

Havilah Resources Ltd

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Havilah Resources sets cornerstones for growth in 2020

Havilah Resources Ltd (ASX:HAV) has set its preferred cornerstones for growth of its range of mineral projects in northeast South Australia after repositioning the business in the final quarter of 2019.

A positive forward outlook was outlined for the reinvigorated company by technical director Dr Chris Giles during last month's annual general meeting in Adelaide.

"Reinvigorated and refocused"

"We enter 2020 as a reinvigorated and refocused resources explorer and developer."

He said the repositioning of the business had been implemented by the new board and management team following a September 2019 shareholders' meeting.

At that meeting, an investment proposal put forward by previous independent directors that could have led to control of Havilah by the Sanjeev Gupta-led SIMEC Mining and its parent, GFG Alliance, was overwhelmingly rejected by shareholders.

Four key factors

Giles said the high expectations for the 2020 forward work plan was based on four factors:

- Overwhelming shareholder proxy numbers at the AGM favouring the company's new directors and strategy;
- Major strides in recapitalising Havilah during the December quarter. This was achieved via a non-underwritten October 2019 rights issue which initially raised \$3.65 million with expected placement of the \$1.8 million shortfall, and repayment of the \$2.5 million Investec Australia Finance loan via a standby debt facility secured against Havilah's Mutooroo and Kalkaroo copper-gold-cobalt assets
- Unparalleled exposure to green technology metals (copper, cobalt and rare earth elements) for a \$23 million market cap junior resource stock located in the low sovereign risk jurisdiction of South Australia; and
- A strategic and value-adding work program planned for calendar 2020.

Havilah's tenement holdings, predominantly in an area west of Broken Hill, comprise around 16,000 square kilometres of highly prospective and under-explored exploration terrain for copper, gold, cobalt, iron ore and potentially REE.

Tenement plan

Giles said the rights issue and repayment of the loan were critical to ensuring a strong start for 2020.

Price: 0.135

Market Cap: \$36.58 m

1 Year Share Price Graph



Share Information

Code: HAV

Listing: ASX

52 week High Low
0.153524 0.053

Sector: General mining & base metals

Website: 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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"The final repayment of the Investec loan is consistent with the intention of new management to reposition Havilah as an independent, debt-free, streamlined mineral explorer and developer with the freedom to independently chart our own course and deal with our diverse mineral assets in a manner that is in the best long-term interests of all of our shareholders."

Updated Kalkaroo PFS

Havilah's preferred 2020 cornerstones include completion in the June quarter of an updated pre-feasibility study (PFS) on Kalkaroo Copper-Gold-Cobalt Project incorporating new metallurgical results, improved metal prices and a re-optimised open pit plan.

The initial PFS supported a 13-year mine production period with average annual production of 30,000 tonnes of copper and 72,000 ounces of gold.

During the September quarter, the company also expects encouragement as the PFS is advanced for an open pit and underground copper mine at Mutooroo Copper-Cobalt-Gold Project near Broken Hill.

Mutooroo district

Iron ore plans

The company is also advancing its iron ore holdings in the Grants Basin, including further drilling of the potential multi-billion tonne exploration target.

This will aim to establish an iron ore resource of at least 0.5 billion tonnes in support of a scoping study for an open pit with minimal overburden and waste.

Drilling and other results for this work are expected during the December quarter of 2020.

Exploration target

Only 25% of this area has been reconnaissance drilled to date with the deepest hole so far intersecting 488 metres thickness of continuous iron ore mineralisation at an average grade of 24.57% iron.

Other targets

The company also plans exploration drilling of the main mineralised horizon of Croziers copper-tungsten-REE prospect with early results likely during the first half of the year.

A gravity survey at the Jupiter MT (magneto-telluric) anomaly along with other geophysical work early this year could also help to define an initial drilling target.

Giles considers that the MT response, which can identify deep-seated conductive structures beneath major mineral deposits, might be the 'holy grail' of exploration targeting in the Curnamona Craton.

He concluded: "Subject to securing all shortfall funds from the rights issue, Havilah should be in a position to sole fund these activities with the objective of de-risking the advanced mineral projects and making them more attractive investment propositions."

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