



18 October 2017

Dear Shareholder,

**RE: Renounceable Rights Issue - Notification to Ineligible Shareholders – Entitlement Offer**

On 5 October 2017, Havilah Resources Limited (ACN 077 435 520) (**Havilah** or **Company**) announced a pro rata one (1) for seven (7) renounceable rights issue (**Rights Issue of Offer**) for shareholders registered as at 7:00 pm (CDT) on the record date of 10 October 2017 (**Eligible Shareholders**). Each Eligible Shareholder will be entitled to subscribe for one (1) New Share in Havilah at \$0.20 for every seven (7) shares registered in their name on the record date of 10 October 2017 (**Entitlement**). For each two (2) New Shares issued under the Offer, one (1) attaching free New Option to acquire one (1) ordinary share at \$0.40 on or before 30 November 2019 will also be issued.

Eligible Shareholders who accept their Entitlement in full will have the opportunity to apply for additional New Shares at a price of \$0.20 each (**Additional New Shares**) under a top up offer (**Top Up Offer**). For each two (2) Additional New Shares issued, one (1) attaching free New Option to acquire one (1) ordinary share at \$0.40 on or before 30 November 2019 will also be issued.

The maximum expected number of New Shares and New Options to be issued under the Offer (excluding the exercise of any unlisted options) is approximately 27.1 million New Shares and 13.6 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.

**Proposed Use of Funds – Position for Growth – Copper Growth Strategy**

The net proceeds from the Rights Issue will be primarily used to position Havilah for growth through the execution of its *Copper Growth Strategy* as outlined in the announcement made on 5 October 2017.

This letter is to inform you about the Entitlement and to explain why you will not be able to subscribe for New Shares under the Rights Issue. This letter is not an offer to issue New Shares to you, nor is it an invitation for you to apply for New Shares. You are not required to do anything in response to this letter.

**Eligibility Criteria**

The Rights Issue will be open to shareholders of the Company who:

- are registered as at 7:00 pm (CDT) on 10 October 2017;
- have a registered address in Australia or New Zealand;
- are not in the United States and are not a US person or acting for the account or behalf of a person in the United States or a US person; and
- are eligible under all applicable securities laws to receive an offer under the Rights Issue.

**Ineligible shareholders**

A Shareholder who has a registered address outside Australia or New Zealand (**Ineligible Shareholder**) will not be eligible to participate in the Rights Issue. You are not eligible to participate in the Offer and you will not be sent a copy of the Offer. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in



# Havilah Resources

jurisdictions outside Australia and New Zealand compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

This Prospectus, and any accompanying Entitlement and Acceptance Form, do not, and is not intended to, constitute an offer of securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the New Shares and attaching free New Options under the Offer. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

As the Rights Issue is renounceable and for the purposes of Listing Rule 7.7.1(c), the Company has appointed CPS Capital Group Pty Ltd as the Company's nominee to arrange for the sale of the Entitlements that would have been given to Ineligible Foreign Shareholders (**Nominee**). The Nominee will, during the Rights Trading Period, offer the Entitlements that would otherwise have been issued to Ineligible Foreign Shareholders for sale on the market conducted by ASX. The net proceeds of these sales, after deducting all reasonable sale costs, will be provided to the Company for the benefit of the Ineligible Foreign Shareholders. Subject to receiving the net proceeds of Entitlement sales from the Nominee (if any) the Company will distribute those funds to each Ineligible Foreign Shareholder, pro rata, in Australian currency. The Nominee will be paid brokerage on the sale of Ineligible Foreign Shareholder Entitlements (refer to Section 3.18 of the Prospectus for further details).

If you have any queries concerning the Rights Issue, please contact your professional adviser or Mr. Walter Richards, Havilah's Company Secretary, on +61 8 8155 4500 or email [info@havilah-resources.com.au](mailto:info@havilah-resources.com.au).

Thank you for your continued support of Havilah and I trust you understand the Company's position on this matter.

Yours sincerely,

**Walter D. Richards**

Chief Financial Officer & Company Secretary