

16 October 2018

Grants Iron Ore Basin Drilling Commencing Soon

HIGHLIGHTS

- **3,500 metre RC drilling program funded by SIMEC Mining to test iron ore mineralisation in the western portion of the Grants Iron Ore Basin.**
- **Drill program may be expanded to include diamond drill holes for metallurgical samples.**
- **Drilling is part of SIMEC Mining's due diligence investigation of the commercialisation potential of the Maldorky and Grants iron ore projects.**

Havilah Resources Limited (Havilah) advises that an approximately 3,500 metre reverse circulation (**RC**) drilling program is soon to commence in the Grants Iron Ore Basin. This drilling is part of a comprehensive program of work currently being performed and funded by SIMEC Mining (an affiliate of the GFG Alliance) as part of their [due diligence investigation](#) of the commercialisation potential of Havilah's Maldorky and Grants iron ore projects.



Old workings within the Grants Iron Ore Basin from which iron ore flux was mined for smelting operations in Broken Hill in the pre-1900 era.

The drilling will be on Exploration Licence 5393 in which Havilah [acquired a 100% interest earlier this year](#). It will test the unexplored eastern extensions of the [304 million tonne Grants iron ore resource](#), in what is interpreted to be part of a potentially large iron ore basin covering an area of approximately 17 km² (**Figure 1**).

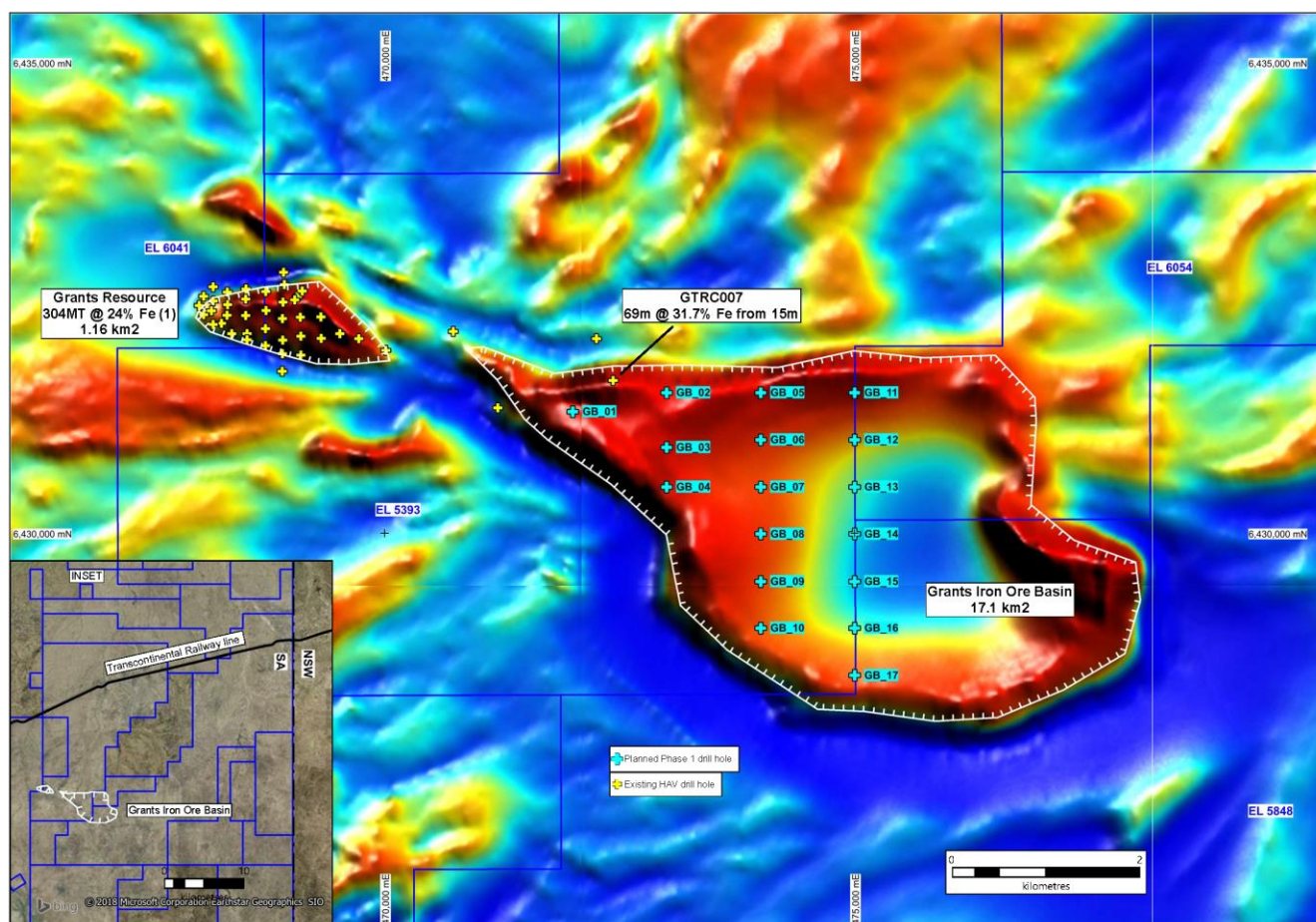


Figure 1 Grants Iron Ore Basin in relation to the Grants Iron Ore Resource and proposed drillhole layout (collars marked by blue crosses).

The only drillhole completed by Havilah within the iron ore basin area to date, namely drillhole GTRC007 drilled in March 2012, returned 69 metres of 31.7% iron from near surface (**Figure 1**). This hole ended in iron ore and had the highest average iron grade intersection of all holes drilled in the Grants area.

The 1,000 metre x 500 metre planned reconnaissance drillhole spacing is designed to determine the broad extent, thickness and grade of iron ore mineralisation in the western half of the iron ore basin. Drillhole locations are based on the interpreted limits of the Grants Iron Ore Basin as indicated by the large "donut-shaped" aeromagnetic feature that is believed to be caused by subsurface iron ore mineralization (**Figure 1**).

The program will be carried out using a large RC drilling rig contracted by SIMEC Mining and the technical work will be managed by Havilah's exploration team. Havilah has carried out all necessary advance preparatory and permitting work for the drilling program, including execution of the required native title exploration agreement, an aboriginal heritage survey of the drill collar sites, and approval of a drilling PEPR (**Program for Environmental Protection and Rehabilitation**) from DEM (**Department for Energy and Mining**).

In the meantime, SIMEC Mining continues to carry out extensive metallurgical testing of Maldorky iron samples, with encouraging results so far. SIMEC Mining has indicated that following completion of the Grants Iron Ore Basin RC drilling program, it may follow up with several diamond drillholes to obtain additional core sample material for metallurgical sampling (in addition to the drillcore provided earlier by Havilah).

Commenting on the Grants drilling program, CEO, Mr Walter Richards said: "We are very pleased to see the commencement of drill-testing of the Grants Iron Ore Basin by SIMEC Mining.

"There is the potential to confirm the existence of a very large iron ore deposit that will add to our existing nearby Grants iron ore resource.

"Grants is approximately one hour's drive from Broken Hill and is in sight of the transcontinental railway line, which makes the logistics for the deposit and any extensions, very favourable," he said.

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

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About SIMEC Mining (SIMEC: Shipping, Infrastructure, Mining, Energy, Commodities) and the GFG Alliance

SIMEC Mining is a division of the SIMEC Group which is an international energy, infrastructure and natural resources business founded 50 years ago, which in 2016 had an annual turnover of almost US\$2.5 billion and net assets valued at US\$350 million. It is part of the Gupta Family Group (GFG Alliance), which has combined turnover of ~US\$15.0 billion and combined net assets of ~US\$3.0 billion. Its activities span renewable energy generation, mining, shipping and commodities trading through its key hubs in Europe, the Middle East, Asia and Australia.

SIMEC Mining owns and operates iron ore mines in the Middleback Ranges in South Australia, approximately 60 kilometres from the town of Whyalla. These operations incorporate the Iron Baron, Iron Knob and South Middleback Ranges mine sites. SIMEC Mining mines both hematite and magnetite iron ore which is respectively railed and piped to Whyalla. The majority of the magnetite is pelletised and is used within Liberty OneSteel's Whyalla Steelworks (an associated Company). The hematite and magnetite ore is loaded onto ships for transport to a primarily Asian customer base. Total reserves and resources are just under 0.5 billion tonnes.

About the Maldorky and Grants iron ore projects

Havilah's 100% owned Maldorky and Grants iron ore deposits are hosted by the Braemar Iron Formation in north-eastern South Australia. Maldorky contains a JORC Indicated resource of 147 million tonnes of 30% iron, while Grants contains a JORC Inferred resource of 304 million tonnes of 24% iron (refer to Table below). Both deposits are close to the transcontinental railway line and outcrop at the surface with little or no waste material. The hematite-magnetite ore is comparatively soft and Havilah's metallurgical test work shows that it can be beneficiated by gravity methods to a 65% iron product with low content of unwanted elements. Grants in particular, is interpreted to be the faulted end of a very extensive iron ore basin, the full iron ore potential of which remains to be tested.

Project	Resource Category	Ore Tonnes	Iron* (%)	Beneficiated Tonnes (63 - 65% Fe)	Estimated Beneficiation Yield
Maldorky ¹	Indicated	147,000,000	30.1%	59,000,000	40%
Grants ²	Inferred	304,000,000	24%	100,000,000	33%
Total All Projects	All Categories	451,000,000		159,000,000	

Iron ore resource table - based on JORC resources, details released to the ASX on:

¹ 10 June 2011, ² 5 December 2012

*Applying an 18% Fe cut-off in both cases.

The Company confirms that it is not aware of any new information or data that materially affects the resource figures included in these ASX announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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 Mineral Resources 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 Technical 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. The information relating to the Maldorky and Grants iron ore resources were 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.