

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

1.8 million listed options

9 million unlisted options



MALDORKY IRON ORE PROJECT UPDATE

HIGHLIGHTS

- **Second draft of mining lease proposal document lodged.**
 - **Pilot scale metallurgical test work to commence in May.**
 - **Positive preliminary financial models.**
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Havilah Resources NL (**ASX: HAV**) (“Havilah” or the “Company”) has lodged a revised draft of the mining lease proposal (MLP) document with DMITRE (Department of Manufacturing, Innovation, Trade, Resources and Energy). The second draft of the MLP contains detailed technical data, comprehensively addressing all the points raised by DMITRE during its review of the first draft that was submitted in October 2013. At this stage DMITRE has not indicated when its review of the second draft of the MLP will be complete. Havilah is hopeful and optimistic that this submittal will largely satisfy DMITRE’s requirements and will lead to the next stage in the approval process involving public comment on the MLP.

Granting of a Mining Lease by DMITRE is also conditional upon a native title mining agreement being in place. Accordingly, and in parallel with the compilation of the MLP, more than six months ago Havilah initiated the process of negotiations towards a native title mining agreement with the Wilyakali people, the traditional owners of the land. An important meeting to discuss the terms of a draft mining agreement is planned in Broken Hill later this month.

Havilah has previously reported that extensive laboratory test work on Maldorky iron ore has shown that standard gravity methods can achieve acceptable recoveries of potentially saleable product. The metallurgical testing will now be advanced through processing of iron ore in a pilot plant. The necessary components for the pilot plant are currently being assembled, with the processing test work planned to commence in May. A suitable representative iron ore sample has been prepared by screening over 15 tonnes of RC drill chips, composited from across the deposit. The screening was necessary to remove the unwanted fine component produced as the result of percussion drilling. It is planned that a major portion of the final product from the pilot plant will be used for sinter characterisation test work, which is a critical factor in determining the suitability of the Maldorky iron ore for use in modern blast furnaces.

Havilah has compiled a preliminary scoping financial model for the Maldorky project based on a Stage 1 open pit mine life of approximately eight years with two million tonne per annum production and using Port Adelaide as the preferred shipping port. This shows promising economics based on current iron ore prices and exchange rates. Further refinement of the financial modelling will be undertaken once the processing plant design details are finalised and capital and operating costs can be more accurately determined. This model and the technical data will form the basis for attracting a partner to assist in financing the project.

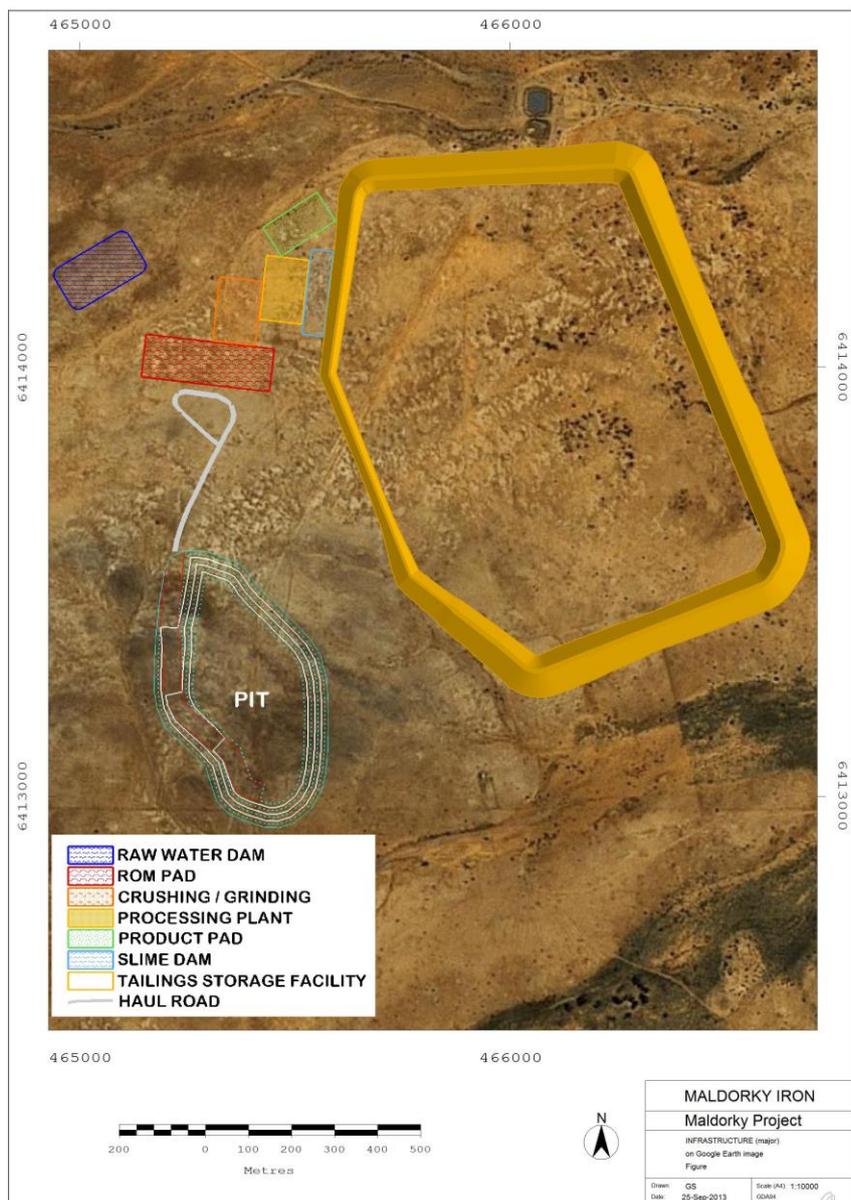
Commenting on progress of the Maldorky project, Haviilah Chairman, Ken Williams said: "A considerable amount of work has been completed for Maldorky over the past year, now encapsulated in the first class mining lease proposal document. We have addressed the various comments and points of DMITRE in detail and in a timely manner. We now await their further comments on our second draft, and potentially its acceptance. Grant of a mining lease and proof of a process plant design leading to sinter tests of resulting product is on the critical path to the implementation of this project. These are crucial steps in our process of de-risking the project and bringing it to a mining ready state that can attract project funding."

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

Mr Ken Williams, Chairman, on : info@havilah-resources.com.au

Competent Persons Statement

The information in this announcement that relates to Exploration Targets and Exploration Results 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 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.



Site layout plan for the Maldorky Iron Ore project taken from the MLP and showing the area of the tailings storage facility (which will be rehabilitated by covering with stockpiled top soil) vs the comparatively small footprint of the currently designed open pit.