26 August 2021 ABN 39 077 435 520

For personal use only

Havilah Resources Limited (**Havilah** or the **Company**) (**ASX: HAV**) is pleased to present its Activity Report for the 3 months ended 31 July 2021 (**quarter**).

## Significant Events for the Quarter

- Significant progress on West Kalkaroo gold mine pre-development tasks, including responses to feedback on the Program for Environment Protection and Rehabilitation (**PEPR**) document from the Department for Energy and Mining (**DEM**), engagement with potential financiers and contractors, and engineering design studies for the processing plant. Havilah remains firmly focused on completing the above tasks as expediently as possible to enable development of the West Kalkaroo gold mine during 2022.
- Resource confirmation drilling continues to demonstrate good continuity of sulphide mineralisation at consistently economic copper and gold grades very typical of the Kalkaroo orebody including:
  - 32 metres of 1.69% copper and 0.78 g/t gold
  - 57 metres of 1.24% copper and 0.89 g/t gold
  - 54 metres of 1.20% copper and 0.75 g/t gold
  - 59 metres of 0.83% copper and 0.28 g/t gold (at East Kalkaroo)
  - 39 metres of 1.62% copper (at East Kalkaroo).
- Exploration drilling program in the Mutooroo Project Area south of the Barrier Highway commenced at the Cockburn prospect, with discovery of a quartz sulphide lode containing potentially economic copper-gold-cobalt sulphide mineralisation in the first 4 reverse circulation (RC) percussion drillholes, including:
  - 27 metres of 0.4 g/t gold, 0.11% cobalt and 0.12% copper
- AMT (audio-magnetotelluric) geophysical survey at Kalkaroo and Jupiter MT anomaly target in collaboration with the University of Adelaide was completed. Processing and interpretation of the data is in progress.

## Advanced Project Activities

### *Kalkaroo Copper-Gold-Cobalt Project (HAV 100% ownership)*

The Kalkaroo project is Havilah's flagship mineral project, located approximately 400 kilometres (**km**) northeast of Adelaide and 95 km northwest of the regional mining centre of Broken Hill with its skilled mining workforce. Havilah has a staged strategic plan to develop the Kalkaroo deposit, commencing with a lower capital expenditure operation that initially focuses on mining the comparatively shallow and soft oxidised gold and native copper ore at West Kalkaroo.

During the quarter the Company continued to focus on progressing several pre-development tasks required to advance the West Kalkaroo gold open pit towards a mining decision, aiming for commencement of development during 2022. This included ongoing discussions with potential mining contractors and plant constructors. The financial model continued to be refined, mainly with updated mining scheduling options, in order to facilitate discussions with potential financiers.

The PEPR document submitted during March 2021 has been reviewed by the DEM, who have now provided detailed feedback. Most of the feedback relates to either clarification of existing information or providing more detail surrounding aspects of the proposed mining operation. No critical issues have to date been identified that would potentially prevent the West Kalkaroo project from proceeding. At the present time, Havilah employees and consultants are preparing detailed responses and additional information to satisfy DEM's requirements. Owing to the detailed nature of the responses required, including additional consultant's input, it is likely that the PEPR approval process will take at least a further two months.

The PEPR covers the proposed West Kalkaroo gold open pit that is located at the very western (and upper) part of the Kalkaroo deposit (Figure 1). The West Kalkaroo mining operation is initially proposed to produce 80,000-90,000 ounces of gold and 5,000 tonnes of native copper (near pure copper metal) over a 3-4 year period. This open pit design has the flexibility for extension to the east for several more years in oxidised ore. This approach also has a high degree of optionality as the much larger and longer-term Kalkaroo project sulphide copper production could be initiated at any time after completion of the West Kalkaroo open pit, subject to prevailing metal prices and sufficient capital being available. Development of the open pit gold mine at West Kalkaroo is still subject to a final investment decision by the Havilah Board, which is contingent on several factors, including securing financing and receipt of final South Australian government approvals.

Infill resource drilling along strike of the proposed West Kalkaroo open pit, to improve confidence in continuity of mineralisation, continued during the quarter. Widespread copper and gold mineralisation was intersected in all drillholes, with grades and widths of sulphide mineralisation very typical of the Kalkaroo deposit (refer to ASX announcement of 22 June 2021). Significant results for the targeted sulphide mineralisation are summarised below (see Figure 2 cross-section):

**KKRC0607**: 32 metres of 1.69% copper and 0.78 g/t gold from 136-168 metres (copper sulphide zone)
**KKRC0609**: 54 metres of 1.20% copper and 0.75 g/t gold from 120-174 metres (copper sulphide zone), including 25 metres of 1.96% copper and 0.91 g/t gold from 137-162 metres
**KKRC0610**: 57 metres of 1.24% copper, 0.89 g/t gold and 289 ppm (parts per million) cobalt from 117-174 metres (in copper sulphide zone to end of hole at 174 metres).

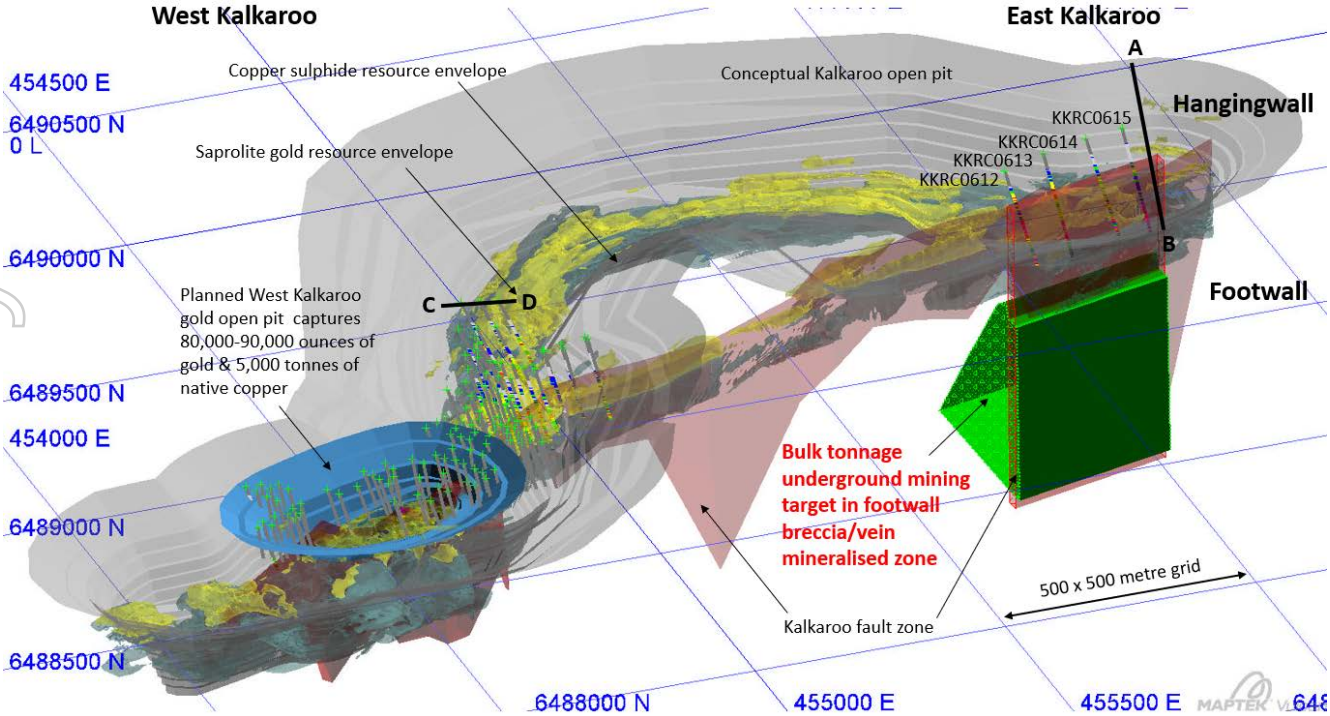


***Figure 1*** *Location of 2020 and 2021 resource confirmation drillholes, along with cross-section lines A-B (Figure 3) and C-D (Figure 2). Also shown is the planned West Kalkaroo gold open pit outline (blue), which is currently being advanced towards development.*

Notably, drillhole KKRC0610 ended in copper-gold mineralisation and the last 5 metres averaged 0.13% molybdenum. Elevated molybdenum is characteristic of this part of the orebody. In addition, cobalt is also elevated, and given all cobalt reports to the pyrite, this indicates potentially high cobalt grades in the pyrite concentrate in this case.

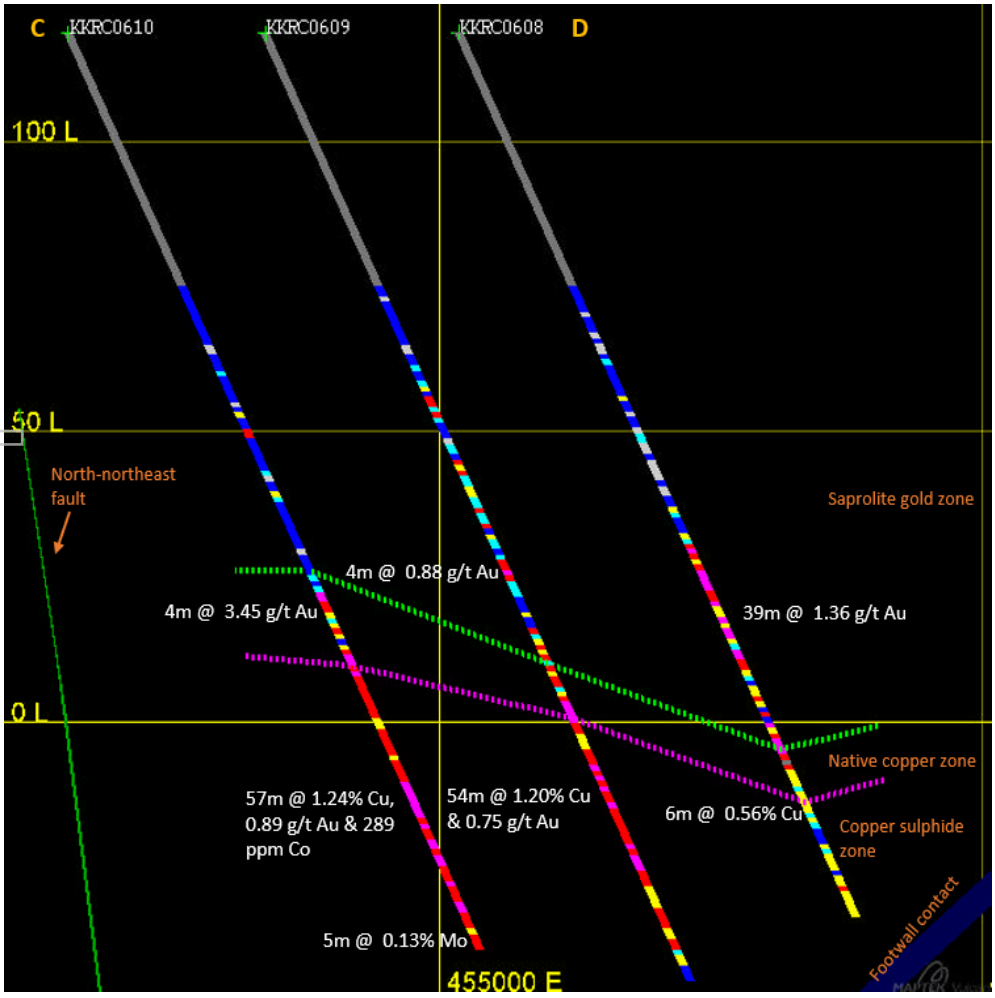


***Figure 2*** *Cross-section line C-D showing results for recent drillholes KKRC0608, 609 and 610. These RC drillholes are on a new drill section line halfway in between earlier 100 metre spaced drill section lines that were used to define the Kalkaroo JORC Mineral Resource. The results for the three drillholes are broadly consistent and confirmatory of the earlier drilling results. Of particular note are the relatively high copper grades and the associated cobalt and molybdenum. Considerable coarse-grained molybdenum is associated with the copper-gold mineralisation in this part of the orebody and extending for at least 1.5 km to the east. Recovery tests for the molybdenum will be undertaken in the future. Cobalt, which is exclusively hosted by pyrite, could be recovered in a pyrite concentrate that also contains appreciable gold and copper.*

For personal use only

Although not specifically targeted, these drillholes also intersected appreciable gold mineralisation in the shallower oxidised (saprolite gold) zone as follows (see Figure 2 cross-section):

**KKRC0608**: 39 metres of 1.36 g/t gold from 98-137 metres (saprolite gold zone)
**KKRC0607**: 4 metres of 0.71 g/t gold from 88-92 metres, and
11 metres of 0.71 g/t gold from 108-119 metres (saprolite gold zone)
**KKRC0609**: 4 metres of 0.88 g/t gold from 100-104 metres (saprolite gold zone)
**KKRC0610**: 4 metres of 3.45 g/t gold from 106-110 metres (native copper zone).

These gold intersections will be followed up in due course with more closely spaced, shallow aircore drilling prior to any future eastward extensions of the planned West Kalkaroo gold open pit.

Four drillholes completed at East Kalkaroo also returned ore-grade drilling intercepts in highly brecciated (fractured and broken) and veined host rocks within or adjacent to the Kalkaroo fault zone, in areas marginal to the current Kalkaroo JORC Mineral Resource (refer to ASX announcement of 13 July 2021), as summarised below (see Figure 3 cross-section):

**KKRC0612**: 34 metres of 0.70% copper and 0.78 g/t gold from 100-134 metres (native copper zone)
**KKRC0613**: 39 metres of 1.62% copper from 131-170 metres (mainly copper sulphide zone), and
15 metres of 1.59 g/t gold from 118-133 metres (saprolite gold zone)
**KKRC0614**: 9 metres of 0.58% copper from 154-163 metres (copper sulphide with some gold), and
15 metres of 0.67% copper from 173-188 metres (copper sulphide with some gold)
**KKRC0615**: 59 metres of 0.83% copper and 0.28 g/t gold from 145-204 metres (in copper sulphide zone to end of hole at 204 metres), and
21 metres of 0.54 g/t gold from 118-139 metres (native copper zone).

Notably all East Kalkaroo drillholes ended in brecciated and mineralised material associated with the interpreted position of the major Kalkaroo fault zone. Mineralisation in these drillholes is copper-rich in the sulphide zone while the oxidised ore zone contains appreciable gold (see results for drillholes KKRC0613 and KKRC0615). Assay results are generally consistent with the few earlier drillholes that intersected this zone, such as the 2008 Havilah diamond drillhole KKDD196A, with results as follows (see Figure 3 cross-section):

**KKDD196A**: 33 metres of 1.0% copper and 0.25 g/t gold from 119-152 metres,
10 metres of 0.47% copper and minor gold from 165-175 metres,
22 metres of 0.54% copper and 0.14 g/t gold from 209-231 metres, and
11 metres of 0.47% copper and 0.15 g/t gold from 252-263 metres.

These results highlight the possibility of breccia-vein style copper-gold mineralisation below the current Kalkaroo JORC Mineral Resource that may have bulk tonnage underground mining potential. This mineralisation is known to continue to at least 500 metres depth based on an earlier MIM Exploration Ltd 2001 diamond drillhole (KMD001) in the near vicinity, which intersected the widest and deepest zone of primary copper-gold mineralisation ever drilled on the Kalkaroo deposit, with an intersection of: 317.4 metres of 0.26% copper and 0.1 g/t gold from 316-633.4 metres (end of hole) (Figure 3).

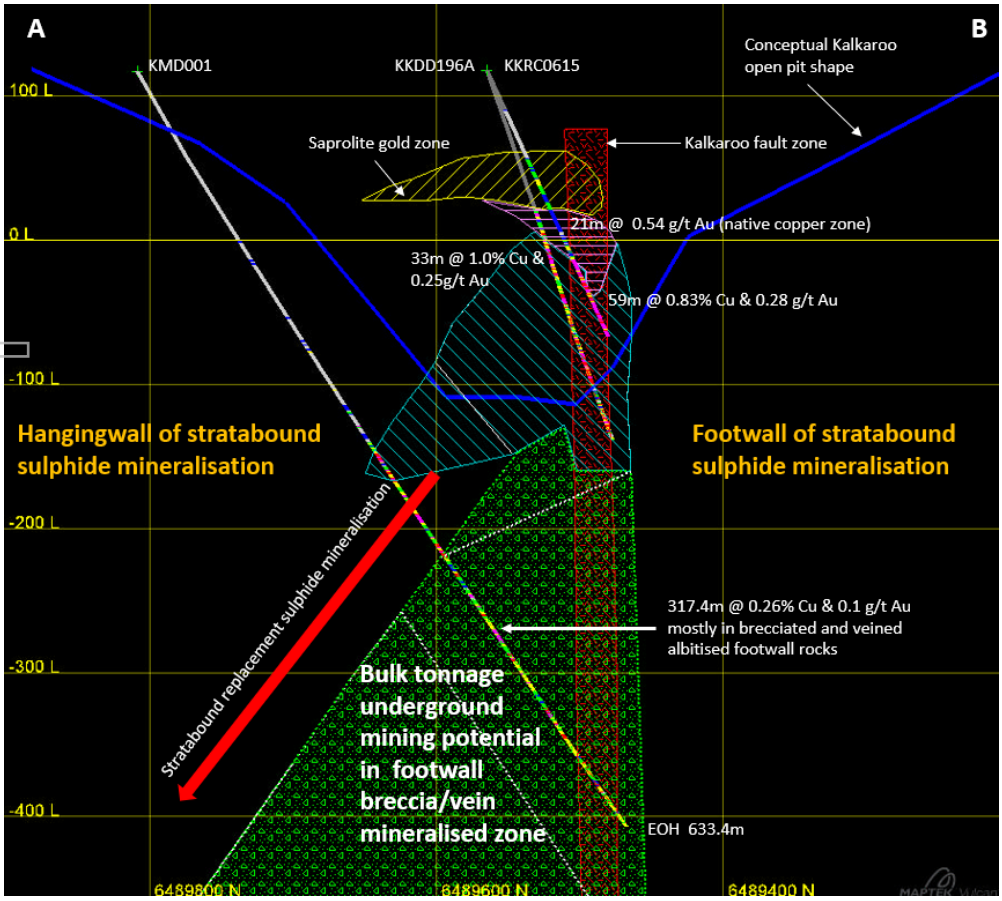


***Figure 3*** *Cross-section line A-B showing new assay results for drillhole KKRC0615 and the most significant results for earlier diamond drillholes KKDD196A (Havilah 2008) and KMD001 (MIM Exploration Ltd 2001). Drillhole KKDD196A is largely confirmatory of the copper intersections and geology in KKRC0615. Drillhole KMD001 intersected a thick zone of mineralised brecciated and veined albitised metasediments (green triangle symbol) mostly in the footwall to the typical Kalkaroo stratabound replacement copper sulphide mineralisation resource envelope (diagonal blue line symbol). This brecciation is much wider than that normally associated with the Kalkaroo fault zone (red).*

For personal use only

The high tenor of copper mineralisation intersected at much shallower depths in recent drillholes (KKRC0612-0615) and an earlier drillhole (KKDD196A) as reported above indicates a well mineralised system, pointing to the potential of the breccia-vein copper sulphide mineralisation at depth. Testing of this deep breccia-vein zone is beyond the current depth capacity of the RC drilling rig managed and operated by Havilah, and will be followed up in due course by contract diamond drilling, subject to Havilah's other work priorities.

Also during the quarter, sterilisation holes were completed in the vicinity of the planned locations of key infrastructure to ensure that they will not be built too close to potentially economic mineralisation.

## About the Kalkaroo copper-gold-cobalt project

Havilah's 100% owned Kalkaroo copper-gold-cobalt project contains JORC Mineral Resources of 1.1 million tonnes of copper, 3.1 million ounces of gold and 23,200 tonnes of cobalt. It has an open pit JORC Ore Reserve of 100.1 million tonnes at a copper equivalent (**CuEq**) grade of 0.89% of which 90% is in the Proved category (refer to JORC tables below). As such, Kalkaroo is one of the largest undeveloped open pit copper-gold deposits in Australia on a CuEq Ore Reserve basis.

Havilah has already secured the required mining permits for the Kalkaroo project (Mining Leases and Miscellaneous Purposes Licences). It also owns the surrounding 550 km$^2$ Kalkaroo Station pastoral lease, a non-mineral asset on which the Kalkaroo project is located, thus reducing land access risks for the project. Kalkaroo is projected to be a future source of ethically produced metals vital to modern society, operating under industry best practice ESG (Environmental, Social and Governance) regulations that are enforced by the South Australian government.

### *Mutooroo Copper-Cobalt-Gold Project (HAV 100% ownership)*

Mutooroo is a lode-style sulphide copper and cobalt deposit, located approximately 60 km southwest of Broken Hill, and 16 km south of the Transcontinental railway line and Barrier Highway. It contains 195,000 tonnes of copper, 20,200 tonnes of cobalt and 82,100 ounces of gold in Measured, Indicated and Inferred JORC Mineral Resources. At current copper and cobalt prices, the economics of Mutooroo as an open pit, and later as an underground, mining operation are potentially attractive due to the comparatively high grades of copper (1.53%) and cobalt (0.16%) in the sulphide ore.

During the quarter Havilah's drilling crew moved from Kalkaroo to the Mutooroo Project Area south of the Barrier Highway. The primary objective is drilling for additional shallow open pit resources initially along the northern strike extensions of the current Mutooroo JORC Mineral Resource (Figure 4). The results of this drilling will form part of a PFS (pre-feasibility study) that would also include process plant and mining design work. Havilah also plans to progress the mining lease proposal and PEPR document for the Mutooroo project in parallel with the PFS work.

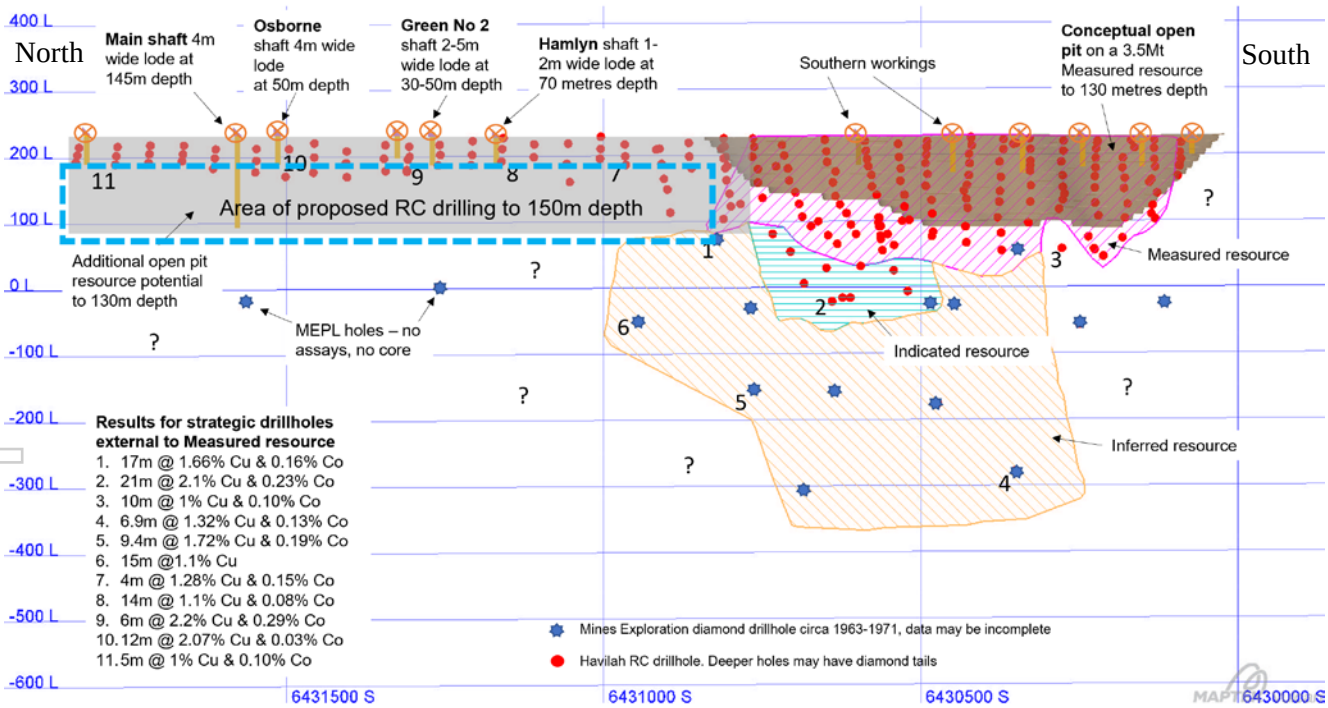


***Figure 4*** *Long section through the Mutooroo deposit, showing the area proposed to be drilled for additional shallow open pit resources (within dashed blue rectangle), lying immediately north of the conceptual open pit (dark brown).*

For personal use only

### *Grants Basin, Maldorky and Grants Iron Ore Projects (HAV 100% ownership)*

Havilah has previously reported an iron ore Exploration Target* at Grants Basin of 3.5-3.8 billion tonnes of 24-28% iron (refer to ASX announcement of 5 April 2019). The western end of this Exploration Target crops out as a solid body of iron ore at least 270 metres thick from surface. It remains a high priority to carry out resource delineation drilling to convert a portion of the western end Exploration Target to a maiden JORC Mineral Resource, initially targeting at least 0.5 billion tonnes of iron ore.

Following a cultural heritage survey conducted by the Wilyakali Native Title claimants and their appointed anthropologist and receipt of DEM drilling approvals, Havilah may proceed with a planned up to 64 hole RC drilling program on specific resource targets (identified on Figure 5). Havilah plans to conduct this drilling program following completion of the current round of drilling at Mutooroo.

* Note that the potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

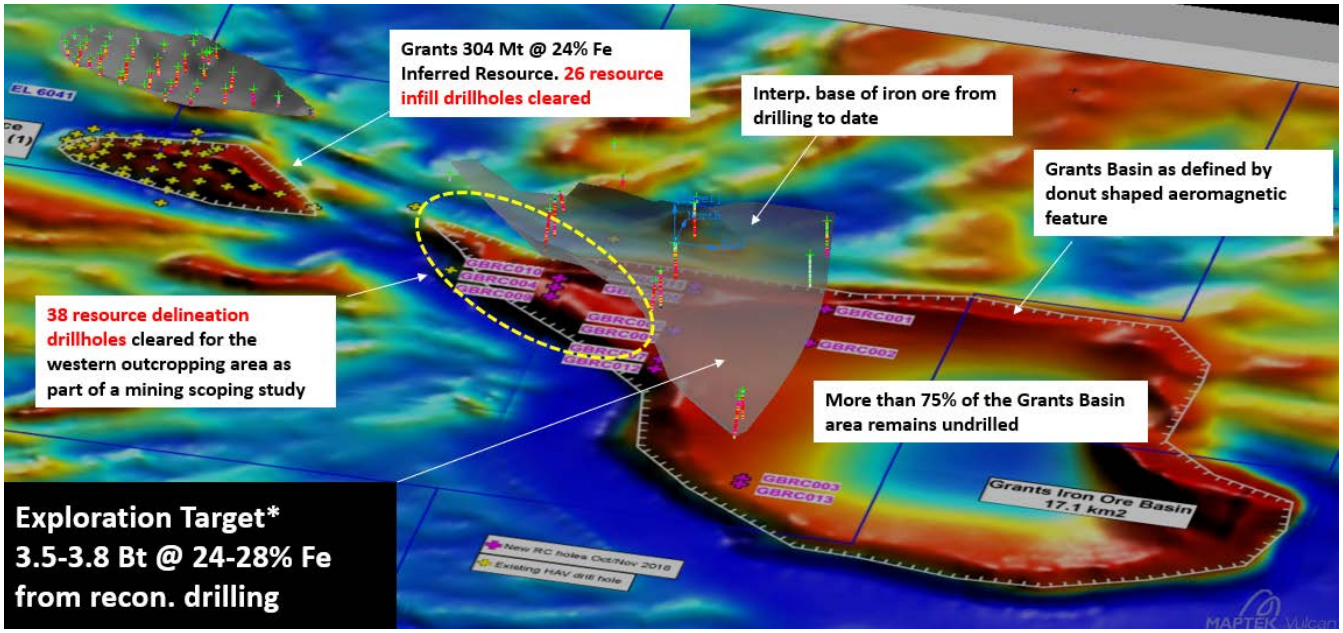


***Figure 5*** *A several thousand metre reverse circulation drilling program is planned at the western end of the Grants Basin Exploration Target* with the objective of defining a maiden JORC iron ore resource that can form the basis for a mining scoping study. Additional RC drillholes are also proposed to improve confidence in the existing Grants iron ore resource and elevate it to JORC Indicated classification (if feasible).*

## Exploration Project Activities

One of the Company's major assets is its ~16,000 km$^2$ under-explored tenement holding in the Curnamona Craton, that is prospective for a variety of commodities including several strategic and critical minerals such as cobalt, copper, rare earth elements (**REE**), tin and tungsten. Exploration for new economic discoveries leveraging off Havilah's large prospective tenement holding and utilising the Company's extensive knowledge base is a key objective.

### *Mutooroo Project Area (MPA) (HAV 100% ownership)*

The area surrounding the Mutooroo deposit (termed the Mutooroo Project Area – Figure 6) is highly prospective for the discovery of lode-style copper-cobalt-gold resources which can potentially provide supplementary ore-feed to a central processing hub at Mutooroo and hence boost that project's economics. Many earlier economic grade copper and/or gold drilling intersections in the MPA have never been followed up, in some cases for over 50 years (eg. Mutooroo West prospect). In addition, numerous copper, cobalt and gold surface geochemical anomalies identified by Havilah and earlier explorers present completely new targets to test (eg. Cockburn prospect).

It is Havilah's intention over the next 2 years to systematically map, sample and drill all known prospects and an experienced exploration geologist has been dedicated to this task. This work has commenced with drilling of the Cockburn and Mutooroo West prospects as described in more detail below. The MPA has the major logistical advantage of being close to Broken Hill and the main Barrier Highway and Transcontinental railway line.

For personal use only

For personal use only

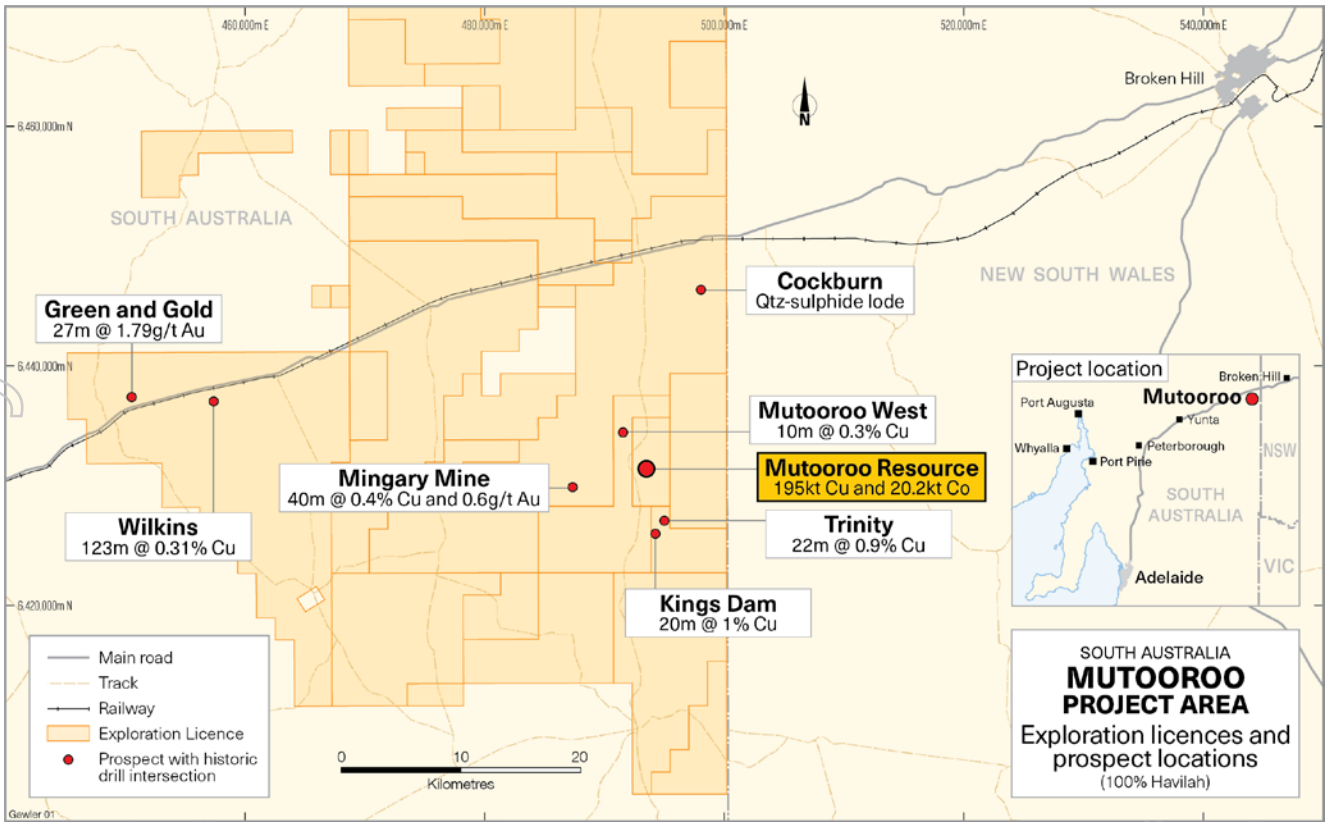


***Figure 6*** *Mutooroo Project Area showing the locations of the Mutooroo deposit and nearby prospects with historic drill intersections. The exploration area is a short commuting distance from Broken Hill and straddles the Barrier Highway and Transcontinental railway line.*

***Cockburn Copper-Cobalt-Gold Prospect (HAV 100% ownership)*** *(formerly Viper prospect)*

The Cockburn copper-cobalt-gold prospect (Figure 6) lies 45 km southwest of Broken Hill within sight of the highway border town of Cockburn, and 15 km north of Mutooroo. Highly anomalous surface geochemical samples containing up to 0.26% copper, 0.16% cobalt and 1.03 g/t gold were collected by earlier exploration groups and confirmed by Havilah's 2018 systematic surface lag sampling and rock chip sampling program (refer to ASX announcement of 28 August 2018 and ASX announcement of 7 December 2018 page 17).

Follow up field checking by Havilah geologists identified the likely source of the geochemical anomaly as a sulphide gossan that returned up to 0.4% copper and 0.15% cobalt in Niton XRF readings. The main gossan outcrop is restricted to an area of a few tens of square metres (Figure 7).

***Figure 7*** *Small area of gossan outcrop at the Cockburn prospect comprising scattered dark iron-rich rocks within a largely sand covered area. Gossan is a geological term that refers to the usually distinctive outcrop of completely oxidised sulphide minerals. It typically forms a shallow cap sitting immediately on top of fresh sulphide minerals, as proved by recent drilling at the Cockburn prospect.*

Four RC drillholes completed during the quarter intersected a 10-20 metre wide zone of fresh and oxidised sulphides with associated vein quartz beneath the gossan (refer to ASX announcement of 17 August 2021). The fresh sulphides are comprised predominantly of pyrite (iron sulphide) and some chalcopyrite (copper sulphide). It is interpreted that the steeply east-dipping mineralisation occurs at the sheared contact of mica schist and gneissic rocks (Figure 8). Therefore, as previously interpreted by Havilah geologists, the subtle gossan outcrop at the Cockburn prospect is the surface expression of a quartz-sulphide lode at depth, with general similarities to the Mutooroo sulphide lode system.

New assay results indicate significant gold, cobalt and copper associated with the quartz sulphide lode including 27 metres of 0.4 g/t gold, 0.11% cobalt and 0.12% copper from 69 metres in drillhole CKRC003 (Figure 8). The combined metal values and high sulphur value of the pyrite points to a promising new mineral discovery, that could potentially provide additional feed to a sulphide ore processing hub at Mutooroo.

The current drillholes have tested only a short section of the likely >1.5 km lode structure at shallow depths. The width and mineralisation style of the lode are geologically favourable and warrant further follow up drilling to determine the economics of the Cockburn prospect discovery.

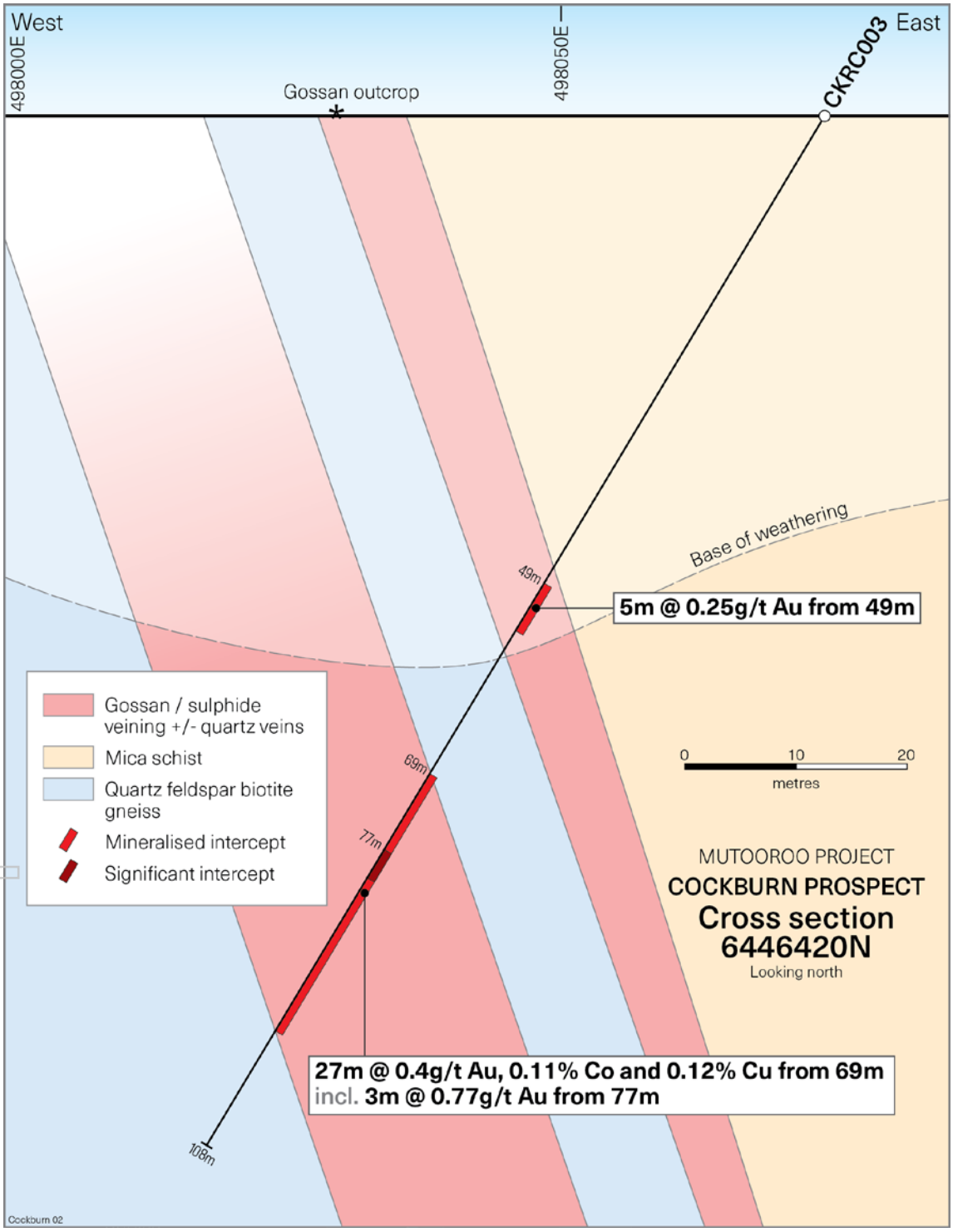


***Figure 8*** *Cross-section showing RC drillhole CKRC003, one of four drillholes at the Cockburn prospect that have defined a 10-20 metre wide, steeply east-dipping gold, copper and cobalt mineralised quartz-sulphide lode system beneath the gossan outcrop.*

For personal use only

### *Mutooroo West Copper-Cobalt-Gold Prospect (HAV 100% ownership)* *(formerly Scorpion prospect)*

The Mutooroo West prospect lies 4 km northwest of Mutooroo (Figure 6) and like Mutooroo was mined for copper in the early 1900's after discovery of an outcropping copper stained gossan by early prospectors. *The Record of the Mines of South Australia, Fourth Edition, 1908* in describing the early 1900's mining activity here notes a "large body of sulphide ore" with the lode approximately 6-7 metres wide at 30 metres depth and returning 3-4% (hand-picked) copper grades.

The best result from 5 diamond drillholes completed by Mines Exploration Pty Ltd (**MEPL**) during 1965 was 7.17 metres of 0.32% copper from 115.8 metres. These drillholes were not assayed for cobalt or gold, but rock chip samples of gossan and pyritic dump material assayed up to 0.16% cobalt and 2.22 g/t gold (refer to ASX announcement of 26 April 2018).

In the first drilling for over 50 years, Havilah has recently completed 5 RC drillholes to test for shallow copper-cobalt mineralisation near the base of oxidation, up-dip and along strike from the MEPL diamond drillholes and specifically testing a priority one AEM (airborne electromagnetic) bedrock conductor (refer to ASX announcement of 12 August 2019). Drill samples are at the assay lab for analysis.

### *MT Geophysical Surveying*

Havilah has supported magnetotelluric (**MT**) surveying by the University of Adelaide and the Geological Survey of South Australia on its northern tenement area, which resulted in the discovery of the Jupiter MT anomaly target, an exciting greenfield exploration play based on a prominent vertical conductive zone. An ADI (Accelerated Development Initiative) grant provides matching funding of $125,000 primarily to collect more detailed MT data over the Jupiter conductive zone that will assist in drill-targeting, plus orientation MT data over the Kalkaroo fault zone (refer to ASX announcement of 26 June 2020). The field survey work was completed during the quarter and processing of the data and interpretation is in progress.

### *Exploration and Development of Uranium Interests (HAV 100% ownership)*

Uranium sentiment remains very positive in the light of demand for non-carbon dioxide emitting sources of base-load electricity. Havilah holds significant uranium assets as documented on the Company's website (https://www.havilah-resources-projects.com/uranium). Havilah remains committed to progressing its non-core uranium prospects and projects in a prudent manner with external funding, while leaving Havilah shareholders with a fair residual benefit in the event of success.

### *Rare Earth Potential At Kalkaroo Project and Other Prospects (HAV 100% ownership)*

Research collaboration with the University of South Australia's Future Industries Institute on recovery of the REE mineral, bastnasite, from West Kalkaroo oxidised ore continued during the quarter (refer to ASX announcement of 3 November 2020). The chief task has been determining how best to integrate bastnasite recovery into the oxidised ore processing flow sheet. Some new pilot scale separation equipment has been purchased by Havilah, which will be trialled in coming months.

The COVID-19 pandemic continues to highlight the importance of regional supply chain security for strategic and critical minerals (like cobalt, copper, REE, tin and tungsten) that are necessary for national economic and security interests. The increasing trend toward electric vehicles has added to the impetus to ensure that a reliable and ethical supply of refined cobalt and copper is available for use in batteries. Havilah believes it is well positioned to benefit in the short to medium-term from this trend, which is well documented in a recent report prepared by global services and consulting company Accenture entitled '*Future Charge – Building Australia's Battery Industry*' (available for download from this link).

For personal use only

## Corporate

The Board remains committed to maximising the returns to shareholders through judicious management of Havilah's multi-commodity mineral portfolio in South Australia.

Cash
Cash and cash equivalents as at 31 July 2021 was $4,007,407

Investments
At 31 July 2021, Havilah held an investment of 4,916,667 ordinary shares in Auteco Minerals Ltd (ASX: AUT). Based on its last traded price on 30 July 2021, these shares had a market value of $540,833.

Share Options to Employees
During the quarter 4,400,000 unlisted share options were granted to employees by the Board of Directors under the Company's Performance Rights and Share Option Plan. Each share option is to subscribe for one fully paid ordinary share in the Company. These employee share options are each exercisable at $0.25 prior to 30 April 2024, subject to vesting conditions. The number of share options granted to employees is set by the Board of Directors at its discretion but consideration is given to employment contractual terms.

Employees are the key to Havilah's success. Exploration activity is managed by professionally skilled and technically competent personnel and is supported by a team with decades of proven experience in their fields. Exploration success remains the basic long-term driver for the Company's organic growth.

Exploration and Evaluation Expenditure
During the quarter, the total cash outflow for exploration and evaluation activities was $722,030. Full details of exploration activity during the quarter are set out in this Activity Report.

There were no mining production or development activities during the quarter.

Related Parties
Payments to related parties, as disclosed at Item 6.1 in the Company's Cash Flow Report (Appendix 5B) for the 3 months ended 31 July 2021 appended to this Activity Report, consists of $84,404 of remuneration, directors' fees and superannuation paid to Directors. In addition, Item 6.1 also includes $6,200 for marketing, public relations and social media support to a social media company (Filtrd) in which a related party (William Giles) of Dr Giles has an interest.

Copper to the World Conference
The 2021 Copper to the World conference is being held on 31 August 2021 at the Adelaide Convention Centre. Havilah will have an exhibition booth at the conference to enable the Company to showcase its Kalkaroo and Mutooroo projects to global copper industry stakeholders and potential investors.

COVID-19 Pandemic
Havilah continues to abide by official directives. It has in place COVID-19 protocols and response plans to minimise the potential transmission of COVID-19. Since Havilah's tenements are in northeastern South Australia, during the quarter Havilah was able to continue drilling on the Kalkaroo Station pastoral lease and at the Cockburn prospect unimpeded by recent COVID-19 restrictions. The field team operates out of Havilah's exploration basecamp on Kalkaroo Station or hired premises at Cockburn, which are both remote and relatively isolated locations, with minimal external contact.

Environmental, Social and Governance (ESG) Credentials
There is increasing recognition of the importance of a mineral resource projects' ESG ranking, to the extent that it is becoming a key investment criteria for many investment funds and project financiers. In a recent announcement relating to drilling at West Kalkaroo, Havilah provided some brief guidance on how it views the Kalkaroo project from an ESG perspective (refer to ASX announcement of 22 June 2021 pages 5-6). This is reproduced below for shareholder's information.

***1. Environmental (the 'E' in ESG)***

Havilah is presently engaging in a rigorous PEPR approval process with the South Australian government's mining regulator (the DEM). The PEPR documents in detail how Havilah proposes to mitigate known environmental risks and its mine closure plans. The emphasis is on sustainable long-term environmental outcomes that ultimately minimise disturbance to the natural environment by the proposed Kalkaroo mining operations, as far as practicable. This is achieved by a series of environmental compliance and monitoring procedures that are enforced by the regulator via regular reporting of results against stated objectives. Havilah is not presently aware of any specific environmental concerns, including threatened flora and/or fauna, which would be directly impacted by the proposed Kalkaroo mining operation.

Havilah owns the 550 $km^2$ Kalkaroo Station pastoral lease on which the Kalkaroo deposit is located and has for some time been undertaking conservation and environmental enhancement programs on the land. It therefore fully endorses the concept of minimal environmental disturbance, biodiversity and sustainable environmental outcomes in all of its activities and Havilah has already taken practical steps to achieve this on the Kalkaroo Station pastoral lease.

Kalkaroo is uniquely located in one of the most favourable places in Australia for combined wind and solar power generation. It is Havilah's ultimate goal to utilise these natural geographic advantages to maximise the generation and use of renewable energy.

For personal use only

### *2. Social (the 'S' in ESG)*

Northeastern South Australia is an economically depressed area, and sadly the once thriving railway town communities of Olary, Mannahill and Cockburn are struggling to survive. Currently, pastoralism is the main employer in the region.

Havilah supports local communities and believes mining activity is one important way to help rejuvenate local towns.

The Kalkaroo project has a Native Title Mining Agreement signed by the relevant local Native Title holders (refer to ASX announcement of 19 December 2018), which ultimately should see benefits flow through to the communities after mining operations commence.

The wider community expects Havilah to behave in a responsible manner, and in its almost 20 years of operating in the northeastern region of South Australia, Havilah has a record of fulfilling its statutory rehabilitation obligations and has at all times maintained cordial relations with landholders, Native Title claimants and other relevant stakeholders.

Kalkaroo's large resources point to a long-life, large-scale mining operation, potentially supplying 'green technology' metals that the modern world needs longer-term, including copper, cobalt, REE and molybdenum, with very low levels of associated undesirable elements such as uranium and arsenic. The operation could provide many well paid jobs and once in production would pay royalties to the South Australian government over its mine life. In all of these ways Havilah would be fulfilling an important social role in the wider community.

### *3. Governance (the 'G' in ESG)*

Havilah takes its corporate governance obligations seriously. Adherence to corporate governance principles according to its particular circumstances is a natural outcome of Havilah's clearly defined set of core values, which are at the heart of all that it does.

The South Australian government oversees and strictly enforces a comprehensive regulatory framework to protect a wide range of community interests and collectively agreed objectives (eg. environmental protection, safe working environment). Havilah's governance processes ensure as a minimum, compliance with government regulations, relevant reporting obligations and the implementation of industry best practice operating standards.

Provided Havilah complies with the regulations that govern its operations, its long-term security of tenure and ownership of its mineral assets is not at risk in South Australia. This is not the case in some countries in the world.

It also means that future buyers of minerals from the Kalkaroo project can be confident that they have been produced according to best practice ESG standards. This potentially represents a material competitive advantage for the Kalkaroo project versus minerals sourced from jurisdictions where regulations are not adequately enforced and/or mining practices may be undesirable. The importance of ethically sourced minerals is only likely to increase over time and may result in preferential purchasing and/or financing by end users.

For personal use only

## Summary of Governance Arrangements and Internal Controls in Place for the Reporting of Ore Reserves and Mineral Resources

Ore Reserves and Mineral Resources are estimated by suitably qualified employees and consultants in accordance with the JORC Code, using industry standard techniques and internal guidelines for the estimation and reporting of Ore Reserves and Mineral Resources. These estimates and the supporting documentation were reviewed by a suitably qualified Competent Person prior to inclusion in this Activity Report.

## Competent Person's Statements

The information in this Activity Report that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on data compiled by geologist Dr Christopher Giles, a Competent Person who is a member of The Australian Institute of Geoscientists. Dr Giles is a Director of the Company, a full-time employee and is a substantial shareholder. Dr Giles has sufficient experience, which is relevant to the style of mineralisation and type of deposit and activities described herein, 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 this Activity Report of the matters based on his information in the form and context in which it appears. Information for the Kalkaroo Ore Reserve & Mineral Resource and the Mutooroo Inferred cobalt & gold Mineral Resources complies with the JORC Code 2012. All other information was prepared and first disclosed under the JORC Code 2004 and is presented on the basis that the information has not materially changed since it was last reported. Havilah confirms that all material assumptions and technical parameters underpinning the reserves and resources continue to apply and have not materially changed.

Except where explicitly stated, this Activity Report contains references to prior Exploration Targets and Exploration Results, all of which have been cross-referenced to previous ASX announcements made by Havilah. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant ASX announcements.

## Forward-looking Statements

This Activity Report and Cash Flow Report (Appendix 5B) prepared by Havilah includes forward-looking statements. Often, but not always, forward-looking statements can generally be identified by the use of forward-looking words such as 'may', 'will', 'expect(s)', 'intend(s)', 'plan(s)', 'estimate(s)', 'anticipate(s)', 'continue(s)', and 'guidance', or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward-looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause Havilah's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward-looking statements are based on Havilah and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect Havilah's business and operations in the future. Havilah does not give any assurance that the assumptions on which forward-looking statements are based will prove to be correct, or that Havilah's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by Havilah or management or beyond Havilah's control. Given the ongoing uncertainty relating to the duration and extent of the global COVID-19 pandemic, and the impact it may have on the demand and price for commodities (including copper and gold) on our suppliers and workforce, and on global financial markets, the Company continues to face uncertainties that may impact on its operating activities and/or financing activities.

Although Havilah attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward-looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of Havilah. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements in this Activity Report and the Cash Flow Report (Appendix 5B) speak only at the date of issue. Subject to any continuing obligations under applicable law or the ASX Listing Rules, in providing this information Havilah does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

For personal use only

For personal use only

**JORC Ore Reserves as at 31 July 2021**

| Project | Classification | Tonnes (Mt) | Copper % | Gold g/t | Copper tonnes (Kt) | Gold ounces (Koz) |
|---|---|---|---|---|---|---|
| Kalkaroo [1] | Proved | 90.2 | 0.48 | 0.44 | 430 | 1,282 |
| | Probable | 9.9 | 0.45 | 0.39 | 44 | 125 |
| | **Total** | **100.1** | **0.47** | **0.44** | **474** | **1,407** |

**JORC Mineral Resources as at 31 July 2021**

| Project | Classification | Resource Category | Tonnes | Copper % | Cobalt % | Gold g/t | Copper tonnes | Cobalt tonnes | Gold ounces |
|---|---|---|---|---|---|---|---|---|---|
| Mutooroo [2] | Measured | Oxide | 598,000 | 0.56 | 0.04 | 0.08 | | | |
| | **Total** | **Oxide** | **598,000** | **0.56** | **0.04** | **0.08** | **3,300** | **200** | **1,500** |
| | Measured | Sulphide Copper-Cobalt-Gold | 4,149,000 | 1.23 | 0.14 | 0.18 | | | |
| | Indicated | Sulphide Copper-Cobalt-Gold | 1,697,000 | 1.52 | 0.14 | 0.35 | | | |
| | Inferred | Sulphide Copper-Cobalt-Gold | 6,683,000 | 1.71 | 0.17 | 0.17 | | | |
| | **Total** | **Sulphide Copper-Cobalt-Gold** | **12,529,000** | **1.53** | **0.16** | **0.20** | **191,700** | **20,000** | **80,600** |
| | | **Total Mutooroo** | **13,127,000** | | | | **195,000** | **20,200** | **82,100** |
| Kalkaroo [3] | Measured | Oxide Gold Cap | 12,000,000 | | | 0.82 | | | |
| | Indicated | Oxide Gold Cap | 6,970,000 | | | 0.62 | | | |
| | Inferred | Oxide Gold Cap | 2,710,000 | | | 0.68 | | | |
| | **Total** | **Oxide Gold Cap** | **21,680,000** | | | **0.74** | | | **514,500** |
| | Measured | Sulphide Copper-Gold | 85,600,000 | 0.57 | | 0.42 | | | |
| | Indicated | Sulphide Copper-Gold | 27,900,000 | 0.49 | | 0.36 | | | |
| | Inferred | Sulphide Copper-Gold | 110,300,000 | 0.43 | | 0.32 | | | |
| | **Total** | **Sulphide Copper-Gold** | **223,800,000** | **0.49** | | **0.36** | **1,096,600** | | **2,590,300** |
| | | **Total Kalkaroo** | **245,480,000** | | | | **1,096,600** | | **3,104,800** |
| | Inferred | Cobalt Sulphide[4] | 193,000,000 | | 0.012 | | | 23,200 | |
| **Total All Projects** | | **All Categories (rounded)** | **258,607,000** | | | | **1,291,600** | **43,400** | **3,186,900** |

| Project | Classification | Tonnes (Mt) | Iron (%) | Fe concentrate (Mt) | Estimated yield |
|---|---|---|---|---|---|
| Maldorky [5] | Indicated | 147 | 30.1 | 59 | 40% |
| Grants [6] | Inferred | 304 | 24 | 100 | 33% |
| **Total All Projects** | **All categories** | **451** | | **159** | |

| Project | Classification | Tonnes (Mt) | eU3O8 (ppm) | Contained eU3O8 (Tonnes) |
|---|---|---|---|---|
| Oban [7] | Inferred | 8 | 260 | 2,100 |

There were no changes in the JORC Ore Reserves and Mineral Resources as at 31 July 2021 compared with 31 July 2020.

Numbers in above tables are rounded.

**Footnotes to 2021 JORC Ore Reserve and Mineral Resource Tables**

[1] Details released to the ASX: 18 June 2018 (Kalkaroo)
[2] Details released to the ASX: 18 October 2010 and 5 June 2020 (Mutooroo)
[3] Details released to the ASX: 30 January 2018 and 7 March 2018 (Kalkaroo)
[4] Note that the Kalkaroo cobalt Inferred Resource is not added to the total tonnage
[5] Details released to the ASX: 10 June 2011 applying an 18% Fe cut-off (Maldorky)
[6] Details released to the ASX: 5 December 2012 applying an 18% Fe cut-off (Grants)
[7] Details released to the ASX: 4 June 2009 applying a grade-thickness cut-off of 0.015 metre % eU3O8 (Oban)

## TENEMENT SCHEDULE AS AT 31 JULY 2021

| Location | Project Name | Tenement No | Tenement Name | Registered Owner [1] | % Interest | Status |
|---|---|---|---|---|---|---|
| South Australia | Curnamona | 6591 | Kalabity | Havilah | 100 | Current |
| South Australia | Curnamona | 5703 | Bundera | Copper Aura | 100 | Current |
| South Australia | Curnamona | 6592 | Mutooroo Mine | Copper Aura | 100 | Current |
| South Australia | Curnamona | 6593 | Mundi Mundi | Havilah | 100 | Current |
| South Australia | Curnamona | 6594 | Bonython Hill | Copper Aura | 100 | Current |
| South Australia | Curnamona | 5760 | Bumbarlow | Havilah | 100 | Current |
| South Australia | Curnamona | 5764 | Maljanapa | Havilah | 100 | Current |
| South Australia | Curnamona | 5785 | Moko | Havilah | 100 | Current |
| South Australia | Curnamona | 5800 | Kalkaroo | Havilah | 100 | Current |
| South Australia | Curnamona | 5801 | Mutooroo West | Copper Aura | 100 | Current |
| South Australia | Curnamona | 5802 | Mulyungarie | Havilah | 100 | Current |
| South Australia | Curnamona | 5803 | Telechie North | Havilah | 100 | Current |
| South Australia | Curnamona | 5824 | Coolibah Dam | Havilah | 100 | Current |
| South Australia | Curnamona | 5831 | Bonython Hill (2) | Copper Aura | 100 | Current |
| South Australia | Curnamona | 5848 | Mingary (2) | Iron Genesis | 100 | Current |
| South Australia | Curnamona | 5853 | Oratan | Havilah | 100 | Current |
| South Australia | Curnamona | 5873 [2] | Benagerie | Havilah | 100 | Current |
| South Australia | Curnamona | 5882 | Mutooroo(2) | Copper Aura | 100 | Current |
| South Australia | Curnamona | 5891 [3] | Prospect Hill | Teale & Brewer | 65 | Current |
| South Australia | Curnamona | 5903 | Border Block | Havilah | 100 | Current |
| South Australia | Curnamona | 5904 | Mundaerno Hill | Havilah | 100 | Current |
| South Australia | Curnamona | 5915 [2] | Emu Dam | Havilah | 100 | Current |
| South Australia | Curnamona | 5940 | Coonarbine | Havilah | 100 | Current |
| South Australia | Curnamona | 5951 | Jacks Find | Curnamona Energy | 100 | Current |
| South Australia | Curnamona | 5952 | Thurlooka | Curnamona Energy | 100 | Current |
| South Australia | Curnamona | 5956 | Wompinie | Havilah | 100 | Current |
| South Australia | Curnamona | 5964 | Yalkalpo East | Curnamona Energy | 100 | Current |
| South Australia | Curnamona | 5966 | Moolawatana | Curnamona Energy | 100 | Current |
| South Australia | Gawler Craton | 6014 [4] | Pernatty | Red Metal Limited | 10 | Current |
| South Australia | Curnamona | 6041 | Cutana | Iron Genesis | 100 | Current |
| South Australia | Curnamona | 6054 | Bindarrah | Iron Genesis | 100 | Current |
| South Australia | Curnamona | 6056 | Frome | Curnamona Energy | 100 | Current |
| South Australia | Curnamona | 6099 | Lake Carnanto | Havilah | 100 | Current |
| South Australia | Curnamona | 6161 | Chocolate Dam | Havilah | 100 | Current |
| South Australia | Curnamona | 6163 | Mutooroo South | Copper Aura | 100 | Current |
| South Australia | Curnamona | 6165 | Poverty Lake | Havilah | 100 | Current |
| South Australia | Curnamona | 6194 | Bundera Dam | Havilah | 100 | Current |
| South Australia | Curnamona | 6203 | Watsons Bore | Havilah | 100 | Current |
| South Australia | Curnamona | 6211 | Cochra | Havilah | 100 | Current |
| South Australia | Curnamona | 6258 | Kidman Bore | Havilah | 100 | Current |
| South Australia | Curnamona | 6271 | Prospect Hill SW | Havilah | 100 | Current |
| South Australia | Curnamona | 6280 [5] | Mingary | Iron Genesis | 100 | Current |
| South Australia | Curnamona | 6298 | Yalkalpo | Curnamona Energy | 100 | Current |
| South Australia | Curnamona | 6323 | Lake Charles | Havilah | 100 | Current |
| South Australia | Curnamona | 6355 | Olary | Havilah | 100 | Current |
| South Australia | Curnamona | 6356 | Lake Namba | Havilah | 100 | Current |
| South Australia | Curnamona | 6357 | Swamp Dam | Havilah | 100 | Current |
| South Australia | Curnamona | 6358 | Telechie | Havilah | 100 | Current |
| South Australia | Curnamona | 6359 | Yalu | Havilah | 100 | Current |
| South Australia | Curnamona | 6360 | Woodville Dam | Havilah | 100 | Current |
| South Australia | Curnamona | 6361 | Tepco | Iron Genesis | 100 | Current |
| South Australia | Curnamona | 6370 | Carnanto | Havilah | 100 | Current |
| South Australia | Curnamona | 6408 | Lake Yandra | Havilah | 100 | Current |
| South Australia | Curnamona | 6409 | Tarkarooloo | Havilah | 100 | Current |
| South Australia | Curnamona | 6410 | Lucky Hit Bore | Havilah | 100 | Current |
| South Australia | Curnamona | 6411 | Coombs Bore | Havilah | 100 | Current |
| South Australia | Curnamona | 6415 | Eurinilla | Havilah | 100 | Current |
| South Australia | Curnamona | 6428 | Collins Tank | Havilah | 100 | Current |
| South Australia | Curnamona | 6434 | Lake Frome | Havilah | 100 | Current |
| South Australia | Gawler Craton | 6468 | Sandstone | Havilah | 100 | Current |
| South Australia | Curnamona | 6546 | Billeroo West | Havilah | 100 | Current |
| South Australia | Curnamona | 6567 | Rocky Dam | Havilah | 100 | Current |
| South Australia | Frome | GEL181 | Frome | Geothermal | 100 | Current |

For personal use only

| Location | Project Name | Tenement No | Tenement Name | Registered Owner [1] | % Interest | Status |
|---|---|---|---|---|---|---|
| South Australia | Kalkaroo | ML6498 | Kalkaroo | Kalkaroo | 100 | Current |
| South Australia | Kalkaroo | ML6499 | Kalkaroo | Kalkaroo | 100 | Current |
| South Australia | Kalkaroo | ML6500 | Kalkaroo | Kalkaroo | 100 | Current |
| South Australia | Kalkaroo | MPL158 | Kalkaroo | Kalkaroo | 100 | Current |
| South Australia | Kalkaroo | MPL159 | Kalkaroo | Kalkaroo | 100 | Current |
| South Australia | Kalkaroo | MC3828 | Kalkaroo | Kalkaroo | 100 | Current |
| South Australia | Maldorky | MC4271 | Maldorky | Maldorky | 100 | Current |
| South Australia | Maldorky | MC4272 | Maldorky | Maldorky | 100 | Current |
| South Australia | Maldorky | MC4273 | Maldorky | Maldorky | 100 | Current |
| South Australia | Maldorky | MC4274 | Maldorky | Maldorky | 100 | Current |
| South Australia | Maldorky | MC4364 | Maldorky | Maldorky | 100 | Current |
| South Australia | Mutooroo | ML5678 | Mutooroo | Havilah | 100 | Current |
| South Australia | Mutooroo | MC3565 | Mutooroo | Mutooroo | 100 | Current |
| South Australia | Mutooroo | MC3566 | Mutooroo | Mutooroo | 100 | Current |

**Notes to Tenement Schedule as at 31 July 2021**

**Note 1**

| | |
|---|---|
| Havilah: | Havilah Resources Limited |
| Copper Aura: | Copper Aura Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited |
| Curnamona Energy: | Curnamona Energy Pty Limited, a wholly owned subsidiary of Havilah Resources Limited |
| Geothermal: | Geothermal Resources Pty Limited, a wholly owned subsidiary of Havilah Resources Limited |
| Iron Genesis: | Iron Genesis Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited |
| Kalkaroo: | Kalkaroo Copper Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited |
| Maldorky: | Maldorky Iron Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited |
| Mutooroo: | Mutooroo Metals Pty Ltd, a wholly owned subsidiary of Havilah Resources Limited |
| Red Metal: | Red Metal Limited |
| Teale & Brewer: | Teale & Associates Pty Ltd, Adrian Mark Brewer |

**Note 2** - 1% net smelter return (**NSR**) royalty payable to MMG Limited

**Note 3** - Agreement – farm-in to earn 85% interest in tenement

**Note 4** - Agreement – farm-in, carried interest 10%

**Note 5** - 1.25% NSR royalty payable to Exco Operations (SA) Pty Limited, Polymetals (White Dam) Pty Ltd

The Company's Cash Flow Report (Appendix 5B) for the 3 months ended 31 July 2021 is appended.

This ASX announcement was authorised for release by the Board of Directors.

For further information visit www.havilah-resources.com.au
**Contact**: Dr Chris Giles, Technical Director, on (08) 7111 3627 or email: info@havilah-resources.com.au
Registered Office: 107 Rundle Street, Kent Town, South Australia 5067
Mail: PO Box 3, Fullarton, South Australia 5063

For personal use only

# Havilah Resources Limited
## Appendix 5B (Unaudited)
## Mining Exploration Entity
## Cash Flow Report for the 3 Months Ended 31 July 2021

*Rule 5.5*

## Appendix 5B (Unaudited)

## Mining Exploration Entity
## Quarterly Cash Flow Report

**Name of entity**

Havilah Resources Limited

**ABN**

39 077 435 520

**Quarter ended ('current quarter')**

31 July 2021

| **Consolidated statement of cash flows** | | **Current quarter A$** | **Year to date (12 months) A$** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | 54,126 | 293,542 |
| 1.2 | Payments for: | | |
| | (a) exploration & evaluation | (107,888) | (362,216) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (276,938) | (1,011,356) |
| | (e) administration and corporate costs | (130,336) | (747,101) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | - | - |
| 1.5 | Interest and other costs of finance paid | (12,187) | (22,966) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | 29,493 | 319,299 |
| 1.8 | Other (provide details if material) | - | - |
| **1.9** | **Net cash from/ (used in) operating activities** | **(443,730)** | **(1,530,798)** |

For personal use only

# Havilah Resources Limited
## Appendix 5B (Unaudited)
## Mining Exploration Entity
## Cash Flow Report for the 3 Months Ended 31 July 2021

For personal use only

| Consolidated statement of cash flows | | Current quarter A$ | Year to date (12 months) A$ |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | (16,089) |
| | (d) exploration & evaluation * | (614,142) | (1,777,334) |
| | (e) investments | - | - |
| | (f) other non-current assets | - | - |
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| **2.6** | **Net cash from/ (used in) investing activities** | **(614,142)** | **(1,793,423)** |

***** Includes capitalised wages of A$169,351 (quarter) and A$490,249 (YTD)

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 6,006,400 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | (83,100) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | (2,667) | (75,396) |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | | |
| **3.10** | **Net cash from/ (used in) financing activities** | **(2,667)** | **5,847,904** |

# Havilah Resources Limited
## Appendix 5B (Unaudited)
## Mining Exploration Entity
## Cash Flow Report for the 3 Months Ended 31 July 2021

| Consolidated statement of cash flows | | Current quarter A$ | Year to date (12 months) A$ |
|---|---|---|---|
| **4.** | **Net increase/ (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 5,067,946 | 1,483,724 |
| 4.2 | Net cash from/ (used in) operating activities (item 1.9 above) | (443,730) | (1,530,798) |
| 4.3 | Net cash from/ (used in) investing activities (item 2.6 above) | (614,142) | (1,793,423) |
| 4.4 | Net cash from/ (used in) financing activities (item 3.10 above) | (2,667) | 5,847,904 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| **4.6** | **Cash and cash equivalents at end of period** | **4,007,407** | **4,007,407** |

| **5.** | **Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | **Current quarter A$** | **Previous quarter A$** |
|---|---|---|---|
| 5.1 | Bank balances | 4,007,407 | 5,067,946 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **4,007,407** | **5,067,946** |

| **6.** | **Payments to related parties of the entity and their associates** | **Current quarter A$** |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 90,604 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

For personal use only

For personal use only

| 7. | **Financing facilities**<br>*Note: the term 'facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **Total facility amount at quarter end A$** | **Amount drawn at quarter end A$** |
|---|---|---|---|
| 7.1 | Loan facilities (see Note (a) below) | 500,000 | - |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (see Note (b) below) | 563,833 | 163,833 |
| 7.4 | **Total financing facilities** | **1,063,833** | **163,833** |
| 7.5 | **Unused financing facilities available at quarter end** | | **900,000** |

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Included in item 7.1 and item 7.3 above are respectively:
(a) Secured overdraft facility of A$500,000 with the National Australia Bank Limited (**NAB**) at a business lending rate of 3.0% p.a. plus a customer margin of 2.2% if drawn down. The facility expires January 2022.
(b) (i) Secured bank guarantee facility of A$500,000 with the NAB, of which A$100,000 is currently being utilised to secure bank guarantee for a rehabilitation bond. The facility expires January 2022.
(ii) Secured hire purchase loan of A$63,833 with Toyota Finance Australia at a lending rate of 4.23% p.a. for the purchase of a heavy-duty field vehicle used by the Company's Drilling Supervisor. Expires December 2022.

| 8. | **Estimated cash available for future operating activities** | **A$** |
|---|---|---|
| 8.1 | Net cash from/ (used in) operating activities (item 1.9) | (443,730) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (614,142) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (1,057,872) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 4,007,407 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) [1] | 500,000 |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 4,507,407 |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)** | **4.26** |

*Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.*

[1] Includes only the NAB overdraft facility, as the bank guarantee facility is restricted to non-cash bank guarantees.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

# Havilah Resources Limited
## Appendix 5B (Unaudited)
## Mining Exploration Entity
## Cash Flow Report for the 3 Months Ended 31 July 2021

**Compliance statement**

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 26 August 2021

Authorised by: the Board of Directors
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

*Rule 5.5*

For personal use only