



NEWS RELEASE

Havilah Mining Corporation Announces Successful Season from the Tailings Reprocessing Project

12/13/2018

TORONTO, Dec. 13, 2018 /CNW/ - Havilah Mining Corporation (TSXV: HMC) ("Havilah" or the "Company") is pleased to announce a successful season from the tailings reprocessing project. In April of 2018, Klondex Mines Ltd. ("Klondex"), acquired by Hecla Mining Company ("Hecla") on July 20, 2018, commenced reprocessing operations at the True North facility ("True North") in Bissett, Manitoba. After the acquisition by Hecla, Havilah, which now holds the True North assets, continued the reprocessing operations. Under the stewardship of the Havilah team, True North produced approximately 3,200 ounces of gold in roughly 4 months. The average grade was approximately 1 g/t and the operation ran at an approximate rate of 990 tons per day.

"With the exemplary efforts from the staff, we were able to grow the balance sheet from \$9 million and no liabilities to approximately \$9.7 million in cash today, and a strong working capital balance of \$12 to 13 million. During the winter we expect to use cash while on care and maintenance, however we believe the tailings reprocessing project will continue on this positive trend in the 2019. Meanwhile, we look forward to the start of our 2019 exploration programs to test the potential of this exceptional land package."

With the change in weather conditions at the True North site, the Company has temporarily shut-down the tailings reprocessing operations. The Company expects to restart operations in April of 2019, however the exact start date is weather dependent and may vary slightly. During this shut down, the Company has identified a number of items that require upgrade work, which should allow for an increase in throughput during next year's operating season. Approximately 35 positions at the operations will be displaced during this shut down.

"Our employees worked hard to operate our facilities and to adjust to the changes within our business," said Mr. Schultz, interim CEO and President. "I want to thank each and every one of them for a job well done. This was a difficult decision because of the impact on employees, but it is a necessary step to ensure we stay in control of our

costs as we look to improve our future outlook.

In the future the Company plans to operate the tailings reprocessing project at the True North facility on a seasonal basis while continuing exploration activity year-round. This will improve the overall sustainability of the operations while continuing to retain key personnel and perform annual maintenance.

About Havilah Mining Corporation

Havilah is a junior gold producer that owns the True North mine and mill complex and is currently reprocessing historic tailings. In addition to operating True North in Bissett, Manitoba, Havilah owns approximately 43,000 hectares of highly prospective land within and adjacent to the Rice Lake belt. Havilah believes their land package is a prime exploration opportunity to develop a mining district with a central milling facility. The Company also owns the Tully project near Timmins, Ontario. The Company intends to focus on both organic growth opportunities and accretive acquisition opportunities in North America.

Havilah's True North complex and exploration land package are located within the traditional territory of the Hollow Water First Nation, signatory to Treaty No. 5 (1875). Havilah looks forward to maintaining open, co-operative and respectful communication with the Hollow Water First Nation in order to build mutually beneficial working relationships.

ON BEHALF OF THE BOARD OF DIRECTORS

Blair Schultz

Chairman, Interim President and Chief Executive Officer

Cautionary Statement Regarding Forward Looking Information:

This press release may contain forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. This press release may contain forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

All forward-looking statements reflect the Company's beliefs and assumptions based on information available at



the time the statements were made. Actual results or events may differ from those predicted in these forward-looking statements. All of the Company's forward-looking statements are qualified by the assumptions that are stated or inherent in such forward-looking statements, including the assumptions listed below. Although the Company believes that these assumptions are reasonable, this list is not exhaustive of factors that may affect any of the forward-looking statements.

Forward-looking statements involve known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, prediction, projection, forecast, performance or achievements expressed or implied by the forward-looking statements. All statements that address expectations or projections about the future are considered forward-looking statements, including, but not limited to: statements relating to the continued processing of the tailings material at the True North mine and mill complex, and the timing and results thereof; the continued financial health of the Company and its ability to raise additional capital as needed; and any exploration success and ability to develop any future mining operations within the Company's extensive land position, and the results and timing thereof. Although Havilah has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events, or otherwise, except in accordance with applicable securities laws.

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SOURCE Havilah Mining Corporation