Havilah Resources
A New Mining Force in South Australia

Havilah Resources Limited *plans to sequentially develop its portfolio of gold, copper, iron, cobalt, tin and other mineral resources in South Australia. Our vision is to become a new mining force, delivering value to our shareholders, partners and the community.*

171 million Ordinary Shares -- 33 million Listed Options -- 8 million Unlisted Options

ASX and Media Release: 4 November 2016 **ASX Code: HAV**

Recent view of Portia open pit with cutback of walls in progress to expose final pit floor footprint

PORTIA GOLD MINE EXTENSION

HIGHLIGHTS

- **Economic gold grades in pit floor drilling, including 23 metres of 6.8 g/t beneath current pit floor.**
- **Mining of ore in accordance with the original open pit mine design nearing completion.**
- **Planned cutback of south wall will potentially extend mine life by 12 months.**

Havilah Resources Limited ("Havilah" or "Company") is pleased to report that bedrock assay results for drilling carried out on the open pit floor, more than two months ago, shows gold mineralisation extends more than 20 metres into the bedrock below the current open pit floor. The best reportable result so far is from aircore drillhole PTAC244: 23 metres of 6.8 g/t Au from the pit floor to 24 metres vertically below (to approximately -35 metre RL).

As is typical of Portia, this gold mineralisation is patchy with localised high grades, and it is necessary to wash the entire weight of each one metre drill sample in order to obtain a representative gold assay result that can be relied upon. Other nearby holes drilled in the same program contain potentially economic gold mineralisation based on conventional gold assays but are considered to be too unreliable to report, as explained in the cautionary note below. Additional drilling on the pit floor is planned once the pit floor is available and it is safe to do so.

At the present time, a portion of this gold mineralised material has been mined and delivered to the ore stockpile at the processing plant. It is anticipated that the bulk of the remainder of this mineralised material, comprising extensively altered and veined soft clayey saprolite (or weathered bedrock), will be mined over the coming weeks.

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Havilah's mining partner Consolidated Mining and Civil Pty Ltd (CMC) reports that it is now approaching the final stages of exposing the open pit floor in accordance with the original mine design. Accordingly, within the next month, the remainder of the original target in pit resource of 355,000 tonnes of ore material will be delivered to the surface. This will be largely within the original 18 month time frame estimated by CMC, despite several abnormal rain delays and the geotechnically driven pitwall re-profiling. Processing of the stockpiled ore will continue for several months.

A significant extension to the Portia gold mineralisation was previously discovered by drilling in the south wall of the open pit (ASX announcement 24 August 2016). Based on internal non-JORC gold resources* estimated for this mineralisation, Havilah and CMC have agreed in principle to proceed with a 120 metre cutback of the south wall. A Memorandum of Understanding and formal legal documentation are currently being prepared and further details will be released upon approval and execution by both parties. In the meantime, Havilah has been working closely with the South Australian Department of State Development (DSD) to secure approvals for this extended operation, which will entail expansion of the overburden waste dump and tailings storage facility. The full 120 metre cutback will potentially extend the Portia mine life by a further 12 months. Based on mining experience and ore reconciliations at Portia to date, CMC and Havilah expect that the southern extension mineralisation should yield similar returns to the current Portia operations.

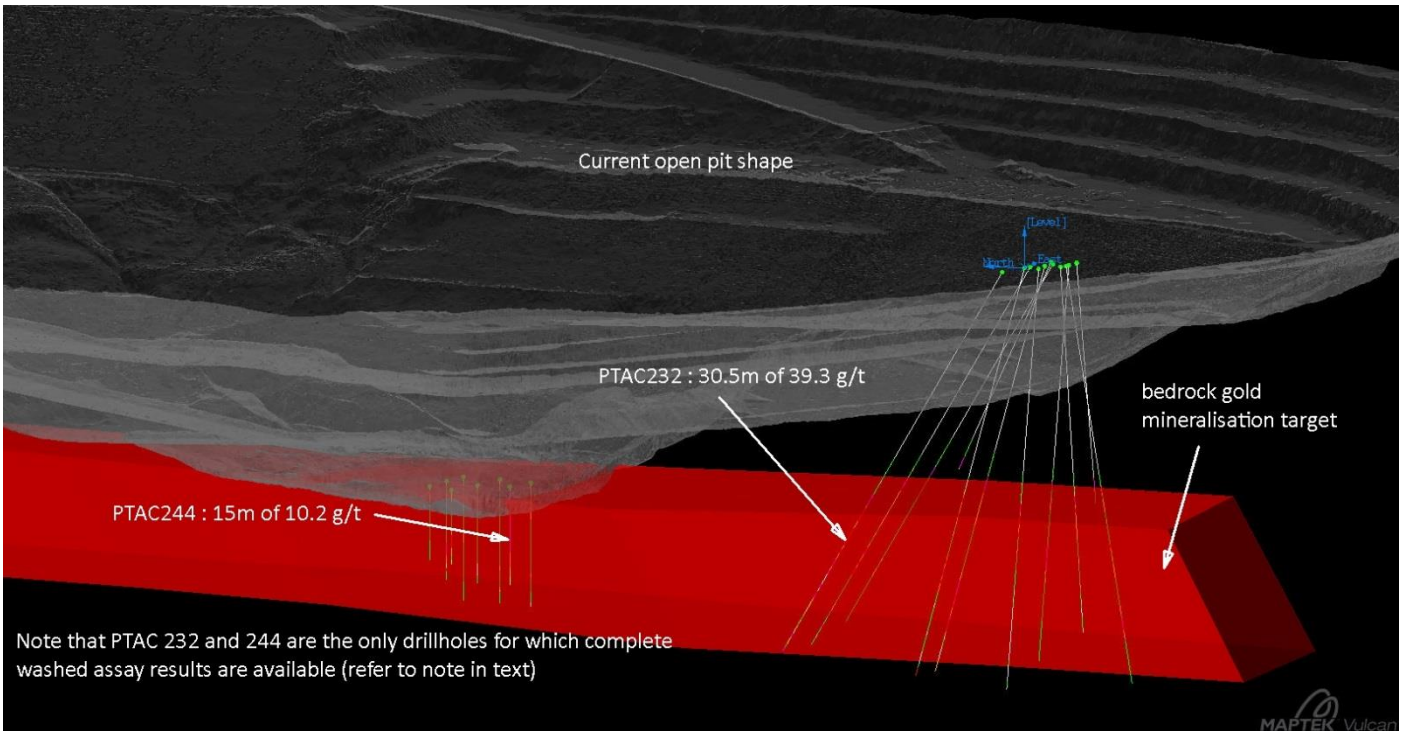
Havilah will continue to maintain a program of drilling, both within and adjacent to the current open pit, with the aim of expanding the Portia resource. It is also currently advancing planning to commence a PACE (Program for Accelerated Exploration) regional drilling program in the vicinity of Portia on several promising targets.

Havilah Managing Director, Dr Chris Giles, commented:
"Portia started out as a short 18 month mining operation and now on cue, the current open pit is rapidly approaching its original design footprint.
"Our mining partner, CMC, has performed admirably in meeting its Portia mining targets in a very professional and safe manner, notwithstanding many challenges along the way.
"Our earlier drilling has confirmed southern extensions to the Portia gold mineralisation and we have been discussing with CMC for some time about a pit wall cutback, which will potentially extend the Portia mine life for at least another 12 months.
"Drilling of bedrock beneath the open pit floor has confirmed economic grades of gold mineralisation for a further 24 metres depth and we expect to ultimately mine all of this gold bearing bedrock material and possibly even beyond this depth subject to our ongoing drilling results" he said.

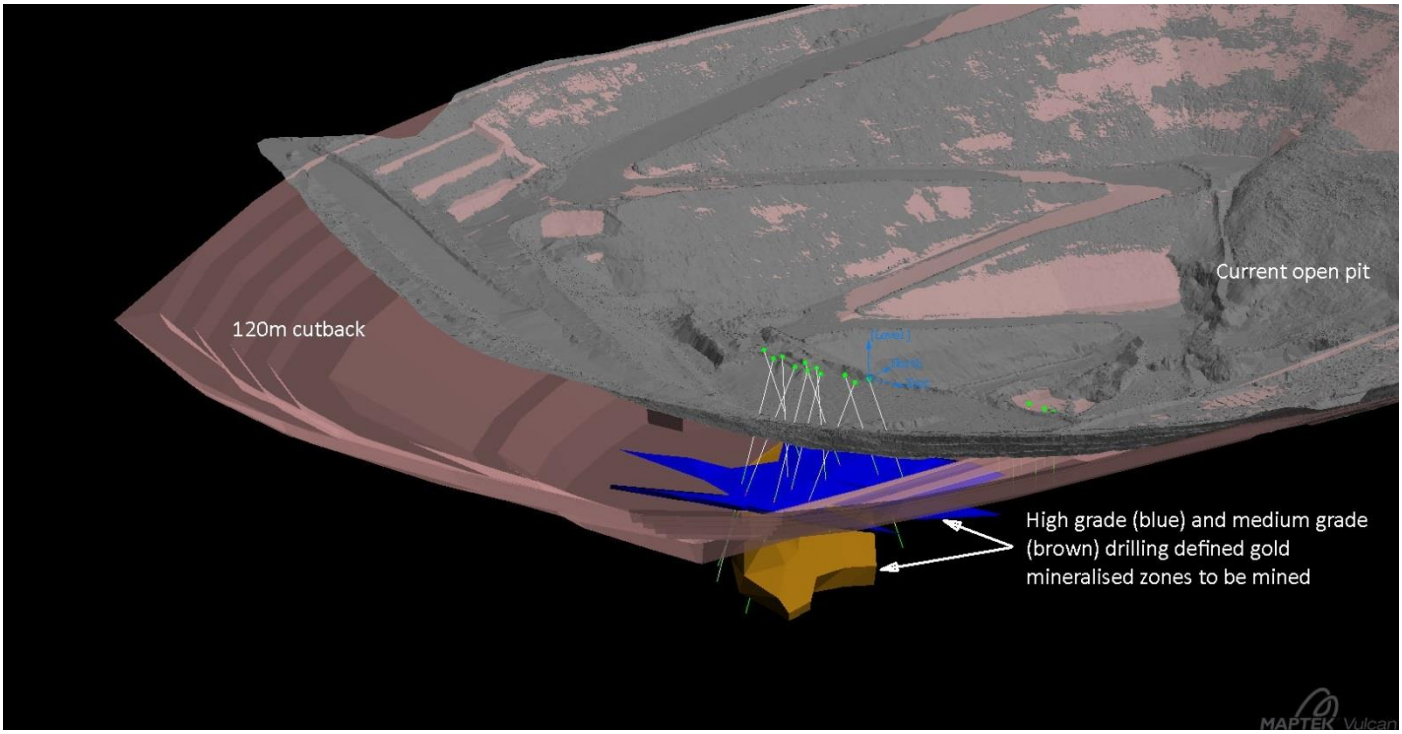
**The absence of a JORC resource means that no grade or tonnage numbers can be published at this stage. Havilah and CMC are confident that based on their successful mining experience at Portia thusfar, this gold mineralisation can be profitably mined and processed.*

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 Targets, Exploration Results, Mineral Resources or Ore Reserves 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 Managing 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. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.



Gold mineralisation in drillhole PTAC244 extends from the floor of the current open pit to the bottom of the hole at 24 metres depth (at a grade of 6.8 g/t), with the highest grade interval in the top 15 metres as shown.



Shape of the planned 120 metre cutback open pit (pink) versus the current open pit (grey) with the gold mineralised zones to be mined represented by the blue and brown envelopes.

A cautionary note regarding reporting of Portia assay results

Understandably, Havilah has received many questions about the way it assays for gold at Portia and why there is a delay in releasing assay results. This brief note will address these issues. It is well known that Havilah and its predecessors have faced a challenge in establishing reliable gold grades at Portia due to a coarse gold nugget effect. Assay results for drillhole PTAC244 cited above, illustrate this issue very well for three different assay methods for the same 23 metre sample interval as summarised below.

Au g/t (average over 23m)	**Method**
1.73	Conventional commercial lab fire assay – 2 kg samples pulverised and 50 g split for assay.
0.81	Commercial lab screen fire assay – 2 kg samples pulverised and screened at 75 microns and assays combined for the oversize and undersize fractions. Normally used for coarse gold.
6.8	Havilah's washing method.

These differences in assay results using different methodologies span the range from marginal to very attractive open pit gold grades. This issue can only be overcome by either obtaining more sampling data (achieved by a higher density of drill holes) or using a much larger than normal drill sample. Commercial assay labs do not offer the ability to routinely assay large samples (ie >10 kg samples). Havilah's solution to this is to take all of the drill chip sample available for each metre interval (normally >10 - 12 kg) and wash it over a small gravity concentration table (Gemeni Table) and then pan down the concentrate to a few grams weight. The gold in the panned concentrate is carefully recorded visually using a binocular microscope before the samples are sent to a commercial laboratory for fire assay. The fire assay gives a weight of physical gold in the whole concentrate sample, which when divided by the original sample weight provides a direct g/t value. There is little opportunity for significant error in this method and this is supported by the consistency of the assay results compared with the visual gold observations. The strongest endorsement for the validity of Havilah's washing method is the fact that grade reconciliations for ore mined and processed thus far reconcile positively with the resource estimates based on the washed samples.

Normally Havilah receives conventional fire assay results within two weeks of submitting batches of samples to the assay laboratory. However, because of the unreliability of these results, Havilah does not release these results to the market as they may be misleading. These assays serve mainly to highlight intervals that are anomalous in gold that warrant washing. The washing process is time consuming and must be carried out by trained staff, which is why for Portia there is a longer than normal delay between drilling and release of assay results. It is also why results are released for a very limited number of holes, because time does not permit washing of samples from all holes at this stage. Importantly, this affects Havilah's ability to estimate JORC resources for Portia going forward because the assaying method is unconventional, not all drillhole samples have been assayed by the same method and there may be insufficient reliable washed assay data to provide the level of confidence that is required to satisfy the JORC standards.

It is important to differentiate the public reporting requirements from Havilah's internal planning requirements. Our current mining experience plus our growing level of understanding of the nature of the Portia gold mineralisation and its peculiar recovery characteristics has given us confidence in our non-JORC internal resource estimates for gold mineralisation based on the washed drill sample results. It is this confidence that will allow us to make the joint decision to proceed with mining the gold mineralisation in the southern cutback, without first publishing a JORC resource or ore reserve estimate. We expect this situation will change as our ongoing resource drilling progresses sufficiently far in advance of mining to give us the time to gather sufficient reliable assay data to satisfy JORC reporting requirements.

For further information visit www.havilah-resources.com.au
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JORC Code, 2012 Edition – "Table 1"

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• RC or AC drill chips received directly from the drilling rig via a cyclone were riffle split as 0.5 or 1m intervals to obtain 2-3kg samples and collected in numbered calico bags that were submitted to ALS Global assay lab in Adelaide. • At ALS assay lab the samples are crushed in a jaw crusher to a nominal 6mm (method CRU-21) from which a 3 kg split is obtained using a riffle splitter. The split is pulverized in an LM5 to 85% passing 75 microns (method PUL-23). These pulps are stored in paper bags. • All samples are then analysed for a 33 element package using ALS's ME-ICP61 suite, whereby samples undergo a 4 acid digest and analysis by ICP-atomic emission spectrometry and ICP mass spectrometry. Over limit Cu, Pb and Zn are re-assayed using ME-OG62. • Gold is analysed by 50g fire assay, with atomic absorption spectrometry finish using ALS method Au-AA26 • In order to mitigate the coarse gold nugget sampling problem, Havilah routinely takes the balance of any samples with anomalous gold fire assay results (typically amounting to more than 10 kg sample weight) and produces a concentrate of several grams by gemini tabling and panning. This concentrate is sent to ALS Townsville laboratory for fire assay. Havilah calculates the original sample gold grade by dividing by the weight concentration factor obtained by dividing the fire assay gold prill weight by the original drill sample weight.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of*	• All RC holes were drilled using standard face-sampling bits, with bit sizes ranging from 120mm to 136mm. • All AC holes used 121mm blade bit

Criteria	JORC Code explanation	Commentary
	diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The sample yield and wetness of the RC and AC samples was routinely recorded in drill logs. • Sample recoveries were continuously monitored by the geologist on site and adjustments to drilling methodology were made to optimize sample recovery and quality where necessary. • It is noted that sample quality may be less than optimum for short intervals particularly at rod changes, which is a perennial problem in air core and reverse circulation drilling at Portia, where soft, fractured and wet sample may be encountered. There is no evidence that gold is concentrated in intervals with poor sample recoveries, so that the possibility of systematic grade overestimation is unlikely. Overall RC and AC sample recoveries were at an acceptable level for interpretation purposes at an exploration level.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All RC and AC samples were logged in detail by experienced geologists directly into a digital logging system with data uploaded directly into an XL spreadsheet. • 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	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to*	• RC and AC drill samples are dry 1 or 2 m riffle splits. • Sample preparation and assaying methods are summarized above. • Quality control procedures include the insertion of standards (1 in 20 samples), blanks (1 in 20 samples) and duplicates (1 in 20 samples) into the regular sample number sequence. If any blank, standard or duplicate is out of spec, re-assay of retained samples is requested of the laboratory as a first step. • Sampling size is considered to be appropriate for the style of mineralisation observed. Assay repeatability for gold and other metals has not proven to be an issue.

Criteria	JORC Code explanation	Commentary
	the grain size of the material being sampled.	
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All samples are prepared at ALS Global laboratory in Adelaide and assayed interstate. The total assay methods are standard ALS procedure and are considered appropriate at the exploration reporting stage. • All gold was determined by fire assay with AAS finish. Higher grade samples were check re-assayed as described below. • Other elements were analysed by multi-element digest methods with ICP finish. • Quality control procedures include the insertion of standards (1 in 20 samples), blanks (1 in 20 samples) and duplicates (1 in 20 samples) into the regular sample number sequence. If any samples are out of spec re-assay is requested.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Rigorous internal QC procedures are followed to check all assay results. • All data entry is under control of a specialist database geologist, who is responsible for data management, storage and security. • No adjustments to assay data are carried out.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Down hole drill surveys were not conducted due to the shallow depths of the holes. • Drillhole collar coordinates are surveyed in UTM coordinates using a differential GPS system with an x:y:z accuracy of 20cm:20cm:40cm and are quoted in ADG 66 datum.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• This is an infill drilling program designed to demonstrate continuity of geology and mineralisation within an existing Inferred Resource. Drillhole spacing is variable, as this is an infill drilling program with holes located to increase density of data. • Sample compositing was not used.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if*	• The drillhole azimuth and dip was chosen to intersect the mineralized zones as nearly as possible to right angles and at the desired positions to maximize the value of the drilling data. • At this stage, no material sampling bias is known to have been introduced by the drilling direction.

Criteria	JORC Code explanation	Commentary
	material.	
Sample security	• *The measures taken to ensure sample security.*	• RC and AC chip samples are directly collected from the riffle splitter in numbered calico bags. • Several calico bags are placed in each polyweave bag which are then sealed with cable ties. The samples are transported to the assay lab by Havilah personnel at the end of each field stint. • There is minimal opportunity for systematic tampering with the samples as they are not out of the control of Havilah until they are delivered to the assay lab. • This is considered to be a secure and reasonable procedure and no known instances of tampering with samples have occurred since drilling commenced
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Ongoing internal auditing of sampling techniques and assay data has not revealed any material issues.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Exploration is taking place on Havilah Resources 100% owned mining lease ML6534 • Security via current valid mining lease granted to Havilah
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Aircore drilling was carried out in the region by the Pasminco – Werrie Gold JV in the late 1990s.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Stratiform replacement / vein style gold mineralisation within Willyama Supergroup rocks of the Curnamona Craton

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
		• See separate Table1 in this report

Criteria	JORC Code explanation	Commentary
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Intercepts are calculated using the length-weighted averages of individual samples. Minimum grade truncations are applied. Local geology is also used as an input. • Where higher grades exist, a separate high grade sub-interval will normally be reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Down-hole lengths are reported. Drillholes are always oriented with the objective of intersecting mineralisation as near as possible to right angles, and hence down-hole intersections in general are as near as possible to true width. • For the purposes of the geological interpretations and resource calculations the true widths are always used.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Oblique view showing the location of the drillholes in relation to previous drillholes and the resource model is included.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Only meaningful potentially economic grade intervals are reported.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Relevant geological observations are reported in this and previous announcements. Other data not yet collected or not relevant
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• These holes are part of an infill drilling program that is designed to increase the level of confidence

Criteria	JORC Code explanation	Commentary
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	in executing a pitwall cutback • Resource estimation work will be completed at the conclusion of the drilling program when all assay results are in hand.

Table 1 Drillhole Details

Hole ID	Grid system : UTM Zone 54 South (AGD 66 datum)				Dip degrees	EOH metres
	Easting m	Northing m	RL m	UTM azimuth		
PTAC232	447771	6521657	49.9	355	-60	108
PTAC244	447799	6521790	-11.33	0	-90	24