

# HAVILAH RESOURCES NL

ABN 39 077 435 520

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**NOTICE OF EXTRAORDINARY GENERAL MEETING  
EXPLANATORY MEMORANDUM AND STATEMENTS  
PROXY FORM**

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**Date of Meeting**  
28 August 2013

**Time of Meeting**  
9:00 a.m. (Adelaide time)

**Place of Meeting**  
Unley Town Hall, 181 Unley Road, Unley, South Australia

This extraordinary general meeting has been requisitioned by certain members of the Company under section 249D of the Corporations Act.

Each of the resolutions are **OPPOSED BY THE CHAIRMAN Dr JOHNSON**,  
each of the resolutions are **OPPOSED BY THE TECHNICAL DIRECTOR Dr GILES** and  
each of the resolutions are **OPPOSED BY INDEPENDENT NON-EXECUTIVE DIRECTOR  
Mr WILLIAMS**, who consider that

**THE PROPOSED RESOLUTIONS ARE NOT IN THE BEST INTERESTS OF HAVILAH OR  
A LARGE MAJORITY OF SHAREHOLDERS** (except that Dr. Giles does not make any  
recommendation to Shareholders, in his capacity as a Director of Havilah, with respect to the  
resolution for his removal as a Director).

Each of the resolutions are **SUPPORTED BY NON-EXECUTIVE DIRECTOR Mr REEVE**.

24<sup>th</sup> July 2013

Chairman's Letter

Dear Havilah Shareholder,

As advised to the ASX on 4 July 2013, Havilah has received a request from two Shareholders who collectively hold 5.88% of votes that may be cast at a general meeting, Rockland Pty Ltd and Gregorach Pty Ltd (**Requisitioning Shareholders**), to convene an extraordinary general meeting of Shareholders of Havilah (**EGM**) to consider the removal of Dr. Christopher Giles as a Director, and the appointment of Dr. Ross Fardon, Mr. Ian Lawrence and Mr. Peter Reeve as Directors.

Rockland Pty Ltd is a private company controlled by Mr. Peter Laurance and Gregorach Pty Ltd is a private company controlled by Mr. Warwick Grigor.

If all of the proposed resolutions are successful, the number of Directors nominated by the Requisitioning Shareholders (3) would exceed the number of continuing current Directors (2) **resulting in a change of control of the Board**. As the Requisitioning Shareholders have not provided Havilah with any guidance as to their intentions for Havilah if the proposed resolutions are passed and the Requisitioning Shareholders are successful in obtaining control, Havilah faces an uncertain future.

In my view, the tactics employed by the Requisitioning Shareholders in connection with the calling of this EGM have been disruptive. To function effectively as a Board, all Directors must be able to work together with respect and in harmony. Due to the aggressive way in which the Requisitioning Shareholders have behaved, I am concerned that if the proposed resolutions pass, the result will be an unstable Board that will be tied up in argument rather than one that can work together effectively on behalf of all Shareholders.

Between them, the Requisitioning Shareholders hold approximately 5.88% of Havilah's Shares, while the directors nominated by the Requisitioning Shareholders between them hold approximately 0.03% of Havilah's Shares. Accordingly, Directors Giles, Williams and I are concerned at the prospect that Havilah could be controlled by an unrepresentative minority of interests.

Specifically, in the absence of a clear statement as to the Requisitioning Shareholders' intentions, we are concerned that the primary aim of the Requisitioning Shareholders is to obtain control of Havilah without making a takeover offer and paying Shareholders a fair price for obtaining control. In this context, I note that Mr. Warwick Grigor, who is a director of Gregorach Pty Ltd, one of the Requisitioning Shareholders, has issued a statement that the Requisitioning Shareholders "*will either succeed, or they will revert to Plan B.*" Mr. Grigor did not give details of what the Requisitioning Shareholders' "Plan B" would involve.

Shareholders should also be aware that in November last year, under pressure from the Requisitioning Shareholders, Mr. Reeve was appointed as an executive of the Company. His brief was to focus predominately on the Company's corporate and strategic development. Later in December 2012 he was made a Board member. The costs of employing Mr. Reeve were considerable. Mr. Reeve's employment contract was subject to a probationary period, and his employment with the Company has since been terminated.

The Directors (other than Mr. Reeve) have formed the view that as Mr. Reeve is no longer employed by the Company in his executive capacity, his services as a Director are not required by the Company and that his appointment to the Board represents an unnecessary cost to the Company in the current economic climate.

Mr. Reeve has failed to advise me that on 15 July 2013 he was appointed as non-executive Chairman of Aura Energy, which raises concerns about his commitment to Havilah if he is appointed managing director as proposed by the Requisitioning Shareholders. This point is further highlighted by the fact that at the date of this Notice, Mr. Reeve holds no shares in the Company.

In particular, I want to make it clear that I fully support Dr Chris Giles and have great respect for his technical and management ability. Shareholders should be aware that he works tirelessly for Havilah and manages all day to day activities of the Company, including compilation of all ASX announcements. He has a deep knowledge of exploration gained through a highly successful career. He has brought these skills to Havilah and the result is plain for all to see in the impressive number of mineral discoveries made by Havilah in recent years.

He has never sought anywhere near the salary that he could earn elsewhere because it is his strongly held belief that he should be primarily rewarded in the same way as all other shareholders: by capital growth and dividends. His commitment to the Company is shown by his financial support in taking his full allocation in all rights issues over the years. He has developed close relationships with the pastoralists and native title claimants on whose land we work, the local mining community and government agencies, our staff and contractors and is universally respected and liked. Regrettably, he has told me that if he is dismissed as a director, he will no longer be available to work for Havilah, and this will be an irreplaceable loss for all shareholders.

The table below provides further information about the nominated directors who would seek to replace Chris, additional to that offered by the Requisitioning Shareholders. Havilah Shareholders can make their own judgements about the track records and the suitability of these candidates to run their Company.

Some background is also provided in this table about the principals of the two shareholders who requisitioned the shareholders meeting, namely Mr Peter Laurance, major shareholder of Rockland Pty Ltd, and Mr Warwick Grigor of Gregorach Pty Ltd.

In light of the foregoing, Directors Giles, Williams and I **oppose** each of the proposed resolutions, because we consider that the proposed resolutions **are not in the best interests of Havilah** or a large majority of shareholders (noting, however, that Dr. Giles makes no recommendation, in his capacity as a Director, with respect to the resolution for Dr. Giles' removal).

I understand that Mr. Reeve, who has been nominated for re-appointment to the Board by the Requisitioning Shareholders, supports the proposed resolutions.

The Directors (other than Mr. Reeve) encourage you to **vote AGAINST each resolution** as set out in the attached notice of meeting (noting, however, that Dr. Giles makes no recommendation, in his capacity as a Director, with respect to the resolution for Dr. Giles' removal).

The Directors (other than Mr. Reeve) regret the costs and inconvenience that have been caused by the Requisitioning Shareholders, particularly considering that the Requisitioning Shareholders could have proposed these resolutions at Havilah's Annual General Meeting which is due to be held later this year. We appreciate your continuing support through this process.

If you have any questions or require assistance with the completion of proxy forms, please call (08) 8338 9292 or contact Bob Johnson by email at [bob.johnson@havilah-resources.com.au](mailto:bob.johnson@havilah-resources.com.au)

Yours sincerely,

Dr. Bob Johnson  
Chairman

Identity	Residence	Former Directorships	Information
Mr Peter Reeve 0 shares held	Melbourne	CEO Ivanhoe Australia Limited (now Inova ASX:IVA) – resigned 8/6/12	Mr Reeve resigned after 5 years as CEO after IVA reported a \$126m loss in CCY11 (followed by a CY12 loss of \$110m). <a href="http://www.asx.com.au/asxpdf/20130222/pdf/42d6bg6q68dpt6.pdf">http://www.asx.com.au/asxpdf/20130222/pdf/42d6bg6q68dpt6.pdf</a>
Mr Ian Lawrence 0 shares held	Melbourne	MD Cobar Consolidated Resources (ASX : CCU) – resigned 24/4/13	While Ian Lawrence was MD, CCU developed the Wonawinta silver mine that ran into financial difficulties due to underestimation of ore hardness. Subsequently, a foreign shareholder increased its interest in CCU to more than 35% via the underwriting of a low-priced placement. Ian Lawrence was appointed by Glencore as a peer reviewer of the Kalkaroo feasibility study in 2010. <a href="http://www.asx.com.au/asxpdf/20130424/pdf/42ffpk3ppj3vhl.pdf">http://www.asx.com.au/asxpdf/20130424/pdf/42ffpk3ppj3vhl.pdf</a>
Dr Ross Fardon 34,000 shares held	Melbourne	Chairman Cloncurry Metals Limited (ASX : CLU) – resigned 6/4/2009	Ross Fardon resigned from CLU following discouraging results from the Company's Cloncurry projects and a change of exploration focus for the Company. <a href="http://www.asx.com.au/asxpdf/20090406/pdf/31gy9k1s0b042v.pdf">http://www.asx.com.au/asxpdf/20090406/pdf/31gy9k1s0b042v.pdf</a>
Mr Warwick Grigor Holds 0.87% shares in HAV	Sydney	Chairman of Monaro Mining (previously ASX listed) – removed as non-executive Chairman on 21/4/2009	Mr Warwick Grigor was questioned by the NSW Independent Commission Against Corruption with respect to his dealings on behalf of Monaro Mining NL, whilst a director and chairman of that company, with Voope Pty Ltd in connection with the Mount Penny coal concession in NSW. <a href="http://www.theaustralian.com.au/national-affairs/state-politics/mining-veteran-denies-deal-with-2-shelf-company/story-e6frgczx-1226530048837">http://www.theaustralian.com.au/national-affairs/state-politics/mining-veteran-denies-deal-with-2-shelf-company/story-e6frgczx-1226530048837</a> <a href="http://www.abc.net.au/news/2012-12-04/icac-hears-of-attempts-to-conceal-mining-links/4408146">http://www.abc.net.au/news/2012-12-04/icac-hears-of-attempts-to-conceal-mining-links/4408146</a>
Mr Peter Laurance Holds 4.98% shares in HAV	Perth	Director and majority shareholder in Rockland Pty Ltd	Former Gold Coast property developer. A substantial holder in Axiom Properties Limited (ASX:AXI -recent closing price 3.1 cents) via private company Pivot Group Pty Ltd and other vehicles. <a href="http://www.pivotgroup.com.au/chairman.html">http://www.pivotgroup.com.au/chairman.html</a>

# NOTICE OF EXTRAORDINARY GENERAL MEETING

HAVILAH RESOURCES NL  
ABN 39 077 435 520

Notice is hereby given that an Extraordinary General Meeting of members of Havilah Resources NL (the **Company**) will be held at the Unley Town Hall, 181 Unley Road, Unley, South Australia at 9:00am on 28 August 2013 for the purpose of transacting the following business.

## ORDINARY BUSINESS

### RESOLUTION 1: REMOVAL OF DIRECTOR

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That, in accordance with the Constitution of the Company, Dr. Christopher William Giles be removed as a director of the Company effective at the end of this meeting."*

### RESOLUTION 2: ELECTION OF DIRECTOR

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That, in accordance with the Constitution of the Company, Dr. Ross Stuart Harpur Fardon, having consented in writing to act as a director, be appointed as a director of the Company effective at the end of this meeting."*

### RESOLUTION 3: ELECTION OF DIRECTOR

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That, in accordance with the Constitution of the Company, Mr. Ian Raymond Lawrence, having consented in writing to act as a director, be appointed as a director of the Company effective at the end of this meeting."*

### RESOLUTION 4: ELECTION OF DIRECTOR

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That Mr. Peter Desmond Reeve, being a director of the Company who retires in accordance with the Constitution of the Company and, being eligible, offers himself for election, be appointed as a director of the Company effective at the end of this meeting."*

## NOTES:

### Definitions:

Terms used in this Notice which are defined in the Explanatory Memorandum which is attached to and forms part of this Notice, have the meanings ascribed to them therein.

### Proxies:

A member entitled to attend this EGM and vote is entitled to appoint a proxy to attend and vote for the member at the EGM. A proxy need not be a member. If the member is entitled to cast 2 or more votes at the EGM the member may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a member appoints 2 proxies and the appointment does not

specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half of the votes. A form of proxy accompanies this Notice.

The instrument appointing a proxy must be lodged, and any power of attorney or an office copy of a notorially certified copy thereof under which an attorney for a member appoints a proxy must be lodged, at the Share Registry of the Company, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria, 3000, or Level Five, 115 Grenfell Street, Adelaide, South Australia, 5000 or received by Facsimile on 1800 783 447 (within Australia), or +61 3 9473 2555 (outside Australia), or at the Company's registered office 31 Flemington Street, Glenside, South Australia, 5065, not less than forty eight (48) hours before the time appointed for the EGM.

**Corporate Representative:**

Any corporate member of the Company who has appointed a person to act as its corporate representative at the EGM should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the EGM or handed in at the EGM when registering as a corporate representative.

**Voting Entitlement:**

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the EGM are those who are registered as shareholders at 7:00pm (ACST) on 26 August 2013.

**Custodian Voting:**

For Intermediary Online subscribers only (Custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of a Notice convening an Extraordinary General Meeting of Shareholders of the Company to be held on 28 August 2013. This Explanatory Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the resolutions proposed. Both documents should be read in their entirety and in conjunction with each other. Certain terms used herein are defined in the Glossary at the end of this document.

### BACKGROUND TO THE EGM

On 4 July 2013, Havilah received a request from two Shareholders who collectively hold more than 5% of votes that may be cast at a general meeting, Rockland Pty Ltd and Gregorach Pty Ltd (**Requisitioning Shareholders**), to convene an extraordinary general meeting of Havilah's Shareholders (**EGM**).

The Directors have prepared the Notice in order to call the EGM in response to the requisition by the Requisitioning Shareholders.

### WHAT HAVE THE REQUISITIONING SHAREHOLDERS PROPOSED?

The notice received from the Requisitioning Shareholders required that the directors convene the EGM to consider and if thought fit, pass resolutions to:

- remove Dr. Christopher William Giles as a Director (**Resolution 1**);
- appoint Dr. Ross Stuart Harpur Fardon as a Director (**Resolution 2**);
- appoint Mr. Ian Raymond Lawrence as a Director (**Resolution 3**); and
- appoint Mr. Peter Desmond Reeve as a Director (**Resolution 4**).

Article 84 of the Havilah Constitution provides that by ordinary resolution passed at a meeting of Shareholders, a Director may be removed from the Board. If Resolution 1 is passed, then Dr. Giles will be removed as a Director effective at the conclusion of the EGM.

If Resolution 2 is passed, then Dr. Fardon will be appointed as a Director effective at the conclusion of the EGM.

If Resolution 3 is passed, then Mr. Lawrence will be appointed as a Director effective at the conclusion of the EGM.

In December 2012 Mr. Reeve was appointed as a Director of Havilah by the other Directors pursuant to Article 83(1) of the Havilah Constitution. In accordance with Article 83(2) of the Constitution, any Director so appointed holds office only until the next following general meeting and is then eligible for election. Accordingly, if Resolution 4 is passed, then Mr. Reeve will be re-appointed as a Director effective at the conclusion of the EGM. If Resolution 4 is not passed, then Mr. Reeve will retire as a Director in accordance with the Constitution.

## DIRECTOR'S STATEMENT

Section 203D of the Corporations Act provides that a Director who is the subject of a proposed resolution for their removal from office is entitled to submit a statement for circulation to Shareholders.

Dr. Giles' Director's Statement is enclosed with this Explanatory Memorandum.

## COMMENTARY AND DIRECTOR'S RECOMMENDATIONS

Resolution	Commentary	Recommendation
<p>Resolution 1: To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>"That, in accordance with the Constitution of the Company, Dr. Christopher William Giles be removed as a director of the Company effective at the end of this meeting."</i></p>	<p>Resolution 1 relates to the removal of Dr. Giles as a Director of Havilah.</p> <p>Dr. Giles (BSc(Hons), PhD, MAIG) is an experienced exploration geologist having worked on exploration teams that have been directly responsible for the discovery of several operating gold mines in various parts of the world, including Indonesia, East Africa and Australia. With Dr. Bob Johnson, he has been jointly responsible for the formation of Havilah and the development and execution of the Company's exploration and corporate strategy. Dr. Giles is a resident of Adelaide and a Member of the Australian Institute of Geoscientists.</p>	<p>Dr. Johnson is against the removal of Dr. Giles, and recommends that Shareholders vote <b>against</b> Resolution 1.</p> <p>Independent Non-executive Director Mr. Williams is against the removal of Dr. Giles, and recommends that Shareholders vote <b>against</b> Resolution 1.</p> <p>These directors believe that there is no justification for the removal of Dr. Giles as a director of Havilah.</p> <p>Dr. Giles does not make any recommendation to Shareholders, in his capacity as a Director of Havilah, with respect to this resolution.</p> <p>Mr. Reeve is in favour of the removal of Dr. Giles and recommends that Shareholders vote <b>in favour</b> of Resolution 1.</p> <p>The Chair of the EGM intends to vote all available undirected proxies held by him <b>against</b> Resolution 1.</p>

Resolution	Commentary	Recommendation
<p>Resolution 2: To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>"That, in accordance with the Constitution of the Company, Dr. Ross Stuart Harpur Fardon, having consented in writing to act as a director, be appointed as a director of the Company effective at the end of this meeting."</i></p>	<p>Resolution 2 relates to the appointment of Dr. Fardon as a Director of Havilah.</p> <p>A biography of Dr. Fardon has been included as part of the attached statement by the Requisitioning Members. Note that the information contained in this statement has <b>not</b> been verified by Havilah.</p> <p>It is also noted that Dr. Fardon resigned as Chairman of Cloncurry Metals Limited (ASX:CLU) on 6/4/2009 following discouraging results from the Company's Cloncurry projects and a change of exploration focus for the Company</p> <p>(See <a href="http://www.asx.com.au/asxpdf/20090406/pdf/31gy9k1s0b042y.pdf">http://www.asx.com.au/asxpdf/20090406/pdf/31gy9k1s0b042y.pdf</a> <a href="http://www.asx.com.au/asxpdf/20090428/pdf/31h8drsqzp3vjz.pdf">http://www.asx.com.au/asxpdf/20090428/pdf/31h8drsqzp3vjz.pdf</a> )</p>	<p>Drs. Johnson and Giles are against the appointment of Dr. Fardon, and recommend that Shareholders vote <b>against</b> Resolution 2.</p> <p>Independent Non-executive Director Mr. Williams is against the appointment of Dr. Fardon, and recommends that Shareholders vote <b>against</b> Resolution 2.</p> <p>While these directors have no objection to Dr. Fardon personally, they consider that the current Havilah Board will not be assisted by the appointment of a director nominated by the Requisitioning Members, and who himself holds less than 0.03% of Havilah's Shares. It is noted that Dr Fardon is 75 years old and has verbally informed Drs. Johnson and Giles and Mr. Williams that he only intends to act as a short term interim Chairman.</p> <p>Mr. Reeve is in favour of the appointment of Dr. Fardon and recommends that Shareholders vote <b>in favour</b> of Resolution 2.</p> <p>The Chair of the EGM intends to vote all available undirected proxies held by him <b>against</b> Resolution 2.</p>
<p>Resolution 3: To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>"That, in accordance with the Constitution of the Company, Mr. Ian Raymond Lawrence, having consented in writing to act as a director, be appointed as a director of the Company effective at the end of this meeting."</i></p>	<p>Resolution 3 relates to the appointment of Mr. Lawrence as a director of Havilah.</p> <p>A biography of Mr. Lawrence has been included as part of the attached statement by the Requisitioning Members. Note that the information contained in this statement has <b>not</b> been verified by Havilah.</p> <p>It is also noted that Mr. Lawrence resigned as MD of Cobar Consolidated Resources, (ASX:CCU) on 24/4/13 after the Wonawinta silver mine ran into financial difficulties due to underestimation of ore hardness. Subsequently, a foreign shareholder increased its interest in CCU to more than 35% via the underwriting of a low-priced placement.</p> <p>(See <a href="http://www.asx.com.au/asxpdf/20130424/pdf/42ffpk3ppj3vhl.pdf">http://www.asx.com.au/asxpdf/20130424/pdf/42ffpk3ppj3vhl.pdf</a> )</p>	<p>Drs. Johnson and Giles are against the appointment of Mr. Lawrence, and recommend that Shareholders vote <b>against</b> Resolution 3.</p> <p>Independent Non-executive Director Mr. Williams is against the appointment of Mr. Lawrence, and recommends that Shareholders vote <b>against</b> Resolution 3.</p> <p>While these directors have no objection to Mr. Lawrence personally, they consider that the current Havilah Board will not be assisted by the appointment of a director nominated by the Requisitioning Members, and who himself holds no Havilah Shares.</p> <p>Mr. Reeve is in favour of the appointment of Mr. Lawrence and recommends that Shareholders vote <b>in favour</b> of Resolution 3.</p> <p>The Chair of the EGM intends to vote all available undirected proxies held by him <b>against</b> Resolution 3.</p>

<b>Resolution</b>	<b>Commentary</b>	<b>Recommendation</b>
<p>Resolution 4: To consider and, if thought fit, pass the following resolution as an ordinary resolution:</p> <p><i>"That Mr. Peter Desmond Reeve, being a director of the Company who retires in accordance with the Constitution of the Company and being eligible, offers himself for re-election, be appointed as a director of the Company effective at the end of this meeting. "</i></p>	<p>Resolution 4 relates to the appointment of Mr. Reeve as a director of Havilah.</p> <p>A biography of Mr. Reeve has been included as part of the attached statement by the Requisitioning Members. Note that the information contained in this statement has <b>not</b> been verified by Havilah.</p> <p>It is also noted that Mr. Reeve resigned as CEO of Ivanhoe Australia Limited (ASX:IVA) on 8/6/12, after the Company recorded a loss of \$126m in CY11 (followed by a CY12 loss of \$110m)</p> <p>(See <a href="http://www.asx.com.au/asxpdf/20130222/pdf/42d6bg6q68dpt6.pdf">http://www.asx.com.au/asxpdf/20130222/pdf/42d6bg6q68dpt6.pdf</a> )</p>	<p>Drs. Johnson and Giles are against the appointment of Mr. Reeve, and recommend that Shareholders vote <b>against</b> Resolution 4.</p> <p>Independent Non-executive Director Mr. Williams is against the appointment of Mr Reeve, and recommends that Shareholders vote <b>against</b> Resolution 4.</p> <p>These directors have worked with Mr. Reeve and consider that the current Havilah Board will not be assisted by the re-appointment of Mr. Reeve, who has been nominated by the Requisitioning Members, and who himself holds no Havilah Shares.</p> <p>Mr. Reeve is in favour of his re-appointment and recommends that Shareholders vote <b>in favour</b> of Resolution 4.</p> <p>The Chair of the EGM intends to vote all available undirected proxies held by him <b>against</b> Resolution 4.</p>

## GLOSSARY

In this Explanatory Memorandum and in the Notice:

**Board** means the board of directors of the Company;

**Company** or **Havilah** means Havilah Resources NL;

**Constitution** means the Constitution of the Company;

**Corporations Act** means the *Corporations Act 2001* (Cth);

**Director** means a director of Havilah;

**EGM** means the meeting of Shareholders convened by the Notice;

**Notice** means the Notice of Extraordinary General Meeting to which this Explanatory Memorandum is attached;

**Requisitioning Shareholders** means Rockland Pty Ltd (ACN 008 963 737) and Gregorach Pty Ltd (ACN 060 652 977);

**Share** means a fully paid ordinary share in Havilah; and

**Shareholder** means a holder of a Share.

## DIRECTOR'S STATEMENT – DR. CHRISTOPHER GILES

Dear Fellow Shareholders,

### MY CONCERNS

If passed, the effect of the resolutions proposed by the Requisitioning Shareholders would be to:

- hand control of your Company to three new Directors, who between them hold only 34,000 Shares;
- allow the Requisitioning Shareholders, who hold approximately 5.88% of the Shares, to obtain effective control of the Company without paying a premium to do so; and
- entrust the future of the Company to a potentially unrepresentative minority of interests, who have failed to articulate an alternative plan for the Company.

I am deeply concerned for the interests of the Shareholders who have shown faith in our Company. To date, we have managed to keep the number of Shares on issue to a small number when compared to our peers. We have made Shareholders' funds stretch a long way by careful cost control, low directors' fees and a smart approach to exploration. I have grave concerns that such an approach will not continue if the proposed resolutions are passed.

### A CLEAR AND POSITIVE VISION FOR THE FUTURE

Mr. Warwick Grigor, a Director of Gregorach Pty Ltd, has engaged in repeated attacks against the current Board in his capacity as Chairman of Canaccord Genuity (Australia) Limited (**Canaccord**). There are numerous inaccuracies in his recent negative statements about the Company and the Board, which shows a lack of understanding of the practical realities of running the day to day operations of a junior exploration and mining development company. It is opportune at this time to set the record straight and outline in clear terms our positive vision for Havilah going forward.

#### 1. Havilah has a well defined strategy

- Directors have clearly stated in several recent announcements (see last quarterly report) and recent presentations **that Havilah's immediate objective and primary focus is on bringing its advanced mineral discoveries (namely Portia, Maldorky and Kalkaroo) into production as soon as possible in order to provide a sustainable cashflow and pay dividends.**
- **Havilah's exploration strategy has been highly successful** – arguably Havilah has drilled more mineral deposits to JORC resource status over the last 8 years than any other Australian junior company. Havilah will be striving to maintain this exploration success.
- Junior companies like Havilah that are dependent on the vagaries of financial markets must be nimble and flexible to survive. It is incumbent on directors to be cognisant of prevailing market conditions and to adjust direction and expenditure priorities quickly in accordance with their best judgement when situations change.

#### 2. Havilah will acquire the technical ability and management expertise to develop its projects

- **Havilah directors recognise the importance of a dedicated project development team and will employ the necessary personnel as and when required.** Such technical experts are expensive, and there is no point in employing them before they are required. Havilah has already employed a well qualified mining engineer capable of bringing Portia into production, and presently employs other key personnel to assist him on a contract basis and will add to this team as required.

### 3. Havilah respects and listens to the views of its shareholders

- Directors are sizeable shareholders and are therefore highly attuned to any issues that affect shareholders and can be relied upon to act in the best interests of all Shareholders.
- For example, Havilah's effort to sell down an equity interest in Kalkaroo was motivated by many shareholders' expressed desire to bring forward cash returns rather than waiting through the long mine development cycle to receive income from a mining operation. As it transpired economic circumstances at the time conspired against the genuine efforts of Directors to achieve acceptable sale terms for Shareholders.
- Havilah's employment of Peter Reeve was at the urging of certain shareholders (especially Mr Grigor) to have an additional independent director who was able to assist with corporate and strategic development.

### 4. Havilah's promotion is prudent and well considered

- Havilah does not have a high budget promotion campaign and is not a serial conference participant. It is Havilah's experience that many so-called investor conferences are poor value for money in terms of attracting new investors.
- In director's judgement money spent on promotion at this time while junior resource stocks are so out of favour, is largely wasted.
- All promotional efforts must take into account the amount of management time and expense required, especially in a small company like Havilah with very limited human resources. In general, Havilah has taken the view that its management are better employed in value creating exploration or project development than in promotional activities. Directors recognise that there has to be a balance and **Havilah will carefully tailor its promotional activities going forward for maximum effectiveness.**

### 5. Completing tasks and meeting stated deadlines

- Havilah is time-efficient when it comes to exploration, estimating resources and generating mining plans, because all of these activities are within its ability to manage and control.
- Havilah's technical management team have faced serious challenges in completing mine permitting through the various government agencies and in negotiating native title mining agreements within an acceptable time frame.
- This is largely because the level of technical detail that is required to satisfy permitting requirements has grown dramatically over the last five years and continues to grow with each project. It is also because there are no clear protocols for efficient negotiation and finalisation of native title mining agreements, to the detriment of all stakeholders.
- The only way to address this is to employ more dedicated staff and more consultants, which Havilah has done, but this comes with a high cost.
- This is not a problem unique to Havilah – it is one of the greatest concerns of most junior mining company executives in Australia at the present time and Havilah notes the recent efforts of the Queensland government to slash unnecessary permitting red and green tape and can only hope this example will soon be followed in South Australia.

## HAVILAH GUIDING PRINCIPLES

The principles and policies that have always guided Havilah and will continue to do so while the current directorship remains in place are listed below:

- **Maximising shareholder returns** – whether this be by exploration, mine development, selling equity interests, joint venturing or in other ways.
- **Treating all shareholders equally** – adherence to a policy of raising new capital as far as possible via rights issues so that all shareholders have the opportunity but not the obligation to participate.
- **Avoiding diluting shareholder's interests** - by not expanding the Company share capital with large placements in times of low share price.

- **Frugal expenditure** – avoiding a big spending mentality. This starts with director’s remuneration, which are among the most modest, if not the lowest of all junior mining companies listed on the ASX.
- **Director’s interests aligned with shareholders interests** – guaranteed by director’s substantial shareholdings in the Company.
- **High standards of corporate governance** – insistence on high standards of honesty, integrity and transparency and a corporate culture that embraces these.
- **Respect for all stakeholders** – whether it be landholders, government officials, contractors, employees, shareholders or native title claimants
- **Environmental responsibility** – a commitment to achieve best practice standards in exploration and mining.

## CONCLUSION

In the absence of any statement of intent by the Requisitioning Shareholders and their nominees, it is only possible to speculate as to their plans for the Company. You should consider whether you believe that the Requisitioning Shareholders are really interested in driving long-term value for all Shareholders. Consider also the risk that they may be more interested in accessing the Company's rich asset base and cash reserves, and whether they may pursue policies of rapidly diluting current Shareholders by authorising external placements and generating fees for their advisors.

I understand the impatience of shareholders better than anyone as we daily face the frustration of the regulatory process. The regulations exist to ensure mining is done in a careful and environmentally sensitive manner and we fully endorse those processes. I do not believe these tasks can be glossed over or fast-tracked by special privilege.

During my career I have been most fortunate to have been directly involved on three occasions with fledgling companies that have grown from explorers to successful mine operators in three different continents. Each of these companies were managed conservatively and carefully by people who had great patience and persistence in the face of all manner of obstacles. Havilah is no different, and has clearly excelled in the first exploration phase and is now well advanced on the next mining permitting and development phase. Based on my experience I have no doubt that the same patience and persistence that has got Havilah this far, will see it become a successful miner in the future.

The current Board has and will always operate to the highest standards, and not in the interests of a specific group of shareholders. Our track record clearly attests to that.

If you have any questions or if you would like to discuss these issues further, please feel free to contact me on (08) 8338 9292 or by email at [chris.giles@havilah-resources.com.au](mailto:chris.giles@havilah-resources.com.au)

Every vote is vitally important. I urge all shareholders to vote in person or by proxy.

Yours sincerely,

Christopher Giles, PhD  
Director

## **STATEMENT BY REQUISITIONING SHAREHOLDERS**

Dr Ross Stuart Harpur Fardon (Age: 75)

Ross is a geologist and management consultant, who was in charge of mineral resources for BHP Steelworks, world mineral exploration for BHP Limited and mineral and petroleum exploration for Mt Isa Mines Ltd. He was CEO of the South Australian Department of Mines and Energy and Chairman and Managing Director of private and public mining and technology organisations. He has wide experience in strategy, reorganization, mining operations (including six iron ore mines), feasibility studies and has written and lectured widely on management.

Mr Peter Desmond Reeve (Age: 51):

Has been involved in the Australian resources industry for approximately 25 years and, as a professional metallurgist, has held positions with Rio Tinto, Shell-Billiton, Newcrest Mining and Normet Consulting. For 7 years Peter worked at JB Were as a resource specialist, fund manager and a resource corporate finance director. He has been a management consultant in South Africa and was involved in an African iron ore project. Peter was Managing Director and Chief Executive Officer of Ivanhoe Australia, which he co-founded with Robert Friedland and was a Director of both EXCO Resources and Emmerson Resources. Peter's specialisation is the development of company strategy and the commercialisation of projects and alignment with the global investment community and international resource corporations.

Mr Ian Lawrence (Age: 58):

Ian Lawrence is an experienced mining industry professional with strong corporate, project development operational and metallurgical expertise. He held senior roles with WMC Resources including General Manager Group Technology, Resident Manager and Manager Metallurgy at Olympic Dam and commissioned the Olympic Dam facility in 1987. Ian commissioned the first carbon-in-pulp gold plant in Kambalda in 1980 and founded RMDSTEM Limited, a consulting company to the resource sector. Ian founded Cobar Consolidated Resources Limited which he listed in 2006 developing the Wonawinta Silver Project in 4.5 years. He is currently Non-Executive Director of Mossi Gold.



## Havilah Resources NL

ABN 39 077 435 520



┌ 000001 000 HAV  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

### Lodge your vote:



#### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

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#### For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

**For your vote to be effective it must be received by 09:00am (Adelaide time) Monday 26 August 2013**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** →



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

#### Your secure access information is:

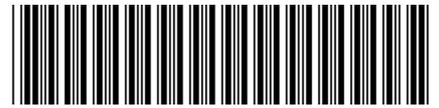
SRN/HIN: I9999999999



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Havilah Resources NL hereby appoint

the Chairman of the meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary General Meeting of Havilah Resources NL to be held at Unley Town Hall, 181 Unley Road, Unley, South Australia 5061 on Wednesday, 28 August 2013 at 09:00am (Adelaide time) and at any adjournment of that meeting.

## STEP 2 Items of Business PLEASE NOTE: If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

### ORDINARY BUSINESS

	For	Against	Abstain
1 Removal of Dr Christopher William Giles as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Dr Ross Stuart Harpur Fardon as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Mr Ian Raymond Lawrence as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Election of Mr Peter Desmond Reeve as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies against each item of business.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / /