



Mark Stewart
Chairman
Havilah Resources

26 August 2019

Proposed support for the transformational growth of Havilah Resources

Dear Mark,

I note Havilah Resources Limited (Havilah) shareholders will meet on 12 September 2019 to consider the proposed arrangement with SIMEC Mining, a member of the GFG Alliance (GFG).

Ahead of the meeting, I want to outline SIMEC's and GFG's intention to partner with Havilah in a long-term and mutually beneficial manner. I would be happy for you to share this letter with Havilah shareholders.

Subject to the support of Havilah shareholders, on joining Havilah, our priority will be to support Havilah's traditional exploration business, complemented with a new exciting growth strategy to become a commercial producing miner. In particular, facilitating the complete exploration and realisation of the potential of the Curnamona region.

With our proposed funding of up to \$100 million structured over the next three years, GFG will be a cooperative long-term partner for Havilah. I believe this investment will strengthen Havilah's ability to generate future value from its portfolio through the DFS, project development, and commercial production. Together with Havilah's skills and expertise, the significant cash contribution from our equity investment should deliver substantial value to all shareholders by unlocking the value of the early stage mining assets owned by Havilah.

Along with our direct investment, GFG currently intends to be a future customer, providing Havilah with access to an end-user steelworks and export facility at Whyalla and globally. We expect Havilah products will be an important future input into GFG's supply chain and our global steel making businesses. Importantly, as a principle, GFG expects any future supply contracts with Havilah to be negotiated on a commercial, arms-length basis.

It is GFG's current intention that Havilah's projects continue to be managed by the existing senior management. We recognise how important it is for Havilah to build its in-house management skills and experience as the company transitions to an ore producer, as well as harnessing and further developing its exploration capabilities. We will look for opportunities to support this process.

We support Havilah's commitment to maintaining an independent Board and an independent Chairperson. GFG will only increase its Board representation incrementally, in line with its equity

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position, reflecting its commitment to Havilah. We understand how important it is that the interests of all shareholders are protected and they all have a say in the company's future.

Finally, as a global firm, with deep, long standing relationships in international markets, GFG will also be well placed to facilitate global access for Havilah – potentially unlocking further value.

In summary, we are excited with the prospects of a partnership between Havilah and GFG. I am confident that the two groups will prosper in a mutually beneficial way and, as the development plan is executed, Havilah will create significant future value for all shareholders.

Yours Sincerely,

Sanjeev Gupta