



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.

177 million Ordinary Shares -- 29 million Listed Options -- 7 million Unlisted Options

ASX and Media Release: 27 June 2017

ASX Code: HAV



The "Sisters of Africa" gold nuggets – the largest nugget in the centre is about 4 cm long

PORTIA GOLD MINE UPDATE – MAY 2017

Highlights

- **Low gold production in May, which has recently turned upwards as higher grade saprolite gold ore is now being processed.**
- **Plant performance has greatly improved as earlier modifications take effect.**
- **Average gold grade of ore treated to date is just under 3 g/t which compares favourably with the expected life of mine grade of 2.6 g/t (adjusted for recovery).**
- **Margin remains attractive and Havilah is optimistic profitable gold production can be maintained for the remaining ore in the open pit design.**
- **Total nugget inventory increased to 286 ounces.**

Background

In accordance with its stated intention in the last quarterly report, **Havilah Resources Limited (Havilah)** reports the Portia gold mine production numbers for the month of May. Key points from the production figures presented in the table below are:



1. Gold production decreased by approximately 44% in May compared to the previous month due to continued processing of lower grade ore at the same time as the processing plant operations stabilised after the recent plant modifications.
2. Plant throughput increased by 5% and this trend has continued with June to date production 65% higher compared to May.
3. Adequate ore stockpiles were available on the ROM pad throughout May, resulting in the decision to temporarily scale back mining of gold ore and overburden for the month, as reflected in the tonnes mined.
4. Ore stockpiled on the ROM pad at month end was approximately 71,000 tonnes.

The production results for the month of May need to be balanced against the overall positive operational results for the project to date, including:

1. Increasing plant throughput as a consequence of elimination of all reject oversize material during the month (further reflected in the 65% increase in June throughput to date). This is a significant accomplishment and should increase efficiencies, gold recovery, and reduce costs going forward.
2. Month to date gold production in June is trending higher than May, reflecting higher plant throughput and mining of higher grade saprolite ore.
3. The current recovered grade for the gravity recoverable gold, including nuggets (which is not included in the gold produced numbers quoted in the table below) is averaging just under 3.0 g/t since the commencement of processing, which compares favourably with the published JORC resource grade of 2.6 g/t (adjusted for recovery).
4. A marked increase in nuggets and gold production in recent weeks is reflective of the higher grade of saprolite ore recently being mined. A considerable amount of similar saprolite ore lies in the bottom of the open pit and will be mined on a campaign basis over coming months as space becomes available on the ROM pad.
5. Further processing plant enhancements are being evaluated to increase gold recovery from the Knelson concentrators.

Havilah continued drilling at the northern end of the open pit throughout May with the objective of discovering economic grade northern extensions to the Portia mineralisation.

Commenting on the production results, Havilah Managing Director, Dr Chris Giles said: “May was a tough month for Portia, but positive in implementing many changes that are now positively impacting in June and we think will set the operation up for its remaining life.

“Thus far we have mined (but not yet processed) about 65% of the original resource tonnes.

“In recent weeks we have been encouraged by some magnificent coarse nuggets and increased gold production indicating that the higher grade saprolite ore, as predicted by the resource model, is starting to influence our results.

“We will continue to campaign mine this saprolite ore over coming months and look forward to increased levels of gold production as a result” he said.



Portia Gold Mine Production Summary

	Units	Quarter ending				Month	YTD
		Jul 2016	Oct 2016 ³	Jan 2017 ³	Apr 2017 ³	May 2017 ³	2016/2017 ³
Overburden mined	BCM	1,089,000	1,392,000	1,167,000	1,042,000	246,000	3,847,000
Ore mined	t	164,000 ²	127,000	135,000	61,000	6,000	329,000
Total tonnes processed (wet)	t	32,000 ²	76,000	74,000	84,000	31,000	265,000
Grade processed ¹	g/t	2.4	3.9	3.6	0.9	0.5	2.7
Gold produced ¹	oz	4,962 ²	8,138	7,618	2,130	457	18,343
Gold sold	oz	3,396 ²	9,134	7,504	2,429	492	19,067

1 Excludes gold nuggets recovered, but not processed into bullion.

2 Represents only two months of production with commercial production being achieved on 31 May 2016.

3 Preliminary unaudited results.

For further information visit www.havilah-resources.com.au

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