



16 January 2019

Ms Clare Porta  
Adviser, Listings Compliance  
ASX  
20 Bridge Street, Sydney NSW 2000

By email

Dear Ms Porta

**Havilah Resources Limited ('HAV'): Query re. corrective action for Listing Rule 10.11 breach**

Please see below our responses to the questions outlined in your letter to us dated 15 January 2019:

- 1. ASX: Please explain why HAV did not consult with ASX before Dr Giles and Mr Stewart disposed of their respective holdings of Top Up Shares via two off-market transfers rather than on-market transactions as required by ASX.**

HAV: There was only one trading day available to meet the 31 December 2018 deadline and it was the Company's preference to meet the deadline and not have this matter roll forward into 2019, when it is expected that there will be limited opportunity for the directors to trade. The Company notes that the trading volume since the beginning of 2019 has been very low, as was anticipated by the Company. The Company believed that the two large parcels from the relevant directors would have placed significant undue pressure on the Company's share price if executed via on-market trades on 31 December 2018.

- 2. Please explain why HAV did not request an extension of time or consult with ASX regarding an extension of time in order for Dr Giles and Mr Stewart to complete the requisite disposals of their respective holdings of Top Up Shares via on-market transactions as required by ASX.**

HAV: Due to the limited window of opportunity the Company had to act very quickly as it was the Company's preference to meet the 31 December 2018 deadline and not roll this matter forward into 2019, when there is expected to be limited opportunity for the directors to trade.

- 3. Please provide the full background to the off-market transfers of the Top Up Shares to the transferee/buyer (including why Dr Giles and Mr Stewart elected to transfer their shares to the transferee/buyer).**

HAV: As outlined above there was only one trading day available to meet the 31 December 2018 deadline and it was the Company's preference to meet the deadline and not have this matter roll forward into 2019, when it is expected that there will be limited opportunity for the directors to trade. The Company believed that the two large parcels from the relevant directors would have placed significant undue pressure on the Company's share price if executed via on-market trades on 31 December 2018.

The off-market trades were executed at an effective price of 14.5 cents per share while the market traded between 15.5 cents and 18 cents that day.

These sales resulted in a loss for Dr Giles of \$2,412.45 and a loss for Mr Stewart of \$4,113.00.

Given the low liquidity during the single day of trading available to meet the 31 December 2018 deadline, the off-market disposal of the shares at the losses referenced above appeared to be the appropriate action under the circumstances. The Company believed that this would be a better outcome than requesting an extension.

The liquidity leading up to 31 December 2018 ranged between 0 and 110,000 shares. The total number of shares requiring disposal was 168,000. Our current average volume per day is 110,00 shares.

The Company notes that the trading volume since the beginning of 2019 has been very low, as was anticipated by the Company.

**4. Does Dr Giles have any association with the transferee or its directors or beneficiaries (e.g. friend, relative or acquaintance)?**

HAV: Dr Giles confirmed prior to the transactions and again subsequently that there is no relationship with the transferee or its directors or beneficiaries.

**5. Does Mr Stewart have any association with the transferee or its directors or beneficiaries (e.g. friend, relative or acquaintance)?**

HAV: Mr Stewart confirmed prior to the transactions and again subsequently that there is no relationship with the transferee or its directors or beneficiaries.

Yours Sincerely,



**Claire Redman**  
Company Secretary



15 January 2019

Mr Walter Richards  
CEO & Company Secretary  
Havilah Resources Limited  
164 Fullarton Road  
Dulwich SA 5065

By email

Dear Mr Richards

**Havilah Resources Limited ('HAV'): Query re corrective action for Listing Rule 10.11 breach**

ASX refers to the following:

- A. ASX's letter to HAV dated 7 December 2018 regarding the breach of Listing Rule 10.11 ('ASX Letter') which notes that the following securities were issued on 31 January 2018 as part of the top up offer under the rights issue ('Directors' Top Up Securities') without prior shareholder approval under Listing Rule 10.11.

Name of Director	Direct or Indirect interest (and holder of indirect interests)	Number of Top Up Shares	Number of Top Up Options
Christopher William Giles	Direct and Indirect Indirect - Shares held by CW Giles, Trindal Pty Ltd, Trindal Pty Ltd ATF Wilpena Trust, entities controlled by CW Giles	63,000	30,000
Mark Robert Stewart	Direct and Indirect Indirect - Shares held by Mr M R Stewart <Stewart Family A/C >	105,000	50,000
<b>TOTAL</b>		<b>168,000</b>	<b>80,000</b>

- B. The following extract from the ASX Letter (emphasis added):

*'In addition, ASX requires HAV to complete the following course of action by no later than Monday, 31 December 2018:*

- 1. HAV is required to procure Dr Giles and Mr Stewart to **sell on-market** their respective direct and indirect holdings of Directors' Top Up Securities.'*

- C. HAV's announcement titled 'Notice of Inadvertent Breach of ASX Listing Rule 10.11' released on the ASX Market Announcements Platform on 11 December 2018 disclosing the abovementioned Listing Rule 10.11 breach to the market (the 'Announcement').
- D. HAV's announcement titled 'Change of Director's Interest Notice - Stewart' released on the ASX Market Announcements Platform at 2:14 pm on 8 January 2019 which includes the following disclosure:
- the disposal of 105,000 fully paid ordinary shares in HAV on 31 December 2018 for \$15,225 via an off market trade; and
  - the disposal of 50,000 listed options in HAV on 31 December 2018 for \$662 in an on market trade.
- E. HAV's announcement titled 'Change of Director's Interest Notice – Giles' released on the ASX Market Announcements Platform at 2:18 pm on 8 January 2019 which includes the following disclosure:
- the disposal of 63,000 fully paid ordinary shares in HAV on 31 December 2018 for \$9,135 via an off market trade; and
  - the disposal of 31,500 listed options in HAV on 31 December 2018 for \$452.55 in an on market trade.

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- F. HAV's announcement titled 'Breach of ASX Listing Rule 10.11 - Appendix 3Y's Lodged' released on the ASX Market Announcements Platform at 5:39 pm on 8 January 2019 which refers to the Announcement and includes the following statement:

*'The Company advises that on 31 December 2018, Dr Chris Giles and Mr Mark Stewart disposed of the shares and listed options (at a loss) they acquired as part of the shortfall placement arising from the Company's rights issue announced on 5 October 2017. Note that Dr Giles sold 1,500 listed options more than what he acquired by participating in the shortfall placement. The Appendix 3Y's lodged today for Mr Stewart (at 2:14pm) and Dr Giles (at 2:18pm) reflect these disposals.'*

### Request for Information

Having regard to the above, ASX asks HAV to respond separately to each of the following questions:

1. Please explain why HAV did not consult with ASX before Dr Giles and Mr Stewart disposed of their respective holdings of Top Up Shares via two off-market transfers rather than on-market transactions as required by ASX.
2. Please explain why HAV did not request an extension of time or consult with ASX regarding an extension of time in order for Dr Giles and Mr Stewart to complete the requisite disposals of their respective holdings of Top Up Shares via on-market transactions as required by ASX.
3. Please provide the full background to the off-market transfers of the Top Up Shares to the transferee/buyer (including why Dr Giles and Mr Stewart elected to transfer their shares to the transferee/buyer).
4. Does Dr Giles have any association with the transferee or its directors or beneficiaries (e.g. friend, relative or acquaintance)?
5. Does Mr Stewart have any association with the transferee or its directors or beneficiaries (e.g. friend, relative or acquaintance)?

### When and where to send your response

Please note that ASX reserves its right under Listing Rule 18.7A to release a copy of this letter and HAV's response on the ASX Market Announcements Platform. Accordingly, HAV's response should address each question separately and be in a format suitable for release to the market.

Your response is required as soon as reasonably possible and, in any event, by no later than **5.00 pm AEDT tomorrow (Wednesday, 16 January 2019)**. Any response should be sent to me by return email. It should not be sent to the ASX Market Announcements Office.

### Enquiries

If you have any queries regarding any of the above, please contact me immediately.

Yours sincerely

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**Clare Porta**  
Adviser, Listings Compliance (Sydney)