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: 11 January 2017 **ASX Code: HAV**

2017 EXPLORATION DRILLING PROGRAM

Highlights

- **High potential gold and copper targets to be drilled on the Benagerie dome during first half 2017.**
- ***Target 1:*** **1.5 km long x 800 m wide Bassanio ironstone target within 1 km of Portia.**
- ***Target 2:*** **Up-dip and along strike extensions of shallow copper skarn at Croziers.**
- ***Target 3:*** **Portia high grade gold analogues at Shylock and Lorenzo prospects.**
- **Will not diminish current near mine drilling to expand gold resources at Portia**

One of **Havilah Resources Limited's** ("Havilah" or "Company") important strategic objectives for 2017 as stated at the AGM is to make new discoveries that are material to Havilah, using Portia cash flow. To this end, Havilah plans to commence an exploration drilling program in the first quarter of 2017 after an almost three year hiatus. The purpose of this announcement is to provide some relevant details about the various drilling targets that will give context for the exploration program rationale. The planned budget for this drilling is $0.5 million, of which 40% will be funded by the South Australian government under a PACE (Program for Accelerated Exploration) grant. The drilling program has been approved by the Department of State Development (DSD) and an aboriginal heritage survey will be conducted in the near future to clear all planned drilling areas.

It is important to note that this regional exploration will not diminish ongoing drilling in and around the current Portia open pit to expand the mining resource base, which will be operated by a separate drilling crew. This is consistent with Havilah's objective to generate steady cash flow from a sustainable gold mining operation at Portia.

Like the Portia Gold Mine, the various exploration targets lie on the Benagerie dome, which is currently viewed by Havilah as having the one of the lowest risk, highest reward greenfields copper-gold exploration profiles of any area within its entire 13,000 km^2 tenement holding based on:

1. Extensive mineralisation identified by previous drilling, but with little subsequent follow up drilling.
2. Within trucking distance of Portia Gold Mine and the proposed Kalkaroo copper processing facility.
3. Geological settings and mineralisation styles that can host world class mineral deposits as described below.

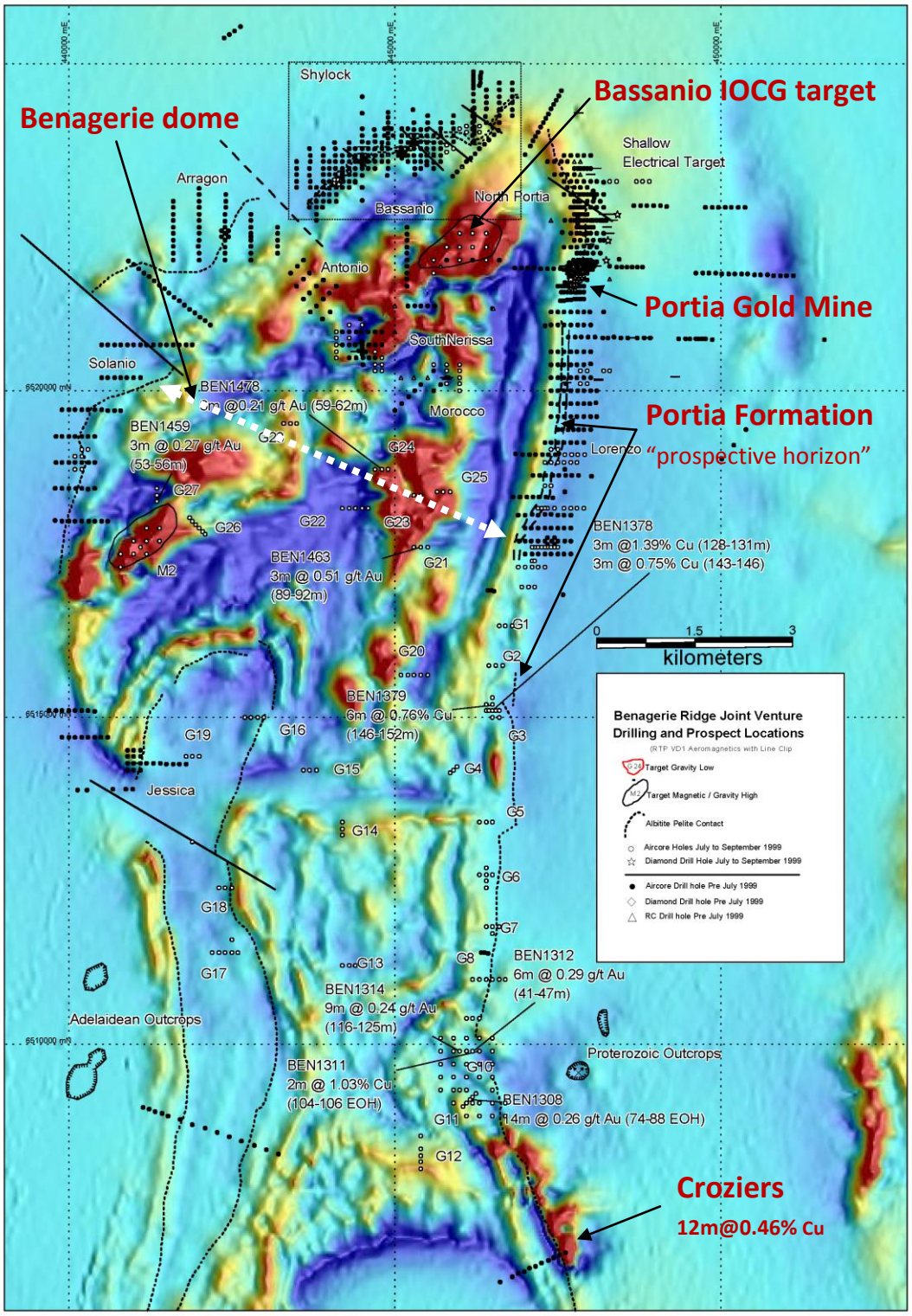


Figure 1 Aeromagnetic image of the Benagerie dome showing the broadly domed, oval shape defined by the Portia Formation (represented by the black dotted and dashed line). Locations of drilling targets mentioned in the text are shown. Red areas are more magnetic rocks, while blue-green areas are underlain by low magnetic rocks. This image is taken from a 1999 Pasminco report and the drillholes completed to that time are indicated by various symbols in the legend.

Bassanio IOCG Target

IOCG is a geological acronym for Iron Oxide Copper Gold, which is a specific class of generally large ironstone hosted copper-gold deposits, of which Olympic Dam and Ernest Henry are well known Australian examples. IOCG deposits are typically marked by magnetic anomalies (due to the contained magnetic iron oxide mineral, magnetite) and gravity highs (due to the more dense iron minerals present as compared with the surrounding country rock).

Lying partially within the Portia Gold Mine lease, in the core of the Benagerie dome, is arguably one of the best IOCG targets in the Curnamona Craton, known as Bassanio (Figures 1 and 2). The coincident magnetic and gravity anomaly is almost certainly reflecting an ironstone body based on earlier Pasminco drilling that hit rocks with >40% iron which could not be penetrated by the aircore drilling method being used at the time. Havilah attempted to RC drill the body in 2005, but drilling was abandoned due to excessive water flows and loss of air pressure. This time it is proposed to drill at least two diamond drillholes into the target.

Bassanio is considered to be a high quality IOCG target for several reasons:

1. An ironstone host is indicated by earlier drilling and coincident magnetic and gravity anomalies.
2. The ironstone target is large enough (1.5 km long x 800 m wide) to host a sizeable copper-gold deposit.
3. It contains anomalous metals – gold, copper, and molybdenum based on earlier Pasminco aircore drilling results.
4. A favourable structural setting - in the core of the Benagerie dome and lying on the same prominent east-northeast trending fault as the North Portia copper-gold deposit (Figure 2).

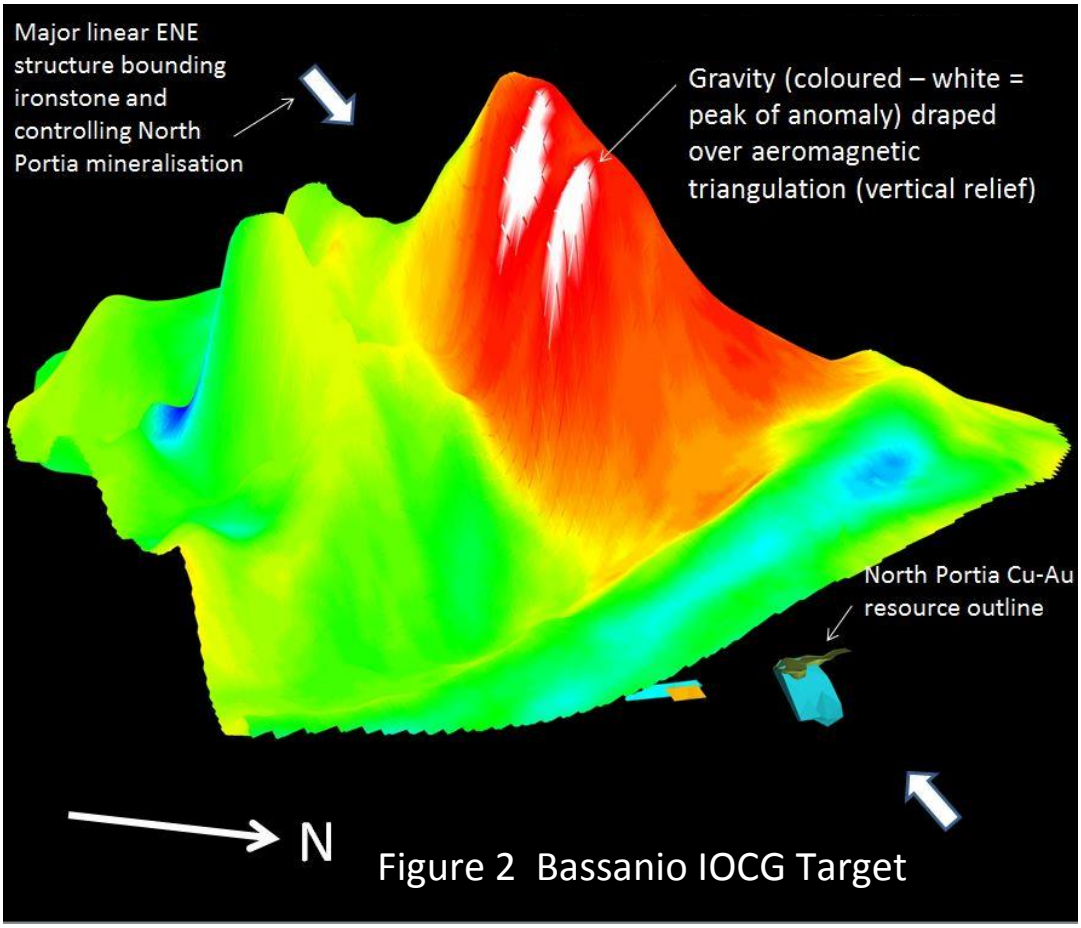


Figure 2 Bassanio IOCG Target

Croziers Skarn Target

Skarns are a particular class of metal deposits typically formed by the interaction of granite-derived hydrothermal fluids with generally carbonate rich wall rocks. This is the setting of the Croziers skarn that was first identified in 2014 diamond drillcore from MMG diamond drillhole BNG13DD001, which intersected 12 m of 0.46% copper in magnetite rich skarn from 213.5 m depth (Figures 3 and 4; refer to ASX announcement on 21 January 2014 for complete details of this drillhole). The host is believed to be the carbonate rich Portia Formation (or "prospective sequence" as referred to by Havilah geologists) that hosts the Kalkaroo and North Portia copper-gold deposits.

Pasminco-Werrie Gold joint venture aircore drilling in 1996 had earlier outlined strongly anomalous copper (1,000 – 3,000 ppm) at shallow depths in many holes plus strongly anomalous bismuth (up to 2,300 ppm in drillhole BNGAC078) and associated tungsten (eg 50 m of 1,239 ppm tungsten in drillhole BNGAC078).

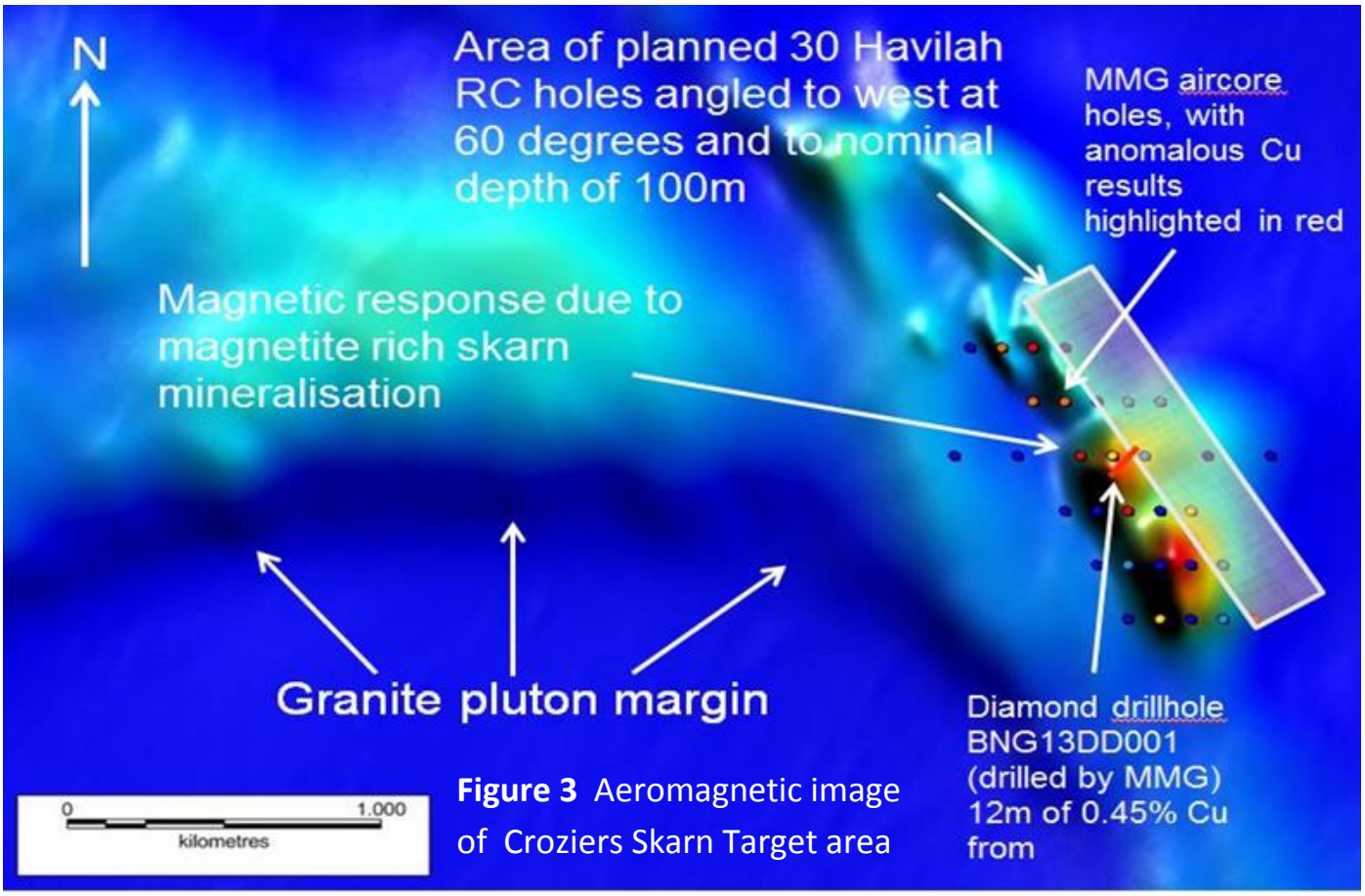


Figure 3 Aeromagnetic image of Croziers Skarn Target area

Havilah's interpretation is that there are four basic rock units dipping 25 - 30 degrees to the east within the Portia Formation. The main copper unit is overlain by a second more tungsten rich unit, with associated iron up to 30%. Due to the presence of magnetite, the Croziers skarn is associated with a prominent linear magnetic anomaly that can be traced for more than 1 km in proximity to the granite contact.

The key attractive features of the Croziers skarn target are:

1. Relatively shallow cover – only about 12 m thick in this area.
2. From the surface to 200 m depth is virtually unexplored and could host an enriched oxidised copper deposit.

3. Long coincident copper bedrock anomaly and magnetic anomaly in proximity to granite contact.
4. Located approximately midway between Portia and Kalkaroo deposits and within trucking distance of both.
5. Skarns host some of the world's largest and richest copper deposits, for example adjacent to the world class Grasberg porphyry copper deposit in West Papua. The Croziers skarn could therefore potentially host a copper deposit, with likely associated metals such as gold and tungsten.

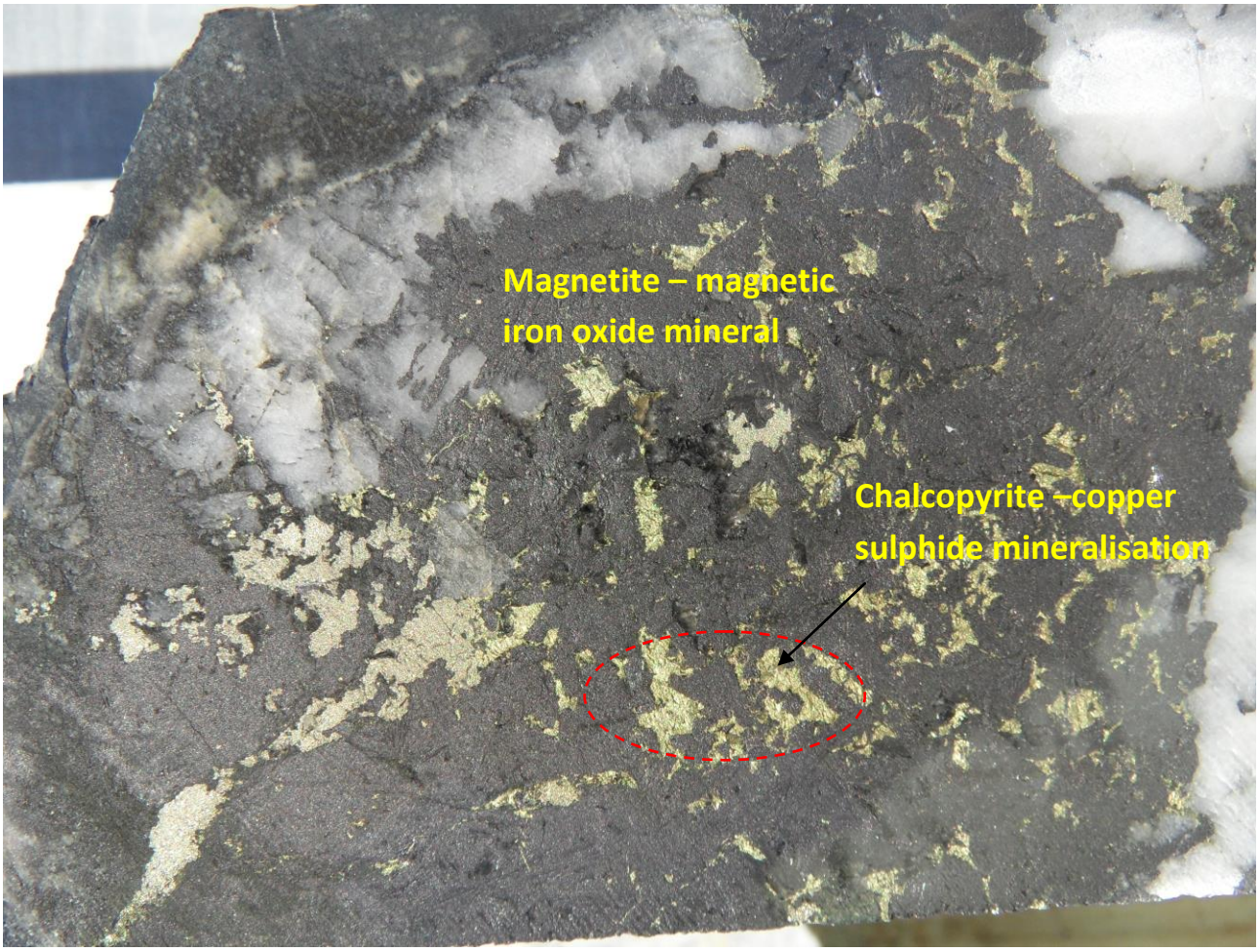
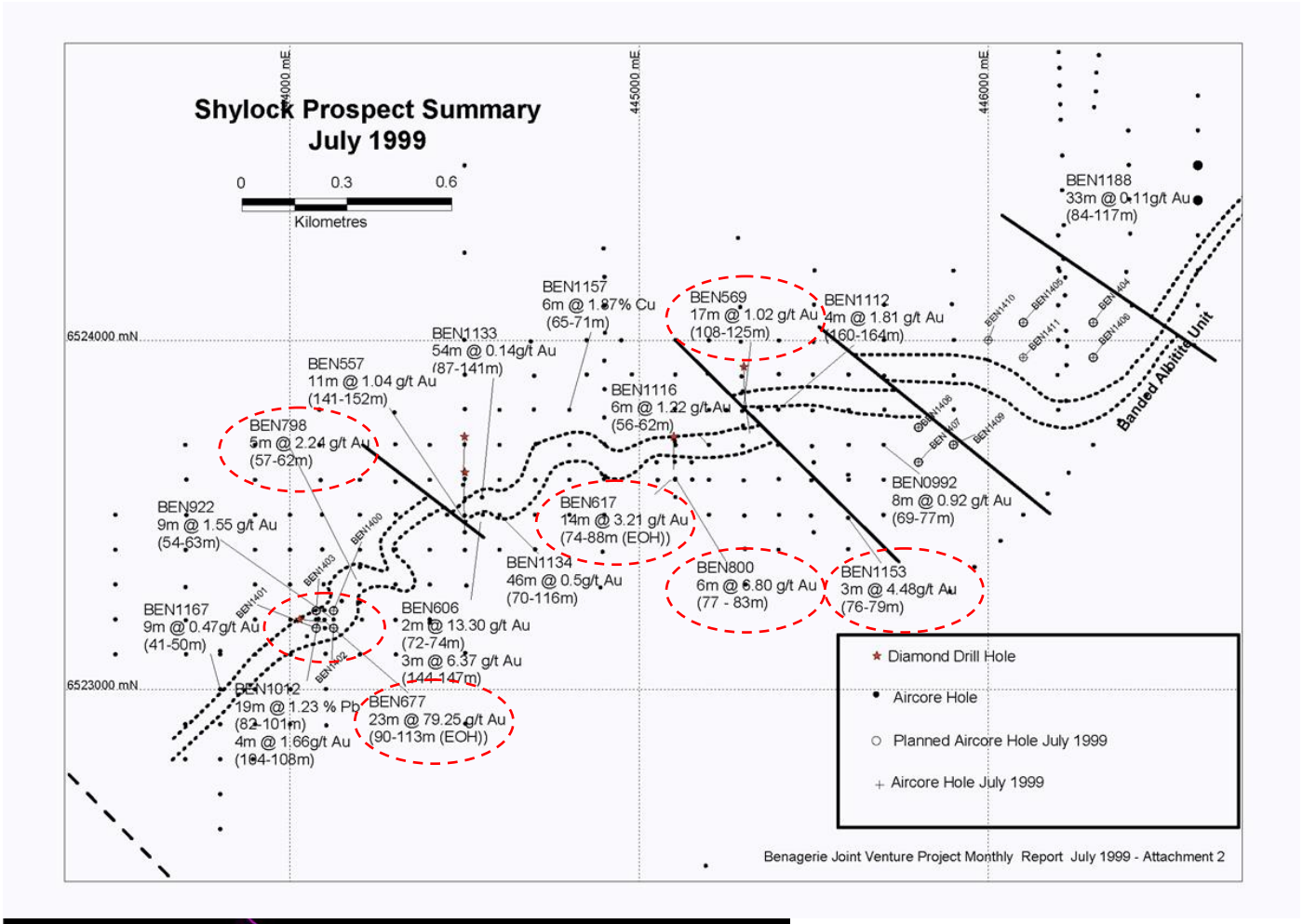


Figure 4 - Copper mineralised skarn rock in diamond drill core from Croziers prospect

Portia Repetitions at Shylock and Lorenzo

At the Portia Gold Mine high grade bedrock gold mineralisation is mostly hosted by graphite-bearing metamorphosed fine-grained sediments (originally shales) and is associated with anomalous levels of certain other elements (eg bismuth, arsenic and lead). At a detailed scale it is suspected that cross-cutting and bedding parallel shears within the graphitic metasedimentary unit may control the location of the gold.

Study of the 1996 Pasminco-Werrie Gold joint venture drilling results at **Shylock** has identified a 1.3 km long bismuth-gold anomalous zone within graphitic metasediments that includes one of the highest grade gold intersections in modern exploration history in South Australia, namely 23 m of 79.4 g/t gold in drillhole BEN 0677. Havilah will target this lode gold target, including re-drilling of the northwest section passing through the bonanza drillhole (BEN0677), and two sections lines 25 m either side of it (Figures 5 and 6).



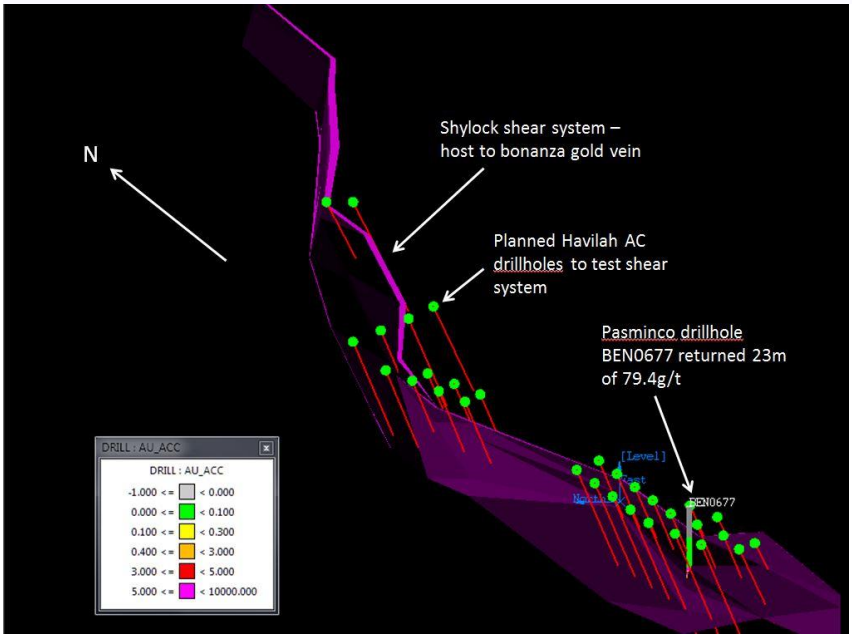


Figure 5 (above) *taken from a 1999 report by the Pasminco-Werrie Gold joint venture, which summarises significant gold drilling results from the Shylock prospect, including the BEN677 bonanza gold intersection.*

Figure 6 (left) *showing the interpreted Shylock shear system and some of the planned Havilah drillholes that are designed to test it.*

Similarly, at **Lorenzo** immediately south of the Portia Gold Mine numerous multi-hole gold-bismuth geochemical anomalies were intersected in Pasminco-Werrie Gold joint venture drillholes. This includes a number of economic grade gold intersections that have had limited follow up (see Figure 7 below). The aeromagnetic data (Figure 1 above) very clearly shows that the Portia Formation prospective sequence hosting the Portia gold deposit extends southwards for at least 7 km through Lorenzo and less obviously all the way to the Croziers copper skarn target a further 8 km south. This is also supported by other independent gravity and electrical geophysical data and logging of drillholes. Havilah plans to drill fences of angled reverse circulation drillholes in the vicinity of previous high grade gold intersections in order to determine both the extent of the gold mineralisation and the 3D geological controls, which will be vital for planning further drillholes to trace the mineralisation.

Havilah Managing Director, Dr Chris Giles, commented: "We are excited to be back exploring again after a long break, especially given the high potential of our proposed drilling targets.
"While exploration success is never guaranteed no matter how favourable the prospects, nevertheless we are cautiously optimistic about the outcome of our exploration drilling this year as our targeting is based on sound geological reasoning and evidence and we have had a lot of time to think about it.
"One cannot beat having mineralisation, which is present at all planned targets, as that tells you the right geological processes have operated.
"After that it is a matter of whether the mineralising processes have been sufficiently intense to produce an economic concentration of metals, which is what we aim to find out with our drilling program" he said.

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.

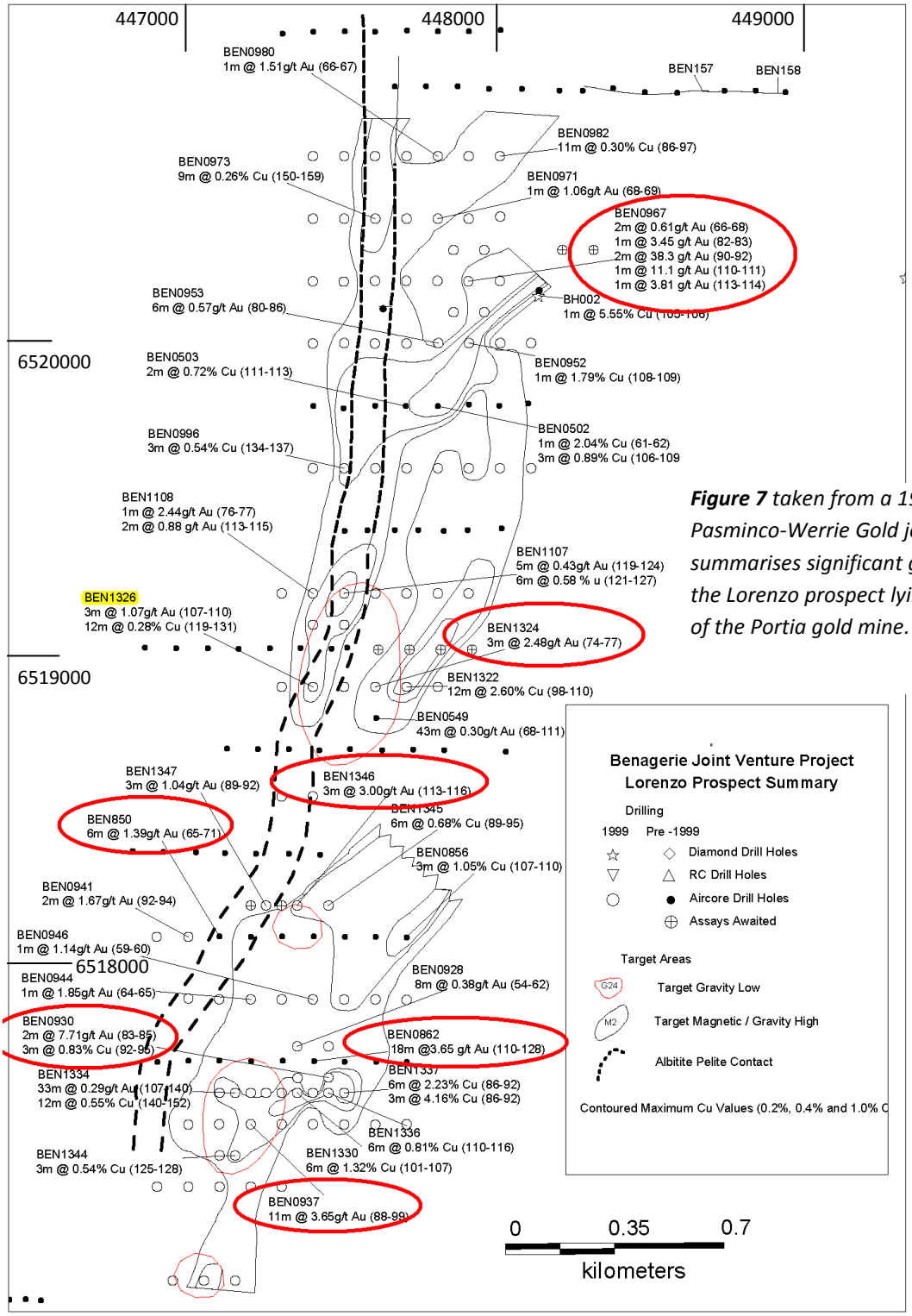


Figure 7 *taken from a 1999 report by the Pasminco-Werrie Gold joint venture, which summarises significant gold drilling results from the Lorenzo prospect lying immediately south of the Portia gold mine.*

JORC Code, 2012 Edition – "Table 1"

Section 1 Sampling Techniques and Data

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

This Table applies only to the Pasminco-Werrie Gold JV drilling that is referred to in the text and in Figures 1, 5 and 7 and is included to comply with Listing Rule 5.7.2 whereby Havilah is reporting the results itself for the first time (although it has been released to the ASX previously by Werrie Gold). The information in this table has been compiled from Pasminco reports by Havilah and from personal communication with geologists involved in the drilling at the time.

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.*	• Aircore drill chips received directly from the drilling rig were bagged in one metre intervals. Aircore samples for assay were collected from individual 1 m bags and combined to provide 3m composite samples of around 3kg in weight that were sent to the assay lab. • All samples were assayed for gold by bottle-role cyanidation and Cu, Pb, Zn, Co, Mo, Ag, As, Fe and Mn by AAS by Aminya Laboratories Ballarat. • Anomalous intercepts based on 3 metre assays were resampled in the field in one metre intervals.
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 holes reported were drilled by aircore (AC) method using a specially designed low air pressure 85 mm trumpet bit. • The holes were drilled to bit refusal, usually approximating the base of weathering or base of saprolite.
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*	• The sample yield and wetness of the AC samples was routinely recorded in drill logs. • Sample recoveries were continuously monitored by the geologist on site and

Criteria	JORC Code explanation	Commentary
	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.*	adjustments to drilling methodology were made to optimize sample recovery and quality where necessary. • Overall AC sample recoveries were at an acceptable level for first pass exploration purposes to determine if mineralisation is present.
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 AC samples were logged in detail by experienced geologists directly onto paper logs and the data then transferred to XL spreadsheets. • Logging is semi-quantitative and 100% of reported intersections have been logged. • All material is weathered often making recognition of primary lithologies quite challenging. In spite of this, in general logging is of a sufficient standard to generally allow recognition of key rock units and limited geological interpretation.
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 sampled.*	• AC drill samples were bagged and then spear sampled from the bags to obtain the samples for laboratory analysis. • Sample preparation and assaying methods are summarized above. • Quality control procedures include the insertion of standards (nominally 1 in 20 samples) and duplicates (nominally 1 in 20 samples) into the regular sample number sequence. • Sampling size is considered to be appropriate for the style of basemetal mineralisation present. Sampling issues for potentially coarse gold were addressed by using 3 kg bottle-role cyanidation method for all samples, which is considered to be an appropriate method and likely to produce more reliable results than standard fire assaying using a 50 gram charge.
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*	• All samples were assayed at Aminya Laboratories in Ballarat. Bottle roll cyanidation was used for gold in order to use a larger sample mass and so mitigate coarse gold sampling issues. Other metals were analysed by standard AAS procedure and are considered appropriate

Criteria	JORC Code explanation	Commentary
	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.*	at the exploration reporting stage. • Quality control procedures include the insertion of standards (nominally 1 in 20 samples) and duplicates (nominally 1 in 20 samples) into the regular sample number sequence. If any samples are out of spec re-assay was 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 were followed to check all assay results. • All data entry was under control of a specialist database geologist, who was responsible for data management, storage and security. • No adjustments to assay data are carried out. • The assay database was independently reviewed and QC'd by geologists from Werrie Gold.
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 exploration drilling program designed to find mineralisation. Hence drillhole spacing is variable and not close enough for resource definition or for making detailed geological interpretation. • Sample compositing was used - aircore samples for assay were collected from individual 1 m bags and combined to provide 3m composite samples of around 3kg in weight. Any anomalous samples were re-assayed for 1 m interval.
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*	• The drillhole azimuth and dip was chosen to intersect the strike of the host rocks 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

Criteria	JORC Code explanation	Commentary
	should be assessed and reported if material.	drilling direction.
Sample security	• *The measures taken to ensure sample security.*	• AC chip samples are directly collected from the cyclone in numbered plastic bags. • Several calico bags were placed in each polyweave bag which were then sealed with cable ties. The samples were despatched via a reputable carrier to the assay laboratory. • There is minimal opportunity for systematic tampering. • This is considered to be a secure and reasonable procedure and there is no evidence of any systematic sample tampering.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Internal auditing of sampling techniques and assay data did not reveal 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 was on granted exploration licences held by Werrie Gold, which have subsequently been taken over by Havilah Resources. The tenements have at all times been maintained in good standing. • Security via current granted exploration licences.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• There was no systematic exploration in the area prior to the Pasminco-Werrie Gold JV
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Stratiform replacement / vein style gold (and copper) 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*	• As far as Havilah is concerned the Pasminco-Werrie Gold drilling results chief value is in indicating the presence of mineralisation and the absolute values

Criteria	JORC Code explanation	Commentary
	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.* • *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.*	of gold and other metals is largely immaterial. • Accordingly, the detailed drillhole information is not provided because it is not considered material in the context of Havilah's planned exploration program and the present announcement relating to it. • Co-ordinated maps are provided that show the locations of drillholes, which is considered adequate for current reporting purposes • Havilah is only using the Pasminco-Werrie Gold JV drilling results in a very general way, and as one of a number of techniques, to guide its drilling. Other than this, Havilah is not relying on this drilling information and is not purporting that the drilling results should be relied upon. Havilah is not suggesting that any resources exist based on the Pasminco-Werrie Gold JV drilling results and would not use these drilling results in any future resource calculations.
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 were calculated using the length-weighted averages of individual samples. Local geology is also used as an input. • Since these are first pass exploration results, no high grade cut-offs were applied.
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*	• Down-hole lengths are reported. • Since this was first pass exploration drilling, there was little knowledge about mineralisation orientation, so the aircore drillholes were all vertical • Since the orientation of mineralisation was unknown only downhole intersection lengths are reported.

Criteria	JORC Code explanation	Commentary
	hole length, true width not known').	
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.*	• Maps showing locations drillholes are included in the announcement. Sections are not provided because of insufficient density of drilling to make reliable interpretations and also because the rocks are extremely weathered, often making identification and correlation of rock units quite challenging.
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 shown on the maps. • This is because Havilah is only interested in highlighting to its shareholders areas of potentially interesting mineralisation that it plans to drill.
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 but information is limited because of the early stage of exploration, wide spacing of drillholes and weathered nature of the rocks. • Aeromagnetic data is helpful in drill targeting the right stratigraphic position and is shown in Figure 1.
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.*	• The announcement details Havilah's plans to carry out follow up drilling to check the indications of mineralisation from the Pasminco-Werrie Gold JV drilling results. • Geological interpretations are limited due to the early stage of exploration and wide spacing of drillholes.