Havilah Resources

(ASX : HAV)

22 August 2013

Havilah Resources NL *aims to become a significant new producer of iron ore, copper, gold, cobalt, molybdenum and tin from its 100% owned JORC mineral resources in northeastern South Australia.*
120.3 million ordinary shares
31.6 million listed options
10.4 million unlisted options

HIGH GOLD RECOVERIES IN LEACH TESTS OF TERTIARY CLAYS AT WEST KALKAROO

HIGHLIGHTS

- **Cyanide leach tests on two representative composite drill samples of Tertiary clays at West Kalkaroo returned 80% gold recoveries within 8 hours.**

- **Gold recovered from this shallow clay material above the main Kalkaroo deposit has a potentially significant positive impact on the economics of a starter open pit at West Kalkaroo.**

Havilah Resources NL (ASX:HAV) is pleased to report results of the initial cyanidation leach test work for samples of gold bearing Tertiary age Namba Formation clays. These samples were collected during an aircore drilling program, which returned low grade gold mineralisation 23-36m below surface in a distinctive more organic rich, darker coloured basal part of the Tertiary clay sequence (see ASX release 26/7/13). This gold mineralisation appears to form a “mushroom cloud” halo lying above and separate from the main bedrock Kalkaroo copper-gold resource.

In order to assess the gold recovery in this material, bottle roll leach tests using sodium cyanide reagent were carried out by ALS Metallurgy Services in Adelaide on two representative samples composited from two drillholes as follows :

Drillhole No.	From	To	Thickness	Original Composite Assay	Composite re-assay
KKAC0420	28	35	7m	0.89 g/t	1.0 g/t
KKAC0421	31	34	3m	0.87 g/t	0.95 g/t

The individual one metre drill samples were composited together and the composite sample was then riffle spilt and re-assayed. It is notable that the composite sample re-assays, which are slightly higher grade than the original assays, are likely to be more representative of the true gold grades in the interval.

One kilogram of each composite sample was bottle rolled in cyanide solution and sampled five times during a 48 hour period. For both tests results indicate that 80% recovery of gold occurs in 8 hours, which is comparatively rapid. No significant increase in gold recovery was achieved after that time. The trace amounts of copper in this material appear to have had negligible effect on the results.

Drillhole No.	Assayed Grade	Recovery after 8 hours	Cyanide Consumption
KKAC0420	1.0 g/t	80.7%	0.26 kg/t
KKAC0421	0.95 g/t	82%	0.57 kg/t

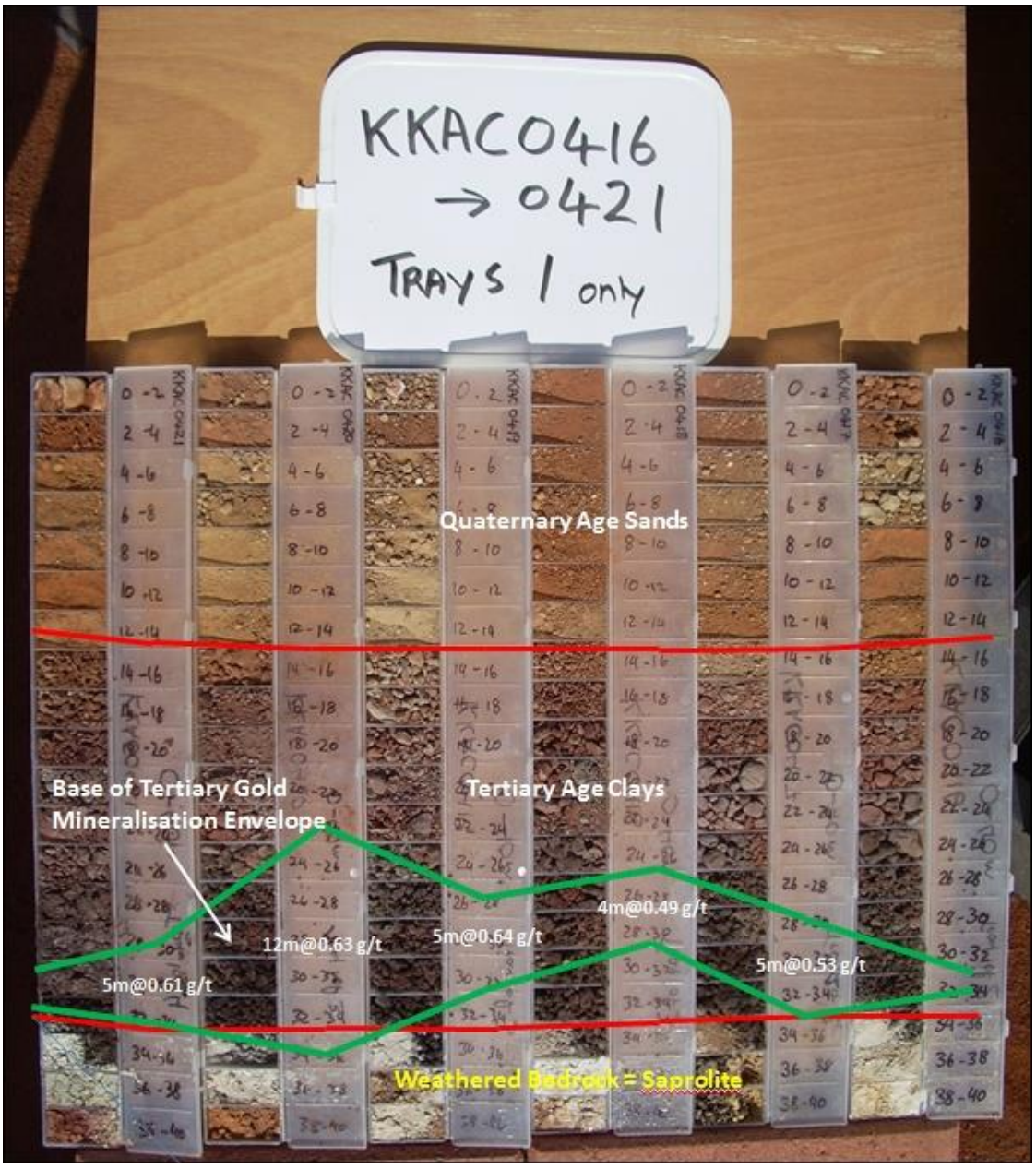
The cyanide consumption rates are low and a recovery rate of at least 80% would appear achievable in a conventional CIP gold plant. It is possible that better dissolution of the clays may even improve recoveries.

Commenting on these results, Havilah Chairman, Dr Bob Johnson, said "These excellent cyanide leach test results are vitally important to our continuing assessment of a smaller scale start-up open pit mining strategy at West Kalkaroo. This clay material will not require crushing or milling and contains no significant coarse fraction. The shallow gold mineralisation, at depths of only 25-35m, which we now know is readily recoverable from these tests, could provide an early cash flow. It could potentially cover a substantial portion of the overburden removal costs for the starter open pit, hence reducing the start up project risk."

The shallow aircore drilling is continuing at West Kalkaroo to assess the extent of this Tertiary clay gold resource within the confines of the first year conceptual open pit design. To date, 34 aircore holes have been drilled and the many assay results currently outstanding will be reported as they are checked and incorporated into Havilah's database.

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

Dr Bob Johnson, Chairman, on (08) 83389292 or email : info@havilah-resources.com.au



Drill chips from aircore drillholes KKAC416-421 showing distribution of gold mineralisation grades in the darker portion of the base of Tertiary clays at West Kalkaroo.

Competent Persons Statement
The information in this report has been prepared by geologists Dr Bob Johnson, who is a member of the Australasian Institute of Mining and Metallurgy, and Dr Chris Giles who is a member of The Australian Institute of Geoscientists. Drs Johnson and Giles are employed by the Company on consulting contracts. They have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration to qualify as Competent Persons as defined in the JORC Code 2004. Drs Johnson and Giles consent to the release of the information compiled in this report in the form and context in which it appears.

About the Kalkaroo Copper-Gold Project

Kalkaroo Copper-Gold Project has a Measured and Indicated Resource of:

- **124 million tonnes @ 0.5% copper and 0.39g/t gold** in the main copper-gold deposit.
- **18.6 million tonnes @ 0.74 g/t gold** in the gold cap on top of the copper-gold deposit.

(refer to table below for breakdown of JORC resource categories after original ASX release)

It has the following favourable development attributes:

- 622,500 tonnes of contained copper metal.
- Approximately 2 million ounces of gold.
- A free-milling, soft gold cap containing 446,000 ounces of gold at high recoveries (>97%), which will provide early cashflow.
- Expected copper and gold recoveries of up to 91% and 87% respectively, in the chalcopyrite sulphide material, which forms approximately 66% of the deposit.
- Conventional flotation circuit producing a high quality copper concentrate, containing 29% Cu for chalcopyrite material and 34% for chalcocite material and no deleterious elements.
- Life-of-Mine strip ratio of 3.2:1 allowing for 5% dilution of all grade blocks.
- Optimised open pit to 200m depth captures roughly 80% of the current total resource.
- Free digging material to approximately 120m depth (roughly to top of chalcopyrite zone).
- Development capital cost of approximately $500 million.
- Excellent regional infrastructure and workforce, only 75 minutes from Broken Hill

Classification	Tonnes	Cu grade %	Au g/t	Cut-off	SG
GOLD CAP Measured	18,690,000		0.74	0.2g/t	1.86
KALKAROO CuAu Measured	85,890,000	0.52	0.41	0.3% Cu equiv.	2.50
KALKAROO CuAu Indicated	38,620,000	0.45	0.33	0.3% Cu equiv.	2.65
KALKAROO CuAu Total Meas & Ind	**124,510,000**	**0.50**	**0.39**	0.3% Cu equiv.	2.55