

4 December 2018

Notice Pursuant to Sections 249D & 249P of Corporations Act

Havilah Resources Limited (Havilah or Company) advises that it has received the attached Notice of Requisition and Members Statement pursuant to Sections 249D and 249P of the *Corporations Act 2001* (Corporations Act) respectively, which seeks to convene a general meeting of the Company for the purpose of appointing Mr Peter Johnson and Mr Richard Buckley as Directors and removing Mr Ken Williams and Mr Mark Stewart as Directors (Notice).

The Notice has been received from eight shareholders as set out in the attached Notice, who together hold more than 5% of the voting shares in Havilah. The Company is currently in the process of obtaining advice in relation to the validity or otherwise of the Notice and if required will undertake the necessary steps to convene a general meeting in compliance with the Corporations Act.

Further details of any general meeting will be circulated to shareholders in due course and the Company will keep shareholders informed regarding any material developments.

By way of background, under section 249D of the Corporations Act, the Directors must call and arrange to hold a general meeting on the request of members with at least 5% of the votes that may be cast at the general meeting. Directors must call the meeting within 21 days after the request is given to the Company, and the meeting is to be held no later than 2 months after the Notice has been received.

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

Contact: Mr Walter Richards, CEO, on (08) 8155-4500 or email: info@havilah-resources.com.au

4th December 2018

The Board of Directors
Havilah Resources Limited
164 Fullarton Road
Dulwich SA 5065

Re: Request for a General Meeting of Havilah Resources Limited and Members' Statement
(Sections 249D and 249P of the *Corporations Act 2001*)

Dear Sirs,

Please be advised that the members of Havilah Resources Limited (the 'Company' or 'Havilah') listed herein at the date of this letter hold more than 5% of the issued share capital of Havilah.

In accordance with Section 249D of the *Corporations Act 2001* (the '*Corporations Act*') and the Constitution of the Company, the following members hereby request a general meeting of the Company in Adelaide. The requisitioning members are: Statsmin Nominees Pty Limited; Statsmin Nominees Pty Ltd, in its capacity as trustee for the Statsmin Nominees Superannuation Fund; Dr Keith Robert Johnson; Talager Pty Ltd; Mr Paul Clark; Mrs Melissa Kate Johnson; Mr Peter Andrew Johnson and Mrs Melissa Kate Johnson, in their capacity as trustees for the Peter and Melissa Johnson Superannuation Fund; and HNC Holdings Pty Ltd.

Under Section 249D of the *Corporations Act*, the directors of the Company must call and arrange to hold a general meeting on the request of members with at least 5% of the votes that may be cast at the meeting. Directors must call the general meeting within 21 days after the request is given to the Company and the meeting must be held no later than 2 months after the request has been given to the Company.

The purpose of calling the general meeting is for all the members of the Company to consider and, if thought fit, pass the following resolutions:

Resolution No 1: Appointment of Mr Peter Andrew Johnson as a Director.

"That, in accordance with the Constitution of the Company, Mr Peter Andrew Johnson, having consented in writing to act as a director, be appointed as a non-executive director of the Company effective immediately on the passing of this resolution."

Resolution No 2: Appointment of Mr Richard Charles Buckley as a Director.

"That, in accordance with the Constitution of the Company, Mr Richard Charles Buckley, having consented in writing to act as a director, be appointed as an executive director of the Company effective immediately on the passing of this resolution."

Resolution No 3: Removal of Mr Mark Robert Stewart as a Director.

"That, in accordance with the Constitution of the Company, Mr Mark Robert Stewart be removed as a non-executive director of the Company, effective immediately on the passing of this resolution."

Resolution No 4: Removal of Mr Kenneth Graham Williams as a Director.

"That, in accordance with the Constitution of the Company, Mr Kenneth Graham Williams be removed as a non-executive director of the Company, effective immediately on the passing of this resolution."

If Mr Stewart or Mr Williams are no longer directors of the Company at the time of the general meeting requested, Resolutions 3 and 4 will be withdrawn at the general meeting.

Mr Peter Johnson is the Managing Director of Maptek Pty Ltd ('Maptek'), a supplier of technology to Havilah. The total value of the goods and services provided by Maptek to Havilah is an insignificant proportion of Maptek's sales revenues, and is an insignificant proportion of the total expenses of Havilah. As such, it is considered that Mr Johnson will be an independent director of the Company if elected by the members at the general meeting.

A brief summary of the proposed directors' skills and experience follows:

Peter Johnson, BE (Mech)

Peter has 20 years' experience in the development and application of technology in the global mining industry. In 1999 Peter began developing advanced laser measurement systems for the mining industry. He established and led the research and development team that developed and successfully commercialised the world's first LIDAR (Light Detection and Ranging) instrument designed specifically for mine measurement during 2004. In recognition of this work, that team was awarded the Institute of Engineers Australia Engineering Excellence Award and the Electronics Industry Association Gold Cup Award. On 30 November 2018, Maptek received the SA Premiers' Award for Innovation.

During 2006 Peter became General Manager of Maptek in Australia responsible for the commercial and operational management of approximately 170 staff in 5 Australian locations. In that role he was responsible for driving the creation and introduction of several new technology solutions into the mining industry which have since gone on to achieve considerable commercial success, expanding Maptek's technology solutions footprint into mine operations, scheduling, drill and blast and production management.

Since 2015 Peter has been the Managing Director of Maptek, responsible for some 350 staff in 13 locations globally. As well as overseeing the global operations of Maptek, he maintains close interaction with the world's leading mining companies to ensure Maptek is investing in and developing technology solutions that will continue to add greater value to the industry as a whole, and remains responsible for guiding and directing Maptek's investment in technology to meet that aim.

Richard Buckley BE (Mining)

Richard Buckley has over 25 years' experience and specialises in resource evaluation, mine planning and optimisation. Prior to joining Havilah during July 2017 on a full-time basis, he worked for Maptek for over 20 years on the implementation and customisation of mine planning software and systems for a wide range of clients and commodities. It was as a Maptek consultant to Havilah that Richard worked on all of Havilah's projects becoming intimately familiar with them.

A Members' Statement in support of these resolutions is included below, which we request the Company give to all its members pursuant to Section 249P of the *Corporations Act*.

Dated this 4th day of December 2018.

Executed by: Statsmin Nominees Pty Ltd ACN 001 652 900

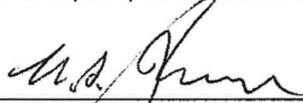


Director
Name: Keith Robert Johnson

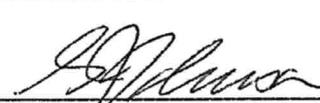


Director
Name: Gaynor Joy Johnson

Executed by: Statsmin Nominees Pty Ltd ACN 001 652 900
in its capacity as trustee for the Statsmin Nominees Superannuation Fund

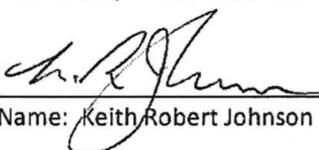


Director
Name: Keith Robert Johnson



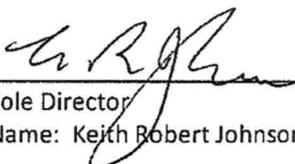
Director
Name: Gaynor Joy Johnson

Executed by: Keith Robert Johnson



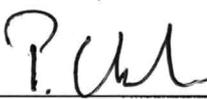
Name: Keith Robert Johnson

Executed by: Talager Pty Ltd ACN 073 771 294



Sole Director
Name: Keith Robert Johnson

Executed by: Paul Clark



Name: Paul Clark

Executed by: Melissa Kate Johnson



Name: Melissa Kate Johnson

Executed by: Peter Andrew Johnson and Melissa Kate Johnson, in their capacity as trustees for the Peter and Melissa Johnson Superannuation Fund



Name: Peter Andrew Johnson



Name: Melissa Kate Johnson

Executed by: HNC Holdings Pty Ltd ACN 622 890 911



Sole Director

Name: Peter Andrew Johnson

Members' Statement

4th December 2018

Dear Fellow Shareholders,

The members of Havilah Resources Limited (the 'Company' or 'Havilah') detailed above have requisitioned a general meeting of the Company to consider changes to the Board of Directors (the 'Board') of the Company because we have some serious concerns about the performance, strategy and operation of the Company under the leadership and guidance of the current Board.

The directors nominated by the requisitioning shareholders hold 1.41% of shares in Havilah. The directors proposed for removal under the resolutions above hold 0.34% of shares in Havilah. Our intention in calling a general meeting of the Company is not to gain control of Havilah, but we do believe there is a need for implementation of a more sustainable and more successful strategy and approach for the operation of the Company. Our intention is to enable the Company to better realise the exploration potential of its mineral tenement holdings and progress the development of its existing JORC mineral resources and ore reserves in a manner which best realises maximum value for shareholders without putting the Company at unnecessary risk.

Our concerns are borne out of the following facts relating to the Company's performance, strategy or operation in recent years:

- 1) The share price of the Company has remained essentially unchanged during the past 12 months, despite numerous opportunities to realise value from several of the Company's projects. Management has failed on numerous occasions to meet its stated objectives and timelines from its 'Havilah's 2018 Business Plan Scorecard', and the Board appears to have failed to hold Management accountable;
- 2) The frequency of successful discovery of orebodies by the Company has fallen to zero. Since 2012 there have been no new JORC mineral resources (projects) added to the Company's inventory. The Company appears to have lost focus on what was its core strength and ability to generate shareholder value. Our aim for the Company will be to add one new JORC mineral resource (project) per calendar year going forward;

- 3) On 5 October 2017, Havilah announced a Funding Agreement with Bergen Global Opportunity Fund II, LLC ('Bergen'). During March 2018, the Funding Agreement with Bergen was concluded. Total funds received under the Funding Agreement were \$1.2 million, well short of the Board and Management's expectation of \$2.0 million when it was originally announced (Havilah ASX releases of 5 October 2017 and 26 March 2018);
- 4) During early June 2018, an agreement was made with Consolidated Mining & Civil Pty Ltd ('CMC') for the divestment by Havilah of Benagerie Gold Pty Ltd, the owner of the mining lease on which the Portia gold mine and the North Portia copper-cobalt-gold orebody occur. This transaction failed to realise substantial cash flow because \$12.5 million of sale consideration was deferred, rather than paid upfront, with completion of permitting for North Portia the responsibility of Havilah rather than CMC (Havilah ASX release of 4 June 2018). In addition, CMC unilaterally closed the Portia Mine during August 2018, ending the royalty payments which were to have been a material revenue stream for the Company up until 30 November 2018;
- 5) As a result of the above, an Investec Group ('Investec') \$6.0 million Standby Facility (the 'Facility') and a NAB bank overdraft facility of \$0.5 million were required, putting the Company potentially into debt. In addition, Investec will be issued with a potential total of up to 10 million three-year unlisted options, depending on the actual utilisation of the Facility;
- 6) Shareholders who participated in the Company's renounceable rights issue prospectus dated 16 October 2017, that ultimately raised \$5.3 million (net of costs), have seen those funds spent without any obvious lasting benefit to the Company, and without any material outcomes achieved for the Company; and
- 7) Mr Kenneth Williams was appointed a director of the Company during November 2003 and became Chairman during November 2013. This is a term of 15 years. Mr Williams announced on 5 June 2018 his intention to retire from the Board at the 2018 AGM. We also believe it is time for a change. It is our opinion, that of the existing Board members, Dr Chris Giles is the only director still able to offer a valuable ongoing contribution to the Company in that capacity.

The requisitioning members identified in this letter are all long-term committed shareholders of Havilah. The majority of us have, in light of the concerns detailed here, engaged with the Company during the past 12 months at the Board and Management levels to try to encourage substantive changes to the Board and its strategy. However, we have been largely unable to convince the Board to commit to any significant change.

We are proposing that Mr Kenneth Williams and Mr Mark Stewart be removed as directors and two new directors, Mr Peter Johnson and Mr Richard Buckley, be appointed to work alongside Dr Chris Giles on the Board of the Company.

Peter Johnson is a Mechanical Engineer with 20 years' experience in the mining industry. He is the Managing Director of Maptek Pty Ltd ('Maptek'), one of the world's largest developers of mining technology and is responsible for the strategic investment in, commercialisation and successful delivery of a number of business critical mining technology solutions to many of the world's largest mining companies, as well as overseeing management of all aspects of Maptek's global business. During his tenure at Maptek, he has helped achieve consistent growth and success across its business.

Richard Buckley is a Mining Engineer with over 25 years' experience in mine planning and resource evaluation and has worked for Havilah since 2017. Prior to this, Richard worked for Maptek where he consulted to Havilah over many years, becoming very familiar with Havilah's projects. He has worked on numerous projects across a range of commodity and mining types around Australasia and brings a wealth of knowledge and skills relevant to the next stage of Havilah's growth as a company.

We encourage you to consider this Members' Statement carefully.