

12 September 2019

Results of Extraordinary General Meeting

Havilah Resources Limited (**Havilah**) advises that the resolution for the approval of the proposed investment in Havilah of up to \$100 million (**Proposed Transaction**) by OneSteel Manufacturing Pty Ltd (SIMEC), a member of the GFG Alliance (together **GFG**), has not been passed by shareholders at the Extraordinary General Meeting (**EGM**).

Havilah wishes to provide shareholders with further information regarding voting at the EGM, the trading halt and voluntary suspension.

Details of Voting

In accordance with section 251AA of the Corporations Act 2001 and ASX Listing Rule 3.13.2, details of voting on the resolution (which was decided on a poll) are detailed below:

Votes	Number	Percentage
'For' the resolution	36,580,998	23.59%
'Against' the resolution	118,509,059	76.41%
Total votes cast	155,090,057	100.00%
Votes abstained	393,813	

Late on the evening of Monday, 9 September 2019 Dr Chris Giles, Havilah's Technical Director, through his shareholding entity Trindal Pty Ltd (Havilah's largest shareholder) submitted an electronic proxy form directing that its votes be cast against the resolution for the approval of the Proposed Transaction. Despite Dr Giles' earlier support for the Proposed Transaction, the lodgement of the proxy form was the first occasion on which the Independent Directors of Havilah were given any indication that Dr Giles was going to vote against the resolution to approve the Proposed Transaction. At that point, it was considered prudent to put Havilah into a trading halt given the impact that his vote would have on the imminent EGM. In order to fulfil Havilah's contractual obligations under the Share Subscription Agreement the decision was made to proceed with the EGM. Havilah then sought a voluntary suspension until the outcome of the EGM was known and published to the market.

Although a majority of individual shareholders (close to 60%) voted in favour of the Proposed Transaction the large shareholding of Dr Giles was always going to be the determining vote.

As highlighted at today's meeting, and to make it absolutely clear to all shareholders, neither Havilah nor GFG would ever have contemplated entering into the Proposed Transaction unless Dr Giles had been supportive of the Proposed Transaction in his capacity as a director of Havilah and as a shareholder. The Havilah Board was unanimous in electing to proceed with the Proposed Transaction and Dr Giles was one of the signatories to the agreement. He also provided supportive commentary in the media post the execution of the Share Subscription Agreement. Havilah and GFG relied on the support and public statements by Dr Giles in proceeding to implement the Proposed Transaction, including the preparation of an Independent Expert Report, which was mandatory, and the calling of the EGM.

The shareholders should also be aware that despite the Proposed Transaction now having been in the market for over four months, no alternative offer or proposal have been received by Havilah, including no alternative proposal from those advocating against the Proposed Transaction.

Havilah has been informed by GFG in writing that it reserves all its rights, including its rights under the Share Subscription Agreement and its entitlement to recover costs incurred since 1 May 2019, against Havilah and Dr Giles in relation to the conduct of Dr Giles which is inconsistent with the original proposed recommendation of Dr Giles and support of the Proposed Transaction. The amount of this exposure is not known at this time.

The vote against the resolution now requires Havilah to move in a different direction to extract value from its in-ground mineral deposits. Furthermore, as a result of this outcome, the \$5 million pro-rata rights issue, which was to be undertaken as part of the Proposed Transaction at a discount to \$0.154 per share, will no longer be proceeding.

Havilah will update shareholders in due course as to the next steps in relation to funding options and the future of Havilah more generally.

For further information visit www.havilah-resources.com.au

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