HAVILAH RESOURCES NL

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The Manager
Companies Announcements Office
Australian Stock Exchange Ltd
10th Floor, 20 Bond Street
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28 August 2013

Dear Sir / Madam,

Chairman's Address - Extraordinary General Meeting

Havilah Resources attaches the Chairman's address to the EGM today.

Yours faithfully
HAVILAH RESOURCES NL

Bob Johnson, Ph.D, FAusIMM
Chairman

HAVILAH RESOURCES NL

CHAIRMAN'S ADDRESS TO EGM
28 August 2013

Dear Shareholders

On the 3rd of July two shareholders, Rockland Pty Ltd and Gregorach Pty Ltd, used the provision in the Corporations Act wherein a group of shareholders who hold more than 5% of the issued capital of a company can requisition a general meeting of shareholders. The two companies jointly hold 5.88% with Rockland holding 4.99% and Gregorach 0.89%.

The Requisitioners have proposed four resolutions aimed at changing control of the Board by removing one of the existing board members and installing three additional board members. Whilst Mr Reeve was appointed a board member shortly after the last AGM, his position is automatically vacated at the end of this meeting unless his re-appointment is confirmed by the members at this meeting.

Before I open the meeting to the floor, I would like the meeting to be aware of the amazing response of shareholders to these resolutions. Normally we may get about 60 holders vote at an AGM. This EGM has had over 850 holders vote, large and small.

We are all frustrated by the time it takes to get our mines permitted. The Minerals Council of Australia estimates that this process has become twice as difficult across all States over the past few years as regulatory processes have expanded, and we would certainly agree with that. The red and green tape also extends beyond mining into all construction endeavours whether you are building a new house or developing a mine.

It must be remembered that our society and the governments we have elected, have put these processes in place with the long term sustainability of resource development in mind. We must work within this framework and do our best to keep the cost of this permitting to a minimum so as to preserve capital for mine construction. There are no shortcuts to the process, as the exhaustive field studies and consultants' reports demanded by the regulators are now mandatory.

Here in South Australia, the giant Olympic Dam expansion endured endless permitting delays, thereby missing the commodity cycle, and is now indefinitely deferred. I cannot comment on the merits of these regulations. They are a fact of life if one is to be a mining company in this country.

Rest assured the entire Havilah team is working tirelessly towards advancing our projects.

Havilah is a unique company.

We have stayed focused in one place, we have kept the capital tight so shareholder dilution has been contained, and we have kept control of our valuable assets by not ceding control through unbalanced joint ventures or poorly structured deals. We have resisted the easy placement deals offered by brokers that overnight, and without warning, dilute shareholders without the opportunity to participate. (This has not made us popular in the broking community as no commissions are paid out.)

There are few small companies listed on the ASX that can make that claim. We hold the long term goal to pay dividends from the surplus cash generated by our mining projects. We will endeavour to keep capital raisings equitable by using rights issues open and fair to all shareholders. It will be the choice of shareholders whether or not they participate in these issues. That is the way Havilah prefers to manage its equity.

We will continue to keep a tight rein on costs and wherever possible avoid wastage. The Board structure will be tight and befitting a small company. As we grow, the Board may expand, but we will let the growth drive that. There is no room for sinecures at the shareholders' expense, nor for inside representatives of particular holders.

Market realities dictate that rights issues are done at a slight discount to the current market price, but often as soon as they are announced organised selling depresses the value to below the rights issue price. Shareholders should not be deterred by this, as we are raising capital to foster the development of the company. The trading of shares, while it is important to all of us as holders, has little bearing on the day-to-day activities of Havilah.

The other misleading effect of the share price is the market capitalisation. Many brokers and investors use this as a measure of the value of a company. It is not. It is simply the price of the last share traded multiplied by the number of shares on issue. So if someone sells 10 shares at the bottom of the market at a low price on a Friday afternoon, it is meaningless to attribute one person's exit decision to the value of the entire company. Even large companies are pilloried by this measurement. The true value of a company is its income generating ability (or in the case of Havilah, its future income potential). Sentiment rises and falls with the market waves but our assets have generally increased in potential value over time, and will continue to do so as we add to the resource, advance the permitting and de-risk the future.

A share in Havilah Resources is not a betting ticket. It is an investment in a seat on the bus to building a new mining company. If you want to gamble, go to the casino. Investing in small junior companies is high risk, as the present exercise has demonstrated. We want to ensure the bus does not get hi-jacked along the way. As on all long journeys, some will ask "are we there yet?", and the driver will reply, "not yet, but we are getting closer."

We respect the processes set out in the Corporations Act to allow shareholders to bring their concerns before a meeting of members. Once the requisitioning members requested this extraordinary general meeting, the board moved swiftly to comply with its duties under the Act, so that shareholders would have an opportunity to have their voices heard on these important questions. Once this meeting has concluded, however, and shareholders have rendered their decision, I urge all parties to respect the result.

In particular, I ask that the requisitioners, if their proposed resolutions are not successful, to seriously reflect on whether further challenges would be in their interests or the company's best interest. Proposing similar resolutions at the forthcoming AGM, or attacking the current Board through indirect means, such as opposing the remuneration report at the AGM, will inevitably further distract from Havilah's core business, given the time and cost involved.

Havilah's directors take very modest remuneration by any standards in the market in Australia. The directors believe in maximising the investment of shareholders' funds in activities on the ground we are developing.

So in conclusion, I urge all shareholders to continue to take an active interest in Havilah, like you have over the past five weeks. We welcome your emails, phone calls and suggestions, and our door is always open to both large and small holders.

Bob Johnson, Ph.D

CHAIRMAN