

# Havilah Resources Ltd

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## Havilah Resources' positive Kalkaroo PFS supports large-scale copper project

Havilah Resources Ltd (ASX:HAV) has released a positive pre-feasibility study (PFS) report which supports a large-scale open pit copper-gold mine at the Kalkaroo project in northeast South Australia, near Broken Hill.

The economics include an estimated pre-tax NPV (7.5%) of \$564 million and IRR of 26% at US\$2.89 per pound of copper and US\$1,200 per gold ounce at an A\$1:US\$0.75 exchange rate.

Prepared by independent mining consultants RPMGlobal Asia Limited (RPM), figures are based on average annual production of 30,000 tonnes of copper and 72,000 ounces of gold over a 13-year production period.

## READ: Havilah Resources on-track to deliver Kalkaroo PFS in second half of 2019 after positive metallurgical results

Price: 0.13

Market Cap: \$35.22 m

### 1 Year Share Price Graph



### Share Information

Code: HAV

Listing: ASX

52 week High Low  
0.158476 0.053

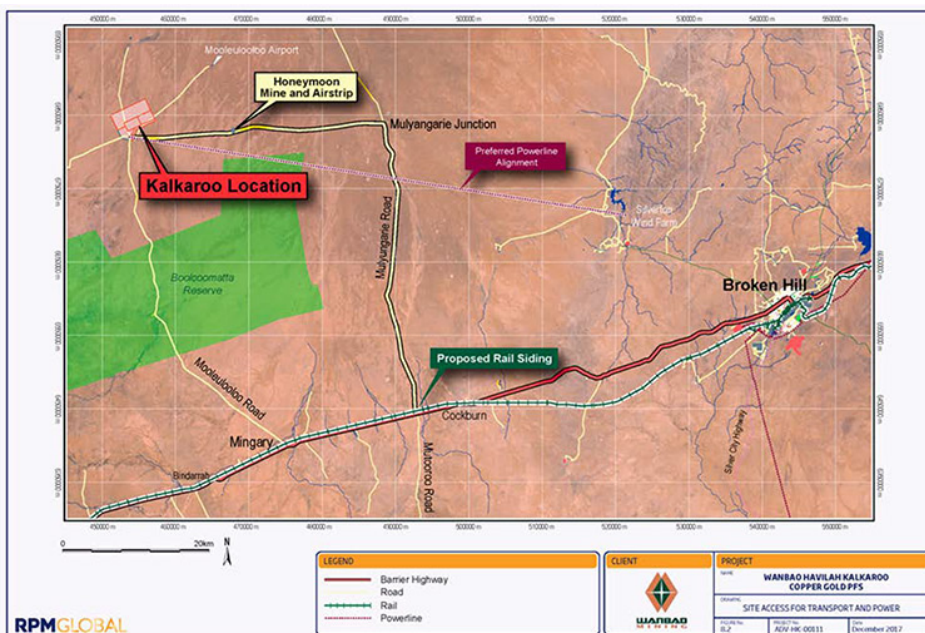
Sector: General mining & base metals

Website: [www.havilah-resources.com.au](http://www.havilah-resources.com.au)

### Company Synopsis:

Havilah Resources Ltd (ASX:HAV) is listed on the Australian Securities Exchange and has projects in northeast South Australia.

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Kalkaroo is in northeastern South Australia 100 kilometres west-northwest of Broken Hill.

The PFS was originally prepared for Wanbao Mining Ltd and is being released to inform the market ahead of release of a Notice of Meeting regarding a proposed transaction with SIMEC Mining, a member of the GFG Alliance.

Havilah continues to work with RPM on various opportunities identified in the PFS to potentially enhance the project.

If the outcomes are sufficiently material, these results will be released in an updated PFS during the fourth quarter of 2019.

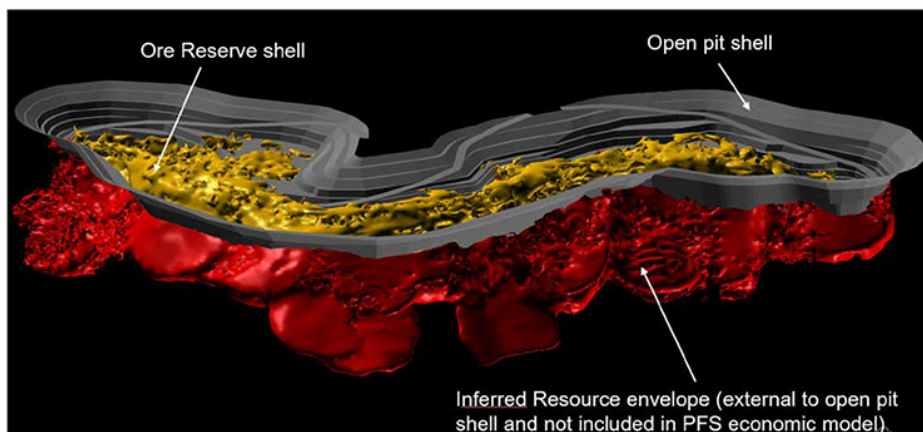
### "Attractive open pit project"

The company's technical director Dr Chris Giles said: "The PFS demonstrates that Kalkaroo as it presently stands is a potentially attractive open pit copper-gold project.

"There is also excellent upside to extend the mine life if we can incorporate the substantial inferred resources into the mining plan and also through discovery of additional nearby resources, given that the Kalkaroo ore body remains open down-dip and along strike.

"We are continuing to work on these various upside opportunities with the assistance of RPM in order to determine what effect they could potentially have on the mining economics."

### READ: Havilah Resources has about 30% upside potential from current share price levels: State One Stockbroking



Kalkaroo PFS conceptual open pit, showing ore reserve shell (yellow) within the open pit and inferred resources (red) external to the open pit.

The PFS is based on a geological model developed by Havilah and verified by RPM, which comprises a saprolite gold resource forming a gold-rich cap on top of a mostly sulphide copper-gold resource. Measured, indicated and inferred mineral resources totalling 1.1 million tonnes of copper and 3.1 million ounces of gold are estimated.

There is excellent potential to expand the current resource base with further step out drilling down dip, along strike and in a major mineralised fault zone.

Category	Tonnage (Mt)	Copper Grade (%)	Gold Grade (g/t)	Copper Content (kt)	Gold Content (koz.)
Proved	90.2	0.48	0.44	430	1,282
Probable	9.9	0.45	0.39	44	125
<b>Total</b>	<b>100.1</b>	<b>0.47</b>	<b>0.44</b>	<b>474</b>	<b>1,407</b>

Ore reserves as at January 2018.

As 90% of the ore reserve is of proved status, RPM considers "...there is sufficient confidence in the mineral resources for them to be utilised for detailed feasibility planning with no further exploration drilling".

The figures prepared by RPM are highly sensitive to commodity prices with a 10% increase in metal prices resulting in a 48% increase in the pre-tax NPV 7.5% to \$835 million.

## READ: Havilah Resources obtains three mining leases from regulator for Kalkaroo Copper-Gold Project in SA

Item	Units	LOM
Mill Feed	M t	100.2
Copper Recovered	K t	392
Gold Recovered	K Oz	935
Mine Life	Years	15*
Total Revenue	\$ M	4,542
Total Operating Costs	\$ M	2,789
<b>Pre-Tax NPV</b>		
DCF @ 5%	\$ M	724
DCF @ 7.5%	\$ M	564
DCF @ 10%	\$ M	434
IRR		26%
<b>Post-Tax NPV</b>		
DCF @ 5%	\$ M	478
DCF @ 7.5%	\$ M	357
DCF @ 10%	\$ M	258
IRR	%	21%
<b>Capital Expenditure</b>		
Pre-production	\$ M	332
Post-production	\$ M	246
Sustaining	\$ M	102
Total CAPEX	\$ M	680
<b>C1 operating cost</b>	USD\$/lb Cu Payable**	\$1.67
<b>C1 operating cost margin</b>	USD\$/lb Cu Payable**	\$1.22
<b>C2 operating cost</b>	USD\$/lb Cu Payable**	\$2.06

Economic evaluation results.

Havilah owns the 550 square kilometre Kalkaroo Station pastoral property on which the project is located and has the property de-stocked to carry out conservation activities that will continue for the duration of the mining operation.

Copper concentrates from the project are planned to be transported via road train 50 kilometres south to the Transcontinental railway line and then via rail.

Capital Category	Pre-Production	Remaining Primary	Sustaining	Total
Mining Fleet	76		73	149
Oxide Process Plant	83		9	92
Sulphide Process Plant		145	15	160
Infrastructure	127	30	5	162
Mine Closure		35		35
Contingency	46	36		82
<b>Total Capital Cost</b>	<b>332</b>	<b>246</b>	<b>102</b>	<b>680</b>

Capital expenditure summary (\$ million).

## **READ: Havilah Resources enters "transformational" \$100 million agreement with GFG Alliance**

RPM concluded: "The project has no significant issues that would prevent successful mining and processing of the ore.

"Furthermore, there are a number of opportunities to increase the mineral resource, increase product output and add value to the project."

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