

26 October 2018

\$6M Investec Standby Facility Approved

HIGHLIGHTS

- **Acceptance of a \$6 million 12-month standby facility offered by Investec.**
- **Provides a contingency funding plan during the North Portia divestment period.**

Havilah Resources Limited (Havilah) is pleased to announce that it has accepted an offer from Investec Group (**Investec**) for a \$6 million Standby Facility (**Facility**). Investec has confirmed credit approval for the Facility with the final documentation for the Facility expected to be completed in early November 2018.

Havilah is due to receive \$7 million over the next 12 months as the permitting of North Portia is completed and approved under the North Portia divestment agreement. The timing of the receipt of these divestment proceeds is subject to various permitting approvals which are not under Havilah's full control. This Facility provides Havilah with a contingency funding plan over the next 12-month period as the permitting work is completed and submitted to the regulator for approval.

Investec is a respected resource industry financier, and in 2015 provided Havilah with a \$6 million loan and risk management facility for the construction of the Portia processing plant. Only \$4 million of this facility was drawn down by Havilah and it was repaid in 2016, ahead of the maturity date.

Commenting on the Investec Facility, CEO, Mr Walter Richards said: "We are pleased to have this facility in place as a contingency measure to manage our cash flow over the next 12 months, as work is completed on the North Portia permitting.

"This facility provides us with financial flexibility to ensure we can continue to progress the execution of our *Copper Strategy – Enhanced by Cobalt*.

"Investec has been very supportive since the start of our relationship in 2015 and we appreciate their continued backing," he said.

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

Contact: Mr Walter Richards, CEO, on (08) 8155-4500 or email: info@havilah-resources.com.au

Whilst the detailed terms of the Facility are confidential, the key points are:

- Standby facility of \$6 million with a maturity date of 12 months from execution of the Facility documents (Expected to be November 2019).
- Interest is set at the floating Bank Bill Swap Bid Rate (BBSY) plus a credit margin.
- Investec will be issued with a potential total of up to 10 million three-year unlisted options, depending on the actual utilisation of the Facility. The exercise price will be set at a 20% premium over the 30-day volume weighted average share price when the issue of options is triggered.
- Havilah and its subsidiaries, Kalkaroo Copper Pty Ltd and Mutooroo Metals Pty Ltd, will provide guarantees in support of the Facility.
- Cancellation of the Portia contingent success fee, which was to have applied if production from Portia exceeded 50,500 ounces of gold in total with a cap of 80,000 ounces. This was part of the terms of the 2015 \$6 million loan and risk management facility.

About Investec

Established in 1974, the Investec Group is an international specialist bank and asset manager providing a diverse range of financial products and services to a niche client base across three principal markets: United Kingdom, South Africa and Australia.

Investec's global resources team offers a full service, tailored offering across Debt Capital Markets and Corporate Advisory and is active in precious and base metals, minerals, oil and gas in both emerging and developed markets.

Investec has strong credentials in financing resource projects both in Australia and globally for ASX listed companies including Troy Resources Ltd, Kingsgate Consolidated Limited, Resolute Mining Limited, Oceana Gold Corporation and Northern Star Resources.

For further details about Investec refer to: <https://www.investec.com.au/>