



HAVILAH RESOURCES NL

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ABN 39 077 435 520

ASX Release

28 September 2010

### **BONUS ENTITLEMENTS ISSUE OF OPTIONS**

Dear Shareholder

Havilah is pleased to announce that it proposes to make a pro rata bonus issue of options on the basis of one option for every four shares held, with the record date to determine entitlements being the 8<sup>th</sup> October 2010.

The Bonus Options will be exercisable at 50 cents each with an expiry date of 30 October 2013. This options issue will result in the Company issuing approximately 20,500,000 options.

Given the Directors belief that Havilah's present share price is not reflective of the value of the mineral assets it holds directly and indirectly, the Directors have decided to make the bonus issue in order to provide qualifying Shareholders with a further opportunity to participate in the growth of the Company as the value of these assets are progressively realized over the next three years. It is intended that these Bonus Options will substitute for the options that expired out of the money earlier this year.

As the Bonus Options are being issued for no consideration, no funds will be raised under the Issue. If all of the Bonus Options issued under the Issue are exercised the Company will receive approximately \$10,250,000. It is currently intended that any funds raised by the exercise of the Bonus Options will be used to fund ongoing exploration operations, to augment the Company's general working capital and to provide funds for appropriate growth opportunities.

The Company has lodged a Prospectus for the offer with the Australian Securities and Investments Commission. The Prospectus is attached to this letter and can be viewed on Havilah's website. It will be forwarded to qualifying shareholders after the record date.

Yours faithfully

Dr Bob Johnson  
Chairman

# HAVILAH RESOURCES NL

ACN 077 435 520

## PROSPECTUS

**FOR A PRO RATA BONUS ISSUE OF ONE BONUS OPTION  
FOR EVERY FOUR SHARES HELD BY ELIGIBLE SHAREHOLDERS**

**THE BONUS OPTIONS ARE BEING ISSUED FREE TO ELIGIBLE SHAREHOLDERS**

ELIGIBLE SHAREHOLDERS ARE NOT REQUIRED  
TO TAKE ANY ACTION IN RELATION TO THE ISSUE  
OF BONUS OPTIONS PURSUANT TO THIS PROSPECTUS

### **IMPORTANT INFORMATION**

THIS IS AN IMPORTANT DOCUMENT THAT SHOULD BE READ IN ITS ENTIRETY.

IF YOU DO NOT UNDERSTAND IT, YOU SHOULD CONSULT YOUR PROFESSIONAL  
ADVISORS WITHOUT DELAY.

## **IMPORTANT INFORMATION**

This Prospectus is dated 28 September 2010.

A copy of this Prospectus was lodged with ASIC on 28 September 2010. Neither ASIC nor ASX nor any of their respective officers take any responsibility for the contents of this Prospectus.

No Bonus Options will be granted on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application will be made to ASX within seven days after the date of this Prospectus for admission of the Bonus Options issued under this Prospectus to Official Quotation.

In making statements in this Prospectus, regard has been had to the fact that the Company is a 'disclosing entity' as defined in the Corporations Act and that certain matters may reasonably be expected to be known by investors and professional advisers whom potential investors may consult.

No person is authorised to give any information or to make any representation in connection with the Issue which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Issue.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Bonus Options in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer.

Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisers before deciding whether to accept the Issue.

The information provided in this Prospectus is not financial product advice and has been prepared without taking into account the investment objectives, financial situation and particular needs of individual investors. It is important that investors read this Prospectus in its entirety before deciding to invest. In considering the Company's prospects investors should consider the risk factors that could affect the Company's performance. Investors should carefully consider these factors in the light of their personal circumstances (including financial and taxation issues) and seek professional guidance from their stockbroker, solicitor, accountant or other professional financial adviser before deciding whether to invest. Some risk factors that investors should consider are outlined in section 4 of this Prospectus.

The Bonus Options issued under this Prospectus carry no guarantee with respect to return on capital investment or the future value of the Bonus Options.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of GST unless otherwise disclosed.

Certain words and terms used in this Prospectus have defined meanings which are set out in section 8 of this Prospectus.

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## TIMETABLE

<b>Event</b>	<b>Date</b>
Prospectus lodged with ASIC	28 September 2010
Appendix 3B lodged with ASX	28 September 2010
Record Date for Issue participation	8 October 2010
Prospectus and holding statements for Bonus Options despatched to Eligible Shareholders / deferred settlement trading of Bonus Options ends	23 October 2010

This timetable is indicative only and the Company reserves the right to vary it at any time without prior notice subject to the Listing Rules and the Corporations Act.

## **SECTION 1: CORPORATE DIRECTORY**

### **Directors**

Keith Robert Johnson (Executive Chairman)  
Christopher William Giles (Managing Director)  
Kenneth Graham Williams (Non-Executive Director)

### **Company Secretary**

Edward James Grose

### **Registered Office**

63 Conyngham Street  
Glenside SA 5065

### **Contact Details**

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AMF Centre  
63 Conyngham Street,  
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Email: [info@havilah-resources.com.au](mailto:info@havilah-resources.com.au)

### **Auditor**

Deloitte Touche Tohmatsu  
11 Waymouth Street,  
Adelaide SA 5000

### **Legal Advisers to the Company**

O'Loughlins Lawyers  
Level 2, 99 Frome Street  
Adelaide SA 5000

### **Share Registrar**

Computershare Investor Services Pty Limited  
Level 5, 115 Grenfell Street,  
Adelaide, SA, 5000  
Telephone: (08) 8236 2300  
Facsimile: (08) 8236 2305  
Website: [www.computershare.com.au](http://www.computershare.com.au)

### **ASX Code**

HAV

## **SECTION 2: DETAILS OF THE ISSUE**

### **2.1 The Issue**

By this Prospectus the Company is making a pro rata bonus issue of Bonus Options to Eligible Shareholders on the basis of one Bonus Option for every four Shares held in the Company on the Record Date. The Bonus Options are being issued free of charge to Eligible Shareholders. The Bonus Options will be exercisable at \$0.50 each on or before 30<sup>th</sup> October 2013.

As the Bonus Options are being issued for no consideration, no funds will be raised under the Issue. If all of the Bonus Options issued under the Issue are exercised the Company will receive approximately \$10,250,000. It is currently intended that any funds raised by the exercise of the Bonus Options will be used to fund ongoing exploration operations, to augment the Company's general working capital and to provide funds for appropriate growth opportunities.

The maximum number of Bonus Options to be issued pursuant to the Issue is approximately 20,500,000 Bonus Options. If some or all of the Current Options are exercised prior to the Record Date this will impact on the maximum number of Bonus Options to be granted under the Issue.

In the calculation of Entitlements, fractions will be rounded up to the nearest whole number.

### **2.2 Allotment and Allocation**

The Bonus Options will be allotted and granted as soon as practicable after the date of this Prospectus and otherwise in accordance with the Listing Rules. Holding statements in relation to the Bonus Options will be despatched as soon as practicable after the date of this Prospectus.

It is the responsibility of Applicants to determine their allocation prior to trading in the Bonus Options. Applicants who sell any of those Bonus Options before they receive their holding statements will do so at their own risk.

### **2.3 ASX Quotation**

The Company will apply to ASX within seven days after the date of this Prospectus for admission to Official Quotation of the Bonus Options issued under this Prospectus.

If ASX does not grant permission for Official Quotation of the Bonus Options within three months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Bonus Options will be allotted and granted (unless ASIC grants to the Company an exemption permitting the allotment and grant).

The fact that ASX may admit the Bonus Options to Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Bonus Options issued under this Prospectus.

### **2.4 CHESS**

The Company participates in CHESS. CHESS is operated by ASTC (a wholly owned subsidiary of ASX) in accordance with the Listing Rules and the ASTC Settlement Rules.

Under CHESS, Applicants will receive a statement of their holding of Shares and Options (including Bonus Options granted under this Prospectus).

If you are broker sponsored, ASTC will send you a CHESS statement. The CHESS statement will set out the number of Bonus Options granted under this Prospectus, and provide details of your holder identification number, and the participant identification number of the sponsor.

If you are registered on the Issuer Sponsored Subregister, your statement will be despatched by the Company's share registry, Registries Limited, and will contain the number of Bonus Options granted to you under this Prospectus and your security holder reference number.

CHESS statements and Issuer Sponsored statements will routinely be sent out to holders of Shares and Options at the end of any calendar month during which the balances of their holdings change. Holders may request a statement at any other time, however a charge may be payable for additional statements.

## 2.5 **Taxation**

Investors should seek and rely on their own taxation advice regarding an investment in the Company as the taxation consequences will depend on the investor's particular circumstances.

## 2.6 **Ranking**

The terms and conditions of grant of Bonus Options are set out in section 5.1 of this Prospectus. Any Shares issued on the exercise of the Bonus Options will rank equally with the existing Shares on issue. The rights attaching to Shares are referred to in section 5.2 of this Prospectus.

## 2.7 **Non-Renounceable**

Each Shareholder's Entitlement is non-renounceable. Accordingly, there will be no trading of rights on ASX and Shareholders will be unable to dispose of their Entitlement to another party.

## 2.8 **Withdrawal of Prospectus**

The Directors may at any time decide to withdraw this Prospectus.

## 2.9 **Enquiries**

If you have any questions regarding the Issue, or any of the documents referred to in this Prospectus, please contact the Company by telephone on (08) 8338 9292.

## SECTION 3: PURPOSE AND EFFECT OF THE ISSUE

### 3.1 Purpose of the Issue

The primary purpose of the Issue is to reward Shareholders for their loyalty to and support of the Company and to provide Shareholders with an opportunity to participate in the continued growth of the Company.

As the Bonus Options are being issued for no consideration, no funds will be raised under the Issue. If all of the Bonus Options issued under the Issue are exercised the Company will receive approximately \$10,250,000. It is currently intended that any funds raised by the exercise of the Bonus Options will be used to fund ongoing exploration operations, to augment the Company's general working capital and to provide funds for appropriate growth opportunities.

### 3.2 Effect of the Issue

The principal effect of the Issue will be to increase the number of Options on issue at the date of this Prospectus to 24,719,630 Options comprising:

- (a) 4,225,000 Current Options as at the date of this Prospectus; and
- (b) 20,494,630 Bonus Options,

disregarding fractions and assuming that none of the Current Options is exercised prior to the Record Date.

Following completion of the Issue and after paying the expenses of the Issue, the working capital of the Company will be reduced by approximately \$30,000.

### 3.3 Effect on Capital Structure

Disregarding fractions, assuming all Bonus Options are issued under the Issue and assuming that none of the Current Options are exercised prior to the Record Date, the effect of the Issue on the capital structure of the Company will be as follows:

#### Shares

	Number
Current Shares on issue	81,978,521
Shares issued under the Issue	Nil
<b>Total Shares on issue after completion of the Issue</b>	<b>81,978,521</b>

#### Options

	Number
Current Options	4,225,000
Bonus Options granted under the Issue	20,494,630
<b>Total Options on issue after completion of the Issue</b>	<b>24,719,630</b>

## **SECTION 4: RISKS**

The Bonus Options issued under this Prospectus should be considered speculative because of the nature of the business activities of the Company. There are numerous risk factors involved with the Company's business. Accordingly an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material risks. The list is not exhaustive and should be read in conjunction with specific matters referred to in the Company's announcements and reports.

### **4.1 Economic and Government Risks**

#### **(a) Share Market**

Share market conditions may affect listed securities regardless of operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) movements in, or outlook on, interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity prices;
- (v) changes in investor sentiment towards particular market sectors; and
- (vi) the demand for, and supply of, capital.

Investors should recognise that if the Bonus Options are listed on ASX, the price of the Bonus Options may fall as well as rise. Many factors will affect the price of the Bonus Options including local and international stock markets, movements in commodity prices, interest rates, economic conditions and investor sentiment generally.

#### **(b) Economic Factors**

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market processes. The Company's future possible revenues and share price and option price can be affected by these factors which are beyond the control of the Company and its Directors.

#### **(c) Government**

Changes in government, monetary policies, taxation (including the proposed introduction of the Commonwealth Government's proposed Mineral Resources Rent Tax so far as it will relate to iron ore) and other laws can have a significant influence on the outlook for companies and the returns to investors.

#### **(d) Commodity Prices**

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence individual projects in which the Company has an interest. Specifically, changes in the price of copper, gold and iron ore may have an effect on the Company.

## 4.2 **Business Risks**

A significant risk for the Company is that the proposed exploration programmes will not result in exploration success. Mineral exploration by its nature is a high risk endeavour and consequently there can be no assurance that exploration of the Company's project areas, or any other projects that may be acquired in the future, will result in discovery of an economic mineral deposit. Should a discovery be made, there is no guarantee that it will be commercially viable. While the Directors will make every effort to reduce these risks, through their experience in the exploration and mining industry, the fact remains that a commercially viable mineral discovery is very much the exception rather than the rule and success can never be guaranteed.

Mineral exploration, project development and mining by their nature contain elements of significant risk. The success of these activities is dependent on many factors such as:

- (a) the discovery and / or acquisition of economically recoverable ore reserves;
- (b) successful conclusions to bankable feasibility studies;
- (c) access to adequate capital for project development;
- (d) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (e) securing and maintaining title to tenements;
- (f) obtaining consents and approvals necessary for the conduct of exploration and mining;
- (g) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees; and
- (h) other risks detailed in this section.

Adverse weather conditions over a prolonged period can adversely affect exploration and mining operations and the timing of revenues. Whether or not income will result from development of the tenements depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

## 4.3 **Native Title Claims and Indigenous Lands**

Any native title claims which wholly or partially cover the Company's exploration project areas may impact upon planning and implementation of future exploration programmes. The potential also exists for further native title claims to be lodged over any existing or future tenement area. Native title claims have the potential to cause significant delays to exploration.

As the Directors are not presently in a position to assess in detail the impact of native title on the Company's planned operations, they consider the potential for native title claims to be lodged over the areas containing exploration projects to be a risk to investment.

#### 4.4 **Aboriginal Significant Sites**

Commonwealth and State legislation obliges the Company to identify and protect sites of significance to Aboriginal custom and tradition. It is possible that one or more sites of significance will exist in an area of the Company's tenements which the Company considers to be prospective. If any such sites are identified in an area of the Company's tenements it may have the potential to halt exploration activities and impact upon the planning and implementation of future exploration programmes in circumstances where a declaration is made for the protection and preservation of the Aboriginal site or object.

#### 4.5 **Environmental Risks**

Mining is an industry that has become subject to increasing environmental responsibility and liability. The potential for liability is an ever present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation. Exploration work will be carried out in a way that causes minimum impact on the environment. Consistent with this, it may be necessary in some cases to undertake baseline environmental studies prior to certain exploration or mining activities, so that environmental impact can be monitored, and as far as possible, minimised.

While the Company is not aware of any endangered species of fauna and flora within any of its project areas no baseline environmental studies have been undertaken to date, and discovery of such could prevent further work in certain areas.

#### 4.6 **No Valuation**

No formal valuation has been completed of the exploration projects or the Shares of the Company. The Company makes no representation as to the value of the exploration assets. It is recommended that intending investors and their advisers should make their own assessment as to the value of the exploration projects.

#### 4.7 **Further Risks Specific to the Company**

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (a) geological conditions;
- (b) alterations to programmes and budgets;
- (c) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling, metallurgical test work and production activities;
- (d) mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;
- (e) unavailability of qualified personnel or equipment to undertake surveys and other geological and geophysical investigations including drilling;
- (f) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- (g) prevention or restriction of access by reason of political unrest, outbreak of hostilities, and inability to obtain consents or approvals (including clearance of work programs pursuant to access agreements entered into with native title claimants); and
- (h) uninsured losses and liabilities.

## SECTION 5: RIGHTS AND LIABILITIES ATTACHING TO BONUS OPTIONS AND TO UNDERLYING SHARES

### 5.1 Terms and Conditions of Bonus Options

The Bonus Options will be granted on the following terms and conditions:

- (a) The Optionholder is entitled on payment of \$0.50 per Share (**Exercise Price**) to be allotted one Share in the Company for each Option exercised (subject to possible adjustments referred to below).
- (b) The Options held by the Optionholder are exercisable in whole or in part at any time before 30th October 2013 (**Exercise Period**). Options not exercised before the expiry of the Exercise Period will lapse.
- (c) Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the Exercise Price in cleared funds. Some or all of the Options may be exercised at any one time or times prior to the expiry of the Exercise Period provided that no less than 1,000 Options are exercised at any one time (provided that an Optionholder holding less than 1,000 Options may exercise all but not part of those Options).
- (d) The Company will apply for official quotation on ASX of the Options. The Company will also apply for official quotation on ASX of new Shares allotted on exercise of the Options. Those Shares will participate equally in all respects with existing issued ordinary shares, and in particular new Shares allotted on exercise of the Options will qualify for dividends declared after the date of their allotment.
- (e) Options are freely transferable.
- (f) An Optionholder may only participate in new issues of securities to holders of ordinary shares in the Company if the Option has been exercised and shares allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give prior notice to the Optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
- (g) If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the Option is exercisable will be increased by the number of ordinary shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
- (h) If the Company makes a rights issue (other than a bonus issue), the exercise price of Options on issue will be reduced according to the following formula:

$$A = O - \frac{E[P - (S + D)]}{(N + 1)}$$

Where:

A = the new exercise price of the Option;

O = the old exercise price of the Option;

- E = the number of underlying ordinary shares into which one Option is exercisable;
- P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the stockmarket of ASX during the five trading days immediately preceding the ex rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded option exercises);
- S = the subscription price per ordinary share under the pro rata issue;
- D = the dividend due but not yet paid on existing underlying ordinary shares (except those to be issued under the pro rata issue); and
- N = the number of ordinary shares with rights or entitlements that must be held to receive a right to one new ordinary share

- (i) If, during the currency of the Options the issued capital of the Company is reorganised, those Options will be reorganised to the extent necessary to comply with Listing Rules.

## 5.2 **Shares**

The Shares issued on the exercise of the Bonus Options (and Current Options) will rank equally with the existing Shares on issue.

The rights and liabilities attaching to Shares are set out in the Company's Constitution and are regulated by the Corporations Act, the general law, the Listing Rules and the ASTC Settlement Rules.

The following is a summary of the rights and liabilities attaching to Shares. This summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of the Company's members.

### (a) **General Meetings**

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Company's Constitution, the Corporations Act or the Listing Rules.

The Directors may convene a general meeting whenever they think fit. General meetings may also be called as requested by the Shareholders or as ordered by a court under section 249D, 249E, 249F and 249G of the Corporations Act.

A Notice of General Meeting must be given in accordance with the Corporations Act and must specify the place, date and time of the meeting, the general nature of the business to be transacted at the meeting, information regarding a Shareholder's right to appoint a proxy, and if a special resolution is to be proposed at the meeting, the text of the special resolution.

The quorum for a meeting of the Company's members is five or more members and the quorum must be present at all times during the meeting.

### (b) **Voting**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares whether by the terms of their issue, the Constitution, the Corporations Act or the Listing Rules, at a general meeting of the Company every holder of fully paid

ordinary Shares present in person or by a representative has one vote on a show of hands and every such holder present in person or by a representative, proxy or attorney has one vote per Share on a poll. A person who holds an ordinary Share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the Share. A member is not entitled to vote unless all calls and other sums presently payable by the member in respect of Shares in the Company have been paid. Where there are two or more joint holders of the Share and more than one of them is present at a meeting and tenders a vote in respect of the Share (whether in person or by proxy or attorney), the Company will count only the vote cast by the member whose name appears before the other(s) in the Company's register of members.

(c) **Issues of Further Shares**

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Company's Constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to the shares in special classes of shares.

(d) **Variation of Rights**

At present, the Company has on issue one class of Shares only, namely ordinary Shares. The rights attached to the Shares in any class may be altered only by special resolution passed at a separate meeting of the holders of the issued Shares of the affected class, or with the written consent of the holders of at least three quarters of the issued Shares of the affected class.

(e) **Transfer of Shares**

Subject to the Company's Constitution, the Corporations Act and the Listing Rules, ordinary Shares are freely transferable.

The Shares may be transferred by a proper transfer effected in accordance with ASTC Settlement Rules, by any other method of transferring or dealing introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by the Directors that is permitted by the Corporations Act. The Company may decline to register a transfer of Shares in the circumstances described in the Company's Constitution and where permitted to do so under the Listing Rules. If the Company declines to register a transfer, the Company must, within five business days after the transfer is lodged with the Company, give the lodging party written notice of the refusal and the reasons for refusal. The Directors must decline to register a transfer of Shares when required by law, by the Listing Rules or by the ASTC Settlement Rules.

(f) **Partly Paid Shares**

The Directors may, subject to compliance with the Company's Constitution, the Corporations Act and the Listing Rules, issue partly paid shares upon which amounts are or may become payable at a future time(s) in satisfaction of all or part of the unpaid issue price.

(g) **Dividends**

The Company in general meeting may declare a dividend if the Directors have recommended a dividend, and a dividend shall not exceed the amount recommended by the Directors. The Directors may authorise the payment to the members of such

interim dividends as appear to the Directors to be justified by the Company's profits and for that purpose may declare such interim dividends.

Subject to the rights of members entitled to Shares with special rights as to dividend (if any), all dividends in respect of Shares are to be declared and paid to those persons entitled to those dividends in proportion to the Shares held by them respectively, irrespective of the amount paid up or credited as paid up on the Shares

(h) **Winding Up**

Subject to the rights of holders of Shares with special rights in a winding up, if the Company is wound up, members (including holders of ordinary Shares) will be entitled to participate in any surplus assets of the Company in proportion to the Shares held by them respectively irrespective of the amount paid up or credited as paid up on the Shares.

(i) **Dividend Plans**

The members of the Company, in general meeting, may authorise the Directors to establish and maintain dividend plans under which (among other things) a member may elect that dividends payable by the Company be reinvested by way of subscription for Shares in the Company or a member may elect to forego any dividends that may be payable on all or some of the Shares held by that member and to receive instead some other entitlement, including the issue of Shares.

(j) **Directors**

The Company's Constitution states that the minimum number of directors is three.

The Shareholders may appoint and remove a Director by ordinary resolution. The Board of Directors may appoint any person to be a Director to either fill a casual vacancy or as an addition to the existing Directors and any Director may appoint an alternate director by notice to the Company.

The Listing Rules require that the Company hold an election of Directors by ordinary resolution each year. The Directors, other than a managing director, must not hold office (without re-election) past the third annual general meeting following the Director's appointment or three years, whichever is longer. However, a Director appointed by the Board to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting.

Under the Constitution, a Director ceases to hold office if the Director becomes insolvent under administration, becomes of unsound mind, resigns, is removed, or has been absent without permission from meetings of the Board of Directors held during a period of six months.

Directors who have a direct or indirect material personal interest in a matter that is being considered at a Directors' meeting must not vote in respect of the matter or be present at the meeting while the matter is being considered, except as permitted by the Corporations Act.

(k) **Powers of the Board**

The Directors have power to manage the business of the Company and may exercise that power to the exclusion of the members, except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Company's Constitution.

(l) **Compliance with Listing Rules**

The Constitution incorporates Appendix 15A of the Listing Rules. Accordingly, the following applies:

- (i) notwithstanding anything contained in the Constitution, if the Listing Rules prohibit an act being done, the act shall not be done;
- (ii) nothing contained in the Constitution prevents an act being done that the Listing Rules require to be done;
- (iii) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (iv) if the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision;
- (v) if the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision; and
- (vi) if any provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

## SECTION 6: ADDITIONAL INFORMATION

### 6.1 Material Contracts

The Company has not entered into any material contracts prior to the date of this Prospectus other than those previously announced to ASX.

### 6.2 Litigation

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

### 6.3 ASIC Class Order relief

As a result of ASIC Class Order 00/843, this Prospectus is not subject to the minimum seven day disclosure period ordinarily required under the Corporations Act.

The Company has also taken advantage of ASIC Class Order 00/1092 which exempts it from the requirements that:

- (a) this Prospectus be accompanied by an application form; and
- (b) it may only issue Bonus Options pursuant to this Prospectus to a person who has submitted an application form distributed with this Prospectus.

### 6.4 Share trading history

The highest and lowest market sales price of the Company's Shares on ASX during the three months immediately preceding the date of lodgment of this Prospectus with ASIC, and the respective dates of those sales and the last sale on the Business Day immediately preceding the date of lodgment of this Prospectus with ASIC, were:

	Date	Price
Highest	3 August 2010	\$0.42
Lowest	30 June 2010	\$0.325
Latest	27 September 2010	\$0.35

### 6.5 Interests of Directors

Except as disclosed in this Prospectus, no Director has, or had, within two years before lodgment of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or with the Issue; or
- (c) the Issue,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director:

- (a) to induce him to become, or to qualify him as, a Director; or

- (b) for services rendered by him in connection with the formation or promotion of the Company or the Issue.

The direct and indirect interests of the Directors in the securities of the Company as at the date of this Prospectus are as follows:

Director	Shares		Current Options	
	Direct	Indirect	Direct	Indirect
K R Johnson	12,375	2,912,154	800,000	-
C W Giles	5	10,868,603	800,000	-
K G Williams	-	214,297	200,000	-

#### 6.6 Interests of Experts and Advisers

Except as disclosed in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the date of this Prospectus, or has held at any time during the last two years prior to the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or with the Issue; or
- (c) the Issue,

nor has anyone paid, or agreed to pay, any amount or given, or agreed to give, any benefit to any such person in connection with the promotion or formation of the Company or with the Issue.

O'Loughlins Lawyers has acted as solicitors to the Company providing general advice to the Company and assisting in the preparation of this Prospectus. The Company estimates it will pay O'Loughlins Lawyers a fee of up to \$5,000 for these services. During the two year period preceding the lodgment of this Prospectus with ASIC, O'Loughlins Lawyers has received \$12,279.30 from the Company for the provision of legal services.

#### 6.7 Consents

Each of the parties referred to below:

- (a) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by any of those parties (unless expressly stated to the contrary in this section);
- (b) has had no involvement in the preparation of this Prospectus (unless expressly stated to the contrary in this section);
- (c) has not authorised or caused the issue of this Prospectus; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of the Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

O'Loughlins Lawyers has given, and at the date hereof has not withdrawn, its written consent to be named in this Prospectus as the Legal Advisers to the Company in the form and context in which it is named.

Computershare Investor Services Pty Limited has given, and at the date hereof has not withdrawn, its written consent to be named in this Prospectus as Share Registrar in the form and context in which it is named.

Deloitte Touche Tohmatsu has given, and at the date hereof has not withdrawn, its written consent to be named in this Prospectus as Auditor in the form and context in which it is named.

Copies of the consents referred to above are available for inspection, without charge, at the registered office of the Company during office hours.

There are other persons referred to in this Prospectus who have not made statements included in this Prospectus (including by incorporation by reference) nor are there any statements made in this Prospectus on the basis of any statements made by these persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

## **6.8 Continuous Disclosure and Documents Available for Inspection**

The Company is a 'disclosing entity' for the purposes of section 111AC of the Corporations Act. As such it is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, an ASIC office.

The Bonus Options are options to acquire Shares that are in the same class as the Shares of the Company that are and have been quoted on the stockmarket of ASX at all times in the three months before the date of this Prospectus.

The Company will provide a copy of each of the following documents, free of charge, to any person who asks for it, during the application period for this Prospectus:

- (a) the annual financial report for the financial period of the Company ended 31 July 2009 (being the last annual financial report lodged with ASIC in relation to the Company before the issue of this Prospectus);
- (b) the half-year financial report of the Company for the half year 31 January 2010 (being the half-year financial report lodged with ASIC after the lodgement of the annual financial report referred to in paragraph (a) above and before the lodgement of this Prospectus with ASIC); and
- (c) all continuous disclosure notices given by the Company after the lodgment of the annual financial report referred to in paragraph (a) above and before the lodgment of this Prospectus with ASIC being:

Date	Description
28 September 2010	Bonus Entitlements Issue of Options
27 August 2010	Quarterly Activities Report
12 August 2010	New Iron Ore Discovery At Maldorky
26 July 2010	Drilling Maldorky Iron Ore Prospect
9 July 2010	CUY: Well House Operational at Oban
31 May 2010	Quarterly Activities Report
11 May 2010	Improved Iron Recoveries From Lilydale Iron Ore Project
4 May 2010	CUY: Oban Well House Completed and Tested
4 May 2010	Presentation on Kalkaroo at SAREIC, 3 May 2010
28 May 2010	High Grade Magnetite Concentrate, Lilydale Iron Ore Project
13 April 2010	Half Yearly Accounts
12 April 2010	Correction re Havilah options expiring 30 April 2010
08 April 2010	Feasibility Study Confirms Kalkaroo Copper-Gold Project
01 April 2010	Positive Drilling Results from Lilydale Iron Ore Project
30 March 2010	Notification of Expiry of Listed Options on 30 April 2010
16 March /2010	Change of Director`s Interest Notice
25 February 2010	Quarterly Activities and Cashflow Report
22 February /2010	Drilling Commences on Lilydale Iron Ore Project
12 February 2010	CUY: Construction of Oban Well House Commences
10 February /2010	Activities Update
28 January 2010	GHT: Exploration Update and 2010 Planning
20 January 2010	Extended Gravity Survey Confirms Lilydale Iron Ore Potential
18 December 2009	Change of Director`s Interest Notice
14 December 2009	GHT: GDP Grant Application
10 December 2009	Becoming a substantial holder for HAV
10 December 2009	Ceasing to be a substantial holder for HAV
09 December 2009	Presentation AGM 2009
09/ December 2009	Chairman`s Address and Results of AGM 2009
09 December 2009	GHT: AGM 2009 Presentation
30 November 2009	Quarterly Activities and Cashflow Reports
23 November 2009	Results Gravity Survey at Lilydale Iron Ore Project
16 November 2009	58.6% Fe in Lilydale Iron Ore Sample
16 November /2009	GHT: Australian Geothermal Energy Conference Presentation
12 November 2009	North Portia Copper-Gold Resource Drilling
05 November 2009	Planned Drilling at Lilydale Iron Ore Project
02 November 2009	Notice of Annual General Meeting/Proxy Form

27 October 2009	Annual Report to shareholders
13 October 2009	Response to ASX Price Query
07 October 2009	CUY: Activities Update - Modified to State Resource
06 October 2009	CUY: Activities Update
02 October 2009	Activities Update
28 August 2009	Quarterly Activities / Cashflow Reports

If you require any further information in relation to the Company, it is recommended that you should take advantage of the ability to inspect or obtain copies of disclosures made by the Company as referred to above.

#### 6.9 Expenses of the Issue

The estimated expenses connected with the Issue, which are payable by the Company, are as follows:

ASIC lodgment fee	\$2,068
ASX fees	\$18,075
Legal fees	\$5,000
Printing, postage and other	\$5,000
<b>Total</b>	<b>\$30,068</b>

## **SECTION 7: DIRECTORS' CONSENTS**

Each Director of Havilah Resources NL has consented to the lodgment of this Prospectus with ASIC and has not withdrawn that consent prior to lodgment of this Prospectus.

Dated 28 September 2010



**Keith Robert Johnson**  
Chairman  
Havilah Resources NL

## **SECTION 8: DEFINITIONS**

**A\$ or \$** means an Australian dollar unless otherwise stated.

**ASIC** means Australian Securities and Investments Commission.

**ASTC** means ASX Settlement and Transfer Corporation Pty Limited ACN 008 504 532.

**ASTC Settlement Rules** means the operating rules of the ASTC and, to the extent that they are applicable, the operating rules of ASX and the operating rules of Australian Clearing House Pty Limited ACN 001 314 503.

**ASX** means ASX Limited ACN 008 624 691, including its subsidiaries and controlled entities.

**Board** means the board of directors of the Company as constituted from time to time, unless the context indicates otherwise.

**Bonus Options** means the Options to be granted under the Issue pursuant to this Prospectus.

**CHESS** means ASX Clearing House Electronic Subregistry System.

**Company** means Havilah Resources NL ACN 077 435 520.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Current Options** means the 4,225,000 Options on issue in the Company as at the date of this Prospectus.

**Directors** means the directors of the Company in office at the date of this Prospectus.

**Eligible Shareholder** means a Shareholder on the register of members of the Company on the Record Date.

**Entitlement** means the number of Bonus Options issued to each Eligible Shareholder under this Prospectus.

**GST** means goods and services tax.

**Issue** means the issue of Bonus Options pursuant to this Prospectus to Eligible Shareholders as detailed in section 2.1 of this Prospectus.

**Listing Rules** means the official listing rules of ASX.

**Official Quotation** means official quotation by ASX in accordance with the Listing Rules.

**Option** means an option to subscribe for one Share in the Company and includes a Bonus Option.

**Optionholder** means a holder of an Option.

**Prospectus** means the prospectus constituted by this document.

**Record Date** means 8 October 2010.

**Share** means one fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.



**A DIVERSIFIED MINERAL RESOURCE BASE IN 100%  
OWNED PROJECTS**

**IRON ORE - MALDORKY**

**IRON ORE - LILYDALE**

**GOLD - PORTIA**

**COPPER - KALKAROO**

**SULPHURIC ACID, COBALT, COPPER – MUTOOROO**

**TIN – PROSPECT HILL**

**URANIUM – CURNAMONA ENERGY**