

Havilah Resources Ltd

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Havilah Resources confirms Kalkaroo fault intersection zone as high-priority target for additional copper-gold resources

Havilah Resources Ltd (ASX:HAV) (FRA:FWL) continues to enhance the West Kalkaroo gold-only starter pit project in South Australia with drilling returning further positive results outside the existing resource.

New reverse circulation (RC) drill results, together with earlier drilling results, confirm that the Kalkaroo fault intersection is a high-priority exploration target for additional gold and copper-gold resources.

The company continues to evaluate the feasibility of the West Kalkaroo starter open pit project within the broader Kalkaroo Copper-Gold Project with mining process engineering firm Mincore Pty Ltd contracted to undertake ore processing definition studies.

Work on the program for environment protection and rehabilitation (PEPR) document has also progressed, with various consultants' studies completed or being undertaken.

A detailed magnetotelluric (MT) survey will start soon over the Kalkaroo ore body in collaboration with the University of Adelaide.

Advancing starter open pit work

Havilah's technical director Dr Chris Giles said: "The RC drilling results, combined with earlier drilling results, continue to indicate a wide zone of gold-copper mineralisation in the fault intersection area mostly outside of the current JORC resource envelope, with substantial scope to materially increase resource tonnages in this part of the Kalkaroo deposit.

"We are working on a number of other tasks in parallel, all designed to help us advance the West Kalkaroo gold-only starter open pit towards development, if feasible."

Havilah compared to peers

Price: 0.17

Market Cap: \$48.61 m

1 Year Share Price Graph



Share Information

Code: HAV

Listing: ASX

52 week High Low
0.225 0.053

Sector: General mining & base metals

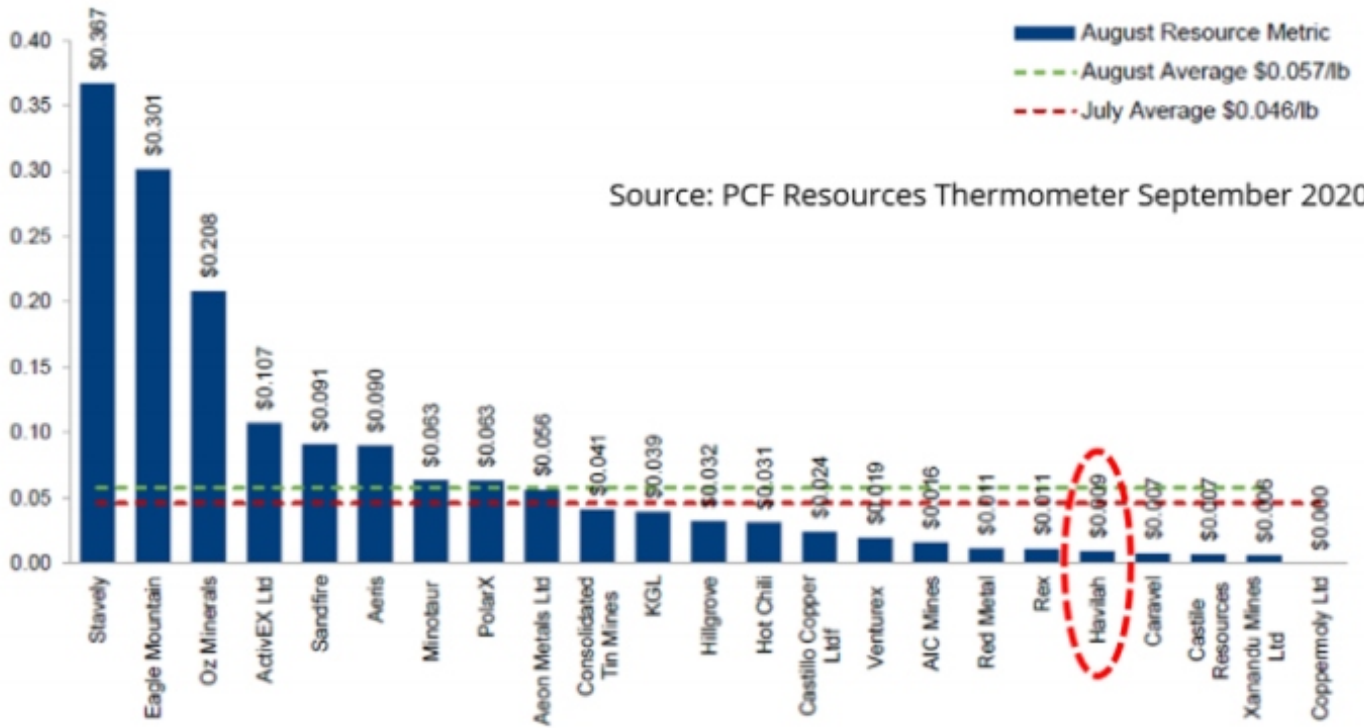
Website: www.havilah-resources.com.au

Company Synopsis:

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

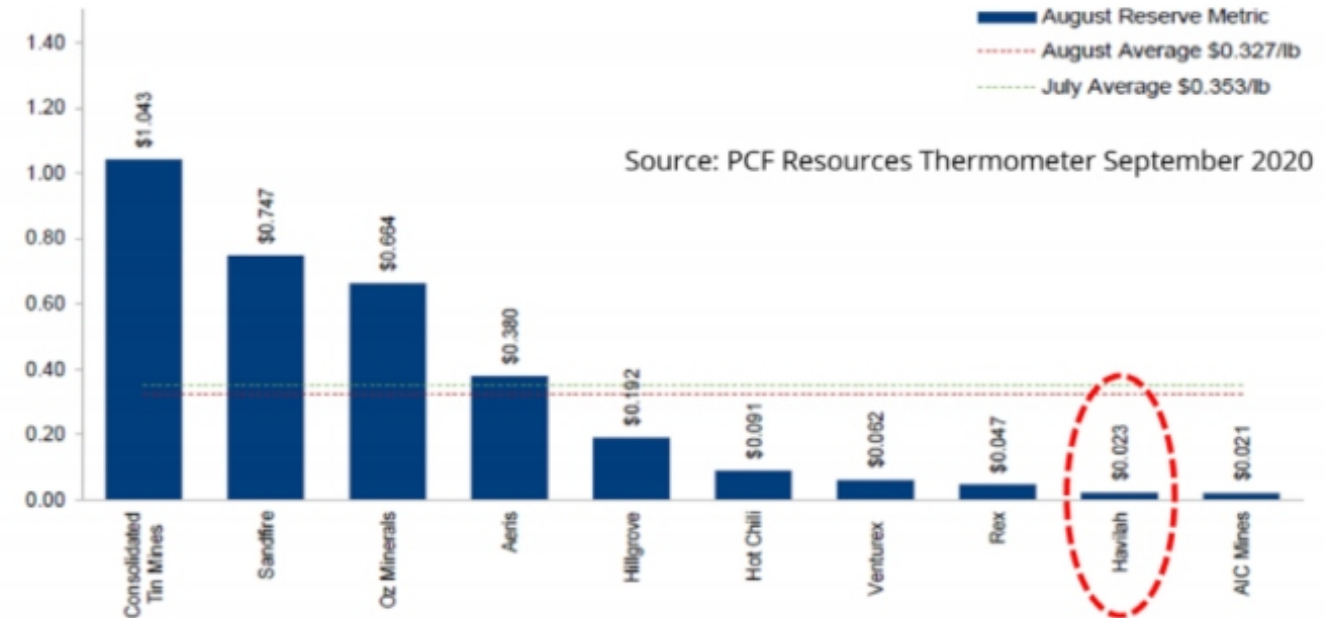
action@proactiveinvestors.com.au

ASX EV / Resource (A\$/lb CuEq)



The company has one of the highest potential leverages to copper and gold in comparison to its ASX peers, based on the ratio of Havilah's enterprise value (EV) to its copper equivalent JORC mineral resources and ore reserves.

ASX EV / Reserve (A\$/lb CuEq)



These two charts above were published in PCF Capital Resources Thermometer for September 2020 research document and have been reproduced with the permission of PCF Capital. The Kalkaroo JORC mineral resource and ore reserve parameters underpin Havilah's status in this regard.

Kalkaroo has an open pit JORC ore reserve of 100.1 million tonnes with 90% proved at a copper equivalent grade of 0.89% based on near current spot copper and gold prices, making it one of the largest undeveloped open pit copper-gold deposits in Australia.

Recent RC drilling

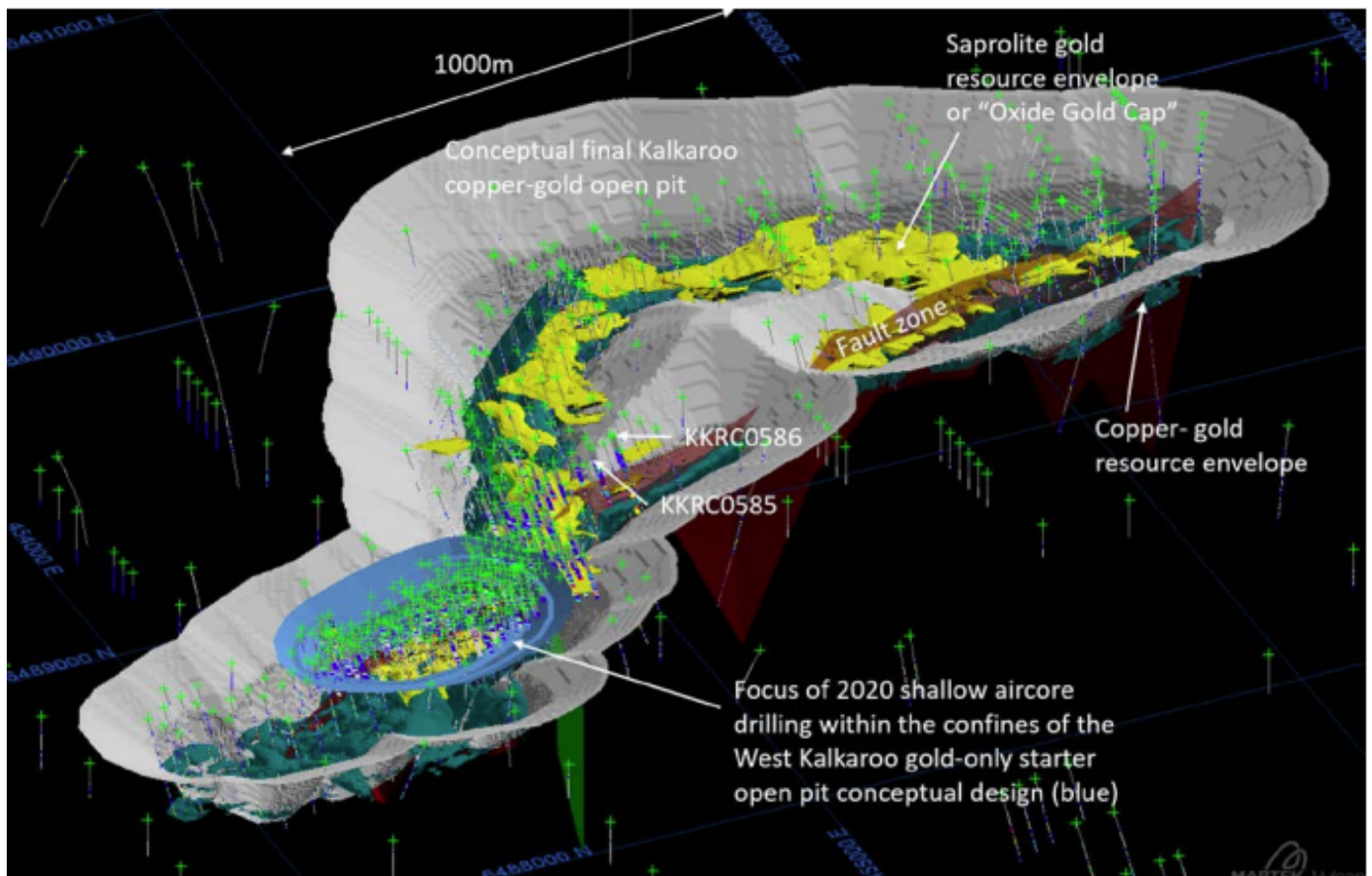


Figure 1 Location of RC drillholes on the major east-northeast fault zone several hundred metres east of the planned Stage 3 starter open pit (blue).

The recent RC drilling results from the last two holes in the fault intersection zone that lies to the east of the planned Stage-3 starter open pit at West Kalkaroo returned strong intercepts, lying mostly outside of the current Kalkaroo JORC resource envelope.

They include:

? 25 metres of 0.85 g/t gold from 112 metres and 16 metres of 0.22% copper from 128 metres to the end of hole; and

? 10 metres of 1.52 g/t gold from 112 metres, 27 metres of 0.3% copper from 122 and 34 metres of 0.26 g/t gold from 122 metres.

The following geological observations were also noted:

? Lanthanum, a good proxy for other rare earth elements at Kalkaroo is notably elevated, with values up to 1,050 parts

per million (ppm). The mineralisation is highest within or near the best copper-gold mineralised zones. A more precise analytical method is required to properly quantify the actual spectrum;

? The rare and critical high-value elements scandium and gallium are also elevated in the copper-gold mineralised zones with values up to 40 ppm and 90 ppm respectively. More precise analyses are required to better understand the distribution of these elements.

? In the deeper, less oxidised parts of both drill holes, gangue mineral assemblages dominated by biotite and magnetite are common, indicative of relatively high-temperature potassic alteration (potassium-rich biotite) and iron metasomatism (iron oxide - magnetite) typical of the primary sulphide mineralisation at Kalkaroo.

Preliminary review for processing plant

Havilah has contracted Mincore, a Melbourne-based mining process engineering firm, to undertake a preliminary review and assessment to develop the process and flowsheet, and equipment selection for the West Kalkaroo gold processing plant.

The study will consider the technical, commercial, economic and social issues in the development of the business plan, which includes plant size, flowsheet options and additional test-work to eliminate options.

This will give capital and operating expenditure estimates over a range of throughputs, which will be applied in a financial model to determine the likely returns from the West Kalkaroo gold-only starter open pit.

Mine operating approvals

In parallel, Havilah is also working on the completion of the PEPR document to secure mine operating approvals from the Department for Energy and Mining.

This requires detailed documentation of the social and environmental impacts of the proposed mining operation, risk mitigation strategies and mine closure plans.

Detailed MT survey

Planning is also well advanced to start next month of a detailed MT orientation survey over the Kalkaroo ore body and immediate surrounds.

The survey, to be carried out by the University of Adelaide and 50% funded by the Accelerated Discovery Initiative, will determine whether the mineralised Kalkaroo fault zone is detectable as a major deep-seated conductive zone.

It will also check to see if other such conductive and potentially mineralised fault zones exist in the Kalkaroo area.

Gold-only strategy at West Kalkaroo

Given the increased gold price, Havilah is evaluating the feasibility of developing the gold-only starter open pit at West Kalkaroo, that would initially target shallower oxidised gold resources.

Resource infill drilling at 25-metre by 25-metre spacing completed this year within the planned open pit shell has delivered a high degree of confidence in the shallow gold resource.

The directors consider this gold-only, lower capital expenditure strategy is more likely to attract financing for West Kalkaroo and could enhance the future development prospects of the much larger Kalkaroo project.

This approach has a high degree of optionality as the Kalkaroo project sulphide copper production could be initiated at any time after completion of the West Kalkaroo Stage 3 open pit, subject only to sufficient capital being available.

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