

Havilah's Transformation Opportunity

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13 August 2019



Cautionary Statement

ASX: HAV

ASX: HAVOC
(Listed Options)

Havilah: Havilah Resources Limited
GFG: GFG Alliance
SIMEC: SIMEC Mining

Cautionary Statement

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The information contained in this presentation has been prepared based on a notice of extraordinary general meeting dated 30 July 2019, a copy of which is available on the ASX announcements platform. You should read the notice of meeting in its entirety.

Front cover: View looking west along Transcontinental Railway and Barrier Highway at Mingary rail siding and road turn off to Kalkaroo Station

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Grants Basin Drilling



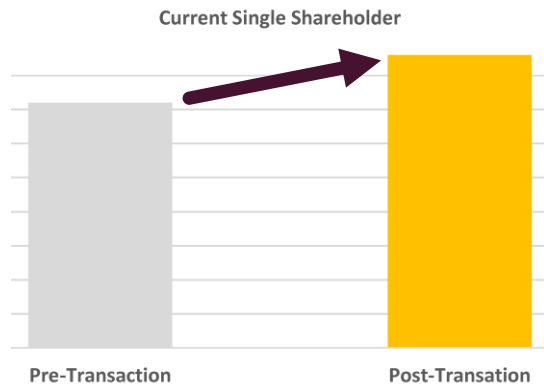
- A Transformational Opportunity
- Independent Expert Opinion
- Notice of Meeting

A Transformational Opportunity



Transaction Highlights

Shareholder value as a % of Enterprise Value increases despite dilution



Transformational opportunity to transition from junior explorer to mid-cap miner

- Up to \$100M in investment capital available
- Unlock value in Havilah's multi-commodity portfolio
- Project value creation remains within Havilah
- Grow with a strategic long-term partner
- Havilah remains an independently directed and managed ASX listed entity

GFG Funding

Up to \$100M in funding

Minimum funding secured

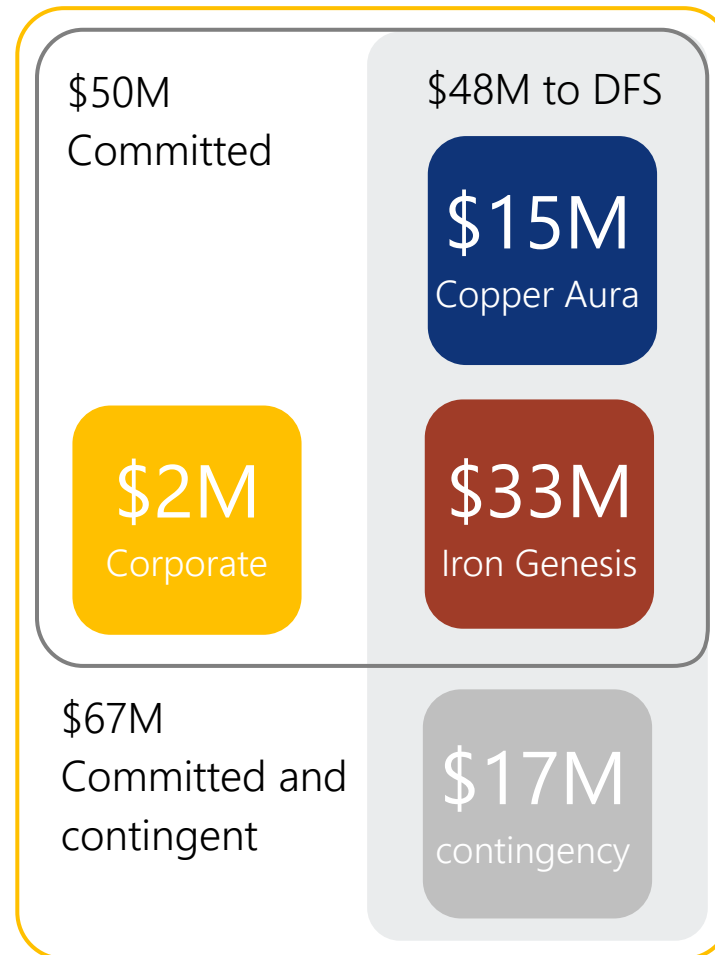
Funding is staged

First \$50M:

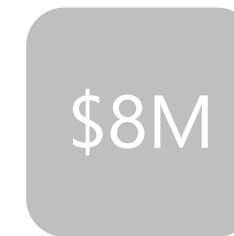
- \$6M firm
- \$44M dependent on success criteria of Milestones

Access to contingency funding at Havilah's election and GFG's discretion

Access to conditional funding at Havilah's election and GFG's discretion



Conditional



Corporate and exploration



Mine development
Copper Aura

Strategic Partnership with GFG

Opportunity to learn from
extensive technical knowledge
and experience in iron ore
mining and processing

Potential access to steelworks
and export facility at Whyalla
facilitating project
development

Opens doors to international
capital markets and
commercial support

Builds on GFG's significant
investment commitment in
South Australia

Leverage Havilah's mineral deposits with GFG's funding ability, facilities, infrastructure and commercial needs



Transaction Rationale

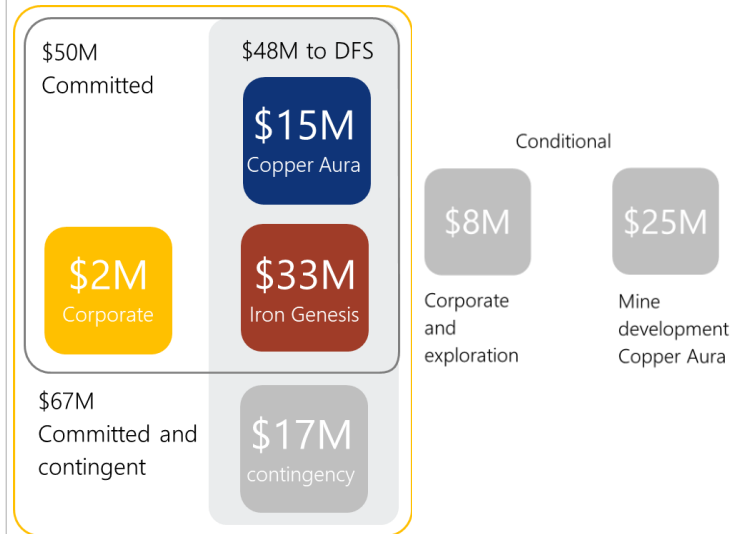
Independent directors recommend a vote in favour of the proposed transaction

Havilah Today

- Undeveloped Copper Aura, Iron Genesis and Kalkaroo Projects
- Significant exploration acreage
- Quality in-ground assets
- Limited focus on whole portfolio to date
- Capital constrained
- Commercially challenged

Proposed Transaction

- Up to \$100 million invested



- GFG equity of up to 51%* expected over a 5 year period

*Refer to slide 22 'Notice of Meeting'

Future Havilah

- Copper Aura and Iron Genesis Projects to DFS
- Management in control of day-to-day decisions and projects
- Strategic partner for funding and raw material offtake
- Access to expertise
- Globally connected
- Kalkaroo Project advanced

Transaction structure demonstrates GFG's commitment and confidence

Scope of GFG Funding

Copper Aura (copper project with cobalt potential) funded through to DFS stage

Iron Genesis (large iron ore project) funded through to DFS stage

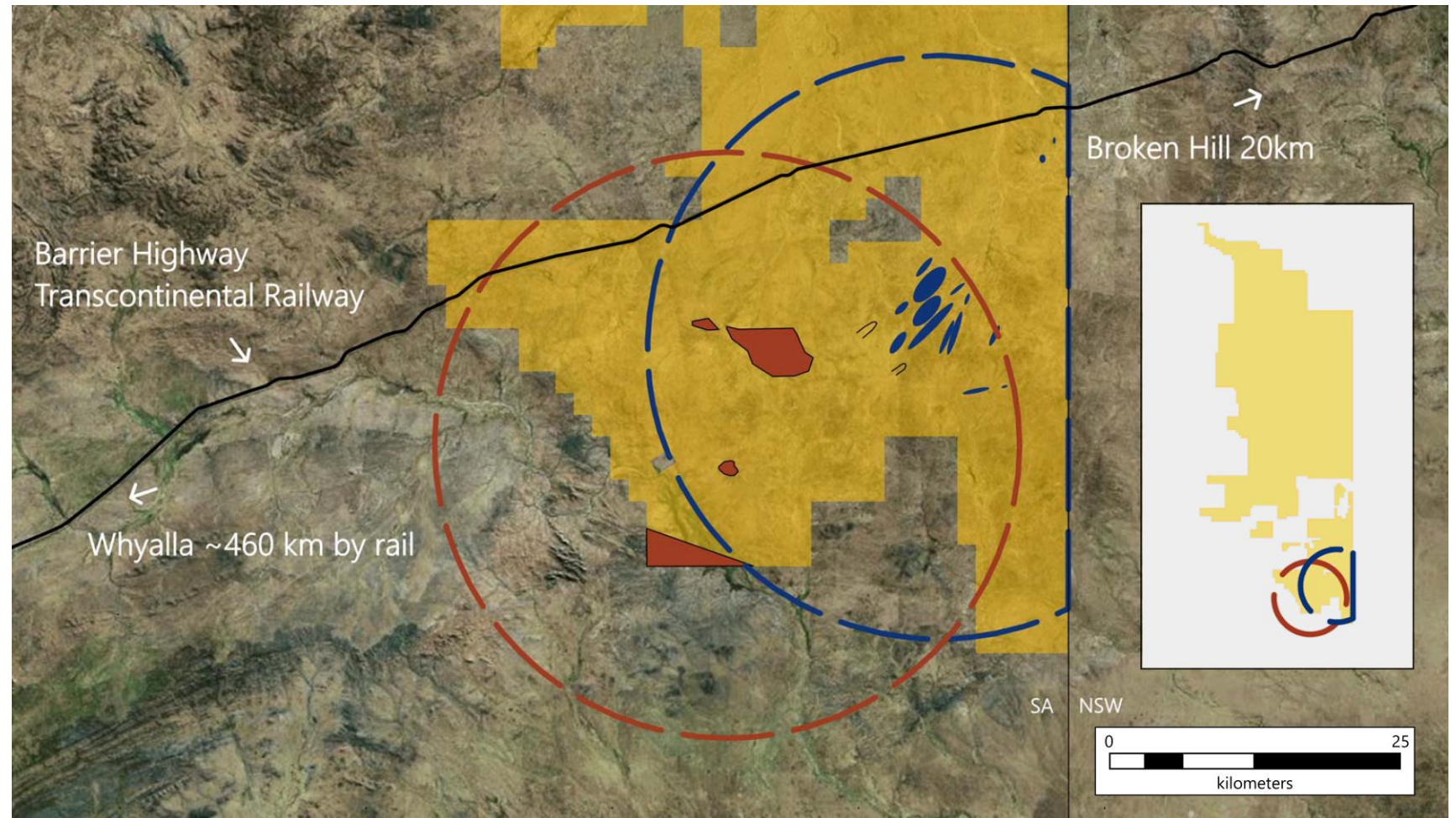
Exploration discretionary drilling

Corporate costs

GFG's ability to reach 51%* of Havilah is contingent on a series of technical and financial milestones

*Refer to slide 22 'Notice of Meeting'

Funding relates to tenements south of the Barrier Highway to deliver a copper project and iron ore project to DFS stage

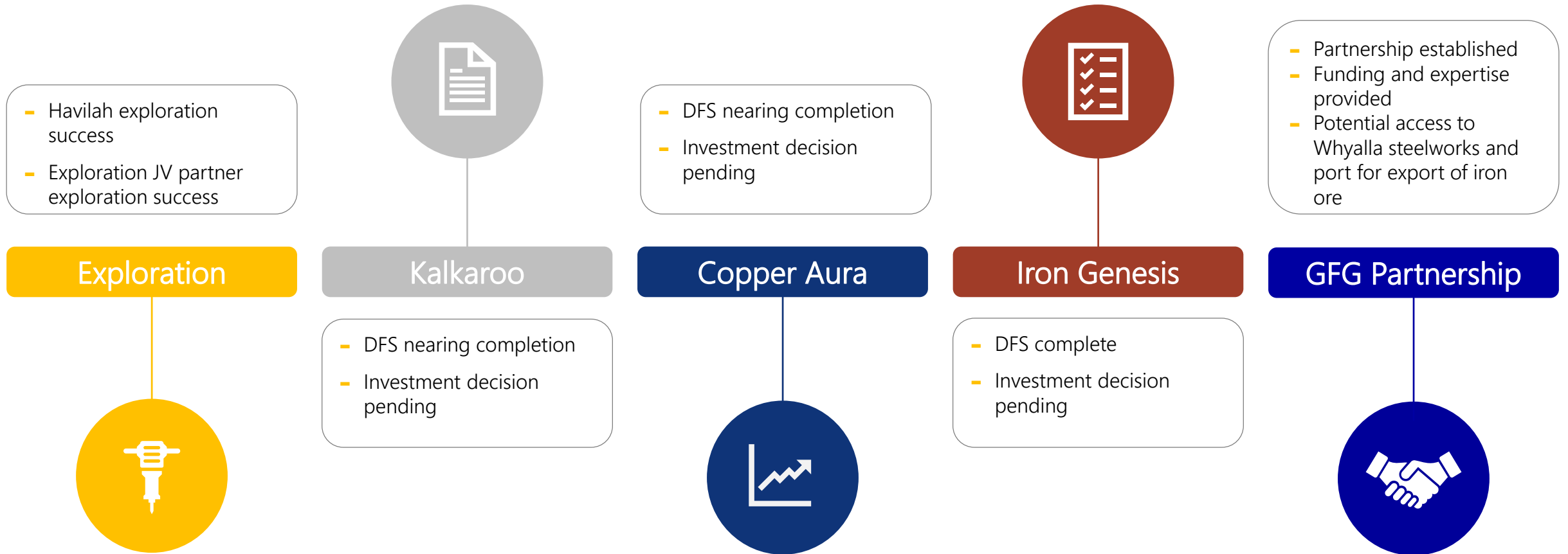


■ Copper Aura

■ Iron Genesis

Future Havilah

Looking forward 3 years, assuming the GFG transaction is approved at the EGM



Advantages and Protections

Key benefits and protections for shareholders and the current intentions of GFG

Advantages

- Havilah remains an independently directed and managed ASX listed entity
- Project value creation remains within Havilah
- Dilution only occurring once value creation proven
- Creates a strategic partnership with GFG
- Up to \$100M funding secured
- Funding secured for 35% project contingency
- Potential access to steelworks and export facility at Whyalla

Disadvantage

- Dilution to existing shareholders' interest

Protections

- Board of directors consist of majority independent directors
- Creeping and takeover restrictions apply, preventing GFG from increasing interest outside of this transaction by more than 3% every 6 months
- Delisting requires the consent of ASX, which in turn requires a 75% shareholder vote in favour of delisting
- GFG and associates restricted as a related party with respect to voting on dealings with major assets or transactions

GFG Current Intentions*

- No intention to change the business of Havilah
- No intention to transfer Havilah's assets at the current stage of their development
- No intention to redeploy the fixed assets of Havilah
- No intention to change strategy for Kalkaroo Project or other assets

*Based on information provided to Havilah by GFG

Valuation Perspective

Valuation performed on a control basis then adjusted with minority discount

GFG's expected 51%* shareholding is subject to a number of conditions

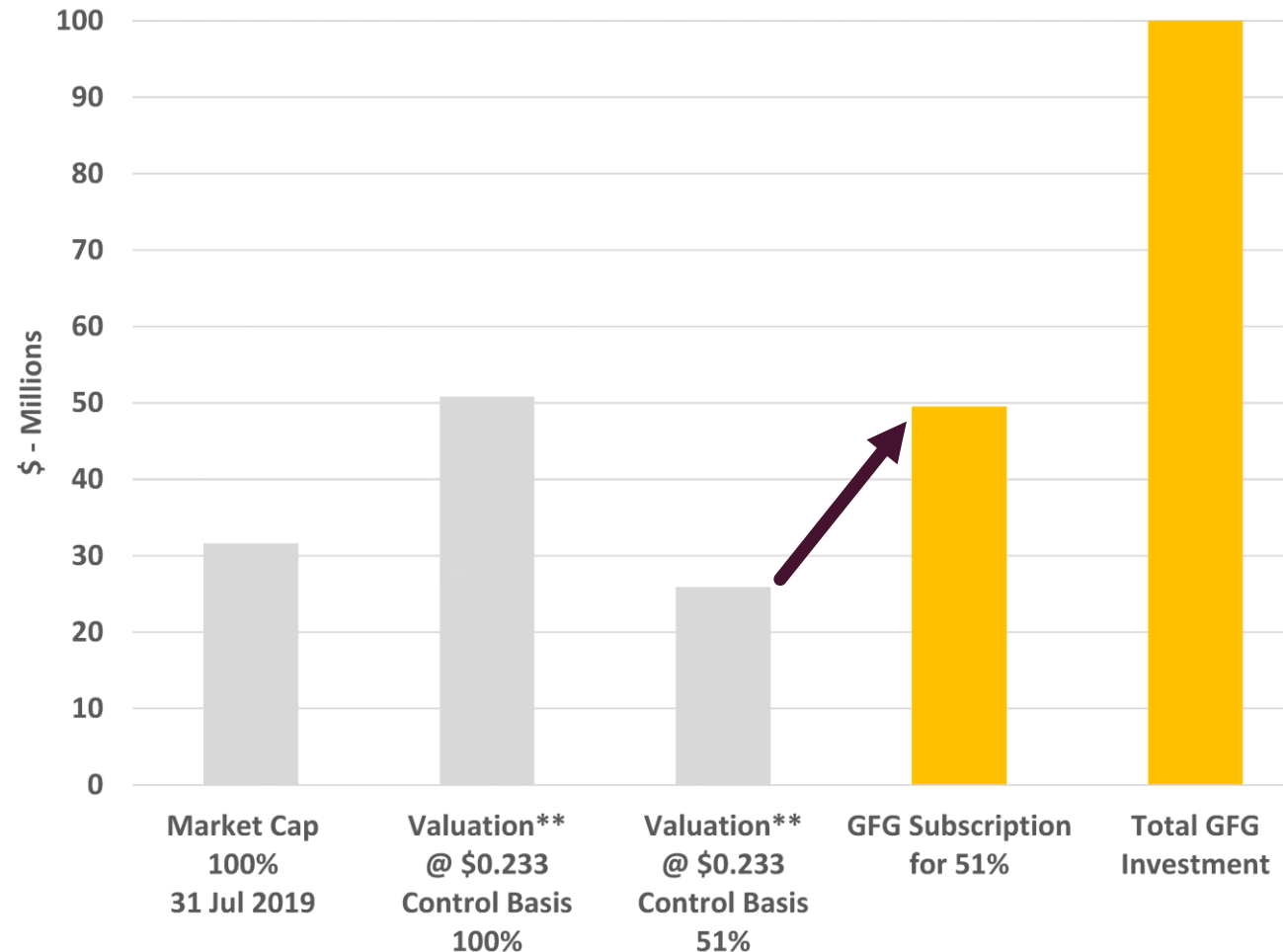
GFG does not secure many of the advantages of control

Advantages of Control:

- Control over decision making and strategic direction
- Access to underlying cash flows
- Control over dividend policies
- Access to potential tax losses

*Refer to slide 22 'Notice of Meeting'

GFG's committed funding of \$50M for an expected 51%* interest in Havilah is equivalent to 100% of Havilah's value**



** Valuation calculated using the preferred share price from the Independent Expert Report and ~218M currently outstanding shares

Growing the Pie

GFG investment to enable value accretive growth

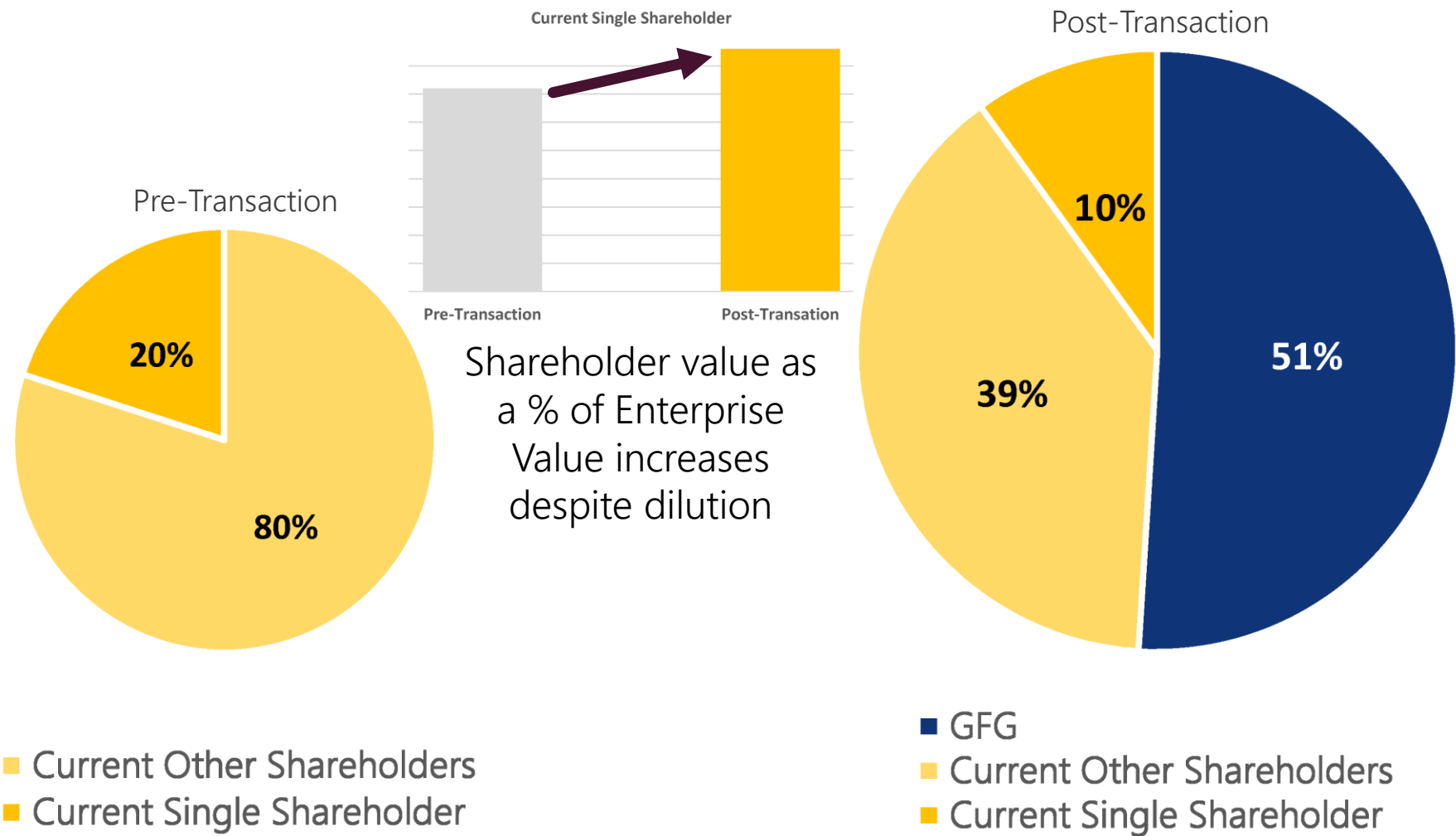
Cash to shareholders
vs
Funding for projects

Assumptions:
Shareholder value calculated on a % of Enterprise Value

Enterprise Value = market cap pre-transaction + debt - cash + GFG subscriptions

GFG Subscription = \$50M of committed funding

Opportunity to create value by voting in favour of the transaction



Valuation Conclusions

An opinion of “not fair” does not mean it is unfair

GFG’s expected 51%* shareholding is subject to a number of conditions

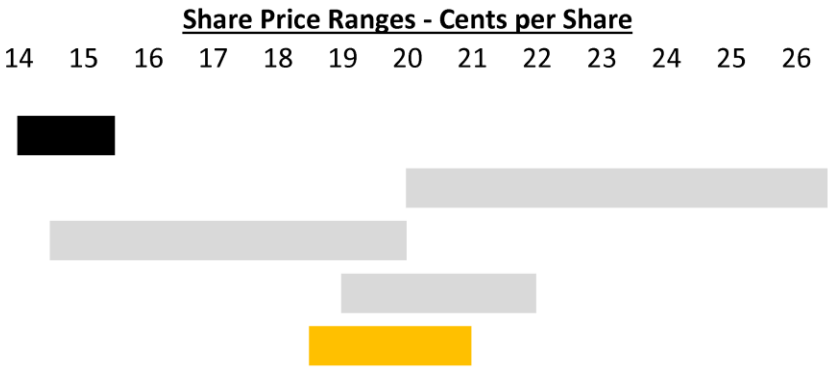
Valuation performed on a control basis then adjusted with minority discount

GFG does not secure many of the advantages of control

GFG’s ability to reach the expected 51%* shareholding is contingent on a series of technical and financial milestones

- An opinion of not fair does not mean that shareholders should not support the transaction
- Not fair assessment is the result of the transaction being structured so that current shareholders retain a minority interest
- Transaction is considered not fair by Independent Expert due to the requirement by ASIC guidance to apply a minority discount to the post transaction value per share

Current Share Price Range and 45-day VWAP at 30 April 2019
BDO Value Range - Maximum Shares Control Basis: Pre-SIMEC
BDO Value Range - Maximum Shares Minority Basis: Post-SIMEC
BDO Value Range - Quoted Market Price with Premium for Control
SIMEC Share Subscription Price Range



*Refer to slide 22 ‘Notice of Meeting’

Recommendation

Independent directors recommend a vote in favour of the transaction

The non-independent director Dr Chris Giles makes no recommendation on the grounds that the transaction is not fair

This is an opportunity for Havilah to transition from a junior explorer to a mid-cap miner

- Havilah owns a superb set of assets aggregated over 20+ years
- These early stage assets require significant work to unlock the potential value
- Significant funding is required to unlock this potential value
- GFG recognises the inherent potential value of the assets
- Investment in Havilah by GFG (rather than farm-in at asset level) shows commitment and demonstrates confidence
- Havilah maintains control of its destiny and its projects
- Existing shareholders get to participate in any upside without having to commit more capital of their own
- Havilah will potentially receive funding of up to \$100M

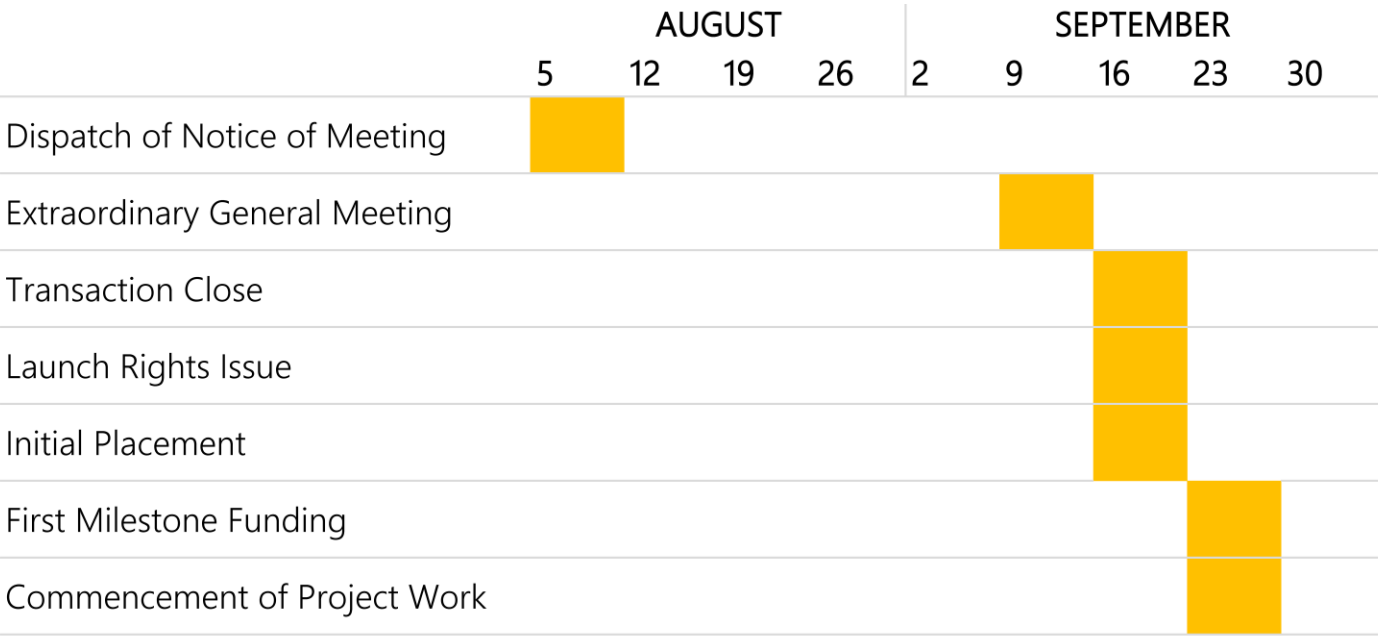
Transaction Timeline

EGM on 12 September 2019

Voting commences:
10 August 2019

Proxy cut-off date:
10 September 2019

- Three year working program fully funded (including project contingency)
- Secure strategic partner – GFG Alliance
- Continue execution of Copper Strategy – Enhanced by Cobalt
- Expanded scope of work with the addition of iron ore



Independent Expert Opinion



Independent Expert Opinion

Report prepared pursuant to section 611 of the Corporations Act and ASX Listing Rule 10.1

Report prepared having regard to ASIC's RG 111 and RG 112

Valuation approach

Value of a share pre-transaction on a control basis

vs

Value of a share post-transaction on a minority basis

"...the position of Shareholders if the Transaction is approved is more advantageous than the position if the Transaction is not approved."

- It is the opinion of the Independent Expert that:
 - "...in the absence of any other relevant information, and an alternate offer, the Funding Component is not fair for Shareholders."
 - "...in the absence of any other relevant information, this indicates that the Security Component is fair to Shareholders."
 - "...in the absence of any other relevant information or a superior offer, we consider that the Transaction is reasonable for Shareholders."
 - "...in the absence of a superior offer and any other relevant information, the Transaction is not fair but reasonable..."
 - "Given that a significant portion of the committed funding package is at specific Havilah share prices that are above current share price levels, we consider this to be an advantage and to be value accretive to current Shareholders."

Independent Expert Report

Advantages of the GFG transaction

- Opportunity to develop a strategic partnership with GFG
- Structure of the transaction funding package is value accretive to shareholders
- Shareholders have the opportunity to participate in the rights issue at a discount to GFG's investment
- Provides necessary funding to explore value of the Copper Aura and Iron Genesis Projects
- Provides potential access to future funding
- Increased market capitalisation may increase the market presence of Havilah
- Broader expertise and increased experience of the board of directors
- Security component is fair
- Security component allows the transaction to proceed

Independent Expert Report

Disadvantages of the GFG transaction

- Funding component is not fair
- Dilution to existing shareholders' interest
- Presence of significant shareholder may reduce the attractiveness of Havilah's shares to potential investors
- Potential restrictions placed on Havilah's ability to deal with the secured assets without GFG's consent

Notice of Meeting



Notice of Meeting

GFG's expected 51% shareholding is subject to a number of conditions

GFG's maximum approved shareholding is 61% under the transaction

GFG expected shareholding vs maximum shareholding

- GFG is expected to hold 51% of Havilah's ordinary shares
- Assumptions:
 - Planned rights issue is fully subscribed
 - Copper Aura and Iron Genesis work programs are executed as planned
 - Project economics support work programs continuing
 - FIRB approval is not required or is obtained, allowing GFG direct project equity interest in the Iron Genesis Project
 - Havilah elects to access contingency funding in return for direct project equity interest in the Iron Genesis Project
 - Havilah elects to access corporate and/or discretionary exploration funding in return for direct project equity interest in the Iron Genesis Project

FIRB = Foreign Investment Review Board

Notice of Meeting

GFG has previously obtained approvals from FIRB

Havilah and GFG expect that FIRB approval will be obtained

FIRB approval may be required to enable GFG obtaining direct project equity interest in the Iron Genesis Project

- GFG purchasing a direct equity interest in the Iron Genesis Project may require FIRB approval
- Granting of security to GFG over the Copper Aura and Iron Genesis Projects may also require FIRB approval

FIRB = Foreign Investment Review Board



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Kalkaroo Station & Exploration Camp