

*Havilah Resources NL aims to become a significant new producer of iron ore, copper, gold, cobalt, molybdenum and tin from its 100% owned JORC mineral resources in northeastern South Australia.*

*120.3 million ordinary shares*

*21 million listed options*

*9 million unlisted options*



## KALKAROO PROJECT STATUS UPDATE

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### HIGHLIGHTS

- **Kalkaroo shallow aircore drilling program results being incorporated into an updated resource model and revised starter open pit mine design.**
  - **Key engineering work for the Mining Lease Proposal in progress with focus on tailings storage facility design, updated groundwater model, processing study, laser site survey.**
  - **Scoping studies to determine financial returns of the starter open pit design.**
  - **Negotiation of native title mining agreement with the Adnyamathanha people.**
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### Aircore Drilling Program and Financial Model

Havilah (ASX : HAV) shallow aircore drilling program at West Kalkaroo is drawing to a close and has successfully achieved its objectives of outlining shallow Tertiary gold mineralisation and confirming expected gold and copper grades in the gold saprolite and native copper zones, with most recent results including :

**KKAC459** : 61m of 1.2 g/t Au (73-134m) – including 21m of 0.63% Cu from 95-116m.

**KKAC460** : 13m of 3.4 g/t Au (83-96m)

**KKAC464** : 17m of 3.5 g/t Au and 0.78% Cu (77-94m)

At the eastern and western ends of the conceptual open pit the Tertiary clay hosted gold mineralisation appears to diminish and be replaced at slightly greater depth by economic grades of gold mineralisation in the upper saprolite bedrock and at the contact between the Tertiary cover sequence and the bedrock. Overall about 200 drillholes have been completed by Havilah in the West Kalkaroo area and the preliminary resource model shows excellent consistency and continuity between the previous drilling and the current round of aircore drilling

The new drilling results are presently being incorporated into a new resource and mining model specifically for the stage 1 to 4 open pit mine design at West Kalkaroo. The viability of the starter open pit will be determined by the economic model generated from this new drilling and mining data. Processing plant capital and operating cost inputs for the financial model are being provided by a processing engineering consultant. Assistance in constructing and testing the financial model is also being provided by an experienced Adelaide-based mining finance consultant.

### Mining Lease Proposal (MLP)

Havilah is presently undertaking a number of engineering studies in order to provide key information to allow completion of the MLP document, which is required to be submitted to DMITRE in support of the

Kalkaroo mining lease application. These studies, being largely conducted by well-credentialed consultants, with assistance from Havilah personnel, include :

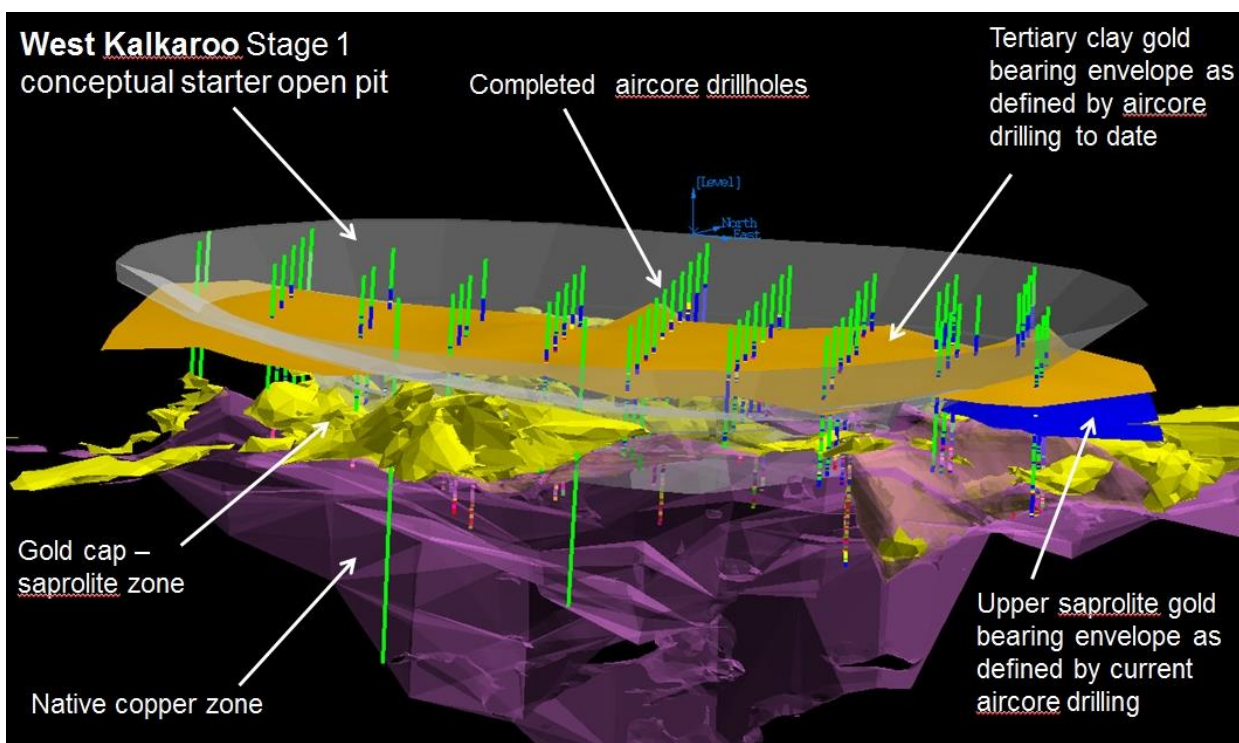
- design of the tailings storage facility (incorporating recent seepage modelling and tailings physical and chemical characterisation testwork);
- updated groundwater model to reflect expected dewatering yields in the conceptual open pit design (based on re-modelling of previous comprehensive hydrological data);
- waste rock characterisation;
- laser scanning survey to produce an extremely detailed and accurate topographic base over the entire area of planned mining and related infrastructure.
- processing study to optimise plant throughput rates, provide updated OPEX and CAPEX expenditure estimates and develop detailed processing mass, power, water and reagent usage balances for the project.

The initial scope of the project will be for a five year production period, low capital start up mining operation that draws most revenue from processing the softer, higher grade oxidised ore material. The objective is to generate adequate returns to fund construction of the larger scale and longer term predominantly sulphide treatment operation.

The MLP document is being compiled by a Havilah employee who is dedicated to this task. The aim is to have the MLP document ready for submission and assessment during the first quarter of next year, subject to timely receipt of all consultants' reports and other key data.

### Native Title Mining Agreement (NTMA)

Under South Australian mining regulations, a mining lease will not be granted by DMITRE until such times as a NTMA is negotiated with the Native Title Claimants and registered with DMITRE. Accordingly, Havilah has prepared a draft mining agreement for Kalkaroo that was recently presented by Chris Giles to a meeting of the senior Adnyamathanha people in Hawker. The meeting resolved that Havilah should employ an independent mineral economist to evaluate the compensation proposal in the draft agreement, who would then be required to report back to the Claimants on the appropriateness and fairness of the proposal. This work will commence once the final revised economic model has been generated.



*Conceptual Stage 1 starter open pit design at West Kalkaroo showing the shallow Tertiary gold mineralisation envelope as presently defined by the recent aircore drillholes .*



For further information visit the Company website [www.havilah-resources.com.au](http://www.havilah-resources.com.au) or contact :

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**Competent Persons Statement**

The information in this report has been prepared by geologists Dr Bob Johnson, who is a member of the Australasian Institute of Mining and Metallurgy, and Dr Chris Giles who is a member of The Australian Institute of Geoscientists. Drs Johnson and Giles are employed by the Company on consulting contracts. They have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration to qualify as Competent Persons as defined in the JORC Code 2004. Drs Johnson and Giles consent to the release of the information compiled in this report in the form and context in which it appears.

## About the Kalkaroo Copper-Gold Project

Kalkaroo Copper-Gold Project has a Measured and Indicated Resource of:

- **124 million tonnes @ 0.5% copper and 0.39g/t gold** in the main copper-gold deposit.
- **18.6 million tonnes @ 0.74 g/t gold** in the gold cap on top of the copper-gold deposit.  
(refer to table below for breakdown of JORC resource categories after original ASX release)

It has the following favourable development attributes:

- 622,500 tonnes of contained copper metal.
- Approximately 2 million ounces of gold.
- A free-milling, soft gold cap containing 446,000 ounces of gold at high recoveries (>97%), which will provide early cashflow.
- Expected copper and gold recoveries of up to 91% and 87% respectively, in the chalcopyrite sulphide material, which forms approximately 66% of the deposit.
- Conventional flotation circuit producing a high quality copper concentrate, containing 29% Cu for chalcopyrite material and 34% for chalcocite material and no deleterious elements.
- Life-of-Mine strip ratio of 3.2:1 allowing for 5% dilution of all grade blocks.
- Optimised open pit to 200m depth captures roughly 80% of the current total resource.
- Free digging material to approximately 120m depth (roughly to top of chalcopyrite zone).
- Development capital cost of approximately \$500 million.
- Excellent regional infrastructure and workforce, only 75 minutes from Broken Hill.

Classification	Tonnes	Cu grade %	Au g/t	Cut-off	SG
<b>GOLD CAP</b>					
Measured	18,690,000		0.74	0.2g/t	1.86
<b>KALKAROO CuAu</b>					
Measured	85,890,000	0.52	0.41	0.3% Cu equiv.	2.50
<b>KALKAROO CuAu</b>					
Indicated	38,620,000	0.45	0.33	0.3% Cu equiv.	2.65
<b>KALKAROO CuAu</b>					
Total Meas & Ind	<b>124,510,000</b>	<b>0.50</b>	<b>0.39</b>	0.3% Cu equiv.	2.55