

18 May 2018

Acquisition of Key Tenement in Grants Iron Ore Basin

HIGHLIGHTS

- **Acquisition of key tenement for its strategic importance in the Grants Iron Ore Basin and potentially, the Mutooroo Cobalt District.**
- **Provides Havilah with 100% ownership of the Grants Iron Ore Deposit and the entire Grants Iron Ore Basin.**

Havilah Resources Limited (Havilah) is pleased to announce that it has purchased Exploration Licence (EL) 5393 from Exco Operations (SA) Pty Ltd (**Exco**) and Polymetals (White Dam) Pty Ltd (**Polymetals**).

This EL is of strategic importance to Havilah for a number of key reasons:

1. Secures ownership of the greater part of the Grants iron resource (Figure 1) previously discovered by Havilah (300 million tonnes of 24% iron, [refer to ASX announcement 5 December 2012*](#)).
2. Provides Havilah with 100% ownership of the approximately 17 km² Grants Iron Ore Basin, which has appreciable upside for a very large iron ore discovery (Figure 2).
3. It potentially increases Havilah's coverage of the Mutooroo Cobalt District, bridging the gap between Havilah's Wilkin's copper-cobalt-gold project (eg drillhole WKRC007 30 metres of 0.44% copper, 0.32 g/t gold, and 240 ppm cobalt, [refer to ASX announcement 30 July 2012*](#)) and the Mutooroo Project copper-cobalt-gold resource (Figure 1).

A sale and purchase agreement has been executed with Exco and Polymetals that requires a payment of \$75,000 upon transfer of the tenement and a 1.25% royalty on all minerals produced from the tenement. This replaces the farm-in agreement with Exco and Polymetals over the EL that required expenditure of \$1.2 million to earn a 75% interest with respect to iron ore only.

Commenting on acquisition of the tenement, CEO, Mr Walter Richards said: "This is an important acquisition for Havilah as it adds a critical piece in the iron ore jigsaw puzzle that we have been putting together in this area for some time.

"This transaction completes our consolidation of 100% control of the entire Grants Iron Ore Basin and potentially expands our foothold in the emerging Mutooroo Cobalt District", he said.

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

Contact: Mr Walter Richards, CEO, on (08) 8155-4500 or email: info@havilah-resources.com.au

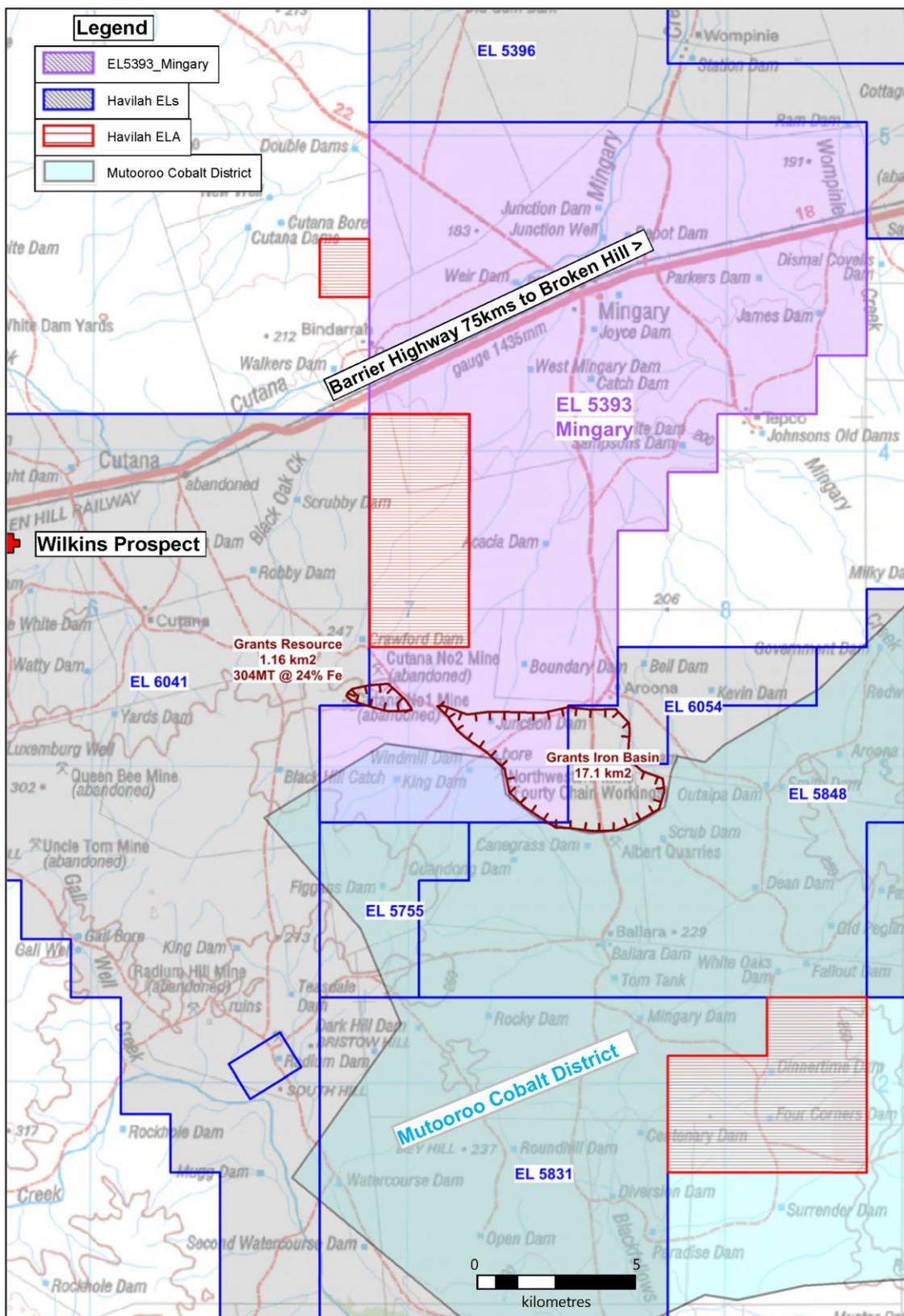


Figure 1 – Location EL 5393 in relation to Grants Iron Ore Deposit, Grants Iron Ore Basin and the Mutooroo Cobalt District

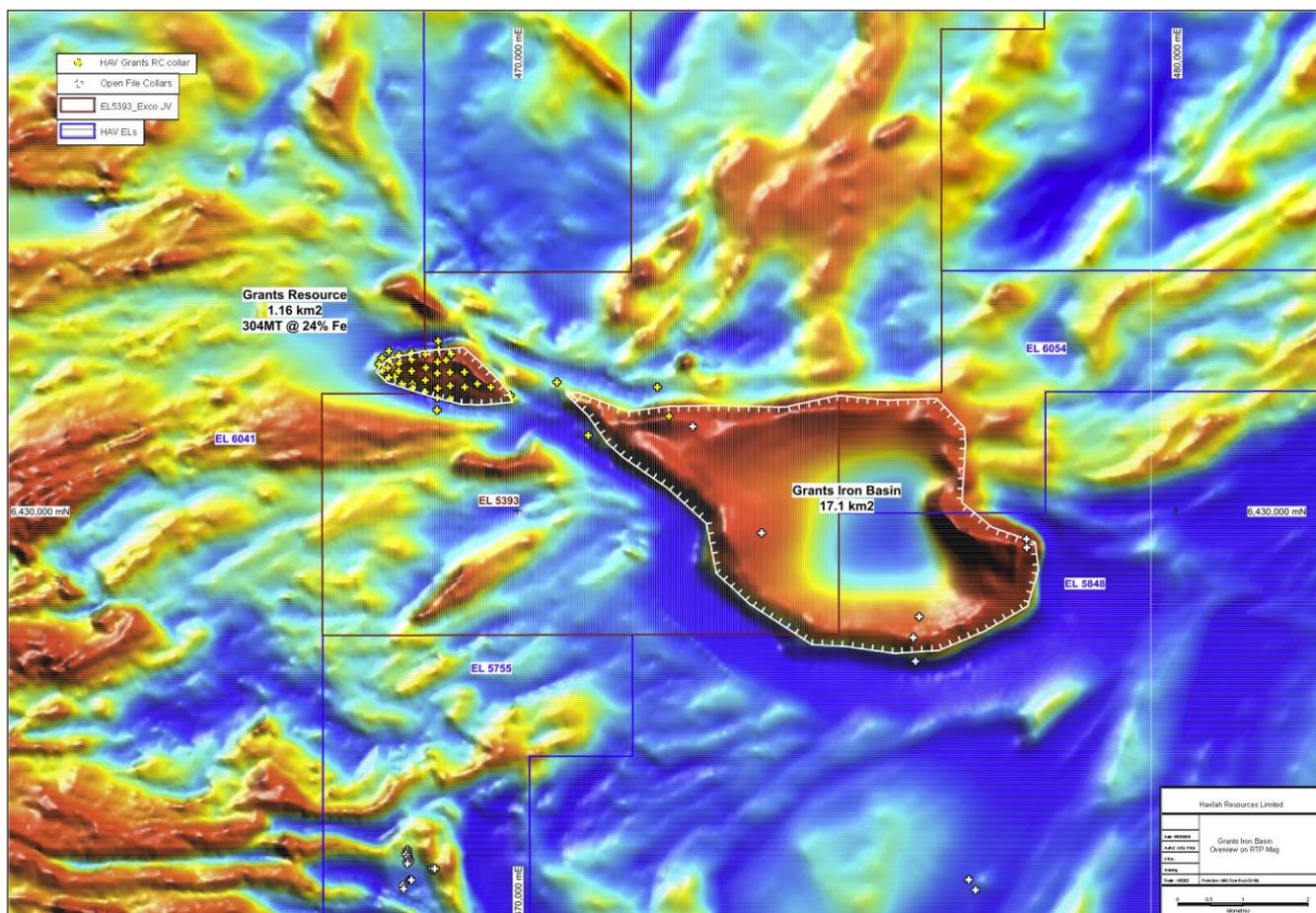


Figure 2 – Grants Iron ore resource and Grants Iron Ore Basin

* The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant 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 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 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. 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.