Havilah Resources
A New Mining Force in South Australia

***Havilah Resources Limited** plans to sequentially develop its portfolio of gold, copper, iron, cobalt, tin and other mineral resources in South Australia. Our vision is to become a new mining force, delivering value to our shareholders, partners and the community.*

183 million Ordinary Shares -- 7 million Unlisted Options

ASX and Media Release: 5 October 2017 **ASX Code: HAV**

HAVILAH'S COPPER STRATEGY - POSITIONED FOR GROWTH

HAVILAH SECURES $2.0 MILLION PLACEMENT TO FUND *COPPER GROWTH STRATEGY*

Highlights

- **$2.0 million placement of 6.2 million shares at a 13% premium to the share price.**
- **Funding to be used to progress work on Havilah's *Copper Growth Strategy*.**

Background

Havilah Resources Limited (**Havilah**) is pleased to announce the execution of a private placement subscription agreement (**Subscription Agreement**) with Bergen Global Opportunity Fund II, LLC (the **Investor**), a New York-based institutional investor managed by Bergen Asset Management, LLC.

Pursuant to the Subscription Agreement, the Investor will invest $2.0 million in Havilah by way of a subscription for a fixed number of 6,212,121 shares at $0.33 per share, in one tranche, representing a 13% premium to the price of Havilah's shares on 2 October 2017. This is a 14% premium to the 5-day volume average weighted price.

In addition, Havilah has also executed a funding agreement (**Funding Agreement**) with the Investor, which potentially provides Havilah with an opportunity to benefit from an appreciation in Havilah's share price arising from future developments. Under the Funding Agreement, the Company is required to make a payment to the Investor in consideration of the Investor entering into the Funding Agreement, and the Investor will thereafter make regular payments to Havilah over a period of up to 20 months, with the calculation of such payments taking into account Havilah's share price prior to each payment. Future amounts payable by the Investor to Havilah under the Funding Agreement are not subject to a cap, and no further shares will be required to be issued to the Investor under this arrangement (avoiding any further dilution by shareholders). The key aspects of the investment and Havilah's rationale for securing this funding are set out in the Appendix below.

Commenting on the placement, Havilah Managing Director, Dr Chris Giles said:
"Obtaining this investment for a fixed number of shares from the Investor, at a premium, provides additional funding and a vote of confidence by a substantial institutional investor in Havilah's *Copper Growth Strategy*.
"This opportunity is enhanced through the ability to receive additional funding from further appreciation in Havilah's share price over the next 20 months.
"At the same time, there is no potential for any further dilution from the funding as all the shares under the placement are issued in one tranche at the time of the placement" he said.

About Bergen Asset Management, LLC

Based in New York, Bergen Asset Management, LLC is an institutional investor with a particular focus on direct investments in small-cap companies around the world, and a track record of success in the Australian market.

For further information visit www.havilah-resources.com.au
Contact: Dr Chris Giles, Managing Director, on (08) 8155-4500 or email: info@havilah-resources.com.au

Appendix - Key Aspects of the Funding

1. Subscription and payments under the Funding Agreement: Under the Subscription Agreement, the Investor will make a $2,050,000 investment (**Subscription Amount**) in the Company following the execution of the Subscription Agreement by way of a one-off purchase of 6,212,121 shares at the price of $0.33 per share (being a 13% premium to the market price of the shares on 2 October 2017), in one tranche (this investment is expected to be consummated this week, and the Company will lodge an Appendix 3B once the subscription has settled).

Under the Funding Agreement, during the next 20 months commencing one month after the initial investment date, the Investor will make monthly payments to the Company of $102,500 each, adjusted (up or down) depending on whether the **Relevant Price**, being 90% of the average of five daily volume-weighted average prices of the Company's shares during a specified period prior to the date on which the Investor is required make such additional payment, exceeds or is below the Benchmark Price of $0.33 per share. The adjustment will be determined using the following formula: 310,606 multipled by the difference between the Relevant Price and the Benchmark Price. Therefore, in the event of an excess, the Company has the opportunity to further benefit from appreciation in its share price and receive amounts exceeding $102,500 in any monthly funding payment. Conversely, if there is no such excess, such monthly payment will be reduced accordingly. An illustrative example of how the Relevant Price may affect a payment by the Investor is set out in the footnote marked with an asterisk below. The Investor may accelerate the timing of the payments. In the event that the Investor accelerates the timing of the payments, the Company will receive the funding payments within a shorter time frame than the 20 months.

The Company has agreed to make a payment of $1,600,000 to the Investor in consideration of the Investor's entry in the Funding Agreement. This payment may be offset by the Investor from the Subscription Amount, and if such an offset takes place, the Company will receive a net amount of $450,000 from the funding at its initial closing this week.

2. Minimizing dilution: The Subscription Agreement provides for an issuance of a fixed number of the Company's shares in one tranche. No further shares will be issued to the Investor (other than the 353,448 fee shares or by way of exercise of 800,000 unlisted options described below) (and no further dilution will be incurred by the shareholders of the Company) under the Funding Agreement (or the Subscription Agreement). Thus, the funding provided by the Investor will not expose the Company's shareholders to any further dilution in the future.

3. Options priced at a premium: The Investor will be granted 800,000 two-year options to acquire ordinary shares in the Company at an exercise price of 135% of the average of the VWAPs of the Company's shares for the 20 trading days immediately prior to the date of the Funding Agreement, which aligns the Investor's interests in the Company's share price appreciation.

4. Other:

- The Investor will receive a fee of 5% of the Subscription Amount, to be satisfied by way of issuance of 353,448 shares in the Company.
- The shares acquired by the Investor under the Subscription Agreement will be issued at $0.33, a 13% premium to the price of Havilah's shares on 2 October 2017.
- The payments the Company is entitled to receive under the Funding Agreement are not subject to a cap. As such, the Company has the opportunity to further benefit from appreciation in its share price.
- The Investor is a passive financial investor with no board participation rights.
- The Company is not subject to any financial ratio covenants, thereby permitting it flexibility to pursue its objectives.

*Illustrative Example: Impact of Relevant Price on monthly payment

	Relevant Price is $0.10 greater than the market price on 2 October 2017 (i.e. $0.39)	Relevant Price is $0.10 less than the market price on 2 October 2017 (i.e. $0.19)
Payment: $102,500 adjusted by:	Increase of $18,636	Decrease of $43,485