

Kalkaroo Copper-Gold Project 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. This is a very broad subject, but for shareholder's benefit, Havilah has provided below some brief guidance of how it views the Kalkaroo copper-gold project from an ESG perspective, in advance of expected more detailed formal ESG reporting in the future.

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 km² 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**. Havilah is presently commissioning its own pilot solar-wind-battery power generation system at the Kalkaroo exploration basecamp. Transitioning to renewable power sources at the Kalkaroo basecamp demonstrates the Company's ongoing commitment to responsible resource development across its operations and activities. This renewable energy power plant will take Havilah a step closer to achieving its sustainability goals and reduce reliance on diesel gensets.

Operation of this system should also provide valuable information on the efficacy of wind and solar power in the region, which ultimately could assist **Havilah to design a renewable energy generation system to power the Kalkaroo mine**. It is Havilah's ultimate goal to utilise these natural geographic advantages to maximise the generation and use of renewable energy.

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 twenty 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, rare earth elements 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 (published on Havilah's website).

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 the 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.