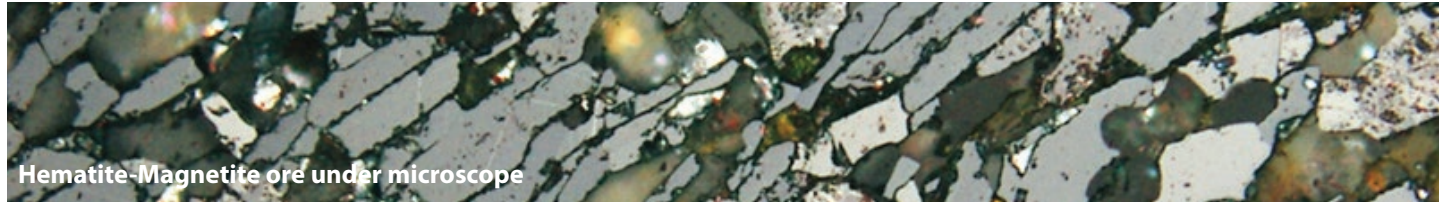


The Maldorky Mine will be an open cut mining operation producing a combined magnetite-hematite iron ore concentrate. Initially the concentrate will be shipped via existing rail and port facilities in order to minimise upfront capital expenditure. The iron ore mined contains an average 30% iron and will be upgraded on site via a gravity and magnetic separation process to a grade of >62% iron. The saleable product will be loaded into rotainers and hauled by road train 26km to a newly constructed railway loading loop at Cutana, where it will be loaded onto a train and transported to Port Adelaide for shipment overseas.

It is Havilah's intention to commence production at Maldorky during the second half of 2015, subject to timely receipt of mine operating permits, financing and satisfactory resolution of other key development issues. It is planned that production will ramp up from 1 Mtpa (of saleable product) in Year 1 to 1.5 Mtpa in Year 2 and 2 Mtpa in Year 3 and thereafter. Further increase in production can be supported by available resources, but is dependent on expansion of shipping facilities.

Highly favourable mining economics compared to Braemar peers:

- Highest grade primary ore: 30.1% Fe (other projects 15.5 - 23% Fe)
- Minimal overburden: 0-5m thickness only
- Softest ore: just over half the average hardness of other deposits
- Lowest waste:ore ratio of 1:12 compared with up to 1.5:1 for other deposits
- Ideal open pit mining geometry: horizontal slab as opposed to vertical beds
- Closest to rail line: 26km
- Work force will be transported daily by bus from Broken Hill

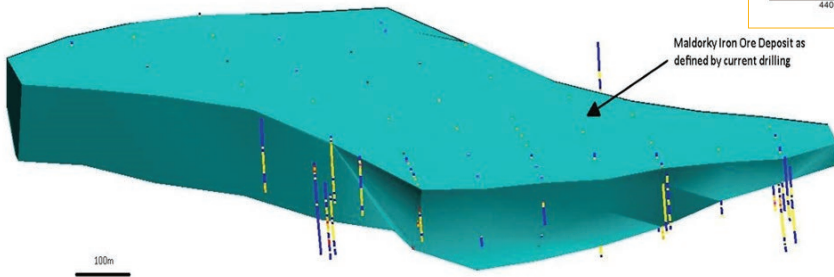
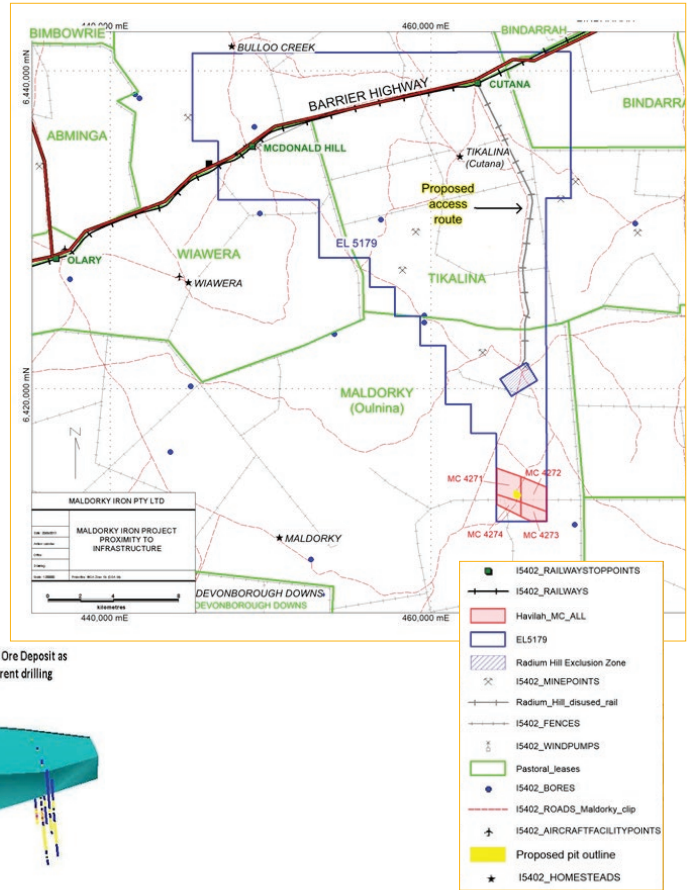


Maldorky Iron Ore Mine Approvals

Mining Lease Proposal (MLP)

Havilah has recently lodged a MLP, which is the key document in support of a Mining Lease application, with the Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE). This document specifies details of the mining operations that Havilah proposes to carry out. It will now be rigorously evaluated by DMITRE assessment staff against a list of key requirements under the Mining Act and associated regulations.

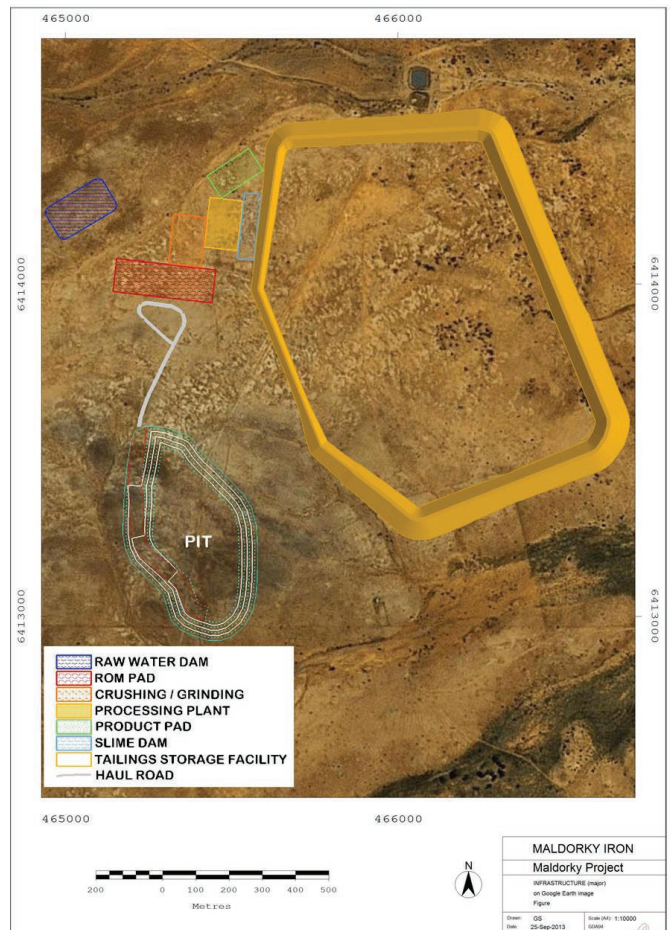
The current mining proposal is for a 5 year mining plan, in which 24 million tonnes of iron ore will be mined to produce 8.5 million tonnes of saleable concentrate. The mining proposal will be revised to cater for expanded mining rate beyond five years, subject to available infrastructure capacity.



Mining Lease Proposal Requirements

The Mining Act and associated regulations and guidelines clearly outline what is required to be covered in the MLP document, including:

- A detailed description of the proposed mining and processing operations.
- Details of the existing environment, including baseline flora and fauna surveys, groundwater studies.
- A description of the impacts on the local social, economic and physical environment from the proposed mining operation, and the measures to be taken to manage, limit or mitigate those potential impacts.
- A statement of the proposed outcomes expected to be met during construction and operation of the mine and during rehabilitation and post mine closure.
- A draft statement of the criteria to be used to measure the proposed environmental outcomes as applied by the regulatory authorities.



Maldorky Iron Ore Mine Project next steps:

- Preparation of Program for Environmental Protection and Rehabilitation (PEPR) document, required to obtain mine operating approvals from DMITRE and EPA.
- Construction of pilot plant on site to test the proposed processing flow sheet.
- Confirmation of adequate water supply for processing.
- Detailed estimation of capex and opex costs and investigation of project financing options.

Frequently Asked Questions

How many people will the operation require?

There will be approximately 55 full-time employees required by the operation during the life of the mine.

How will the workers get to the site?

Havilah plans to bus its workers to site from the major regional centre of Broken Hill, which lies one hour drive to the northeast.

What effect will there be on local residents?

The area is sparsely populated pastoral grazing country. The mine site will not be visible from any station homesteads or any public roads. Owing to the distance it is unlikely that any mine-related noise will be heard in areas presently accessible to the public.

Is there any previous history of mining in the area?

Maldorky is a new discovery made by Havilah's geologists and has not been mined. It lies just 8km south of the famous Radium Hill uranium mine that was operated in the 1950s by the SA government. Iron ore was mined as flux for the Broken Hill smelters in the 1890s at the extensive Grants iron ore quarries that lie roughly 18km north of Maldorky.

How will the existing environmental values be preserved?

Baseline flora and fauna surveys show the area does not have high conservation value in terms of rare and endangered species. Strict environmental guidelines require that all surface disturbance be kept to a minimum, and that best practice rehabilitation returns the land to as near to its natural state as is practically possible.

What will the land be used for after mining?

The land will revert to its original grazing use.

Will the operation have an impact on groundwater?

The groundwater encountered in boreholes at Maldorky to date is highly saline and not suitable for stock or human consumption. Dewatering of the open pit will temporarily lower the water table in a localised area surrounding the mine.

Potential Benefits

The Maldorky Mine is expected to result in a significant range of benefits for the local and regional area and for the State of South Australia in general.

- Social benefits include employment and training, and improved infrastructure and services.
- Economic benefits include project expenditure and investment in infrastructure, taxes, royalty payments and salaries from created jobs and indirectly generated jobs.
- Havilah will provide employment and training opportunities to the Wilyakali people who have lodged a Native Title claim over the area.
- Havilah has traditionally supported a wide range of community events in the region and will be pleased to expand this as its income grows.
- Over the life of the Maldorky Mine, it is likely that the majority of the workforce will be drawn from the mid-north and northeastern SA and Broken Hill, where new employment opportunities are currently limited.
- Ultimately, grid power is likely to be extended to the Maldorky Mine, which will help stimulate further regional development.
- Environmental benefits include best practice mine rehabilitation including increased area for native vegetation, provision of significant increase in environmental knowledge from collection of baseline data and improving the understanding of biodiversity, native vegetation and landscape values for the region.

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