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.*

183 million Ordinary Shares -- 7 million Unlisted Options

ASX and Media Release: 31 August 2017 **ASX Code: HAV**

Some gold nuggets recovered the last week of August

QUARTERLY ACTIVITIES REPORT – PERIOD ENDING JULY 2017

HIGHLIGHTS FOR QUARTER

- **Portia gold plant record throughput (107,000 tonnes) for the quarter, offset by an 18% decrease in gold production.**
- **Attractive margins with full year C1 Cash Cost of $640 and AISC of $928 per ounce, compared to average realised gold price of $1,620 per ounce.**
- **Positive progress on Kalkaroo native title mining agreement and PFS with Wanbao Mining.**
- **Project manager employed for the Mutooroo Copper-Cobalt Project permitting and PFS.**
- **Complete tenement coverage secured for the entire extent of the large Grants iron ore basin.**
- **Moved to a new office in anticipation of further growth.**

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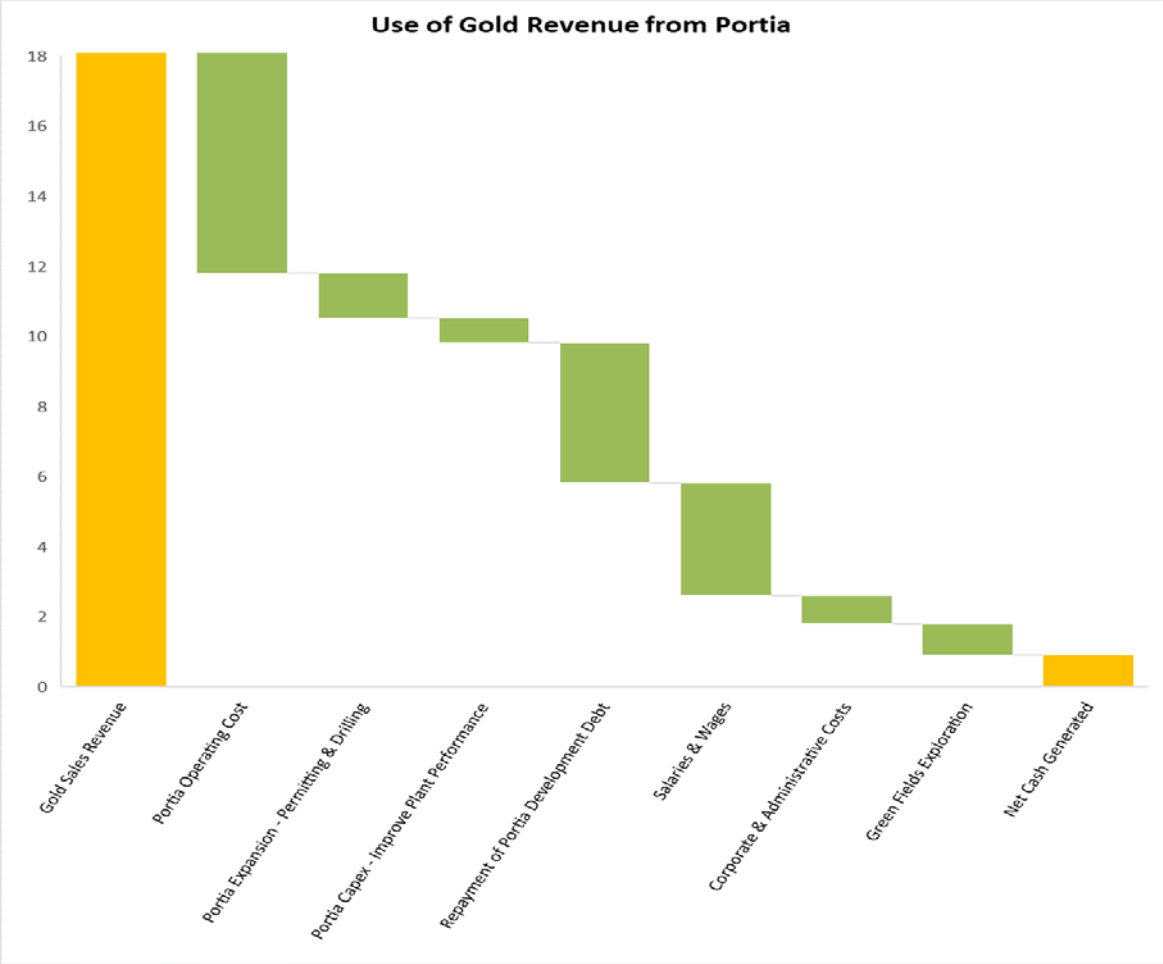
PORTIA GOLD MINE

Year Under Review - Use of Cash Flow Generated from Portia – *"Portia in Perspective"*
After 12 months of processing at Portia and generating the first ever full year income for Havilah from gold sales, it is important to reflect back and put the Portia year and the Portia operations in their correct perspective.

Portia allowed Havilah to make the transition from explorer to miner. In so doing, Havilah learned many important lessons that will benefit future projects and assist Havilah with the execution of its future growth plans. Some of these lessons and opportunities are:

- Understanding the geotechnical issues when mining this type of unconsolidated overburden.
- Insight into the plant and treatment approach to disaggregate this type of ore material.
- Dealing with the requirements to balance water usage in this arid environment.
- Knowledge of permitting and compliance related to an operating mine in South Australia.
- Building credibility by repaying project debt early.
- Managing cash flow to avoid a capital raising over the last three years.
- Developing a partnership relationship with a competent and capable contractor.
- Adding critical resources such as a metallurgist, process engineer and geologists to the team.



The chart above demonstrates how the $18 million of gold revenue received from Portia to date has been utilised. Apart from meeting all operating costs and all our salaries and overheads during this period, the Portia cash flow has facilitated repayment of all debt incurred to construct the processing plant, funded considerable near mine and regional exploration drilling and provided capital for plant upgrades. The result is that Havilah owns a debt free gold plant and a gold mine that continues to generate meaningful revenue.

At the conclusion of the gravity ore processing, it is estimated the tailings storage facility may contain in excess of 600,000 tonnes of tailings with gold grades estimated to be in the 0.6 - 0.9 g/t range based on preliminary sampling and assaying. Detailed sampling has been completed of the eastern tailings storage cell in preparation for comprehensive metallurgical testing to determine gold recoveries by leaching and/or flotation. At 75% recoveries, this represents a potential value of $14 - $22 million in recoverable gold, before capital and operating cost, which would be shared with Consolidated Mining and Civil Pty Ltd (CMC).

Subject to feasibility work currently in progress, it is likely that the Portia mining operation will transition to mining of the nearby North Portia copper-gold deposit, where the secondary enriched ore will sustain a further 5 years of operation. In this case the existing Portia infrastructure, including the open pit as an acceptable repository for waste sulphide material and as a water source, will be a valuable asset base that will save many millions of dollars expenditure in the development and operation of the North Portia mine.

In summary, Havilah believes that developing the Portia gold mine has been a very worthwhile endeavour, given the revenue that has been generated. The experience gained from identifying and addressing the many unknowns and challenges in mining in this hitherto unknown terrain, will be invaluable as Havilah seeks to develop the Kalkaroo and North Portia copper-gold deposits, both of which present similar mining challenges, but on a much larger scale. Havilah's employees have performed exceptionally and have accumulated many new skills that can be applied to the Company's next mining developments.

Havilah's ongoing challenges at Portia will be to predict mining grades in this extremely patchy, but sometimes exceptionally high grade gold deposit, and to maintain adequate cash operating margins when treating the lower grade patches. The Company has met this challenge by capital investment in plant upgrades to increase ore throughput in order to lower the unit processing costs and through careful attention to grade control and minimisation of dilution that is guided by detailed 3D Vulcan resource models.

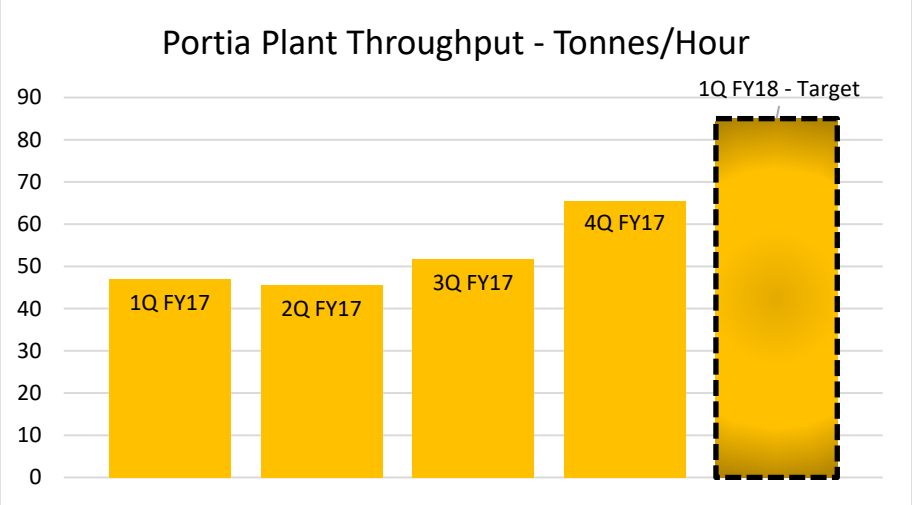
Review of operations for the year and the quarter

At financial reporting year end it is opportune to consider the current quarterly production results in the context of full year production, as summarised in the accompanying tables. Gold production attributable to Havilah was down on the previous quarter as the result of ongoing processing of lower grade material combined with processing plant shut downs that were necessary in order to carry out critical plant upgrades.

Plant throughput and total tonnes of ore processed was at a record high this quarter and the increasing trend has continued into August. This is a reflection of the collaborative plant improvement modifications completed in July and previous months with our mining partner, CMC, that included:

1. An impact crusher to condition the ore feed to the scrubber (this has all but eliminated oversize reject material that reduced the effective plant throughput in previous quarters).
2. A fully refurbished scrubber that has been performing very well, resulting in improved plant runtime.
3. A new 25 tonne per hour ball mill to grind the screened oversize material ahead of the Knelson Concentrators.
4. A cyclone to increase slurry density of the Knelson feed and so allowing for increased ore tonnage throughput without compromising recoveries.

Plant throughput now typically averages 85 tonnes per hour, with negligible reject material and the next objective is to increase throughput to at least 100 tonnes per hour. As a consequence, unit processing costs per tonne have consistently decreased, and the breakeven grades have similarly reduced. The breakeven grade ranges between 0.5 to 0.7 g/t gravity recoverable gold, depending on the gold price and throughput rate. It is important to note that the grade quoted in the table below does not include nuggets recovered but not sold yet. The increase in the targeted throughput will result in a shorter processing period for the remaining ore. Processing will potentially be shortened to 6 - 12 months, rather than the estimate of May 2019 provided in the previous quarterly report, depending on how much additional ore is defined by the current drilling program.



Over the past two quarters ore has been mined on a campaign basis to maintain adequate stockpiles on the ROM pad. At quarter end, there was approximately 75,000 tonnes of ore on the stockpile available for processing, mostly consisting of lower grade saprolite ore from the southern cutback. Higher grade saprolite ore was placed on the ROM in late August.

Almost 4 million cubic metres of overburden was mined during the year. Overburden removal wound back considerably during the quarter to 285,000 cubic metres as the open pit approached its final design and the saprolite gold resource in the pit floor was largely exposed.

Portia Gold Mine Production Summary

		Quarter Ending[2]				YTD[2]
	Units	**Oct 2016**	**Jan 2017**	**Apr 2017**	**Jul 2017**	**2016/2017**
Overburden mined	BCM	1,392,000	1,167,000	1,042,000	285,000	3,886,000
Ore mined	t	127,000	135,000	61,000	18,000	341,000
Total tonnes processed (wet)	t	76,000	74,000	84,000	106,000	340,000
Grade processed[1]	g/t	3.9	3.6	0.9	0.5	2.1
Gold produced[1]	oz	8,138	7,618	2,130	1,740	19,626
Gold sold	oz	9,134	7,504	2,429	1,740	20,807

1 Excludes gold nuggets recovered, but not processed into bullion.
2 Preliminary unaudited results.

Although processing cost on a $/tonne basis decreased by 51% during the year, operating costs per ounce increased in the fourth quarter by 132%, mainly due to processing lower grade material. Annual unit cost per ounce remained at very favourable levels for the full year with the C1 Cash Cost margin being 60% compared to the achieved gold price. The full year All-In Sustaining Cost (AISC) is well below the achieved gold price, which means that the Portia operation generated significant positive cash flow.

The relatively high AISC for the quarter was caused largely by processing lower grade material and also due to the inclusion of one-off expenditures including plant upgrades mentioned above, the first raise to the tailings storage facility, and ongoing drilling to support expanded mining. Similarly, the All-In Cost (AIC) for the quarter was elevated by processing lower grade material, spending related to the items noted above, and also due to the purchase of the remaining processing plant equipment that was previously rented. Havilah now essentially owns all the processing plant equipment used at Portia and is not expected to incur a similar level of one-off costs going forward

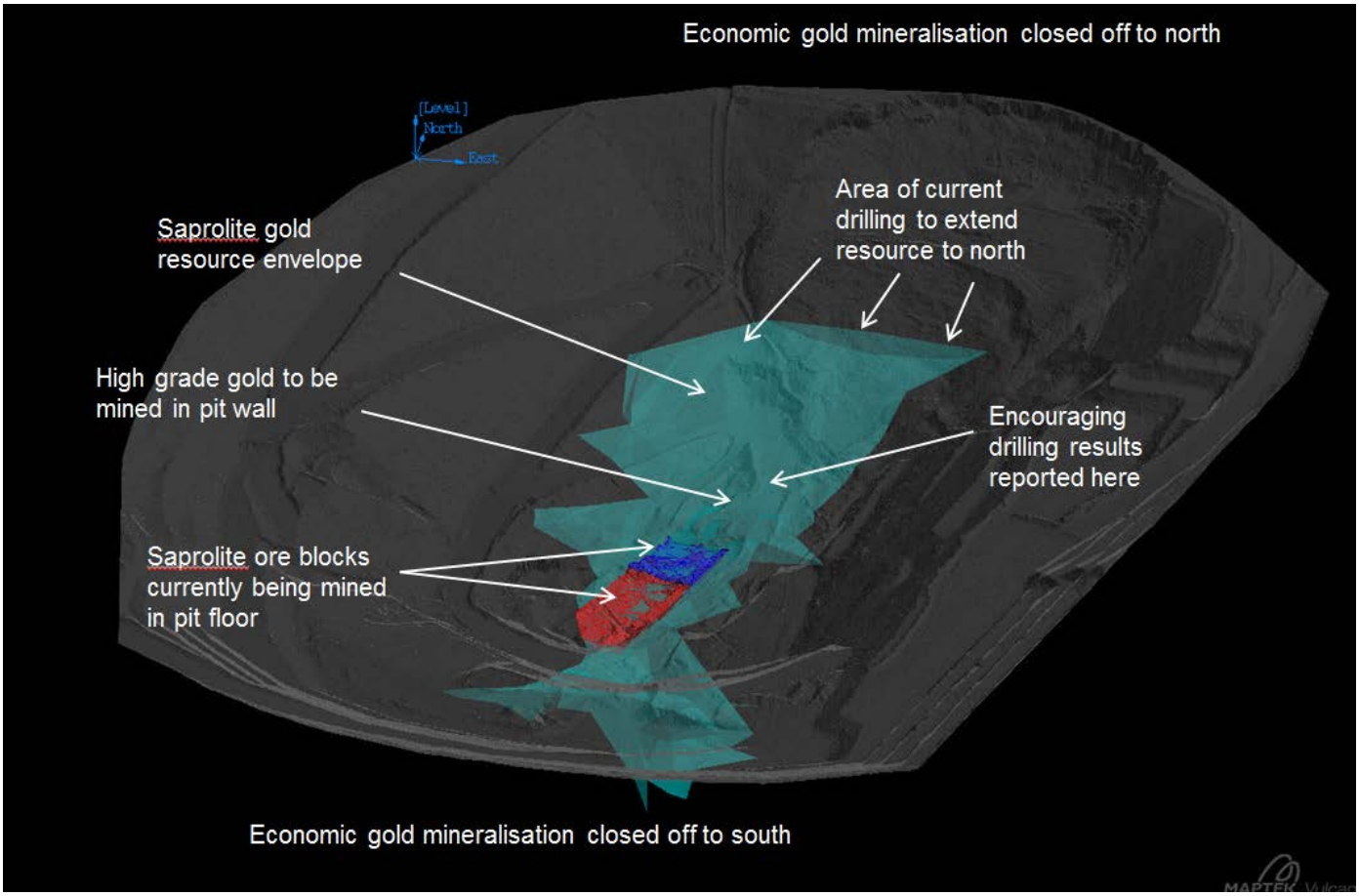
Havilah's Share of Portia Gold Mine Production

		Quarter ending				YTD
	Units	Oct 2016[2]	Jan 2017[2]	Apr 2017[2]	Jul 2017[2]	2016/2017[2]
Gold Produced[1]	oz	4,069	3,809	1,065	870	9,813
Gold Sold	oz	4,567	3,752	1,215	870	10,404
Achieved Gold Price	A$/oz	1,618	1,618	1,620	1,646	1,620
C1 Cash Cost	A$/oz	402	454	704	1,633	640
All-In Sustaining Cost (AISC)	A$/oz	523	751	1,312	2,111	928
All-In Cost (AIC)	A$/oz	614	914	2,284	2,688	1,173

1 Excludes gold nuggets recovered, but not processed into bullion.
2 Preliminary unaudited results.

Total production is summarised in the first table above. The operations at Portia are being accounted for as a Joint Operation under the applicable financial reporting standards, due to the specific agreement in place related to the development of Portia. Under this agreement the revenue is shared 50/50 with Consolidated Mining and Civil Pty Ltd (CMC). The second table above therefore reflects only 50% of the ounces produced and sold from Portia, which is attributable to Havilah.

On a conservative estimate, just over 140,000 tonnes of saprolite gold ore remains to -30 RL, which is near the base of oxidation and some 10 metres below the current pit floor. In the last week of August some of this saprolite ore from the central portion of the open pit was mined (see blue and red blocks in the diagram below), and consistent with Havilah's resource model, gold production increased dramatically, with approximately 17 kg of gold concentrate recovered over 4 days, including a large number of nuggets (see picture at top).



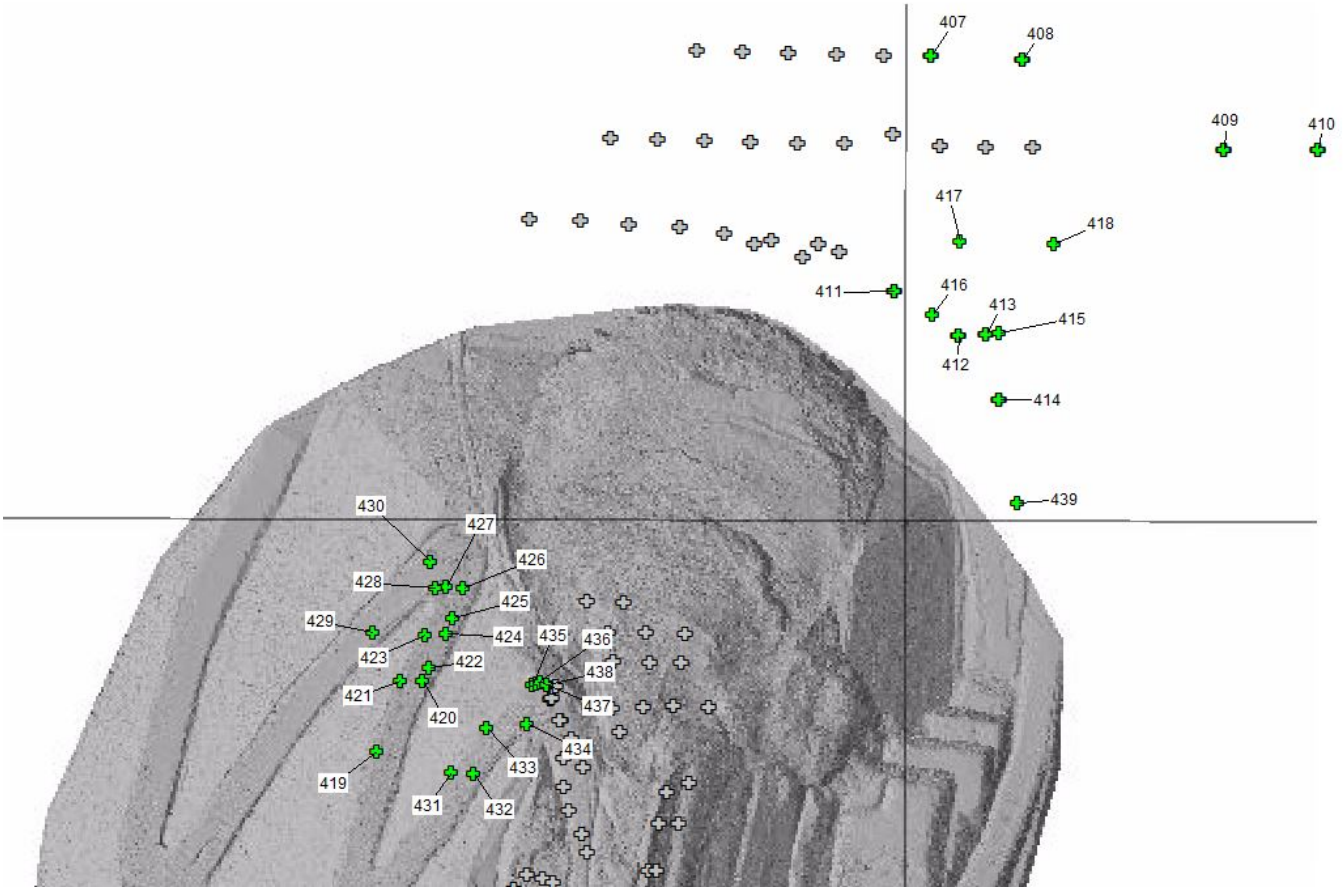
Oblique laser scan view of the Portia open pit (grey) looking north and showing the remaining saprolite gold resource in the pit floor as defined by drilling and trenching (lighter blue) and the recently mined ore blocks (red and dark blue)

Portia Drilling Results

Havilah continued drilling at the northern end of the open pit during the quarter with the objective of discovering economic grade extensions to the Portia gold mineralisation (new holes drilled during this period are marked by green crosses on the plan below). Further encouraging gold intersections have been returned, mostly from the high grade Base of Tertiary mineralisation as summarised in the following table. Drilling is continuing in this area to fully define the extent of gold mineralisation in this northern part of the open pit prior to commencement of mining.

Hole	Pit Area	From	To	Intersection	Comments
PTAC424	Northern	21	22	1 m @ 60.7 g/t Au	Base of Tertiary, drilled June 2017
PTAC431	Northern	12	15	3 m @ 3.39 g/t Au	Saprolite, drilled June 2017
PTAC432	Northern	6	10	4 m @ 5.22 g/t Au	Base of Tertiary, drilled June 2017
PTAC434	Northern	4	6	2 m @2.55 g/t Au	Base of Tertiary, drilled June 2017
PTAC437	Northern	6	9	3 m @ 31.0 g/t Au	Base of Tertiary, drilled June 2017

(Note that all depths are from below the open pit floor at the time of drilling and only conventional assays are cited, which may not be accurate in all cases owing to the occurrence of coarse gold).



KALKAROO COPPER-GOLD PROJECT

Progress towards a native title agreement

An important milestone was reached during the quarter with in-principle agreement with the Adnyamathanha people on the compensation terms for a native title mining agreement. The compensation offer is framed in a way that that will minimise the effect on Havilah's ability to raise development finance for the project in the future while providing for fair compensation and employment opportunities for the native title claimants during the life of the operation.

Drafting of a formal native title mining agreement that incorporates these terms in a mutually acceptable form, is presently in progress. Finalisation of the agreement will also be conditional upon agreement to the terms by the Wilyakali claimant group who now have an overlapping claim in the area and, whom it is understood are expected to be recognised, along with the Adnyamathanha in the court determination of native title claims for this area.

Havilah understands that receipt of an executed agreement with the relevant native title claimants is the last major requirement of the regulators in order for them to grant a mining lease over the Kalkaroo deposit. Finalisation of the native title mining agreement and grant of a mining lease over the Kalkaroo copper-gold deposit is very timely given collaboration with Wanbao Mining Limited to complete the Kalkaroo pre-feasibility study (PFS) by the end of the calendar year.

MOU with Wanbao Mining Limited for the completion of PFS

Work on the Kalkaroo PFS, that is being managed by RPMGlobal, on behalf of Wanbao Mining Limited, progressed significantly during the quarter. Havilah was actively involved in all aspects of this work that included:

1. Validation of Havilah's updated resource model.
2. Completion of a mining trade-off options analysis that allowed early elimination of unviable options.
3. Selection of Havilah drillcore samples held in cold storage for additional metallurgical test work.
4. Regular reviews of progress.

The objective of the PFS, which is scheduled to be completed by the end of the year, is to provide sufficient information for Wanbao to make a decision on its future participation in financing and development of the Kalkaroo Project. The PFS will primarily address the development implications of the recently upgraded resource for Kalkaroo and will increase the confidence in the final processing circuit and associated capital and operating costs for an expanded operation. Havilah has agreed to provide Wanbao with a period of exclusivity for the duration of the PFS study plus an additional two months, until approximately the end of January 2018. During this time Havilah will continue to advance permitting of the Kalkaroo project, with the aim of having largely completed this task by the time the PFS is completed.

Wanbao Mining Limited (www.wbmining.cn) is a Beijing-based specialist international mining company with substantial copper mining operations in Myanmar and copper and cobalt mining and smelting operations in Democratic Republic of Congo. Currently Wanbao controls resources of more than 9 million tonnes of copper, 400,000 tonnes of cobalt and 800 tonnes of platinum. This year Wanbao is targeting 150,000 tonnes of cathode copper production from its Myanmar operations, where it has successfully developed and applied proprietary bacterial leaching technology.

RPMGlobal (www.rpmglobal.com ASX : RUL) is a global leader in the provision of advisory services to the mining industry. Its global team has over 45 years of experience in the mining industry and is the world's largest publicly listed group of independent technical experts, including 200 specialists in 20 offices across 13 countries. RPMGlobal is well qualified to carry out the PFS work, having completed over 50 metalliferous PFS/FS studies and hundreds of compliant projects under relevant international reporting standards. Many of RPMS's team members have direct operational experience enabling them to add value via their practical advice. RPM's Beijing office established in 2005 works for some of China's largest state owned and private enterprises on their outbound investment and ensures effective communications with Chinese partners and equipment suppliers.

MUTOOROO COPPER-COBALT PROJECT

Havilah has previously announced its intention to advance stage 1 of the Mutooroo copper-cobalt project via a 0.5 million tonne per annum conventional grinding and flotation circuit that will recover copper concentrate and pyrite concentrate (for cobalt). Progress during the quarter has included:

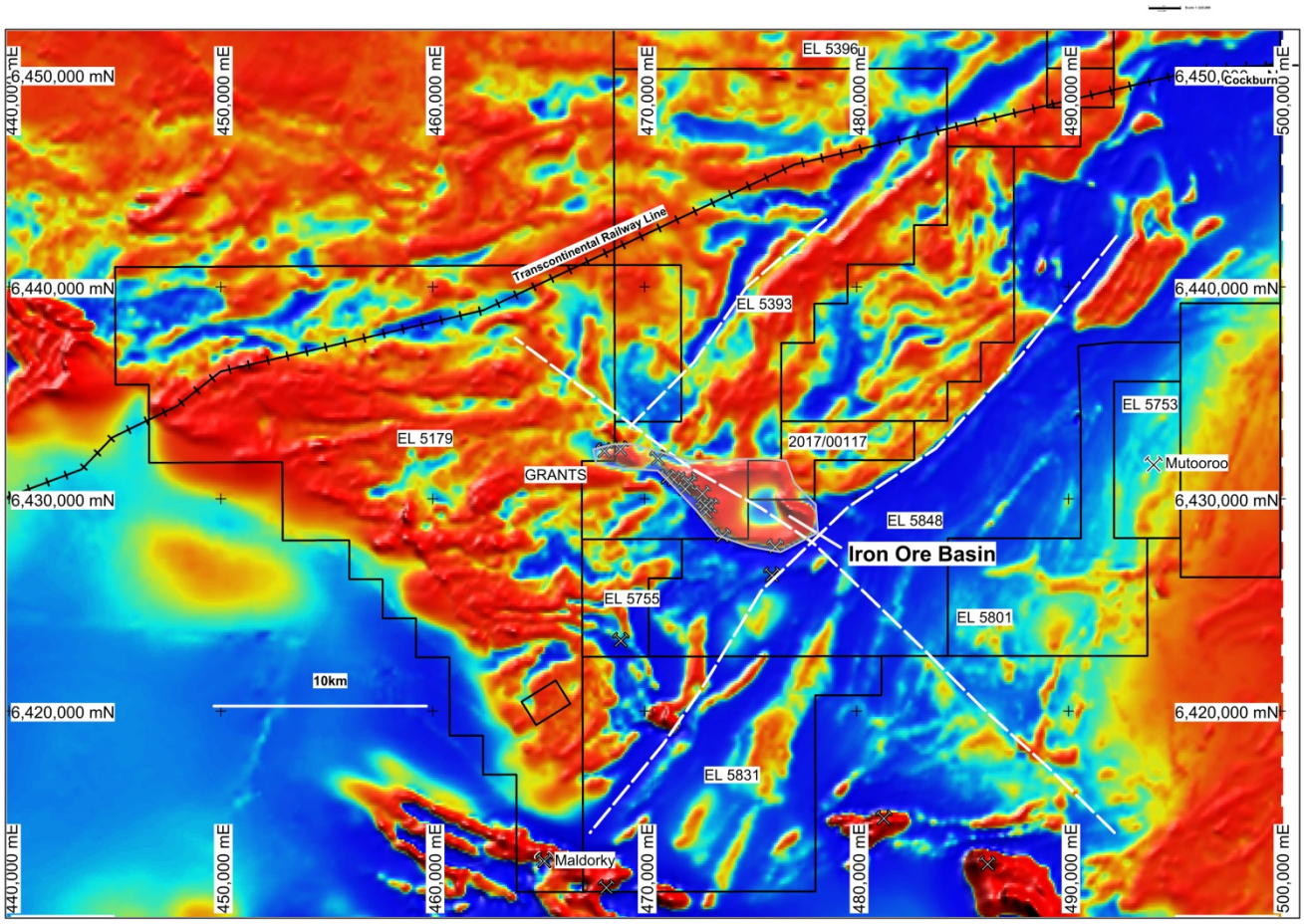
1. Employment of a Project Manager with relevant technical and permitting skills who will manage the PFS, mine permitting, and stakeholder engagement work.
2. An initial meeting with the native title claimants in Broken Hill at which it was agreed to conduct a site visit as the first step in progressing negotiations on the possible terms of a native title mining agreement for the project.
3. Trialling of new ore crushing and magnetic separation equipment on some Havilah drillcore held in storage. This showed that a high percentage of the magnetic pyrrhotite could be removed, potentially reducing the mass of sulphide material for flotation by more than 60%. Flotation work on the non-magnetic component

currently in progress will aim to recover clean chalcopyrite (copper sulphide) and cobaltian pyrite concentrate. It is proposed that the key chemical specifications of the pyrite concentrate will be determined and various leaching methodologies trialled.

GRANTS IRON ORE BASIN

During the quarter, Havilah secured control over the complete area of the very large fault-controlled Grants iron ore basin with acquisition of EL5848 from Minotaur Resources and new EL application 2017/00117. Havilah already has a farm-in agreement with Exco Resources on EL 5393 (see map below). The hitherto unknown iron ore potential of this 10 km x 6 km basin was first identified by Havilah's drilling in 2012 at the faulted western end where 180 metres true vertical thickness of continuous iron ore mineralisation grading 23% Fe was intersected from surface in one drillhole. An Inferred Resource of 304 million tonnes of 24% Fe (applying an 18% Fe cut-off grade) was estimated from this drilling.

The basin is unique for its large size, absence of overburden and almost flat lying occurrence of the Braemar Iron Formation that appears to have formed in a shallow fault-controlled depression in the Broken Hill age bedrock. Havilah plans to carry out reconnaissance drilling in the future to determine the regional extent of the basin and the thicknesses and grades of iron ore across it. Initial results from drilling of the Grants resource at the very western tip of the basin are considered to be promising for discovery of an extremely large resource, which conceivably could host areas of higher grade iron mineralisation where the sedimentary depositional conditions were particularly favourable.



Aeromagnetic image showing the geological setting and location of the Grants fault-controlled iron ore basin in relation to the transcontinental railway line (10km to the north) and Havilah's Mutooroo copper-cobalt project and Maldorky iron ore project. The donut shape signifies the slightly upwarped margins of the basin where the moderately magnetic iron ore unit crops (but is not exposed due to weathering and lateristisation)

CORPORATE AND FINANCE

As at 31 July 2017 cash at bank was $0.9 million.

At the end of the quarter, the Company had 625 ounces of gold nuggets in inventory. 300 ounces of these nuggets have already been committed under the gold forward sale announced on 11 March 2016. Gold concentrate in inventory at 31 July 2017 was approximately 43 ounces.

7.2 million of its listed options (ASX:HAVO) that expired on 30 June 2017, were exercised by shareholders, raising a sum of $2.1 million. Many Havilah shareholders exercised their options including the majority of Havilah's larger long term private shareholders, notwithstanding the small margin between the option exercise price and the share price at the time. All directors and the CFO also exercised options.

Havilah relocated its Adelaide office during the quarter in a move designed to accommodate continued future growth while also reducing the cost of occupancy. The new office provides an opportunity to increase productivity through a

modern open plan working environment and will also add space to meet the expected needs of the next stages of business-critical projects such as Kalkaroo and Mutooroo. The opportunity was taken to upgrade Havilah's IT infrastructure that was migrated to a cloud-based system. The new building has strong green credentials including a solar façade consisting of solar panels and translucent PV cells reducing the building's overall energy consumption by approximately 25%.

Final commissioning adjustments being made to the newly installed cyclone by one of Havilah's process engineering employees

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

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

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Hole ID	Grid System: UTM Zone 54 South (AGD 66 datum)				Dip degrees	EOH metres
	Easting m	Northing m	RL m	UTM azimuth		
PTAC424	447758	6521939	23.2	190	-85	65
PTAC431	447760	6521865	1.3	270	-70	35
PTAC432	447772	6521864	0.59	-	-90	35
PTAC434	447801	6521890	-4.4	270	-70	40
PTAC437	447808	6521912	-4.0	1	-60	55

Data table for Portia open pit drill holes cited in this report

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 1m intervals to obtain 2-3kg samples and collected in numbered calico bags. Damp samples are collected by scoop sampling. All samples 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/or 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. • Handheld XRF readings may be collected from certain intervals and used as a guide but are not reported here.
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 diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• All RC holes were drilled using standard face-sampling bits, with bit sizes ranging from 120mm to 144mm. • All AC holes used 121mm blade bit. •
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*	• The sample yield and wetness of the RC and AC samples was routinely recorded in drill logs..

Criteria	JORC Code explanation	Commentary
	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.*	• 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. Poor quality samples are not submitted for analysis but 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 and drill core 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 the grain size of the material being*	• Dry RC and AC drill samples were riffle split on 1m intervals while damp intervals are scoop sampled on 1m intervals. • Sample preparation and assaying methods are summarized above. • Quality control procedures include the insertion of standards ,blanks and duplicates into the regular sample number sequence (1 in 25 samples). 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, tin and other metals has not proven to be an issue. • No drill core samples were collected for

Criteria	JORC Code explanation	Commentary
	sampled.	assay.
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, blanks and duplicates into the regular sample number sequence (1 in 25 samples). If any blank, standard or duplicate is out of spec, re-assay of retained samples is requested of the laboratory as a first step ALS also insert their own QC/QA samples into the sample sequence.
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 conducted routinely every 30m down hole. • 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 AGD66 datum coordinates.
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 a resource definition drilling program designed to test for mineralisation extensions , hence drillhole spacing is important. RC and AC holes were generally spaced at regular intervals on lines designed to infill gaps in the resource model. • Sample compositing was not used.
Orientation of data in relation to	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• 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

Criteria	JORC Code explanation	Commentary
geological structure	• *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 material.*	maximize the value of the drilling data. • At this stage, no material sampling bias is known to have been introduced by the drilling direction.
Sample security	• *The measures taken to ensure sample security.*	• RC and AC assay samples are collected directly from the riffle splitter in pre-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 Exploration Licences and Portia Mining Lease ML6346 •
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.*	• Eluvial gold in base of Tertiary sediments and nuggetty gold mineralisation in fracture veined saprolite bedrock.

Criteria	JORC Code explanation	Commentary
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *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.*	• See separate Tables in this report
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.*	• Plan showing the location of the drillholes in relation to previous drillholes.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high*	• Only meaningful potentially economic grade intervals are reported.

Criteria	JORC Code explanation	Commentary
	grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	
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).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• These holes are part of a resource definition drilling program.

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity	
Havilah Resources Limited	
ABN	**Quarter ended ("current quarter")**
39 077 435 520	31 July 2017

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1,433	16,860
1.2	Payments for		
	(a) exploration & evaluation	(1,022)	(3,093)
	(b) development	(91)	(909)
	(c) production	(1,836)	(8,028)
	(d) staff costs	(1,175)	(3,208)
	(e) administration and corporate costs	(74)	(888)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	12
1.5	Interest and other costs of finance paid	(23)	(244)
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (PACE grant received)	200	200
1.9	**Net cash from / (used in) operating activities**	**(2,585)**	**702**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(268)	(1,974)
	(b) tenements (see item 10)	(110)	(110)
	(c) investments	-	-
	(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(378)**	**(2,084)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	872
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	2,718	3,961
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	135	135
3.6	Repayment of borrowings	(3)	(3,514)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Release of Term Deposits)	87	107
3.10	**Net cash from / (used in) financing activities**	**2,937**	**1,561**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	914	709
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,585)	702
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(378)	(2,084)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,937	1,561
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**888**	**888**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	6	32
5.2	Call deposits	882	648
5.3	Bank overdrafts	-	-
5.4	Other (Share Options Cash Account)	-	234
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**888**	**914**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	226
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Item 6.1 consists of director's fees, salaries and superannuation paid to directors and $5k of consulting fees to an associate of a director. All transactions are on commercial terms.

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

	9. Estimated cash outflows for next quarter	**$A'000**
9.1	Exploration and evaluation	570
9.2	Development	320
9.3	Production	2,460
9.4	Staff costs	800
9.5	Administration and corporate costs	80
9.6	Other (provide details if material)	
9.7	**Total estimated cash outflows**	**4,230**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased	EL5437 EL5502 EL5831 EL5848	Exploration tenements acquired	Nil	100%

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: Date: 30 August 2017

(CFO & Company secretary)

Print name: Walter Richards

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Table 1: Summary of Tenements for Quarter Ending 31July 2017 (ASX Listing Rule 5.3.3)

Location	Project Name	Tenement No.	Tenement Name	Registered Owner[1]	% Interest	Status
Tenements held during Quarter Ended 31 July 2017:						
South Australia	Curnamona Craton	EL4967	Frome	Curnamona	100	Current
South Australia	Gawler Craton	EL5107	Pernatty	Red Metal, Havilah[3]	13.29	Current
South Australia	Curnamona Craton	EL5179	Cutana	Havilah	100	Current
South Australia	Curnamona Craton	EL5246	Chocolate Dam	Havilah	100	Current
South Australia	Curnamona Craton	EL5260	Cochra	Havilah	100	Current
South Australia	Curnamona Craton	EL5369	Lake Charles	Havilah	100	Current
South Australia	Curnamona Craton	EL5370	Yalkalpo	Curnamona	100	Current
South Australia	Curnamona Craton	EL5393	Mingary	Exco, Polymetals[4]	0	Current
South Australia	Curnamona Craton	EL5396	Olary	Havilah	100	Current
South Australia	Curnamona Craton	EL5420	Lake Namba	Havilah	100	Current
South Australia	Curnamona Craton	EL5421	Swamp Dam	Havilah	100	Current
South Australia	Curnamona Craton	EL5422	Telechie	Havilah	100	Current
South Australia	Curnamona Craton	EL5423	Yalu	Havilah	100	Current
South Australia	Curnamona Craton	EL5437	Woodville Dam	Havilah	100	Current*
South Australia	Curnamona Craton	EL5448	Carnanto	Havilah	100	Current
South Australia	Curnamona Craton	EL5463	Prospect Hill South	Havilah	100	Current
South Australia	Curnamona Craton	EL5476	Lake Yandra	Havilah	100	Current
South Australia	Curnamona Craton	EL5478	Tarkarooloo	Havilah	100	Current
South Australia	Curnamona Craton	EL5488	Eurinilla	Havilah	100	Current
South Australia	Curnamona Craton	EL5502	Collins Tank	Havilah	100	Current*
South Australia	Curnamona Craton	EL5505	Lake Frome	Havilah	100	Current
South Australia	Curnamona Craton	EL5578	Kalabity	Havilah	100	Current
South Australia	Gawler Craton	EL5579	Sandstone	Havilah	100	Current
South Australia	Curnamona Craton	EL5593	Billeroo West	Havilah	100	Current
South Australia	Curnamona Craton	EL5703	Bundera	Havilah	100	Current
South Australia	Curnamona Craton	EL5753	Mutooroo Mine	Havilah	100	Current
South Australia	Curnamona Craton	EL5754	Mundi Mundi	Havilah	100	Current
South Australia	Curnamona Craton	EL5755	Bonython Hill	Havilah	100	Current
South Australia	Curnamona Craton	EL5760	Bumbarlow	Havilah	100	Current
South Australia	Curnamona Craton	EL5764	Maljanapa	Havilah	100	Current
South Australia	Curnamona Craton	EL5785	Moko	Havilah	100	Current
South Australia	Curnamona Craton	EL5800	Kalkaroo	Havilah	100	Current
South Australia	Curnamona Craton	EL5801	Mutooroo West	Havilah	100	Current
South Australia	Curnamona Craton	EL5802	Mulyungarie	Havilah	100	Current
South Australia	Curnamona Craton	EL5803	Telechie North	Havilah	100	Current
South Australia	Curnamona Craton	EL5824	Coolibah Dam	Havilah	100	Current
South Australia	Curnamona Craton	EL5831	Bonython Hill (2)	Havilah	100	Current*
South Australia	Curnamona Craton	EL5848	Mingary (2)	Havilah	100	Current*
South Australia	Curnamona Craton	EL5853	Oratan	Havilah	100	Current
South Australia	Curnamona Craton	EL5873	Benagerie	Havilah	100	Current
South Australia	Curnamona Craton	EL5891	Prospect Hill	Teale & Brewer[2]	65	Current
South Australia	Curnamona Craton	EL5903	Border Block	Havilah	100	Current
South Australia	Curnamona Craton	EL5904	Mundaerno Hill	Havilah	100	Current
South Australia	Curnamona Craton	EL5915	Emu Dam	Havilah	100	Current
South Australia	Curnamona Craton	EL5940	Coonarbine	Havilah	100	Current
South Australia	Curnamona Craton	EL5951	Jacks Find	Curnamona	100	Current
South Australia	Curnamona Craton	EL5952	Thurlooka	Curnamona	100	Current
South Australia	Curnamona Craton	EL5956	Wompinie	Havilah	100	Current*
South Australia	Curnamona Craton	EL5964	Yalkalpo East	Curnamona	100	Current
South Australia	Curnamona Craton	EL5965	Billeroo	Curnamona	100	Current
South Australia	Curnamona Craton	EL5966	Moolawatana	Curnamona	100	Current
South Australia	Curnamona Craton	ELA 2017/00117	Bindarrah	Curnamona	100	Application*
South Australia	Portia	ML6346	Portia	Benagerie	100	Current
South Australia	Portia	MC4345	Portia	Benagerie	100	Current
South Australia	Kalkaroo	MC3826	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MC3827	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MC3828	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MC4368	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MC4369	Kalkaroo	Kalkaroo	100	Current
South Australia	Kalkaroo	MPLA T02680	Kalkaroo	Kalkaroo	100	Application
South Australia	Kalkaroo	MPLA T02978	Kalkaroo	Kalkaroo	100	Application
South Australia	Lilydale	MC4264	Lilydale	Lilydale	100	Current
South Australia	Lilydale	MC4265	Lilydale	Lilydale	100	Current
South Australia	Lilydale	MC4266	Lilydale	Lilydale	100	Current
South Australia	Lilydale	MC4267	Lilydale	Lilydale	100	Current
South Australia	Maldorky	MC4271	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4272	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4273	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4274	Maldorky	Maldorky	100	Current
South Australia	Maldorky	MC4364	Maldorky	Maldorky	100	Current
South Australia	Mutooroo	ML5678	Mutooroo	Mutooroo	100	Current
South Australia	Mutooroo	MC3565	Mutooroo	Mutooroo	100	Current
South Australia	Mutooroo	MC3566	Mutooroo	Mutooroo	100	Current
South Australia	Frome	GEL181	Frome	Geothermal	100	Current
Tenements disposed during Quarter Ended 31 July 2017:						
NIL						

Note 1

Havilah:	*Havilah Resources Limited*
Curnamona:	*Curnamona Energy Pty Limited, a wholly owned subsidiary of Havilah Resources Limited*
Benagerie:	*Benagerie Gold Pty Limited, a wholly owned subsidiary of Havilah Resources Limited*
Kalkaroo:	*Kalkaroo Copper Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited*
Lilydale:	*Lilydale Iron Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited*
Maldorky:	*Maldorky Iron Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited*
Mutooroo:	*Mutooroo Metals Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited*
Oban:	*Oban Energy Pty Limited, a wholly owned subsidiary of Havilah Resources Limited*
Geothermal:	*Geothermal Resources Pty Limited, a wholly owned subsidiary of Havilah Resources Limited*
Exco, Polymetals:	*Exco Operations (SA) Ltd, Polymetals (White Dam) Pty Ltd*
Red Metal:	*Red Metal Limited*
Teale & Brewer:	*Teale and Associates Pty Ltd, Adrian Mark Brewer*

Note 2
Agreement - farm-in to earn 85% interest in tenement

Note 3
Agreement - farm-in to dilute to 10%

Note 4
Agreement - farm-in to earn 75% interest in the rights to iron ore and associated minerals

** Denotes a change in the quarter.*