

Havilah Resources

(ASX: HAV)

23 July 2014

Havilah Resources NL aims to become a significant new producer of iron ore, copper, gold, cobalt, molybdenum and tin from its 100% owned JORC mineral resources in northeastern South Australia

120.3 million ordinary shares

11.7 million unlisted options



NON-RENOUNCEABLE PRO RATA RIGHTS ISSUE TO FUND PROJECT ADVANCEMENT AND DE-RISKING

HIGHLIGHTS

- **One for four Rights Issue at an issue price of \$0.14 per New Share.**
- **One free New Option for each New Share issued with an exercise price of \$0.30.**
- **Top Up Offer for Shareholders to apply for Additional New Shares and free New Options.**

Havilah Resources NL (ASX: HAV) (“Havilah” or the “Company”) announced on 17 July 2014 a capital raising by way of a pro rata one for four non-renounceable rights issue (**Rights Issue or Offer**). The Rights Issue seeks to raise approximately \$4.2 million (before costs) through the issue of approximately 30 million new fully paid ordinary shares. The Rights Issue price reflects a discount of approximately 20% to the last closing price on ASX prior to the announcement of this Offer. Each new share subscribed for will have an attaching free option to purchase an additional share for \$0.30 on or before 30 June 2017.

Proposed Use of Funds – To advance and De-risk Projects

The net proceeds from the Rights Issue will be primarily used to continue progressing Havilah’s four advanced mineral projects to a mining ready status. A vitally important task is obtaining mining approvals, which are essential in order to attract development partners and allow the value of Havilah’s mineral projects to be realised. The Company has already made considerable strides in this regard and believes that it has now largely met all requirements for the final approval for the Portia gold mine. Completion of all work required to secure mining leases over the Kalkaroo and Maldorky projects is also well advanced. Some funds will be earmarked for working capital requirements, securing land access and also to comply with exploration obligations.

Details of the Rights Issue

Havilah shareholders as at 7.00pm (CST) on 29 July 2014 (**Record Date**) will be eligible to participate in the Rights Issue (**Eligible Shareholders**). Each Eligible Shareholder will be entitled to subscribe for one New Share in Havilah at \$0.14 a share for every four shares registered in their name on the Record Date (**Entitlement**). For each New Share issued under this Offer, an attaching free New Option to acquire one ordinary share at \$0.30 on or before 30 June 2017 will also be issued.

Eligible Shareholders who accept their full Entitlement will have the opportunity to apply for Additional New Shares at a price of \$0.14 each under the Top Up Offer. Each Additional New Share will have an attaching free New Option to acquire one ordinary share at \$0.30 on or before 30 June 2017. This Top Up Offer is an excellent opportunity for those shareholders with less than a marketable parcel of shares to increase their holding to a marketable parcel. Applications for Additional New Shares will be satisfied to the extent that there is any shortfall in take up of Entitlements. If the Offer and Top Up Offer are oversubscribed, the entitlements of Applicants will be scaled back on a pro rata basis, subject to the discretion of the Directors to give preference to shareholders who acquired their shares on or before 16 July 2014, the day before announcement of the Rights Issue.

Phillip Capital Limited has been engaged to assist with marketing of the Rights Issue and also has a mandate to place Shortfall shares on a reasonable endeavors basis, if any, not first taken up by Eligible Shareholders under the Offer or



Top Up Offer. The Directors of Havilah reserve the right to place any Shortfall within three months after the close of the Offer, at their absolute discretion.

As an Eligible shareholder you will have the following choices:

- Take up your full Entitlements to New Shares.
- Take up your full Entitlements to New Shares and apply for Additional New Shares.
- Take up part of your Entitlement and allow the balance to lapse.
- Not take up any of your Entitlement and allow it to lapse.

Havilah shares will be quoted on an 'ex' basis from 25 July 2014, and therefore any of the Company's shares bought on market on and after this date will not be entitled to participate in the Rights Issue. The maximum number of New Shares to be issued (excluding the exercise of any unlisted options) is approximately 30 million new shares and 30 million New Options. New Shares will rank equally with existing issued shares. New Shares and New Options issued as a result of Entitlements taken up will be quoted on ASX.

Eligible Shareholders wishing to participate in the Offer should complete the personalised Entitlement and Acceptance Form that will accompany the Prospectus. Shareholders may wish to apply for Additional New Shares under the Top Up Offer by completing the appropriate box on the Entitlement and Acceptance Form. Full details on accepting the Offer are included in section 3 of the Prospectus.

Please study the Prospectus carefully and seek independent professional advice, before making a decision whether to take up the Offer. The Offer opens on 1 August 2014 and closes at 5.00 pm CST on 22 August 2014.

From today, the Prospectus, with full details of the Rights Issue, will be available to download from both the ASX website (at www.asx.com.au) and the Company's website (at www.havilah-resources.com.au), and will subsequently be mailed to Eligible Shareholders on 1 August 2014, with an Entitlement and Acceptance Form.

The indicative timetable for the Rights Issue is as follows

Activity	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

The timetable is indicative only and the Company reserves the right to vary it at any time without prior notice subject to the Listing Rules and the Corporations Act 2001 (Cth).

Your Directors are optimistic about the future prospects of Havilah, which could involve development of up to four new mines over the next decade, capable of generating significant free cash flow. Directors are therefore pleased to be able to provide Eligible Shareholders with the opportunity to participate in the Rights Issue and support the future growth of Havilah as it embarks on this exciting new growth phase.

Yours sincerely,

Ken Williams (Chairman)

For further information visit the Company website www.havilah-resources.com.au or contact Mr Chris Giles, Managing Director, on (08) 8338-9292 or email: info@havilah-resources.com.au