



HAVILAH RESOURCES NL

63 Conyngham Street
Glenside 5065 South Australia
phone 61 8 8338 9292
fax 61 8 8338 9293
email info@havilah-resources.com.au
ABN 39 077 435 520

Dear Shareholders

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EXERCISE OF OPTIONS AHEAD OF NON RENOUNCEABLE RIGHTS ISSUE

Havilah continues to work towards development of the Portia gold mine with the aim of generating future sustainable mining income. The Company has recently employed an experienced mining engineer as Portia project manager and work on the ground is expected to commence in the near future, subject to DMITRE proposing acceptable operating approval terms and conditions for the mine development.

The Board now wishes to raise capital to help fund development of Portia and the continued advancement of Havilah's other projects. This letter gives shareholders advance notice of Havilah's intention to undertake a non-renounceable rights issue ("Offer") so that every shareholder will have an equal opportunity to participate in providing the required capital. It is planned that the rights issue will be on the basis of one new share for every ten shares held, with the new shares to also have an attaching free option. Full documentation of the Offer, including the record date and issue price, will be forwarded to eligible shareholders when the terms are finalised, subject to no unforeseen circumstances.

Presently, it is planned that funds raised by the Offer would assist in the initial Portia mine development where significant overburden removal costs have to be incurred before the coarse gold at Portia can be accessed. Additional funds may also be raised by the exercise of listed options plus directors and employee options.

Two years ago Havilah issued free bonus options to shareholders as a loyalty reward and also to put in place a future mechanism to raise funds when it was time to begin our first mine. That time has now arrived. Those free bonus options can be converted to new shares on the payment of 50 cents each. Similarly the listed options recently issued as the result of the Curnamona Energy Limited takeover can be converted to new shares on the payment of 75 cents each. All listed option holders should be aware that new shares issued prior to the record date of the Offer will automatically qualify for the right to take up the Offer. There will be a window of opportunity for listed option holders to exercise their options while waiting for the Offer documents. If all of the existing listed options are exercised, an additional approximately \$11.35m will be raised.

To date, Havilah directors have overseen the prudent use of shareholders' funds to discover a substantial and valuable inventory of in-ground mineral resources including gold, copper, molybdenum, cobalt, tin, iron ore and uranium in the mining-friendly jurisdiction of South Australia. The Company is now entering a new phase, wherein directors plan to systematically realize the value of the Company's mineral resources for the benefit of shareholders through strategic mining developments and, where appropriate, asset sales.

With respect to the sale process currently running for the Kalkaroo copper-gold project, if a suitable offer eventuates it is expected to require Havilah shareholder approval. Sale proceeds would help develop Portia and would represent a potentially favourable outcome for those investors who maintain their interest in the Company through participation in the Offer. However, whilst the Kalkaroo sale process has generated significant interest, there is no certainty of a satisfactory outcome at this stage, and directors have determined that rather than wait, funds should be raised now in order to assist in the progress of mining at Portia

Havilah has operated for ten years as a public company and is now at the point where it is ready to realize its ambition of becoming a gold producer. This is an opportunity for all shareholders to support their Company and and join with directors in investing in its future mining production.

Yours sincerely

Bob Johnson, PhD
Chairman