



# HAVILAH RESOURCES NL

ABN 39 077 435 520

(ASX: HAV)

## NON-RENOUNCEABLE RIGHTS ISSUE PROSPECTUS

For a non-renounceable pro rata offer of New Shares at an issue price of \$0.14 each on the basis of one (1) New Share for every four (4) Shares held on the Record Date.

For each New Share issued under this Offer, an attaching free New Option to acquire one ordinary share in Havilah Resources at \$0.30 on or before 30 June 2017 will be issued.

For Eligible Shareholders who accept their full Entitlement under this Offer, to apply for Additional New Shares at an issue price of \$0.14 each, together with an attaching free New Option to acquire one ordinary share in Havilah Resources at \$0.30 on or before 30 June 2017 ("Top Up Offer").

And for the placement of the Shortfall of New Shares and free New Options from the Rights Issue, if any.

### IMPORTANT NOTICE

This is an important document and requires your immediate attention.

It should be read in its entirety.

If you are in doubt about what to do,

you should consult your professional advisor without delay.

New Shares and New Options offered by this Prospectus should be considered speculative.

The last date for Acceptance and payment in full is 22 August 2014.

**NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS OR IN ANY JURISDICTION  
WHERE THIS DOCUMENT DOES NOT COMPLY WITH THE RELEVANT REGULATIONS**

## Important Information

This Prospectus is dated 23 July 2014 and was lodged with ASIC on that date. Neither ASIC nor ASX takes responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates. No shares or options will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Application for permission for the New Shares and free New Options offered by this Prospectus to be listed for Quotation has been made on 17 July 2014.

Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisors before deciding whether to apply for New Shares and attaching free New Options. There are risks associated with an investment in Havilah Resources NL, and the New Shares and attaching free New Options offered under this Prospectus must be regarded as a speculative investment. In particular, you should consider the risk factors that could affect the value of an investment in Havilah Resources NL, some of which are outlined in Section 9 of the Prospectus. The New Shares and attaching free New Options offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the New Shares and free New Options.

This Prospectus is a "transaction specific prospectus" for an offer of "continuously quoted securities" prepared in accordance with Section 713 of the Corporations Act. In preparing this Prospectus regard has been made to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and their professional advisors.

No person is authorised to give any information or to make any representation in connection with the Rights Issue which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company in connection with the Rights Issue.

The information provided in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues). It is important that you read and consider the information in this Prospectus in full before deciding to invest in New Shares and consider the risks that could affect the performance of the Company.

The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). This Prospectus is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of New Shares and attaching free New Options in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer. Certain terms and abbreviations used in this Prospectus have defined meanings, which are explained in Section 12 of this Prospectus.

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# 1 Letter from the Chairman

23 July 2014

Dear Fellow Shareholder,

On behalf of the Board of Directors of Havilah Resources, I am pleased to offer you the opportunity to increase your investment in your Company as it advances its mineral projects in north-eastern South Australia towards production. Havilah Resources has built a pipeline of advanced projects and aims to realise value through mining development and / or sale over the next few years.

Two years ago we undertook a rights issue in anticipation of commencing mining at Portia in 2013, based on preliminary advice received from the Department of State Development (DSD – formerly DMITRE) that the Company's Program for Environmental Protection and Rehabilitation (PEPR) was acceptable. This proved not to be so for other government departments, and in the ensuing period we have worked diligently to satisfy their specific requirements which has involved considerable additional scientific field work, consultants' assessments, modelling and report writing. The required field data gathering work has now been completed at Portia and we plan to re-submit the revised PEPR before the end of this month.

Building on this experience, we have made significantly faster progress on completion of mining lease proposals for the Maldorky iron ore and Kalkaroo copper-gold projects, with the Maldorky document moving to the public exposure stage last week and Kalkaroo soon to follow. Work is also progressing on negotiation of native title agreements for the foregoing projects and on the mining lease proposal for the Mutooroo project's direct shipping sulphide ore.

The steady progress on permitting on the above four projects has consumed a significant amount of the Company's available funds and management time, but has potentially added significant value to the projects through de-risking and completion of long lead time work that is required before the commencement of mining. It also makes each of the projects more attractive to investors with whom Havilah has engaged in its quest to obtain mine development funding.

The net proceeds from the Rights Issue will be primarily used to continue progressing Havilah's four advanced mineral projects to mining ready status. Some funds will be earmarked for working capital requirements, securing land access and also to comply with exploration obligations. Havilah Resources has operated successfully for 12 years as a public company and has managed its funds very carefully, endeavouring to gain the best value for shareholders from its expenditure, and this strategy will continue.

This Rights Issue is an opportunity for all shareholders to support their Company and to join with the Directors in investing in its future. For shareholders with less than a marketable parcel of shares this is also an opportunity for you to increase your holding to a marketable number, and at the same time contribute funds to help your Company achieve its immediate objectives. It has been a long and challenging exercise to progress to this stage, but your Directors are committed to realising value for shareholders.

I wish to thank you on behalf of the Board for your continued support of Havilah Resources and encourage you to take up your Entitlements under the Rights Issue.

Yours faithfully



Ken Williams  
Chairman

## 2 TIMETABLE AND HIGHLIGHTS OF THE RIGHTS ISSUE

### 2.1 Timetable for the Rights Issue

EVENT	DATE
Announcement of non-renounceable Rights Issue & lodging of Appendix 3B with ASX	17 July 2014
Rights Issue Prospectus lodged with ASIC and ASX	23 July 2014
Notice sent to Shareholders containing information required by Appendix 3B	24 July 2014
Shares commence trading ex-Rights	25 July 2014
Record Date for Offer participation	29 July 2014
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders and Opening Date of the Offer	1 August 2014
Closing Date of Rights Issue and Top Up Offer (5.00 pm CST)	22 August 2014
New Shares quoted on a 'deferred settlement' basis	25 August 2014
ASX advised of any Shortfall	27 August 2014
Proposed date for the issue of New Shares and New Options	29 August 2014
Deferred settlement trading ends	29 August 2014
Proposed date for quotation of New Shares and free New Options	1 September 2014
Holding statements dispatched	3 September 2014

*These dates are subject to change and are indicative only. Havilah Resources reserves the right, subject to the Corporations Act and the ASX Listing Rules, to alter this timetable at any time, and in particular, to extend the Closing Date or to withdraw the Offer or part of the Offer without prior notice.*

### 2.2 Highlights of the Rights Issue

- One-for-four non-renounceable Rights Issue of Shares at an issue price of \$0.14 per New Share.
- One free New Option for each New Share issued to Shareholders with an exercise price of \$0.30 and an expiry date of 30 June 2017. Havilah Resources will apply for the attaching free New Options to be listed on the ASX.
- Shareholders who have taken up their full Entitlement may apply for Additional New Shares and attaching free New Options under the Top Up Offer.
- Placement of any Shortfall (if applicable) is at the absolute discretion of the Directors.

### 2.3 Risks

Some of the risks involved with investing in Havilah Resources securities are summarised in Section 9. The key risks include:

- **Risks associated with the Company and its operations:** Tenement assets, Key personnel, Development consents, production and operation, Development cost and timing, Future Capital requirements, Native title, Counterparty risk, Impairment of Assets, Health and safety, Insurance, Metal prices, Resource and Reserve estimates, Regulatory and legislative, Environment, Competition, Litigation, Past transactions
- **Risks associated with the Rights Issue:** Dilution, Completion of Rights Issue, Share price

### 2.4 Quotation of securities

Havilah Resources has applied for official quotation of the New Shares and attaching free New Options on ASX.

### 2.5 Rights Issue Marketing Assistance

Havilah has engaged the services of a broker to assist with marketing of the Rights Issue and to place Shortfall shares on a best endeavours basis. The broker's fees are included in the costs of the Offer disclosed in Section 3.1 of this document.

### 3 DETAILS OF THE OFFER

#### 3.1 Purpose of the Offer

The funds raised by the Offer of up to \$4,211,691 (which excludes any funds raised from the exercise of any attaching free New Options issued under the Offer) will be applied to fund activities as described below and also to meet Rights Issue expenses of approximately \$150,000. The Company intends to expend the funds raised in the Offer as follows:

#### ACTIVITY BUDGETED AMOUNT

Land Access (Including Native Title & Legal)	\$955,000
Permitting Work	\$595,000
Feasibility Work	\$800,000
Pre-mining Work	\$870,000
Exploration Work	\$330,000
Corporate Costs and Working Capital	\$511,691
Expenses of the Rights Issue	\$150,000
<b>Total</b>	<b>\$4,211,691</b>

If the total funds sought by this Offer are not raised, the Company will modify its planned activities accordingly to ensure that it has sufficient funds to meet its obligations. Results of exploration and project evaluation work will lead to an ongoing reassessment of each project, and work programs and budgets may be modified accordingly.

#### 3.2 The Rights Issue

The Company is making a pro-rata non-renounceable Rights Issue of up to approximately 30,083,509\* New Shares and approximately 30,083,509\* attaching free New Options at an issue price of \$0.14 per New Share to Shareholders who are registered at 7:00pm CST on 29 July 2014 (the Record Date) to raise approximately \$4,211,691 (before costs of the Rights Issue). This amount excludes any funds raised from the exercise of attaching free New Options issued. The New Shares will be offered on the basis of one (1) New Share for every four (4) Shares held at the Record Date. One attaching free New Option will be issued to the holder of each New Share subscribed for under the Rights Issue.

*\*Due to rounding of Entitlements the exact maximum number of New Shares and attaching free New Options that may be issued under the Offer will not be known until the Record Date.*

#### 3.3 Entitlement

The number of New Shares and attaching free New Options to which each Eligible Shareholder is entitled (Entitlement or Rights) is shown on the Entitlement and Acceptance Form accompanying this Prospectus. Eligible Shareholders may accept their Entitlement in full or part by returning a completed Entitlement and Acceptance Form to the Company Share Registry by 5:00pm CST on 22 August 2014 and Eligible Shareholders should refer to Section 3.5 for full instructions. Any fractional Entitlements to New Shares and attaching free New Options will be rounded up to the nearest whole number. Holding statements in relation to the New Shares and attaching free New Options will be dispatched to Eligible Shareholders as soon as practicable after allotment. It is the responsibility of Eligible Shareholders to confirm the number of New Shares and attaching free New Options allotted to them prior to trading on the ASX. Eligible Shareholders who sell their New Shares or free New Options before they receive their holding statements do so at their own risk.

#### 3.4 Top Up Offer – Application for Additional New Shares

Eligible Shareholders who accept their full Entitlement have the opportunity to apply for Additional New Shares at the issue price of \$0.14 each. The availability of these Additional New Shares will be limited to any New Shares not taken up by Eligible Shareholders under the Entitlement. Eligible Shareholders wishing to apply for Additional New Shares should do so on the Entitlement and Acceptance Form. The attaching free New Options will automatically be issued upon successful subscription of any Additional New Shares. If you wish to apply for any Additional New Shares under the Top Up Offer, complete the accompanying Entitlement and Acceptance Form in respect of the number of Additional New Shares you wish to apply for and pay the relevant Application Monies to the Company Share Registry by 5:00pm CST on 22 August 2014. Eligible Shareholders should refer to Section 3.5 for full instructions. Any fractional Entitlements to Additional New Shares will be rounded up to the nearest whole number.

If more Additional New Shares are applied for by Eligible Shareholders than are available, then applications for Additional New Shares will be reduced proportionally and under this circumstance Eligible Shareholders who apply for Additional New Shares may receive fewer than the number applied for. Directors will reserve the right to preferentially allocate Additional New Shares to Eligible Shareholders who acquired their shares on or before 16 July 2014, the day

before the announcement of the Rights Issue, in the event of a proportional scale back. In this event, any surplus Application Monies will be refunded without interest as soon as practicable. Holding statements in relation to the Additional New Shares and attaching free New Options will be dispatched to Eligible Shareholders as soon as practicable after allotment. It is the responsibility of Eligible Shareholders to confirm the number of Additional New Shares and attaching free New Options allotted to them prior to trading on the ASX. Eligible Shareholders who sell their Additional New Shares or free New Options before they receive their holding statements do so at their own risk.

### **3.5 Action Required by Eligible Shareholders**

If you are an Eligible Shareholder, the following Section sets out the actions you may take in response to this Prospectus and the accompanying Entitlement and Acceptance Form.

#### **3.5 (a) What you may do**

The number of New Shares to which you are entitled to apply for is shown on your Entitlement and Acceptance Form. You may:

- Take up all of your Rights to New Shares.
- Take up all of your Rights to New Shares and apply for Additional New Shares (more than your Rights).
- Take up part of your Rights and allow the balance to lapse.
- Not take up any of your Rights and allow them to lapse.

Shareholders should note that they are not able to sell all or part of their Rights.

#### **3.5 (b) If you wish to take up all of your Rights**

If you wish to take up your Rights in full, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the form.

Forward your completed form together with your cheque for the amount shown on the form to reach the Company's Share Registry no later than 5.00pm CST on 22 August 2014. Shareholders may also pay by BPAY, by following the relevant instructions on the Entitlement and Acceptance Form.

#### **3.5 (c) If you wish to take up all of your Rights and apply for Additional New Shares**

If you are an Eligible Shareholder and have elected to take up your Rights in full, you may apply for Additional New Shares together with one attaching free New Option for each New Share issued under the Top Up Offer by completing the appropriate section of the accompanying Entitlement and Acceptance Form.

Forward your completed Entitlement and Acceptance Form together with your cheque for the amount calculated in accordance with the instructions on the form to reach the Company's Share Registry no later than 5.00pm CST on 22 August 2014. A single cheque should be used for the Application Monies for your Entitlement and the Additional New Shares being applied for under the Top Up Offer. That is, the total shares applied for multiplied by \$0.14. Eligible Shareholders may also pay by BPAY, by following the relevant instructions on the Entitlement and Acceptance Form.

#### **3.5 (d) If you wish to take up part of your Rights and allow the balance to lapse**

If you wish to accept part of your Rights and allow the balance to lapse, complete the accompanying Entitlement and Acceptance Form in respect of the number of New Shares you wish to take up in accordance with the instructions set out on the form.

Forward your completed form together with your cheque for the amount due in respect of New Shares to reach the Company's Share Registry no later than 5.00pm CST on 22 August 2014. Shareholders may also pay by BPAY, by following the relevant instructions on the Entitlement and Acceptance Form.

#### **3.5 (e) Rights and Additional New Shares not taken up**

If you do nothing, your Rights and your right to apply for Additional New Shares will lapse and the New Shares will be taken up by those Eligible Shareholders that apply for Additional New Shares or by other investors under the Shortfall.

### **3.6 Non-renounceable Offer**

The Rights to New Shares are non-renounceable, which means the Rights may not be sold or otherwise transferred.

### **3.7 Issue Price**

The issue price is \$0.14 per New Share payable in full in Australian currency on the Acceptance of the Rights Issue by a cheque drawn on and payable at any Australian bank or Eligible Shareholders may pay by BPAY.

### **3.8 Acceptance**

This Offer may be accepted in whole or in part. Acceptance and payment in full of \$0.14 per New Share must be received before 5.00pm CST on 22 August 2014. Instructions for completion and lodgement of acceptances are set out on the back of the Entitlement and Acceptance Form.

### **3.9 Action Required**

If you wish to take up **some or all** of your Entitlement, complete the enclosed Entitlement and Acceptance Form in accordance with the instructions set out in the form and lodge the form together with your cheque for the amount shown on the form so that it reaches the Company's Share Registry:

Computershare Investor Services Pty Limited  
GPO Box 2987, Adelaide, SA, 5001

by no later than 5:00pm CST on 22 August 2014.

The Company shall not be responsible for any delay in the receipt of BPAY payments, electronic funds transfers or postal or delivery delays.

Cheques should be made payable to "Havilah Resources NL - Rights Issue Account" and crossed "Not Negotiable". Eligible Shareholders may also pay by BPAY, by following the relevant instructions on the Entitlement and Acceptance Form.

### **3.10 No Underwriter**

This Offer is not underwritten.

### **3.11 Shortfall**

A Shortfall may arise from Eligible Shareholders not taking up all New Shares and attaching free New Options offered pursuant to this Prospectus, after the completion of the Rights Issue and the Top Up Offer.

The offer of any New Shares and attaching free New Options under the Shortfall is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The Directors may close this offer at any earlier time at their discretion.

The New Shares and attaching free New Options forming the Shortfall are offered under the same terms as those offered to Eligible Shareholders pursuant to the Rights Issue under this Prospectus. The Directors reserve the right to allocate any New Shares and attaching free New Options under the Shortfall at their absolute discretion.

Havilah has engaged the services of a broker to assist with marketing of the Rights Issue and to place Shortfall shares on a best endeavours basis. There is no certainty that subscribers will be secured for all of the Shortfall shares.

### **3.12 Closing Date**

The Closing Date for the Rights Issue is 5.00pm CST on 22 August 2014.

### **3.13 Offer Period**

This Prospectus will be despatched to Shareholders on 1 August 2014. The Rights Issue closes on 22 August 2014.

### **3.14 Allotment**

The New Shares and attaching free New Options will be allotted and issued no later than 29 August 2014. Statements of holding for the New Shares and attaching free New Options will be mailed no later than 3 September 2014. No New Shares or attaching free New Options will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.



### **3.15 Stock Exchange Quotation**

Application for official Quotation of the New Shares and attaching free New Options by ASX has been made by the Company on 17 July 2014. If approval is not obtained from ASX before the expiration of three months after the date of this Prospectus (or such period as varied by the ASIC), the Company will not issue any New Shares or attaching free New Options and will repay all Application Monies for the New Shares within the time prescribed under the Corporations Act, without interest.

Application for official Quotation of Shares allotted and issued as a result of the exercise of the attaching free New Options issued under this Prospectus will be made within three Business Days of allotment and issue.

### **3.16 Overseas Shareholders**

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of New Shares and attaching free New Options in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer. Eligible overseas Shareholders are responsible for ensuring that taking up their Entitlement does not breach the laws and regulations in the relevant overseas jurisdiction. The making of an Application will constitute a representation that there has been no breach of such laws or regulations.

### **3.17 Important note**

A duly completed and lodged Entitlement and Acceptance Form will constitute an offer by the Applicant to subscribe, on the terms set out in this Prospectus and the Entitlement and Acceptance Form, for the number of New Shares and attaching free New Options specified in the Entitlement and Acceptance Form. Application Monies will be held on trust for Applicants until the allotment of the New Shares and attaching free New Options. Any interest earned on Application Monies will be for the benefit of the Company and will be retained by the Company whether or not an allotment takes place.

### **3.18 Prospectus is Available on the Company's Website**

In addition to issuing this Prospectus in printed form, a read-only version of this Prospectus is also available on the Company's website, [www.havilah-resources.com.au](http://www.havilah-resources.com.au). There is no facility for online Applications. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access this Prospectus from within Australia. The Corporations Act prohibits any person passing on to another person an Entitlement and Acceptance Form unless it is accompanying a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus.

### **3.19 Privacy Disclosure**

Persons who apply for New Shares and attaching free New Options pursuant to this Prospectus are asked to provide minimum personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold, and use that personal information to assess Applications for New Shares and attaching free New Options, to provide facilities and services to shareholders, and to carry out various administrative functions. The Company is committed to respecting the privacy of your personal information. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, Applications for New Shares and attaching free New Options will not be processed. In accordance with privacy laws, information collected in relation to specific shareholders can be obtained by that shareholder by contacting the Company or the Share Registry.

### **3.20 Enquiries**

If you have any questions concerning your Entitlement, please contact Walter Richards, CFO and Company Secretary on 08 8338 9292 or contact your stockbroker or professional advisor.

## **4 FINANCIAL INFORMATION**

### **4.1 Half-Year Financial Report**

The Company informs investors and their professional advisors that they are able to obtain, free of charge, a copy of the 2014 Half-Year Financial Report by contacting the Company at its registered office during normal business hours during the Offer Period or by visiting the Company's website at: [www.havilah-resources.com.au](http://www.havilah-resources.com.au).

The 2014 Half-Year Financial Report contains reviewed financial statements of the financial position as at 31 January 2014 and of its financial performance, as represented by the results of its operations and cash flows, for the financial half-year ended 31 January 2014 reflecting the position of Havilah Resources and its controlled entities.

### **4.2 Balance Sheet**

Set out below is Havilah Resources' reviewed balance sheet as at 31 January 2014 and its proforma balance sheet at 31 January 2014, incorporating transactions as set out below.

The proforma balance sheet shows Havilah Resources' financial position on the assumption that the full subscription is taken up under the Offer. The accounting policies adopted in preparation of the pro forma balance sheet are consistent with the policies adopted for the year ended 31 July 2013.

The proforma balance sheet as at 31 January 2014 reflects the completion of the issue of New Shares under the Offer (approximately 30,083,509 New Shares at \$0.14 for \$4,211,691 and includes expenses of the Rights Issue of \$150,000) as though it had taken place on 31 January 2014, the date of the last reviewed balance sheet.

For the purpose of the preparation of the proforma financial information, exploration and corporate expenditure since 31 January 2014, which amounted to \$1,062,000 for the three months ended 30 April 2014, has not been taken into account.

The proforma balance sheet has not been subject to an audit or review.

	31 January 2014	Adjustments	31 January 2014 Proforma
	\$	\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	3,499,808	4,061,691	7,561,499
Trade and other receivables	86,990	-	86,990
Other	13,219	-	13,219
<b>Total Current Assets</b>	<b>3,600,017</b>	<b>4,061,691</b>	<b>7,661,708</b>
<b>Non Current Assets</b>			
Exploration and evaluation expenditure	36,350,455	-	36,350,455
Other financial assets	642,417	-	642,417
Plant and equipment	1,163,801	-	1,163,801
<b>Total Non Current Assets</b>	<b>38,156,673</b>	<b>-</b>	<b>38,156,673</b>
<b>TOTAL ASSETS</b>	<b>41,756,690</b>	<b>4,061,691</b>	<b>45,818,381</b>
<b>Current Liabilities</b>			
Trade and other payables	507,180	-	507,180
Borrowings	12,605	-	12,605
Provisions	523,685	-	523,685
<b>Total Current Liabilities</b>	<b>1,043,470</b>	<b>-</b>	<b>1,043,470</b>
<b>Non Current Liabilities</b>			
Borrowings	39,642	-	39,642
Provisions	21,587	-	21,587
Other liability	500,513	-	500,513
<b>Total Non Current Liabilities</b>	<b>561,742</b>	<b>-</b>	<b>561,742</b>
<b>TOTAL LIABILITIES</b>	<b>1,605,212</b>	<b>-</b>	<b>1,605,212</b>
<b>NET ASSETS</b>	<b>40,151,478</b>	<b>4,061,691</b>	<b>44,213,169</b>
<b>Equity</b>			
Issued capital	52,328,811	4,061,691	56,390,502
Reserves	8,986,423	-	8,986,423
Accumulated losses	(21,163,756)	-	(21,163,756)
<b>TOTAL EQUITY</b>	<b>40,151,478</b>	<b>4,061,691</b>	<b>44,213,169</b>

## 5 ABOUT THE COMPANY'S PRIORITY PROJECTS

### Exploration

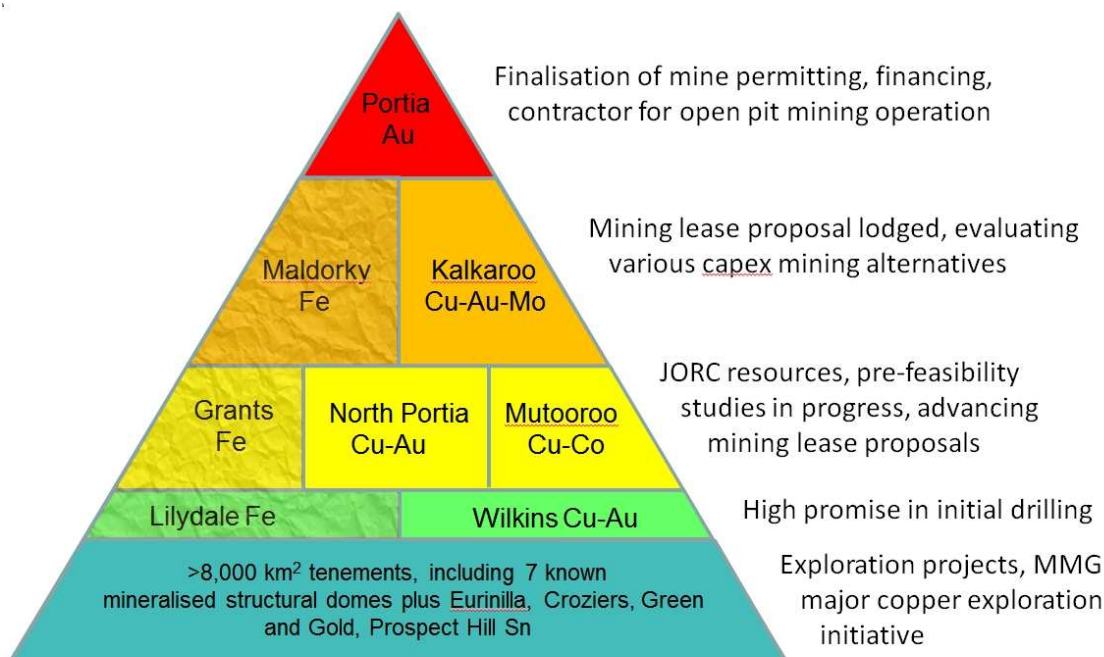
Havilah Resources retains 100% ownership of a large (>8,000 km<sup>2</sup>) tenement holding that is prospective for a variety of minerals. Numerous exploration targets have been identified and successful future drilling programs could expand known resources and add further value to the current project portfolio. Mineral exploration is a high risk undertaking, and there can be no assurance that the funds from the Rights Issue that are applied towards exploration will result in the discovery of an economic deposit. Havilah Resources has on-going exploration expenditure commitments in order to maintain its tenement package and to meet farm-in obligations on two projects, namely Grants iron ore and Prospect Hill tin. In part, the tenement expenditure commitments are currently being met MMG Exploration Pty Ltd, who last year made a new copper discovery at the Croziers prospect.



Location of Havilah Resources' various mineral projects

## Project Development

Havilah Resources has a portfolio of advanced mineral projects, the result of committed and successful exploration over the last decade. These cover a diversified range of mineral assets, including copper, gold, cobalt, molybdenum, tin, iron ore and uranium. Based on its current JORC resource mineral inventory, Havilah aims to build substantial copper-gold and iron ore mining businesses over the next decade.



Securing project development funding presents a serious challenge to all junior resource companies in the current economic climate. Potential financing models may include selling down project interests in exchange for project development funding, or selling the entire mineral asset if the price is sufficiently attractive. To this end, management is currently in discussions with a number of investor parties who have indicated possible interest in providing development financing for Havilah Resource's projects in exchange for project equity interests and mineral off-take rights. There is no certainty that these discussions will result in a satisfactory funding arrangement. In some cases discussions have been ongoing for many months without a successful outcome.

It is against this background that Havilah Resources is now seeking funds via this Rights Issue to in part assist with the continued advancement and de-risking of its key projects, namely Portia gold, Maldorky iron ore, Kalkaroo copper-gold and Mutooroo copper-cobalt. It is believed that improving the technical database for each project and advancing the mine permitting will help in making the projects more attractive to development partners.

Land access is a major challenge for mine developers in Australia and accordingly Havilah is presently engaged in negotiations relating to land compensation payments for native title and the rent or purchase of land, in order to secure clear land access rights for its proposed mining developments. Depending on the timing and what terms and arrangements are negotiated, it is likely that some of the funds raised by the Rights Issue will be used to make payments towards securing land access via acquisition or lease of land for Havilah's mining purposes.

The key attributes of Havilah Resources' main development projects are briefly outlined below.

### Portia Gold Mine Development (100%)

The intention is to commence this operation as soon as possible upon receipt of final mining approvals, subject to the outcome of negotiations to finalise a mining contract and funding. Mining will be by open cut and processing will be via simple gravity methods which are expected to recover over 90% of the gold which occurs as relatively coarse free gold. Delays have been caused by the necessity to conduct a dewatering re-injection trial in order to confirm and validate previous modelling and operational assumptions. The results are currently being analysed by hydrological consultants. The final consultant's report on this work will be incorporated into the previously completed Portia PEPR document and re-submitted to DSD. Havilah is optimistic that this will allow the prompt grant of final mining approvals to allow mining to commence.

Based on the published resource, Portia is capable of generating revenue of more than \$65 million at current gold prices. The gold bearing layer is expected to be mined and processed following an estimated 15-18 month period of overburden removal.

### Kalkaroo Copper-Gold Project (100%)

Kalkaroo contains 622,000 tonnes of copper and 2 million ounces of gold in JORC Measured and Indicated Resources. Based on possible mining options these resources could support a 14 year mine life at a processing throughput rate of 9 million tonnes per annum. There is scope to increase the resource both as extensions to the existing mineralisation and through discovery of new mineralisation in the immediately surrounding area with further exploration. The processing plant required to treat the different types of Kalkaroo ore could also be suited to treating material from surrounding projects and prospects (e.g. North Portia, Wilkins, and Mutooroo) and Kalkaroo could eventually become a central copper-gold processing hub in the region. With the MLP document now completed, it will shortly be posted for public comment, subject to meeting DSD's adequacy check. The next permitting step will be to secure mining approval via submittal of a PEPR. Havilah is also revisiting its metallurgical test data as it relates to the process plant engineering design in order to increase accuracy of the plant capital and operating cost estimates. The Company continues to engage with the Adnyamathanha people to negotiate a native title mining agreement.

### Maldorky Iron Ore Project (100%)

Maldorky contains a JORC Indicated Resource of 147 million tonnes of iron ore grading 30.1% iron. Preliminary metallurgical results show that the iron ore can be upgraded to a premium saleable product. This project has the development advantages of minimal overburden, relatively soft ore and proximity to the rail line to Port Adelaide and the coast. It is proposed to commence Maldorky by minimising capital outlay by making use of existing rail and port infrastructure to the maximum extent possible. Maldorky could provide the impetus for a growing iron ore business with future supplies drawn from expanding Maldorky production and from other nearby iron ore resources controlled by Havilah (e.g. Grants with a JORC Inferred Resource of 304 million tonnes of 24% iron). The Maldorky mining lease proposal (MLP) document has passed the Department of State Development's (DSD – formerly DMITRE) adequacy check process and is now posted on DSD's website for the purposes of public comment (Please refer to [http://www.minerals.statedevelopment.sa.gov.au/public\\_notices/mining\\_proposals\\_open\\_for\\_public\\_comment/maldorky\\_iron\\_project](http://www.minerals.statedevelopment.sa.gov.au/public_notices/mining_proposals_open_for_public_comment/maldorky_iron_project)).

### Mutooroo Copper-Cobalt Project (100%)

A massive sulphide copper-cobalt-sulphur project located about 60 km west of Broken Hill, containing a JORC Indicated and Inferred Resource of 13.1 million tonnes of 1.48% copper plus substantial cobalt and sulphur. Only about one third of the strike length has been drilled for sulphide mineralisation and the deposit remains open at depth. One possible opportunity is to direct ship the sulphide ore to a suitable end user roaster or smelter where all payable components of the ore can be recovered. Further exploration may expand the resource and extend the mine life.

Project*	JORC Res	FS	ML	PEPR	Comments on Current Activities and Status
Portia Au	✓	✓	✓	▲	<ul style="list-style-type: none"> <li>Mining Lease granted, progressing operating approvals for open pit mine.</li> <li>Employed an experienced mining engineer as project manager.</li> <li>Negotiations in progress for mining contract and funding of project</li> </ul>
Kalkaroo Cu Au Mo	✓	✓	▲		<ul style="list-style-type: none"> <li>Final draft Mining Lease Proposal being completed.</li> <li>Updated mining and financial models based on improved metal recoveries.</li> <li>Management actively seeking a suitable development partner.</li> </ul>
Maldorky Fe	✓	▲	▲		<ul style="list-style-type: none"> <li>Mining Lease Proposal approved for public exposure stage.</li> <li>Metallurgical testwork and processing flow sheet design in progress.</li> <li>Management actively seeking a suitable development partner.</li> </ul>
Mutooroo Cu Co S	✓	▲	▲		<ul style="list-style-type: none"> <li>Mining lease proposal in preparation.</li> <li>High value ore supports direct shipping for offshore processing</li> <li>Progressing discussions with possible end user purchasers of ore.</li> </ul>

▲ work in progress

Please refer to our website at [www.havilah-resources.com.au](http://www.havilah-resources.com.au) and our ASX releases for more information.

### Competent Person's Statement

The information herein that relates to Exploration Targets and Exploration Results is based on data compiled by geologist, Dr Chris Giles, a Competent Person who is a member of The Australian Institute of Geoscientists. Dr Giles is a director of the Company and is employed by the Company on a consulting contract. Dr Giles has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Giles consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears. The information relating to Havilah Resources past exploration results and mineral resources for the Kalkaroo copper-gold project, Portia gold project, Mutooroo copper-cobalt project and Maldorky and Grants iron ore projects was prepared and first disclosed under the JORC code 2004. It has not been update since to comply with the JORC code 2012 on the basis that the information has not materially changed since it was last reported.

## 6 EFFECT OF THE OFFER ON THE COMPANY

Other than as stated in this Prospectus, the Company is not aware of any material matter or circumstance that would impact on the activities and prospects of the Company and be relevant to assist investors or their professional advisors making an informed assessment of relevant matters.

At the date of the Offer the Company had 120,334,034 fully paid ordinary shares (ASX code: HAV). There are no listed options (with those previously issued having expired). There are 11,652,000 unlisted options on issue.

Under the Offer, up to approximately 30,083,509 New Shares and approximately 30,083,509 attaching fee New Options are available for issue and will be issued if the Offer is fully subscribed (either by Shareholders accepting the Offer or Top Up Offer under this Prospectus or pursuant to the Directors' discretion to place any Shortfall referred to in Section 3.11 of this Prospectus).

Upon completion of the Rights Issue and assuming the Offer is fully subscribed and that none of the current unlisted options are exercised prior to the Record Date, the issued capital of the Company will comprise approximately 150,417,543 ordinary shares, 30,083,509 attaching free New Options (listed) and 11,652,000 existing options (unlisted) which have exercise prices ranging from \$0.25 to \$1.09 and various expiry dates. The only listed options will be the 30,083,509 attaching free New Options issued pursuant to this Offer, with an exercise price of \$0.30 and an expiry date of 30 June 2017.

Before expenses of the Offer, the proceeds from the issue of New Shares and attaching free New Options (excluding any proceeds from the exercise of the attaching free New Options) will increase cash reserves by approximately \$4,211,691. These funds will be applied to the general working capital requirements of the Company, specifically towards the Company's exploration and proposed mining projects as set out in Sections 3.1 and 5 of this Prospectus. Expenses of the Rights Issue are estimated at \$150,000.

Should any existing unlisted options be exercised prior to the Record Date, the funds raised by the issue of shares arising from those shares issued via the exercise of the unlisted options will be added to our working capital and these additional funds used from Havilah Resources' various projects and administrative costs.

### Effect on capital structure

The following table sets out the Company's current capital structure and its fully diluted capital structure immediately following the successful completion of the Offer, assuming that:

- **All of the Entitlements are taken up;**
- **None of the unlisted options are exercised prior to the Record Date.**

Share capital	Number
Ordinary shares on issue at the date of this Prospectus	120,334,034
Plus: New Shares issued under the Rights Issue	30,083,509
<b>Non-diluted share capital on completion of Rights Issue</b>	<b>150,417,543</b>
Unlisted options on issue	11,652,000
Plus: Attaching free New Options issued under Rights Issue	30,083,509
<b>Fully diluted share capital on completion of Offer</b>	<b>192,153,052</b>

*\*Due to rounding of Entitlements the exact maximum number of New Shares and attaching free New Options that may be issued under the Offer will not be known until the Record Date.*

The Company's actual position on completion of the Offer may differ from the position illustrated in the pro-forma capital structure table above.

If the Offer is not fully subscribed, fewer New Shares and attaching free New Options will be issued and there will be fewer Shares on issue following completion of the Offer than shown in the table above. The Company will announce to ASX the actual number of New Shares and attaching free New Options to be issued under the Offer after the Closing Date.

## Effect on shareholdings

If you exercise your full Entitlement under the Offer your shareholding in Havilah Resources will not be diluted. If you do not exercise your full Entitlement your shareholding in Havilah Resources will be diluted.

The effect of the Offer on the control of the Company will depend upon a number of factors, including:

- **the level of Shareholder participation (including both the taking up of Entitlements and Applications for Additional New Shares);**
- **which Shareholders participate; and**
- **the success or otherwise of the Directors in placing the Shortfall Shares (if any).**

If every Shareholder were to take up their full Entitlement, there would be no effect on the control of the Company, as the Offer is made pro-rata and, in that case, there would not be any scope for any Shareholder to apply for Additional New Shares under the Offer and there would be no Shortfall.

The potential effect of the Offer on the shareholdings in the Company assuming the Offer is fully subscribed, no unlisted options are exercised and no further securities are issued, can be summarised as follows:

<b>Ordinary shares (undiluted)</b>	<b>Number</b>	<b>% Equity</b>
Existing Shares	120,334,034	80%
New Shares*	30,083,509	20%
Total Shares on being fully subscribed	150,417,543	100%

<b>Ordinary shares (fully diluted)</b>	<b>Number</b>	<b>% Equity</b>
Existing Shares	120,334,034	62.6%
Existing unlisted options	11,652,000	6.0%
New Shares*	30,083,509	15.7%
Attaching free New Options*	30,083,509	15.7%
Total Shares on being fully subscribed	192,153,052	100%

*\*Due to rounding of Entitlements the exact maximum number of New Shares and attaching free New Options that may be issued under the Offer will not be known until the Record Date.*



## 7 RIGHTS ATTACHING TO NEW SHARES AND TERMS AND CONDITIONS OF ATTACHING FREE NEW OPTIONS

### 7.1 Rights Attaching to New Shares and Shares issued upon Conversion of attaching free New Options

A summary of the rights which relate to Havilah Resources Shares is set out below. This summary does not purport to be exhaustive or constitute a definitive statement of the rights and liabilities of Havilah Resources Shareholders.

**Voting:** At a general meeting of Havilah Resources on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Havilah Resources Share held by them.

**Dividends:** The Havilah Resources Shares offered under this Prospectus, or which will be issued on conversion of the attaching free New Options offered under this Prospectus, will rank equally with all other issued shares in the capital of Havilah Resources and will participate in dividends out of profits earned by Havilah Resources from time to time. Subject to the rights of holders of Havilah Resources Shares of any special preferential or qualified rights attaching thereto, the profits of Havilah Resources are divisible amongst the holders of Havilah Resources Shares in proportion to the Havilah Resources Shares held by them irrespective of the amount paid up or credited as paid up thereon. The Havilah Resources Directors may from time to time pay to Havilah Resources Shareholders such interim dividends as in their judgement the position of Havilah Resources justifies.

**Winding Up:** Upon paying the Application Monies, Havilah Resources Shareholders will have no further liability to make payments to Havilah Resources in the event of the Company being wound up pursuant to the provisions of the Corporations Act.

**Transfer of Securities:** Generally, Havilah Resources Shares are freely transferable, subject to satisfying the usual requirements of security transfers on the ASX. The Havilah Resources Directors may decline to register any transfer of Havilah Resources Shares but only where permitted to do so under its Constitution or the ASX Listing Rules.

**Sale of Non-Marketable Holdings:** Havilah Resources may take steps in respect of non-marketable holdings of Havilah Resources Shares to effect an orderly sale of those Havilah Resources Shares in the event that holders do not take steps to retain their holdings in accordance with the Constitution and the ASX Listing Rules.

For more particular details of the rights attaching to Havilah Resources Shares, investors should refer to the Constitution of the Company.

### 7.2 Terms and conditions of attaching free New Options

The attaching free New Options offered pursuant to this Prospectus will be issued on the following terms and conditions:

- (a) The Optionholder is entitled, on payment of \$0.30 (**Exercise Price**) to be allotted one Havilah Resources Share for each attaching free New Option exercised (subject to possible adjustments referred to below).
- (b) The attaching free New Options held by the Optionholder are exercisable in whole or in part at any time before 30 June 2017 (**Exercise Period**). Attaching free New Options not exercised before the expiry of the Exercise Period will lapse.
- (c) Attaching free New Options are exercisable by notice in writing to the Havilah Resources Board delivered to the registered office of Havilah Resources and payment of the Exercise Price in cleared funds. Some or all of the attaching free New Options may be exercised at any one time or times prior to the expiry of the Exercise Period provided that no less than 1,000 attaching free New Options are exercised at any one time (provided that an Optionholder holding less than 1,000 attaching free New Options may exercise all but not part of those attaching free New Options).
- (d) Attaching free New Options are freely transferable.
- (e) An Optionholder may only participate in new issues of securities to holders of Havilah Resources Shares if the attaching free New Option has been exercised and Shares allotted in respect of the attaching free New Option before the record date for determining entitlements to the issue. Havilah Resources must give prior notice to the Optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
- (f) If there is a bonus issue to the holders of Havilah Resources Shares, the number of Havilah Resources Shares over which the attaching free New Option is exercisable will be increased by the number of Havilah

Resources Shares which the Optionholder would have received if the attaching free New Option had been exercised before the record date for the bonus issue.

- (g) If Havilah Resources makes a rights issue (other than a bonus issue), the Exercise Price of the attaching free New Options on issue will be reduced according to the following formula:

$$A = O - \frac{E \times [P - (S + D)]}{(N + 1)}$$

Where:

A = the new exercise price of the attaching free New Option;

O = the old exercise price of the attaching free New Option;

E = the number of underlying Havilah Resources Shares into which one attaching free New Option is exercisable;

P = the average closing sale price per Havilah Resources Share (weighted by reference to volume) recorded on ASX during the five trading days immediately preceding the ex rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded option exercises);

S = the subscription price per Havilah Resources Share under the pro rata issue;

D = the dividend due but not yet paid on existing underlying Havilah Resources Shares (except those to be issued under the pro rata issue); and

N = the number of Havilah Resources Shares with rights or entitlements that must be held to receive a right to one new Havilah Resources Share

- (h) If, during the currency of the attaching free New Options the issued capital of Havilah Resources is re-organised, those attaching free New Options will be re-organised to the extent necessary to comply with ASX Listing Rules.

### **7.3 Havilah Resources employee share plan**

Havilah Resources operates an employee share scheme as an incentive to employees and as a retention benefit to key employees.

## 8. ADDITIONAL INFORMATION

### 8.1 Market Prices of Ordinary Shares

Official quotation of the Company's Shares commenced on 23 March 2002.

The highest and lowest recorded market sale prices of the Company's Shares quoted on ASX during the period of three months to the date of the announcement of the Rights Issue were \$0.255 and \$0.16 respectively.

The last market sale price of the Company's Shares on ASX on the last day that trading took place in these shares prior to the date of the announcement of the Rights Issue was \$0.175.

The Company has no Listed Options.

### 8.2 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisors before investing in the New Shares and attaching free New Options. Taxation consequences will depend on particular circumstances. Neither Havilah Resources nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the New Shares and attaching free New Options in Havilah Resources or dealing with an entitlement in this Rights Issue.

### 8.3 Legal Proceedings

As far as the Company is aware, there is no litigation, arbitration or proceedings pending against the Company as at the date of this Prospectus.

### 8.4 Continuous Disclosure and Documents Available for Inspection

The Company is listed on ASX and its Shares are quoted on ASX. The Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations, which require it to disclose to ASX any information of which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The Company will provide a copy of each of the following documents, free of charge, to any person who asks for it, during the application period for this Prospectus:

- (a) the annual financial report for the financial year of the Company ended 31 July 2013 (being the last annual financial report lodged with ASIC in relation to the Company before the issue of this Prospectus);
- (b) the half year financial report for the half year financial period of the Company ended 31 January 2014 (being the last half year report financial report lodged with ASIC after the lodgement of the annual financial report referred to in paragraph (a) above and before the lodgement of this Prospectus with ASIC); and
- (c) all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to in paragraph (a) above and before the lodgement of this Prospectus with ASIC being:

<b>Date</b>	<b>Detail</b>
21-Jul-14	Major Milestone - Maldorky MLP Posted for Public Comment
17-Jul-14	Appendix 3B Non-Renounceable Rights Issue
17-Jul-14	Maldorky Approval Milestone and Equity Raising
8-Jul-14	Appendix 3B Correction and Schedule of Tenements
7-Jul-14	Appendix 3B Issue of Unlisted Employee Options
30-May-14	Quarterly Report
8-May-14	Kalkaroo Copper-Gold Project Update
16-Apr-14	Maldorky Iron Ore Project Update
2-Apr-14	Appointment of CFO and Company Secretary
25-Mar-14	Change of Directors Interest Notice
25-Mar-14	Change of Directors Interest Notice
25-Mar-14	Appendix 3B
25-Mar-14	Half year Accounts
17-Mar-14	Becoming a substantial shareholder

28-Feb-14	Quarterly Activities and Cashflow Report
11-Feb-14	Letter to Shareholders - Options Expiry Notice Correction
11-Feb-14	Letter to Shareholders
21-Jan-14	New Copper Discovery at Croziers Dam
19-Dec-13	Results of AGM and Chairman's Address
29-Nov-13	Quarterly Activities and Cashflow Report
20-Nov-13	Portia Gold Mine Permitting Progress
11-Nov-13	Notice of Annual General Meeting/Proxy Form
11-Nov-13	Final Directors Interest Notice
11-Nov-13	Change to Board of Directors
31-Oct-13	Initial Directors Interest Notice
31-Oct-13	Director Appointment/Resignation
31-Oct-13	Appendix 3B
31-Oct-13	Change of Directors Interest Notice
31-Oct-13	Change of Directors Interest Notice
31-Oct-13	Change of Directors Interest Notice
28-Oct-13	Annual Report to Shareholders

## 8.5 Interests of Directors

As at the date of this Prospectus, the Havilah Resources Directors had the following relevant interests in Havilah Resources Shares and Havilah Resources options:

Director	Number of Havilah Resources Shares	Number of Listed Havilah Resources Options	Number of Unlisted Havilah Resources Options
C W Giles (Managing Director)	13,399,548	0	2,700,000
P S Mertin (Non-executive Director)	6,300	0	0
K G Williams (Chairman)	371,572	0	600,000

Havilah Resources Shares and Havilah Resources options may be held either directly or indirectly by a Havilah Resources Director.

Each Director will be entitled to participate in the Rights Issue, including the Top Up Offer, to the extent that the Director holds Shares on the Record Date. They have each indicated they plan to participate in the Rights Issue.

## Directors' remuneration

Details of the remuneration for each Director for period 1 August 2013 to 30 June 2014 are set out as follows:

Director	Directors' Fees \$	Consulting Fees \$	Total \$
C W Giles	0	149,656	149,656
K R Johnson (Retired 11 Nov 2013)	0	33,009	33,009
P S Mertin (Appointed 31 Oct 2013)	31,475	0	31,475
P D Reeve (Retired 29 Aug 2013)	0	0	0
K G Williams	70,461	0	70,461

Geocom Pty Ltd and Maptek Pty Ltd (companies owned by Dr Giles and Dr Johnson respectively) have/had respectively, consulting contracts with Havilah Resources covering their employment with the Company. Maptek Pty

Ltd has a management services contract with Havilah Resources. Dr Giles and Dr Johnson do and did not, respectively, take directors' fees.

Details of these arrangements have been previously disclosed by Havilah Resources to the ASX, in particular, please refer to Havilah Resources' Annual Report for the year ended 31 July 2013.

Non-executive directors' fees not exceeding an aggregate of \$200,000 per annum have been approved by Shareholders in general meeting. The level of non-executive directors' fees may be varied by Shareholders in general meeting in accordance with its constitution.

## **8.6 Interests of other persons**

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, holds any interest in the outcome of this Prospectus and except as set out in this Section no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons for services rendered by him or her in connection with the formation or promotion of Havilah Resources or the Offer. Thomson Geer Lawyers has acted as lawyers to the Rights Issue and has performed certain work in relation to preparation of this Prospectus and due diligence enquiries, for which an amount in accordance with their usual time-based charge-out rates.

## **8.7 Expenses of the Rights Issue**

The total expenses of the Rights Issue are estimated to be \$150,000 comprising legal and due diligence costs, printing, ASIC fee, brokers' fees and other administrative expenses.

## **8.8 Governing Law**

This Prospectus and the Offer and the contracts formed on acceptance of the Applications are governed by the laws applicable in South Australia, Australia. Each Applicant submits to the non-exclusive jurisdiction of the courts of South Australia, Australia.

## 9 RISK FACTORS

### 9.1 Introduction

An overview of the key risks that may have a material adverse impact upon the future performance of Havilah Resources and the value of Havilah Resources Shares are described in this Prospectus and include those risks set out in this Section. The risks identified in this Section are not exhaustive. The Company gives no assurances or guarantees of future performance or profitability, or payment of dividends.

Additionally Havilah Resources gives no assurances or guarantees that the risks set out in this document will not change. There may be other material risks which are not disclosed in this document because they were not known by the Company or were not considered to be material at the date of this Prospectus.

Some of the risks may be mitigated by the use of safeguards and appropriate systems and controls. However, many risks that may affect Havilah Resources are outside the control of the Company and its subsidiaries.

This Section does not take into account the investment objectives, financial circumstances or particular needs of individual Shareholders. It is important that Shareholders carefully read this Prospectus in its entirety (particularly the risks set out in this Section, consider their personal circumstances (including financial and taxation issues) and seek independent professional advice before deciding whether to subscribe for New Shares and the attaching free New Options.

### 9.2 Specific risk factors that affect Havilah Resources

Set out below are some of the key risks that have been identified as potentially affecting the performance and value of Havilah Resources Shares and the ability of the Company to potentially pay dividends in the future. The past performance of Havilah Resources is not necessarily representative of the future performance of Havilah Resources or the value of Havilah Resources Shares.

#### Risks associated with the Company and its operations

##### (a) Tenement assets

Havilah Resources has a very large land position covered by exploration licences. The continued success of the Company is tied to maintaining those tenements through continued committed exploration spending and land administration. This requires available funds and sound systems and processes to operate as planned.

##### (b) Key personnel

Havilah Resources' success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including sub-contractors. Although the Company enters into employment and incentive arrangements with its personnel to secure their services, it cannot guarantee the retention of their services.

There can be no assurance given that there will be no detrimental impact on the Company if one or more of these people cease their engagement. The Company's inability to recruit additional appropriately skilled and qualified personnel to replace these key personnel could have an adverse effect on the Company. There can be no guarantee that personnel with the appropriate skills will be available within the Company's required timeframes.

##### (c) Development consents, production and operation

Mining activities carry an inherent degree of risk. Certain approvals (whether regulatory, environmental or otherwise) are needed in connection with the proposed mining operations of Havilah Resources and there is a risk that these approvals will not be given, or will be delayed, which could delay project progress and would prevent mining operations proceeding.

Various production and operational factors could affect the success of the Company's projects once mining commences. These include unanticipated mining or geological conditions, climatic conditions, environmental issues, exploration results, equipment failures, transport interruptions, shortage of processing inputs, industrial disputes, cost overruns and other general operating risks.

The clay overburden at Portia and Kalkaroo constitutes what is presently perceived as the most significant potential risk for mining by way of Highwall Stability and risk of pit wall failure. The current design criteria used are as recommended by our consultants but the risk remains to the success of the Portia and the Kalkaroo mines when they are developed. The worst case scenario is that the Company would be unable to successfully recover the gold and/or copper resources that occur beneath the overburden and therefore not be able to generate any proceeds from metals sales from the referenced projects.

**(d) Development cost and timing**

Development projects may incur higher costs than currently anticipated or may be delayed due to the need to obtain regulatory approvals or licenses or due to issues with contractors or suppliers, not being able to secure financing, or accidents during construction or commissioning of mines. These higher costs or project delays will reduce and/or delay revenue from metals sales from the projects.

There is also a risk that Havilah Resources will not achieve its strategic goals due to delays or difficulties occurring during the start-up or operation of its projects.

**(e) Future Capital requirements**

The available funds of Havilah Resources may not be sufficient to cover expenditure that may be required to execute the projects or planned operations of the Company or to expand its operations or projects or for other capital expenditure, further exploration or feasibility studies or otherwise in the Company's operations. Havilah Resources may need to raise additional equity or debt funds in the future to finance these activities and requirements. There is no assurance that the Company will be able to obtain additional financing when required in the future, or that the terms and time frames associated with such funding will be acceptable to Havilah Resources, particularly having regard to the current uncertain economic environment and the effect that metal prices may have on future production and earnings performance. This may have an adverse effect on the Company's ability to achieve its strategic goals and have a negative effect on its financial results.

**(f) Native title**

Havilah Resources' mineral tenements and other entitlements to property and minerals may be affected by native title claims, unregistered agreements, transfers or unknown defects in title. Native title claims and Aboriginal heritage issues may have a material adverse impact on the Company's activities and may hinder or prevent its exploration and future mining activities or increase the cost of those activities.

**(g) Counterparty risk**

There is a risk, which is higher in the current uncertain economic environment, that contracts and other arrangements which Havilah Resources is party to and obtains a benefit from, will not be performed by the relevant counterparties if those counterparties become insolvent or are otherwise unable to perform their obligations. The Company and its projects may suffer material adverse consequences such as increased costs, delayed projects, loss of market share, or loss of customers.

**(h) Impairment of assets**

Exploration and evaluation assets are assessed for impairment when facts and circumstances (as defined in AASB 6 "Exploration for and Evaluation of Mineral Resources") suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. The recoverable amount of the exploration and evaluation assets (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years. Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment, reclassified to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

**(i) Health and safety**

The businesses of Havilah Resources are subject to strict health safety and safety laws and regulations. The Company may become liable for past and current conduct of Havilah Resources which violates such laws and regulations. Penalties for breaching health and safety laws can be significant and include criminal penalties. Victims of workplace accidents may also commence civil proceedings against the Company. These events might not be insured by Havilah Resources or may be uninsurable. In addition, any changes in health and safety laws and regulations may increase compliance costs for the Company. Such an event would negatively impact the financial results of the Company.

**(j) Insurance**

Havilah Resources has various insurances covering its business. However, certain risks are not covered by insurance due to limitations or exclusions in insurance policies or because the Company has decided not to insure against certain risks because of high premiums or for other reasons. Mining accidents, cave-ins, business interruption, compensation claims, environmental effects, fires, floods earthquakes and various other events may not be adequately covered by insurance. Uninsured events or limited insurance coverage could significantly increase the costs of the Company if such uninsured events were to occur.

**(k) Metal prices**

Any future earnings of Havilah Resources will be significantly affected by local and worldwide metal prices over which the Company has no control. Low metal prices will have a materially adverse effect on Havilah Resources

by reducing the value of its projects or the proceeds from metal sales. It is not possible to accurately predict future movements in metal prices particularly in the current uncertain economic environment.

**(l) Resource and Reserve estimates**

Havilah Resources has made estimates of its resources based on relevant reporting codes, where required, and judgments based on knowledge, skills and industry experience. Actual mining results may materially differ from those estimates due to further findings and results not previously known or fluctuations in operating costs, exchange rates and metal prices. The consequences for project economics may be either positive or negative.

**(m) Regulatory and legislative**

Any changes in the laws and regulations under which Havilah Resources operates may adversely impact the Company's activities, planned projects and financial results. These laws and regulations include mining and exploration-related laws, laws requiring permits and licences, environmental regulations and health and safety laws and regulations. In Havilah's experience changes in legislation have generally produced more regulatory requirements resulting in increased compliance costs for the Company.

**(n) Environment**

Mining and exploration activities are strictly regulated by environmental legislation and government authorities. There is a risk that environmental regulation may prevent or impede the Company's activities. It is possible that environmental approvals for Havilah Resources' projects are not granted or are delayed. If this occurred it may materially affect the Company's ability to develop its projects and therefore its investment outlook.

**(o) Competition**

Upon entry into production, Havilah Resources will be subject to competition from other miners. Competitors include current miners and future entrants into the market. Other companies may have competitive advantages such as new technology, new production processes, or access to key infrastructure. Havilah Resources may be unable to successfully compete and may suffer material adverse consequences such as loss of market share and customers.

**(p) Litigation**

Havilah Resources may be subject to litigation and other claims. This could result in negative publicity and/or additional expenditure.

**(q) Past transactions**

Previous transactions undertaken by Havilah Resources which involved the acquisition or disposal of assets may continue to bear risks associated with the possibility of warranty or other claims in connection with such transactions to which it was a party.

**Risks associated with the Rights Issue**

**(r) Dilution**

The Rights Issue will result in the issue of New Shares with an attaching free New Options. If you do not participate in the Rights Issue or you do not take up your full Entitlement, your percentage holding in the Company (held at the Record Date) may be reduced, by both the take up of New Shares by other Shareholders and investors, and upon the exercise of the attached free New Options. The extent of dilution will depend upon the extent to which the Offer is taken up, and the New Options are exercised, resulting in an increase in the Company's issued share capital.

**(s) Completion of Rights Issue**

There is no guarantee that all the New Shares under this Offer will be taken up by the Eligible Shareholders. As noted in this Prospectus, the Directors may also not be able to place some or all of any Shortfall under this Rights Issue. Accordingly, the Company may not raise all of the funds proposed to be raised under the Rights Issue. This may have an adverse effect on the Company's ability to achieve its strategic goals and will have a negative effect on its financial results.

**(t) Share price**

Post this Rights Issue, there is no certainty that Havilah Resources will achieve an improvement of its share price. Due to the occurrence of adverse changes in the business or unforeseen circumstances, or general market conditions, Havilah Resources Shares may depreciate in value and Shareholder wealth may decline.



## 10 CONSENTS

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in this Prospectus is based, other than as specified in this Section;
- (b) has had no involvement in the preparation of this Prospectus (unless expressly stated to the contrary in this Section);
- (c) has not authorised or caused the issue of this Prospectus; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Deloitte Touche Tohmatsu has given its written consent to the incorporation by reference of the 2014 Reviewed Half-Year Financial Report and to all statements referring to the 2014 Reviewed Half-Year Financial Report in the form and context in which they are included, and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Each of the following has consented to being named in this Prospectus in the capacity as noted below and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC:

- (a) Computershare Investor Services Pty Limited as the Share Registry to the Company;
- (b) Deloitte Touche Tohmatsu as the Company's Auditors;
- (c) Thomson Geer Lawyers as Solicitors to the Company.

## 11 AUTHORITY OF DIRECTORS

Each of the Directors of Havilah Resources NL has consented to the issue of this Prospectus and to its lodgement with ASIC and has not withdrawn that consent in accordance with the Corporations Act.

Dated 23 July 2014



Signed for and on behalf of  
Havilah Resources NL  
by K G Williams, (Chairman)

## 12 DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

**2014 Half-Year Financial Report** means the financial report for the half-year ended 31 January 2014 reviewed by Deloitte Touche Tohmatsu dated 24 March 2014 and announced to ASX on the same date.

**Acceptance** means a valid Shareholder Entitlement and Acceptance Form to subscribe for New Shares and attaching free New Options under the Offer.

**Additional New Shares** means New Shares with one attaching free New Option not taken up by Eligible Shareholders under the Rights Issue and which may be applied for by Eligible Shareholders who have taken up their full Entitlement.

**Applicant** means a person who submits an application.

**Application** means a valid application by an eligible shareholder to subscribe for New Shares and attaching free New Options and where applicable Additional New Shares.

**Application Monies** mean the amount payable by the Applicant for the number of New Shares and where applicable Additional New Shares subscribed for by the Applicant under the Offer.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691).

**ASX Listing Rules** means the official Listing Rules of ASX.

**Auditors** means Deloitte Touche Tohmatsu.

**Board** means the Board of Directors of Havilah Resources NL, unless the context indicates otherwise.

**Business Day** means a day other than a Saturday or Sunday on which banks are open for business in Adelaide, South Australia or as specified by ASX.

**Closing Date** means the date on which the Offer closes.

**Company** means Havilah Resources NL.

**Corporations Act** means the Corporations Act 2001 of Australia.

**CST** means Central Standard Time, Adelaide, South Australia.

**Directors** means the Directors of the Company from time to time.

**Dollars or \$** means Australian dollars, unless otherwise stated.

**Eligible Shareholder** means a Shareholder recorded on the Register at the Record Date.

**Entitlement** means the entitlement to take up New Shares and attaching free New Options under the Rights Issue.

**Entitlement and Acceptance Form** means the entitlement and acceptance form accompanying this Prospectus.

**Havilah Resources or Havilah Resources NL** means Havilah Resources NL (ABN 39 077 435 520).

**Highwall Stability** means the risk that the wall angles of the opencut mine fail due to steepness of the slope.

**JORC Code** means the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves drawn up by the Joint Ore Reserves Committee (JORC) of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia. It is a professional code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves according to the levels of confidence in geological knowledge and technical and economic considerations.

**New Option** means an option to subscribe for one Share in Havilah Resources NL exercisable at \$0.30 on or before 5.00pm CST on 30 June 2017 and issued on the terms and conditions set out in this Prospectus.

**New Shares** are Shares issued pursuant to the Offer under the Rights Issue.

**Offer** means the offer of New Shares and attaching free New Options pursuant to this Prospectus (including the Rights Issue, the Top Up Offer and the placement of the Shortfall).

**Offer Period** means the period commencing on the date on which the Offer opens and ending on the Closing Date.

**Optionholder** means an Eligible Shareholder who has accepted the Rights Issue by completing the Entitlement and Acceptance Form and returning it together with the Subscription Monies to the Registry.

**Prospectus** means this prospectus, dated 23 July 2014 for the issue of up to approximately 30,083,509 New Shares and approximately 30,083,509 attaching free New Options, including any electronic or online version.

**Quotation** means quotation of the New Shares or attaching free New Options on ASX.

**Record Date** means the date to identify Shareholders entitled to participate in the Offer.

**Rights** and **Rights Issue** means the right by eligible Shareholders to take up New Shares and attaching free New Options under the Offer.

**Share** means one fully paid ordinary share in Havilah Resources NL.

**Shareholder** means a holder of Shares in the Company.

**Share Registry** means Computershare Investor Services Pty Limited.

**Shortfall** means those New Shares and attaching free New Options for which valid applications have not been received by the Closing Date under the Rights Issue or the Top Up Offer, which the Directors may place at their discretion.

**Subscription Monies** means the monies receivable from Eligible Shareholders in respect of their Acceptance.

**Top Up Offer** means an offer to Eligible Shareholders who accept their full Entitlement under this Offer, to apply for Additional New Shares as set out in Section 3.4 of this Prospectus.

## Corporate Directory

**Registered Office**

31 Flemington Street  
Glenside 5065 SA

**Share Registry**

Computershare Registry Services  
Level 5, 115 Grenfell Street  
Adelaide 5000 SA

**Offer Information Line**

Within Australia: 08 8338 9292  
Outside Australia: +61 8 8338 9292

**External Auditors**

Deloitte Touche Tohmatsu  
11 Waymouth Street  
Adelaide 5000 SA

**Legal Advisor**

Thomson Geer Lawyers  
Level 7, 19 Gouger Street  
Adelaide 5000 SA

**Website**

[www.havilah-resources.com.au](http://www.havilah-resources.com.au)

