



Havilah Resources Limited plans to sequentially develop its portfolio of gold, copper, iron, cobalt, tin and other mineral resources in South Australia. Our vision is to become a new mining force, delivering value to our shareholders, partners and the community.

171 million Ordinary Shares -- 33 million Listed Options -- 8 million Unlisted Options

ASX and Media Release: 16 January 2017

ASX Code: HAV



PROSPECT HILL TIN DRILLING 2017

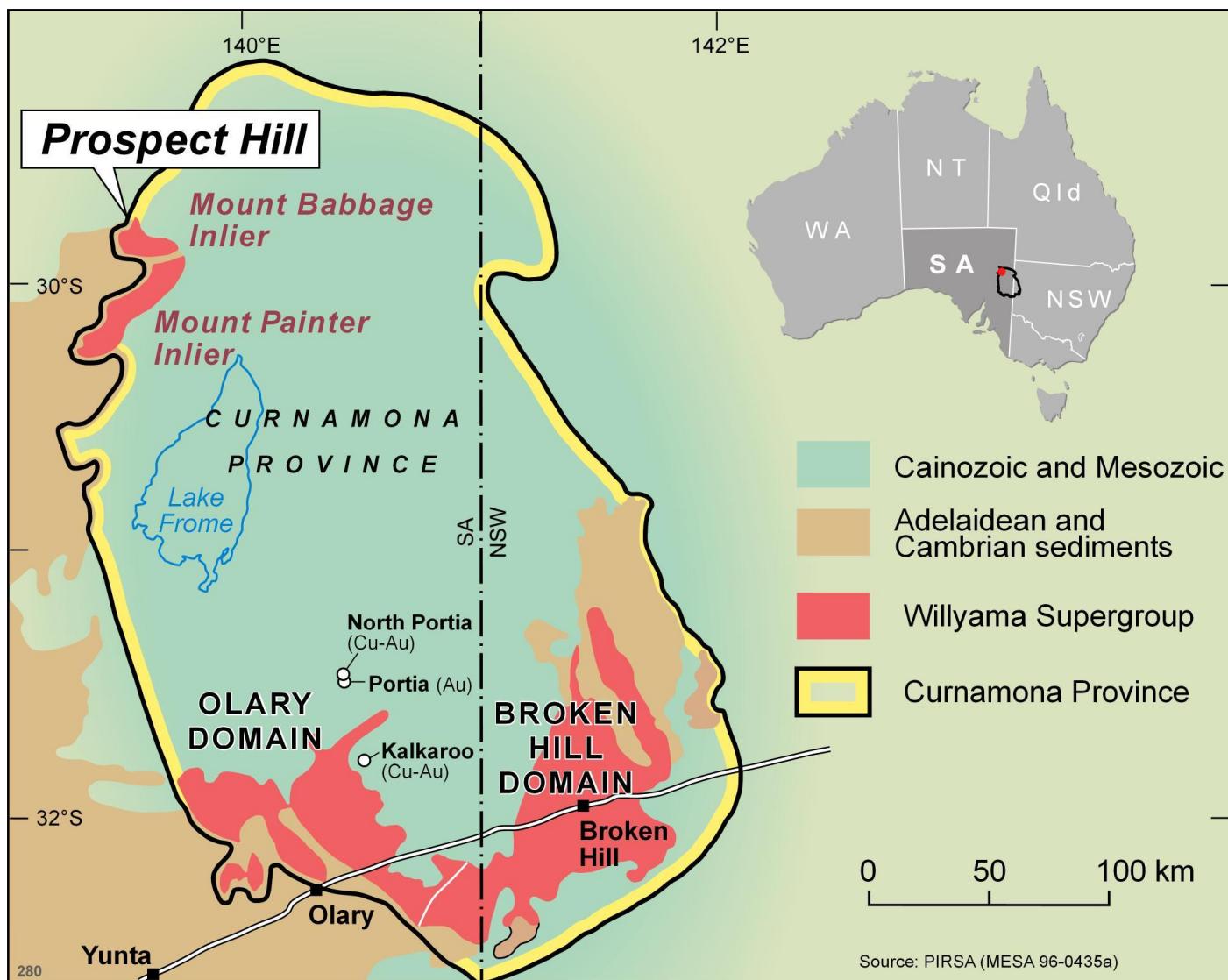
Highlights

- Prospect Hill is a very promising tin exploration project in South Australia.
- Drilling is planned on two new high grade tin prospects in the first quarter of 2017.
- The objective is to outline a sufficiently large resource that will justify development.

Havilah Resources Limited ("Havilah" or "Company") with its joint venture partners, consultant geologists Messrs Brewer and Teale, plans to commence a program of exploration drilling on several high grade tin targets at Prospect Hill in the northern Flinders Ranges during the first quarter of 2017. A budget of approximately \$350,000 is planned, of which \$90,000 will be funded by the South Australian government under a PACE (Program for Accelerated Exploration) grant. The balance of funding will come from Portia mining cash flow, consistent with one of Havilah's stated strategic objectives for 2017 to make new discoveries that are material to Havilah. The drilling program has been approved by the Department of State Development (DSD) and an aboriginal heritage survey has cleared all areas for drilling.

Prospect Hill is the only significant tin resource in South Australia and is one of the most promising early stage tin projects in Australia. Havilah previously announced the discovery of the high grade Fly Hill tin lode with outcrop samples grading up to 34% tin (refer to ASX announcement 12 December 2014). In a sequel, Messrs Brewer and Teale describe yet another high grade tin discovery at Black Rock and sporadic high grades at Petermorra in a recent presentation given to the South Australian Exploration and Mining Conference, which can be viewed on the following link:

<http://www.havilah-resources.com.au/wp-content/uploads/2017/01/Prospect-Hill-SAEMC-2016.ppt>



The Prospect Hill tenement lies at the northern end of the Flinders Ranges within the Curnamona Province

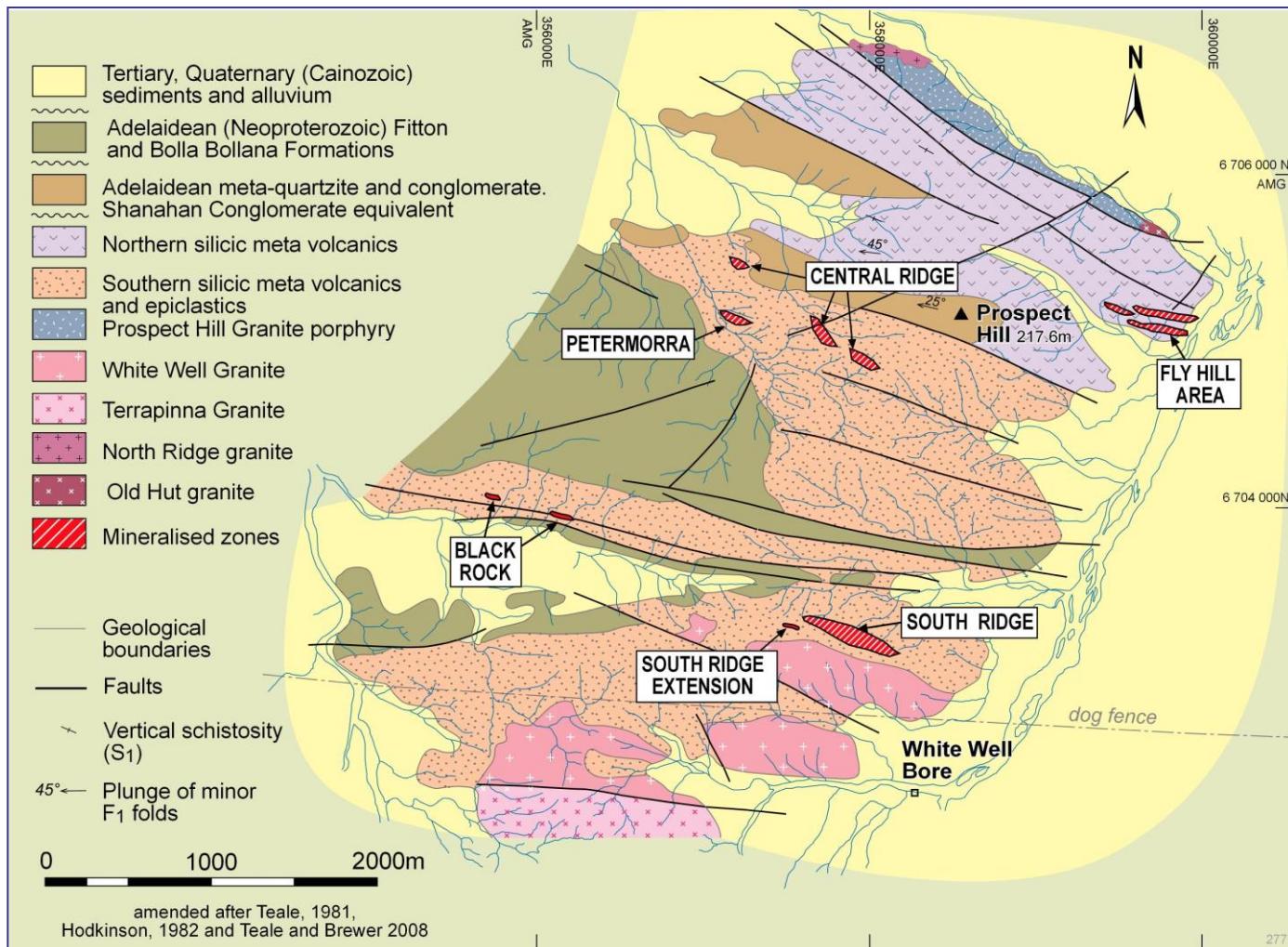
Like the Fly Hill discovery, Black Rock has exceedingly high grades of tin in outcrop (up to 58% tin) and was not identified by the early Cornish prospectors. The tin mineralisation at Black Rock can be traced discontinuously for 400 m towards the east, but is difficult to visually identify for tin grades less than 20%. Reverse circulation drilling is planned to test each of the new prospects discovered, namely Fly Hill, Black Rock and Petermorra in order to determine the dimensions and depth persistence of tin mineralisation in each case (see map below for prospect locations).

In addition, further drilling will be carried out at the South Ridge lode where Havilah's October 2007 drilling campaign returned several encouraging tin intersections with associated copper, zinc, lead and silver mineralisation over a strike length of more than 400 m (refer to results cited in ASX quarterly report 29 November 2007) including:

2.5 m (true width) of 4.85% tin in drillhole PHRC03

6.8 m (true width) of 0.98% tin in drillhole PHRC04

The South Ridge lode has an Inferred Resource estimate of 172,000 tonnes of 1.15% to 90 m depth. The target objective for the current drilling program is a resource of 1 million tonnes of economic grade tin ore, most likely spread over several prospects, which will justify the construction of a central processing facility.



Location of prospects

Preliminary metallurgical test work on three composite RC drill chip samples from Havilah's earlier drilling programme by Burnie Research Laboratory confirmed that the tin, which is mostly present as free cassiterite grains, can be effectively recovered by gravity methods. For example, for a high grade composite (4.8% tin) 84% of the tin reported to a 48% tin concentrate, while for the low grade composite (0.5% tin) 79% of the tin was recovered into an 8.5% tin concentrate (along with abundant sulphide minerals and garnet). Subject to the results of the current drilling, further metallurgical test work on drill core will be undertaken to determine the optimum tin recovery parameters. This work would also investigate parallel recovery of associated sulphide minerals that contain appreciable copper, lead, zinc and silver.

Havilah Managing Director, Dr Chris Giles, commented: "It is remarkable that our partners were able to discover more high grade tin outcrops at Black Rock and Petermorra, after their earlier discovery of Fly Hill.

"With tin prices once again approaching historical highs (currently at about US \$21,000 per tonne), it is an opportune time to be undertaking a concerted drilling program to establish a threshold level of economically exploitable tin resources.

"If these exceptionally high tin grades at Fly Hill and Black Rock can be replicated in the drilling it would not take many drillholes to put together a significant tonnage of tin at each of these prospects.

"The tin occurs as generally coarse cassiterite grains, which points to comparatively simple gravity processing" he said.

About the Prospect Hill JV

Havilah has a joint venture with Messrs Brewer and Teale on EL 5891 (45 square km) and may earn an 85% interest in the tenement by completing a feasibility study, having already earned a 65% interest through past exploration expenditure. Thereafter Messrs Brewer and Teale may contribute their 15% share of development costs or revert to a net smelter royalty. Havilah also owns 100% of EL 5463 (30 square km) that adjoins EL 5891 immediately to the south and covers comparable age rocks.

Acknowledgement to Adrian Brewer and Graham Teale for supplying all maps and photographs used in this report



Variable tin grades in sheared volcanic rocks at Black Rock prospect



High grade tin outcrop at Black Rock prospect

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 Managing 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.

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

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