Havilah Resources

(ASX : HAV)

22 July 2013

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
31.6 million listed options
10.4 million unlisted options

RESOURCE DRILLING WITHIN CONCEPTUAL STARTER OPEN PIT AT KALKAROO

HIGHLIGHTS

- **A carefully targeted aircore drilling program has commenced at West Kalkaroo.**

- **The objective is to more precisely define the gold resource in the base of Tertiary sequence and underlying saprolite gold zone within the confines of the conceptual starter open pit.**

- **The results will be used to progressively refine the Kalkaroo mining model and mining plan.**

KALKAROO DRILLING PROGRAM

Havilah (ASX : HAV) is pleased to report that following recent receipt of a work approval permit from DMITRE, it has begun a shallow aircore drilling programme at Kalkaroo as foreshadowed in an earlier ASX announcement on 29 April 2013. All planned drillholes are located within the confines of a conceptual starter open pit design at West Kalkaroo (see diagram) with the aim of accurately determining the expected copper and gold production in the initial years of this mining plan.

In previous drilling at Kalkaroo it was noted that gold occasionally occurred at the base of the Tertiary (BOT) cover sequence where exposure of the bedrock gold saprolite zone during earlier erosion cycles had shed gold over the undulating pre-Tertiary land surface. Some drilling results were quite spectacular (eg 3m of 88 g/t Au from 54-57m in KKRC129), although most results were in the 1-2g/t range. The shallowest intersection was at a downhole depth of about 25m below the surface. Evaluation of this gold zone was beyond the feasibility study work plan at the time, which was largely focussed on copper resources. As a result, the BOT gold occurrences were not defined to JORC standards and have not been included in any resource or mining models for Kalkaroo to date.

While any BOT gold is not likely to add significantly to the total 2 million ounce gold resource at Kalkaroo, it could make an early contribution to mining cash flow because it will be mined to access the gold and copper mineralisation below. It could also serve to commission the gold treatment plant ahead of the main gold ore delivery from the saprolite gold cap that overlies the main copper mineralisation.

The aircore drillholes will be continued on into the underlying gold saprolite zone until bit refusal in order to complete a close-spaced (approximately 25m x 25m) drilling pattern. Previous drillholes in this zone returned long intervals of gold mineralisation, which it is hoped will be duplicated in the new drillholes :
KKRC387 74m of 1.81 grams/t Au (64-139m end of hole)
KKRC388 60m of 2.23 grams/t Au (66-126m end of hole)
KKRC389 63m of 0.82 grams/t Au (68-132m)

KKRC390 58m of 1.44 grams/t Au (79-137m end of hole)
KKRC393 78m of 1.4 grams/t Au (72-150m end of hole)
Metallurgical studies previously reported indicate > 97% gold recoveries in this material by conventional CIL/CIP processing.

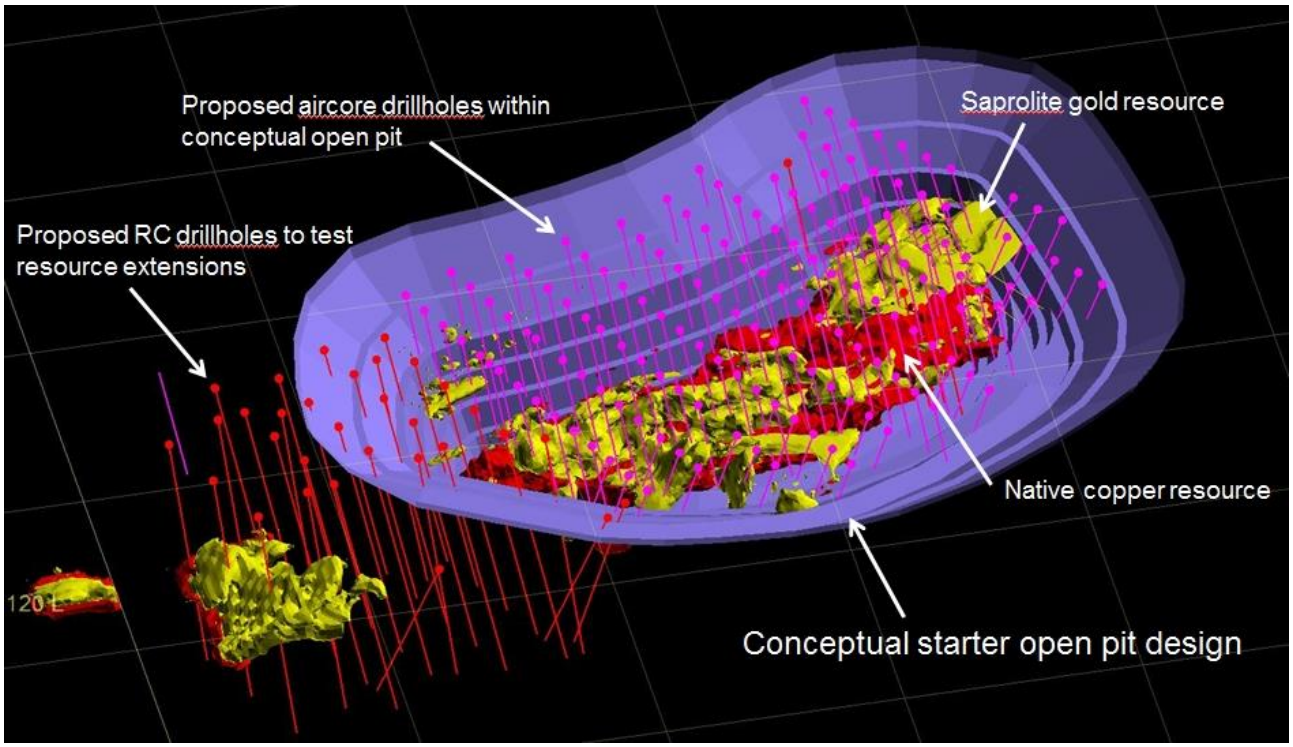
Over the last few months Havilah's consultant mine planning engineer, Mr Richard Buckley, has been working on a conceptual mine plan for Kalkaroo in order to rigorously assess the viability of a low capital start-up option. Initially, this would involve a starter open pit that incorporated the shallower BOT and saprolite gold zones and the immediately underlying native copper zone at West Kalkaroo, where the highest gold and copper grades are found (see cross sections). This material could be treated in a relatively low cost processing plant that would be progressively upgraded to treat sulphide ore as the mine expanded at depth. Initial indications for this conceptual mining option are encouraging and will be reported in more detail when the mine planning work is complete.

In the meantime, the current drilling campaign is designed to provide greater confidence in the resource that lies within the conceptual starter open pit mine design. All new drilling results will be incorporated into the revised mining model in order to confirm its robustness.

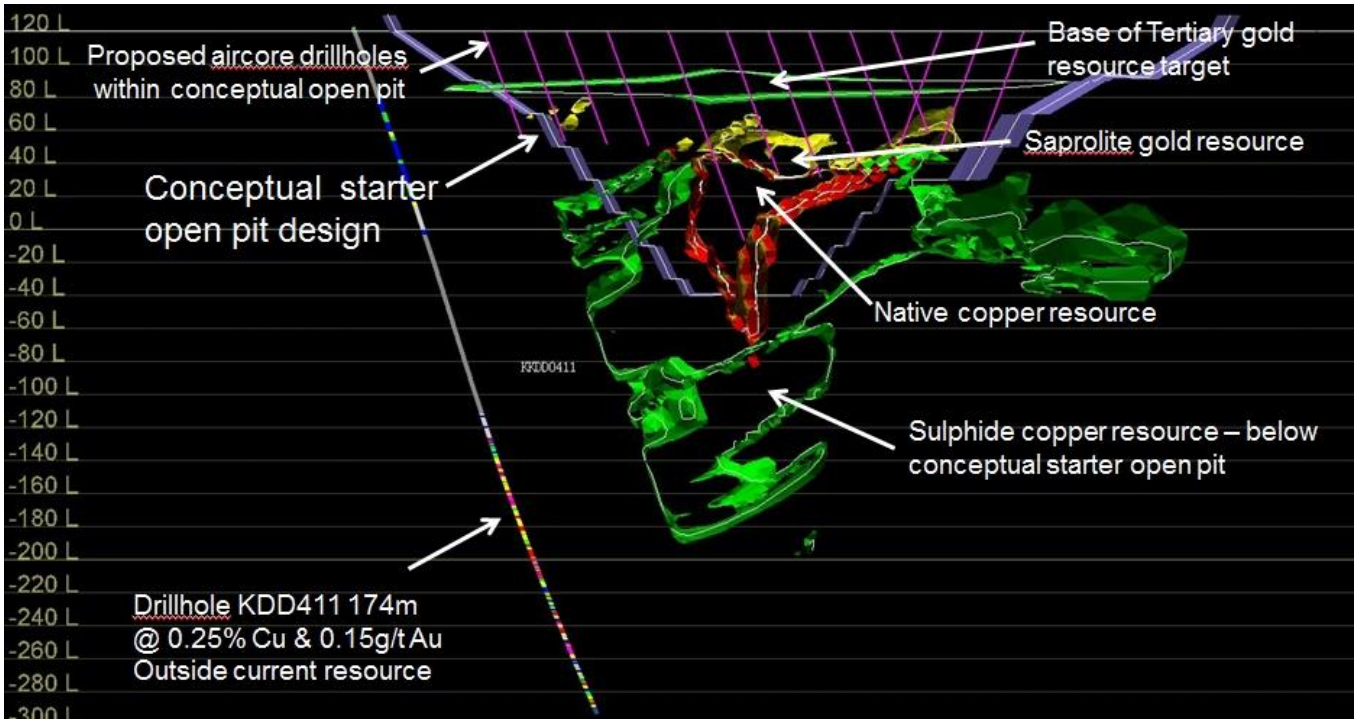
For further information visit the Company website www.havilah-resources.com.au or contact :

Dr Bob Johnson, Chairman, on (08) 83389292 or email : info@havilah-resources.com.au

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.



Proposed aircore drilling program within the confines of the conceptual starter open pit design at West Kalkaroo



Cross section through the conceptual starter open pit design showing the base of Tertiary gold resource target being tested by the current aircore drilling program. Note the extent of the sulphide copper resource that will be exposed when the saprolite gold and native copper are mined in the current open pit design.

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
GOLD CAP Measured	18,690,000		0.74	0.2g/t	1.86
KALKAROO CuAu Measured	85,890,000	0.52	0.41	0.3% Cu equiv.	2.50
KALKAROO CuAu Indicated	38,620,000	0.45	0.33	0.3% Cu equiv.	2.65
KALKAROO CuAu Total Meas & Ind	**124,510,000**	**0.50**	**0.39**	0.3% Cu equiv.	2.55