Havilah Resources Limited

ABN 39 077 435 520

Notice of Annual General Meeting and Explanatory Memorandum

Time:	10:30am (Adelaide time)
Date:	17 December 2026 (Thursday)
Place:	National Wine Centre of Australia (Corner of Botanic & Hackney Roads) Adelaide South Australia 5000

Shareholders can also submit, and are encouraged to submit, any questions in advance of the Meeting, no later than 10:00am (Adelaide time) on Thursday, 10 December 2026, by:

- sending an email to info@havilah-resources.com.au;
- sending mail to Havilah Resources Limited PO Box 3, Fullarton, South Australia 5063; or
- submitting them at www.investorvote.com.au (whilst proxy voting remains open).

If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX market announcements platform.

The Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their stockbroker, accountant, solicitor or other professional adviser prior to voting.

HAVILAH RESOURCES LIMITED
ABN 39 077 435 520

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Havilah Resources Limited (**Havilah** or **Company**) will be held at the National Wine Centre of Australia, Corner of Botanic & Hackney Roads Adelaide, South Australia 5000 on Thursday, 17 December 2026 at 10:30am (Adelaide time) (**Meeting**).

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday, 15 December 2026 at 6:30pm (Adelaide time).

Terms and abbreviations used in the Notice (including the Explanatory Memorandum) are defined in Schedule 1.

Your Vote is Important
The Meeting is an important event for the Company and is an opportunity for Shareholders to review the Company's Annual Report, ask questions and vote on relevant matters.

AGENDA

Item 1 – Consolidated Financial Statements and Reports

To receive and consider the consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 July 2026, and the related Directors' Report and Independent Auditor's Report.

The electronic copy of the Company's Annual Report is available to download or view on the Company's website at www.havilah-resources-projects.com/reports.

The Company's Annual Report has also been sent by post to those Shareholders who have previously elected to receive a hard copy.

Note: Except as set out in Resolution 1, there is no requirement for Shareholders to approve these reports. Accordingly, no resolution will be put to Shareholders at the Meeting.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **non-binding resolution** in accordance with section 250R(2) of the *Corporations Act 2001* (Cth) (**Corporations Act**):

"That, for the purposes of section 250R(2) of the Corporations Act, the Remuneration Report (as set out on pages 18 to 26 of the Directors' Report) in the Company's Annual Report be adopted."

Voting explanation: Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on this resolution is advisory only, in accordance with section 250R(3) of the Corporations Act, and does not bind the Board or the Company. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies going forward.

Voting exclusion statement:
A vote must not be cast (in any capacity) on Resolution 1 by, or on behalf of:

(a) a member or a former member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
(b) a Closely Related Party of such a member, unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on the Proxy Form.

However, a person described above may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

(a) the proxy appointment is in writing that specifies the way the proxy is to vote on the resolution; or
(b) the vote is cast by the Chairman of the meeting and the appointment of the Chairman as proxy:
    (i) does not specify the way the proxy is to vote on the resolution; and
    (ii) expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel or, if the Company is part of a Consolidated Entity, for the entity.

Resolution 2 – Re-election of Director Dr Chris Giles

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That Dr Chris Giles, who retires in accordance with rule 6.1 of the Constitution and ASX Listing Rule 14.4 and being eligible offers himself for re-election, be re-elected as a Director."

Voting exclusion statement:
There are no voting exclusions on this resolution.

Resolution 3 – Capital Reduction and In-specie Distribution of Sandfire Shares

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"That, pursuant to and in accordance with sections 256B and 256C of the Corporations Act and for all other purposes, Shareholders approve that:

*(a) the issued share capital of Havilah be reduced, without cancelling any Shares, by $*17,999,496.90*; and*

(b) the reduction of capital be satisfied by Havilah making a pro rata in-specie distribution of Sandfire Shares, to all Eligible Shareholders at the Record Date (rounding down entitlements to the nearest whole share),

and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Voting exclusion statement:
There are no voting exclusions on this resolution.

Other Business

To deal with any other business that may be properly brought forward.

By order of the Board

Simon Gray
Company Secretary
13 November 2026

HAVILAH RESOURCES LIMITED
ABN 39 077 435 520

EXPLANATORY MEMORANDUM

1 Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the National Wine Centre of Australia, Corner of Botanic & Hackney Roads Adelaide, South Australia 5000 on Thursday, 17 December 2026 at 10:30am (Adelaide time).

This Explanatory Memorandum should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the resolutions.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the resolutions:

Section 1	Introduction
Section 2	Action to be taken by Shareholders
Section 3	Agenda item 1 – Consolidated Financial Statements and Reports
Section 4	Resolution 1 – Adoption of Remuneration Report
Section 5	Resolution 2 – Re-election of Director Dr Chris Giles
Section 6	Resolution 3 – Capital Reduction and In-specie Distribution of Sandfire Shares
Section 7	Risk Factors
Schedule 1	Definitions
Annexure 1	Pro-forma Consolidated Statement of Financial Position (Unaudited)

2 Action to be taken by Shareholders

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on each resolution.

2.1 Voting eligibility

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday, 15 December 2026 at 6:30pm (Adelaide time).

2.2 How to vote

Shareholders entitled to vote at the Meeting can vote:

(a) by attending the Meeting physically and voting in person;
(b) by appointing an attorney to attend the Meeting and vote on their behalf, or in the case of a corporate Shareholder, a corporate representative to attend the Meeting and vote on its behalf; or
(c) by appointing a proxy to attend the Meeting and vote on their behalf using the personalised Proxy Form.

A personalised Proxy Form accompanies the Notice. The Proxy Form contains full details of how to appoint persons and how to sign and lodge the voting form.

To be valid, Proxy Forms or electronic voting instructions must be received by 10:30am (Adelaide time) on Tuesday, 15 December 2026.

The resolutions at the Meeting will be voted on by poll and Shareholders who are entitled to vote may vote either prior to the Meeting by appointing a proxy or by poll during the Meeting.

2.3 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 10:30am (Adelaide time).

Shareholders are asked to arrive at the venue 30 minutes prior to the time designated for the Meeting to allow for registration for the Meeting. The registration form for the Meeting is the personalised Proxy Form sent to you.

2.4 Proxies

You can appoint a proxy by completing and returning to the Company the personalised Proxy Form for the Meeting. Proxy Forms must be completed and received by the Share Registry by 10:30am (Adelaide time) on Tuesday, 15 December 2026, being no later than 48 hours before commencement of the Meeting, using one of the following methods:

(a) Online at:
www.investorvote.com.au and following the instructions provided.
You will need your SRN or HIN and Control Number as shown on your personalised Proxy Form.
You will be taken to have signed the Proxy Form if you lodge your proxy in accordance with the instructions on the website. Please read the instructions for online proxy submissions carefully before you lodge your proxy.
(b) Mail to:
Computershare Investor Services Pty Limited
GPO Box 242, Melbourne, Victoria 3001.
(c) Mobile voting:
Scan the QR Code on your Proxy Form and follow the prompts.
(d) Custodian voting:
For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.
(e) Fax to:
In Australia: 1800 783 447.

From outside of Australia: +61 3 9473 2555.

If you are entitled to attend and cast a vote at the Meeting, you may appoint up to two proxies. A proxy may be an individual or a corporation but need not be a Shareholder. If you appoint two proxies each proxy may exercise half of your votes if no proportion or number of votes is specified.

If a proxy is instructed to abstain from voting on any item of business, that person is directed not to vote on the Shareholder's behalf on a poll and the Shares the subject of the proxy appointment will not be counted in computing the required majority.

If you appoint a proxy but attend the Meeting yourself, the rights of the proxy to speak and vote on your behalf at the Meeting will be suspended while you are present. Each proxy will have the right to vote on each resolution (to the extent of their appointment) and also to speak at the Meeting.

If the Chairman of the meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on each resolution, by signing and returning the Proxy Form you are giving express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.5 **Corporate representatives**

A corporation that is a Shareholder or a proxy may elect to appoint a person to act as its corporate representative at the Meeting, in which case the corporate Shareholder or proxy (as applicable) must provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as its corporate representative. The authority must be sent to the Company and/or the Company's Share Registry (in a manner detailed above) in advance of the Meeting.

2.6 **Power of attorney**

If a Shareholder wishes to appoint an attorney, that Shareholder will need to provide the Company with an original or certified copy of the power of attorney authorising the attorney to attend and vote at the Meeting, at least 48 hours prior to the commencement of the Meeting.

2.7 **External Auditor**

A representative of the Company's External Auditor will be present to answer any relevant questions. Questions to the External Auditor in writing may be forwarded to reach the Company no later than 10:00am (Adelaide time) on Thursday, 10 December 2026.

2.8 **Annual Report**

In accordance with amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Annual Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. Shareholders who do not receive a printed copy of the Company's Annual Report may view the report on its website at www.havilah-resources.com.au/reports.

2.9 **Further information**

If you have any questions regarding Proxy Forms or voting please contact the Share Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 8:30am to 4:30pm (Adelaide time) Monday to Friday, excluding public holidays.

3 Agenda item 1 – Consolidated Financial Statements and Reports

The consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 July 2026 and the Directors' Report and Independent Auditor's Report are set out in the Company's Annual Report.

Neither the Corporations Act nor the Constitution requires a vote of Shareholders to approve these reports.

This item is intended to provide an opportunity for Shareholders to raise questions about the reports and on the performance of the Company generally. In addition, a reasonable opportunity will be given to Shareholders to ask the Company's External Auditor questions relevant to the conduct of the 2026 statutory audit, the preparation and content of the Independent Auditor's Report, the material accounting policies adopted by the Company in relation to the preparation of the 31 July 2026 consolidated financial statements, and the independence of the External Auditor.

4 Resolution 1 – Adoption of Remuneration Report

The Remuneration Report is in the Directors' Report section of the Company's Annual Report.

By way of summary, the Remuneration Report:

(a) explains the Company's remuneration policy and the process for determining the remuneration of its Directors and other Key Management Personnel;
(b) addresses the relationship between the Company's remuneration policy and the Company's performance; and
(c) sets out remuneration details for each Director and each of the Company's other Key Management Personnel named in the Remuneration Report for the financial year ended 31 July 2026.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on this resolution is advisory only, however, and does not bind the Board or the Company. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies going forward.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Directors (other than a managing director) must go up for re-election. At the Company's previous annual general meeting held on 17 December 2025, the votes cast against the Remuneration Report considered at that annual general meeting were less than 25%. Accordingly, a spill resolution will not be put to a vote or a poll as a result of the vote at this Meeting.

The Chairman will give Shareholders a reasonable opportunity to ask relevant questions about or to make comments on the Remuneration Report at the Meeting.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Adoption of Remuneration Report) by marking either "For", "Against" or "Abstain" on the Proxy Form for Resolution 1.

If you appoint a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report (who is not the Chairman) or a Closely Related Party of that member as your proxy, and you do not direct that person on how to vote on this Resolution 1, the proxy cannot exercise your vote and your vote will not be counted in relation to this Resolution 1.

Key Management Personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the financial year ended 31 July 2026. Closely Related Party is defined in the Corporations Act, and includes certain of their family members, dependants and companies they control.

Board recommendation
The Board recommends that Shareholders vote in **FAVOUR** of Resolution 1, noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this resolution (set out in the Notice), that each Director (or any Closely Related Party of a Director) is excluded from voting their Shares on this resolution.

The Chairman of the meeting intends to vote undirected proxies in **FAVOUR** of Resolution 1.

5 Resolution 2 – Re-election of Director Dr Chris Giles

Rule 6.1 of the Constitution requires that at each annual general meeting, one-third of Directors for the time being shall retire from office and that a Director who so retires is eligible for re-election. Rule 6.1 of the Constitution requires that the Director or Directors to retire at an annual general meeting are those who have been longest in office since their election. Additionally, ASX Listing Rule 14.4 provides that a Director must retire from office no later than the longer of the third annual general meeting of the Company or 3 years following that Director's last election or appointment.

Dr Chris Giles was last re-elected as a Director at the 2023 annual general meeting. Dr Giles retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election as a Director.

Dr Giles is an internationally experienced exploration geologist having been directly involved in exploration programs resulting in the discovery of several operating gold mines in various parts of the world, including Indonesia, Tanzania, and the Tanami and the Eastern Goldfields regions of Australia. Chris was a founding member of Havilah Resources Limited and has played a key role in the strategic accumulation of its mineral tenement holding in the Curnamona Province of northeastern South Australia. As the Technical Director for Havilah Resources Limited, Chris has been responsible for ground selection and overseeing exploration programs contributing to the delineation of eight new mineral resources within this tenement area, resulting in Havilah's JORC Mineral Resources. Chris is an Executive Director and continues to provide technical guidance within the business. Chris is a member of the Australian Institute of Geoscientists and is a resident of Adelaide.

Shares and Director share options
42,172,797 fully paid Shares (including Dr Giles' personally related parties).
3,000,000 unlisted Director share options each with an exercise price of $0.33 expiring on 21 December 2027.

Board recommendation
The Board (with Dr Chris Giles abstaining because of his interest) recommends that Shareholders vote in **FAVOUR** of Resolution 2.

The Chairman of the meeting intends to vote undirected proxies in **FAVOUR** of Resolution 2.

6 Resolution 3 – Capital Reduction and In-specie Distribution of Sandfire Shares

6.1 Purpose and Overview of Resolution

During February 2026 Havilah and Sandfire Resources Limited (**Sandfire**) executed an Earn-in Agreement granting Sandfire an exclusive right to acquire an 80% interest in the Kalkaroo copper-gold project in the Curnamona Province of northeastern South Australia (**Kalkaroo**).

Sandfire subsequently paid Havilah non-refundable Stage 1 upfront consideration of $105 million, comprising $31.5 million in cash and 4,640,833 Sandfire fully paid ordinary shares for an exclusive right to earn an 80% interest in Kalkaroo. Upon completion of a new pre-feasibility study or at any time before February 2028, Sandfire may elect to acquire the 80% interest by paying a further $105 million in cash and Sandfire fully paid ordinary shares.

The pre-feasibility study is underway, with Sandfire funding approximately US$70 million towards it. The pre-feasibility study is scheduled for completion during the 2028 calendar year and includes a ~130 kilometre infill and extension drilling program designed to support updated Mineral Resource and Ore Reserve estimates. Under the Strategic Alliance Agreement Sandfire has also committed a minimum of $30 million over two years to regional exploration on tenements owned by Havilah.

Since this payment, the Directors have sought expert advice on the most effective way to distribute a proportion of this payment to Shareholders. After due consideration of this advice, the Directors have decided to effect returns to Eligible Shareholders via an in-specie distribution of Sandfire Shares comprised of two payment components issued in a single transaction:

1. An equal capital reduction under section 256B of the Corporations Act totalling $17,999,496.90 (**Capital Reduction**) that is effected via an in-specie distribution of Sandfire Shares (**In-specie Sandfire Shares**). Under the Capital Reduction, Eligible Shareholders will be entitled to approximately one (1) In-specie Sandfire Share for every 396 Havilah Shares held on the Record Date (based on a Sandfire share price of $20.18). Shareholders will not be required to pay any consideration for the In-specie Sandfire Shares as Havilah will make an appropriate capital reduction in its books to reflect this distribution. This proposal to reduce the capital in Havilah and distribute the In-specie Sandfire Shares is subject to the approval of Shareholders (which is being sought by Resolution 3 in this Notice).

2. A fully franked dividend of $0.07514 per Havilah fully paid ordinary share (**Dividend**) totalling $26,597,486.66 to be paid by the in-specie distribution of Sandfire Shares (**Dividend Shares**).

The Capital Reduction and the Dividend will be satisfied by way of a pro rata in-specie distribution of Sandfire Shares held by Havilah to all Eligible Shareholders on the Record Date, with fractional entitlements rounded down to the nearest whole share.

Eligible Shareholders whose pro rata entitlement to Sandfire Shares would result in them holding an Unmarketable Parcel of Sandfire Shares will instead have their entitlement under the Total Distribution satisfied wholly in cash (subject to rounding). See further information under the heading "Unmarketable Parcel Shareholders" below.

The number of Sandfire Shares a Shareholder will receive under the Total Distribution will be determined as follows (subject to rounding):

A = (B/C x TD) / SSP

Where:

A = the number of Sandfire Shares a Shareholder will receive.

B = the number of Havilah Shares held by the Shareholder on the Record Date.

C = the total number of Havilah Shares on the Record Date (being 353,972,407 Shares).

SSP = the Sandfire Share Price, being the volume weighted average price (**VWAP**) of Sandfire Shares for the last five trading days prior to the Record Date.

TD = the amount of the Total Distribution (being $44,596,983.56).

Board Discretion Whether to Proceed with the Total Distribution

Although Shareholders may approve Resolution 3, the final decision to proceed with the Total Distribution will be made by the Directors of the Company, in their absolute discretion. Even if Shareholders approve Resolution 3, the Directors may resolve not to proceed with the Capital Reduction or the Dividend should market conditions or other factors affecting the distribution of In-specie Sandfire Shares cause the Directors to believe that proceeding would not be in the best interests of Shareholders.

Havilah does not make any prediction as to what the market value of the Sandfire Shares will be at the time of distribution to Shareholders or subsequently.

The terms of the Capital Reduction are the same for each holder of Havilah Shares (subject to rounding and the treatment of Unmarketable Parcels described below). The proportionate ownership interest of each Shareholder in Havilah remains the same before and after the Capital Reduction.

The Directors consider the Capital Reduction will have no material adverse effect on the interests of Shareholders or the Company's ability to pay its creditors. Net assets of Havilah will remain positive at approximately $89.1 million following the Total Distribution.

Subject to relevant ATO ruling, the Capital Reduction and the Dividend should be tax effective in the hands of Eligible Shareholders (see section 6.8, **Taxation Implications**, below).

This document includes a statement of all the information known to the Company that is material to Shareholders in deciding how to vote on Resolution 3, as required by section 256C(4) of the Corporations Act.

6.2 Frequently Asked Questions

The following questions and answers are a summary only and should be read together with the rest of this Explanatory Memorandum.

(a) What will you receive?

Subject to Shareholders approving Resolution 3, Eligible Shareholders will receive their pro rata share of the Total Distribution comprising the Capital Reduction and the Dividend in proportion to the number of Shares held by them at the Record Date.

Eligible Shareholders are not required to pay any consideration for the Sandfire Shares they receive.

(b) What is the impact on your shareholding in Havilah?

The number of Shares you hold in Havilah will not change as a result of the Total Distribution. However, the value of your Shares may be affected, as the Total Distribution involves Havilah distributing assets (the Sandfire Shares) that would otherwise have been reflected in the value of Havilah. Your proportionate ownership interest in Havilah will remain the same before and after the Total Distribution.

(c) Do you have to do anything to receive your Sandfire Shares?

You must be registered as a Shareholder on the Record Date in order to receive your entitlement under the Total Distribution. If Resolution 3 is approved and the Directors resolve to proceed with the Total Distribution (including by paying the Dividend), you will automatically receive your entitlement (whether in the form of Sandfire Shares, or a wholly cash payment if you are an Unmarketable Parcel Shareholder), even if you vote against Resolution 3 or do not vote at all.

(d) Will you be able to trade your Sandfire Shares?

The Sandfire Shares are listed on the ASX. Subject to Sandfire's ordinary shares continuing to be quoted on the ASX, Eligible Shareholders who receive Sandfire Shares should be able to trade them on-market in the same way as any other ASX-quoted security, subject to the standard settlement and holding arrangements applicable to their holding (for example, issuer-sponsored or broker-sponsored holdings).

(e) What are the taxation implications of the Total Distribution?

A general guide to the Australian taxation implications of the Total Distribution is set out under the heading "Taxation Implications" below. That guide is not intended to constitute taxation advice and Shareholders should obtain their own professional advice as to the taxation consequences of the Total Distribution having regard to their own circumstances.

(f) What will happen if Resolution 3 is not approved?

If Shareholder approval of Resolution 3 is not obtained, the Capital Reduction will not proceed and Eligible Shareholders will not receive Sandfire Shares under Resolution 3. The Board intends to pay the Dividend regardless of whether Shareholders approve the Capital Reduction.

6.3 Indicative Timetable

Subject to the ASX Listing Rules and the Corporations Act, the Company anticipates that the Total Distribution will proceed in accordance with the following indicative timetable:

Event	**Date**
Meeting to approve Resolution 3	Thursday, 17 December 2026
ASX and ASIC informed of Shareholder approval	Thursday, 17 December 2026
Effective Date of the Capital Reduction under the ASX Listing Rules	Thursday, 24 December 2026
Last day for trading Shares on a "cum" Total Distribution entitlement basis	Tuesday, 29 December 2026
Shares commence trading on an "ex" Total Distribution entitlement basis	Wednesday, 30 December 2026
Record Date for determining entitlements under the Total Distribution	Thursday, 31 December 2026
Distribution of Sandfire Shares to Eligible Shareholders	Friday, 8 January 2027

6.4 Legal Requirements

Section 256B(1) of the Corporations Act provides that a company may reduce its share capital if the reduction:

- is fair and reasonable to the Company's shareholders as a whole;
- does not materially prejudice the Company's ability to pay its creditors; and
- is approved by shareholders under section 256C of the Corporations Act.

The proposed Capital Reduction is an equal reduction as it relates only to ordinary shares. It applies to each holder of ordinary shares in proportion to the number of ordinary shares they hold, and the terms of the reduction are the same for each holder of ordinary shares. Accordingly, as the reduction is an equal reduction, section 256C of the Corporations Act requires approval of the proposed Capital Reduction by way of an ordinary resolution.

Shareholder approval is not required for the Company to proceed with the Dividend. However, the Capital Reduction will not proceed if Resolution 3 is not approved.

Fair and reasonable as a whole

The Directors are of the view that the equal capital reduction is fair and reasonable to Shareholders as a whole, because the reduction will apply equally to all Shareholders having regard to the number of Shares each Shareholder holds on the Record Date. Each Eligible Shareholder will receive approximately (one) 1 In-specie Sandfire Share for every 396 Havilah Shares held by them on the Record Date (based on a Sandfire share price of $20.18).

The distribution will result in Eligible Shareholders moving from an indirect ownership of Sandfire Shares (through their ownership of Shares) to a direct ownership. The Capital Reduction is therefore reasonable.

The Directors believe that the Capital Reduction is fair and reasonable to Shareholders for the reasons set out in this Explanatory Memorandum.

Does not materially prejudice the Company's ability to pay its creditors

The Directors have reviewed the Company's assets and liabilities (including contingent liabilities) and consider that the proposed Capital Reduction to the existing Shareholders of Havilah and the associated Dividend will not materially prejudice Havilah's ability to pay its creditors. Further, the Directors advise that the Capital Reduction will not result in Havilah being insolvent at the time of the Capital Reduction, or becoming insolvent as a result of the Capital Reduction.

Approved by shareholders in accordance with section 256C of the Corporations Act

Havilah is seeking approval from Shareholders, as required by section 256C of the Corporations Act.

In accordance with section 256C of the Corporations Act, a copy of this Notice and Explanatory Memorandum was lodged with ASIC on 11 November 2026.

6.5 Effect of the proposed Capital Reduction on Havilah

The Capital Reduction (if approved) would result in Eligible Shareholders receiving from Havilah a pro rata in-specie distribution of Sandfire Shares.

As at the date of this Notice, the Company has 353,972,407 Shares on issue. No additional Shares will be issued as a result of the Capital Reduction. On the basis that no further Shares are issued, no Options are exercised and no Performance Rights are converted, the Company will have 353,972,407 Shares on issue at the Record Date. Consequently, the amount of capital returned per

Share will be $0.05085 (rounded to five decimal places).

The effect on Havilah's balance sheet is set out in an unaudited pro-forma consolidated statement of financial position detailed in Annexure 1 of this Explanatory Memorandum.

The major accounting policies on which the unaudited pro-forma consolidated statement of financial position is based are contained in the Consolidated Entity's audited annual financial report for the financial year ended 31 July 2026. A copy of the Havilah Annual Report is available on the Company's website.

There will be no impact on the capital structure of the Company from the Capital Reduction.

6.6 Principal Advantages and Disadvantages of the Total Distribution

Principal advantages

(a) Shareholders will continue to retain their current proportional ownership interest in the capital of Havilah.

(b) Eligible Shareholders will obtain a direct holding of Sandfire Shares (an ASX-quoted security) in place of an indirect economic exposure to those ordinary shares through Havilah, allowing Shareholders to deal with that holding separately from their Havilah Shares.

(c) Eligible Shareholders are not required to pay any consideration for their Sandfire Shares.

(d) The Total Distribution allows Havilah to return value derived from the Kalkaroo transaction to Shareholders in a tax-effective manner (see "Taxation Implications" below), rather than retaining the Sandfire Shares on its balance sheet indefinitely.

(e) The treatment of Unmarketable Parcel Shareholders by way of a cash payment avoids Shareholders being left with uneconomic, difficult to trade parcels of Sandfire Shares.

Principal disadvantages

(a) Havilah will incur costs associated with the Total Distribution, including legal, tax, accounting and Share Registry costs incurred in preparing this Notice and implementing the distribution.

(b) The net asset backing of Havilah will be reduced following the Total Distribution, as the Sandfire Shares distributed will no longer form part of Havilah's net assets. This may result in a reduction in the price at which Havilah Shares trade on the ASX.

(c) There is no guarantee as to the future performance of Sandfire or the market value of the Sandfire Shares, either at the time of distribution or subsequently, and Shareholders who receive Sandfire Shares will be exposed to the risks associated with holding an investment in Sandfire (which are separate and distinct from the risks of holding Shares in Havilah).

(d) Some Shareholders may be subject to adverse tax consequences as a result of the Total Distribution and may need to seek their own tax advice (see "Taxation Implications" below).

(e) Eligible Shareholders may incur transaction costs (such as brokerage) if they subsequently wish to dispose of their Sandfire Shares.

(f) Unmarketable Parcel Shareholders will not receive Sandfire Shares and the Australian dollar cash proceeds they receive in lieu will depend on the price obtained on the sale of those shares, which may be more or less than the notional value of their entitlement as at the Record Date.

6.7 Effect of Capital Reduction and In-specie Distribution

Effect on Shares

Havilah currently has 353,972,407 Shares on issue and this number will remain unchanged as a result of the Total Distribution.

Effect on Options

Havilah currently has on issue 5,450,000 unlisted Director share options with an exercise price of $0.33 expiring on 21 December 2027 (**Options**).

In accordance with ASX Listing Rule 7.22.3, the number of Options on issue will remain the same; however, the exercise price of each Option is required to be reduced by the same amount as the Capital Reduction returned in respect of each Havilah Share. The Dividend component of the Total Distribution does not affect the exercise price of the Options.

Based upon a Capital Reduction of $0.05085 per Share, the exercise price of the Options would be reduced by $0.05085 per Option.

Options granted have no distribution rights or voting rights.

Effect on Performance Rights

Havilah currently has on issue 2,375,001 unlisted performance rights issued under the Havilah Employee Incentive Plan (**Performance Rights**).

The Capital Reduction will not have any impact on the Performance Rights.

Performance Rights granted have no distribution rights or voting rights.

6.8 Taxation Implications

The following comments are based on the application of Australian taxation laws in force at the date of this Explanatory Memorandum.

It should be emphasised that these comments are general in nature and you should seek and rely on your own taxation advice in relation to the taxation consequences of the Total Distribution. Neither Havilah nor any of its officers accepts liability or responsibility with respect to such consequences.

Shareholders will not be considered to have disposed of their Shares in Havilah as a consequence of the Total Distribution, although taxation consequences can still arise depending upon the circumstances of each individual Shareholder.

Generally, the mere receipt of In-specie Sandfire Shares should not give rise to any immediate taxable gain to any Shareholder, although a net capital gain may arise where the value of the In-specie Sandfire Shares received in respect of the Capital Reduction exceeds the cost base of the Havilah Shares held (discussed in detail below). However, all Shareholders should note that for capital gains tax purposes and subsequent capital gains tax calculations, that Havilah is in the process of obtaining a binding class ruling from the Commissioner of Taxation on behalf of Shareholders to confirm anti-avoidance provisions (see "Capital Reduction" below) will not apply and no amount of the Capital Reduction will be considered an unfranked dividend (**ATO Ruling)**.

Capital Reduction

1. The Capital Reduction is to be made from Havilah's share capital account. Accordingly, the Capital Reduction should not be considered to be an assessable dividend for the purposes of section 44 of the *Income Tax Assessment Act 1936* (Cth). Sections 45A and 45B of the *Income Tax Assessment Act 1936* (Cth) contain anti-avoidance provisions dealing with the streaming of

dividends and capital benefits. Neither of these anti-avoidance provisions should apply in this instance.

2. (a) Subject to the ATO Ruling, if you have held your Havilah Shares for at least 12 months prior to the Capital Reduction, the Capital Reduction will be treated as a reduction in the cost base or reduced cost base of your Havilah Shares and, in the event that the value of the Sandfire Shares you receive in respect of the Capital Reduction exceeds that cost base or reduced cost base, a taxable capital gain that is subject to a 50% discount will arise.

(b) Alternatively, if you have held your Havilah Shares for less than 12 months prior to the Capital Reduction, the Capital Reduction will be treated as a reduction in the cost base or reduced cost base of your Havilah Shares and, in the event that the value of the In-specie Sandfire Shares you receive in respect of the Capital Reduction exceeds that cost base or reduced cost base, a taxable capital gain will arise (without the benefit of the 50% capital gains tax discount).

3. If you are a non-resident of Australia for taxation purposes, you will not be subject to capital gains tax on the Capital Reduction unless your Havilah shareholding has a ‘necessary connection' with Australia. This will only be the case where you (or you and your associates together) held 10% or more of the value of Havilah's issued share capital at any time in the last 12 months. Non-resident Shareholders are advised to seek their own specific advice in this area.

4. The taxation consequences to Shareholders (resident and non-resident) who may hold Havilah Shares on revenue account or through a company or superannuation fund will depend on their specific circumstances and, accordingly, Shareholders such as banks, insurance companies, share traders and professional investors should seek their own advice.

Dividend

The Dividend of $26,597,486.66 will be fully franked. The following is a general overview of the Australian income tax consequences for an Australian resident Shareholder who holds Havilah Shares on capital account.

1. The Dividend, satisfied by the distribution of Dividend Shares (and, where applicable, cash), will be an assessable dividend for the purposes of section 44 of the *Income Tax Assessment Act 1936* (Cth). The amount to be included in a Shareholder's assessable income is the value of the Dividend Shares (and any cash) received in respect of the Dividend, grossed up for the attached franking credits.

2. As the Dividend will be fully franked, Australian resident Shareholders should generally be entitled to a tax offset equal to the franking credit attached to the Dividend, subject to satisfying the relevant holding period and other integrity rules (including the 45-day holding period rule) in Division 1A of former Part IIIAA of the *Income Tax Assessment Act 1936* (Cth) and Division 207 of the *Income Tax Assessment Act 1997* (Cth).

3. The cost base of the Dividend Shares received in respect of the Dividend will be equal to their market value at the time they are transferred to the Shareholder. No part of the Dividend reduces the cost base of a Shareholder's Havilah Shares.

4. Non-resident Shareholders should not be subject to Australian dividend withholding tax on the Dividend to the extent it is fully franked. Non-resident Shareholders are advised to seek their own specific advice in this area, including as to the application of any double tax treaty between Australia and their country of residence.

5. Shareholders who hold their Havilah Shares on revenue account, or through a company or superannuation fund, should seek their own specific advice as to the taxation treatment of the Dividend having regard to their particular circumstances.

6.9 **Ineligible Shareholders**

(a) *Foreign Shareholders*

Foreign laws may restrict the Company from transferring Sandfire Shares to Shareholders in countries other than Australia. This Explanatory Memorandum has been prepared to comply with Australian law and is only being made available to Shareholders having regard to Australian disclosure requirements. These requirements may be different from those in other jurisdictions.

No action has been taken by the Company to register the Sandfire Shares to be transferred pursuant to the Total Distribution in any jurisdiction outside Australia.

Based on the information available to the Company, Shareholders whose addresses are shown in the register on the Record Date will be entitled to have Sandfire Shares distributed to them under the Total Distribution subject to any qualifications set out below in respect of that jurisdiction:

- New Zealand; and
- Any other person or jurisdiction in respect of which the Company reasonably believes that it is not prohibited and not unduly onerous or impractical to distribute Sandfire Shares to a Shareholder with a registered address in such jurisdiction,

(**Eligible Jurisdictions**).

Nominees, custodians and other Shareholders who hold Shares on behalf of a beneficial owner outside Australia and New Zealand may not forward this Notice (or any accompanying document) to anyone outside these countries without the consent of the Company.

(b) *New Zealand*

This Notice is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the *Financial Markets Conduct Act 2013* or any other New Zealand law. The offer of Sandfire Shares under the Total Distribution is being made to existing Shareholders of the Company in reliance upon the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021* and, accordingly, this Notice may not contain all the information that a disclosure document is required to contain under New Zealand law.

(c) *Unmarketable Parcel Shareholders*

An Eligible Shareholder whose pro rata entitlement under the Total Distribution would otherwise result in that Shareholder holding an unmarketable parcel of Sandfire Shares (that is, a holding with a market value, as at the Record Date, of less than $500, applying the standard ASX definition of a marketable parcel) (**Unmarketable Parcel**) will not receive Sandfire Shares. Instead, that Shareholder's entire entitlement under the Total Distribution will be satisfied in cash under the Sale Facility described below.

Havilah will not exercise any discretion to aggregate or disregard a Shareholder's holdings across multiple accounts for the purpose of avoiding the Unmarketable Parcel treatment described above, other than as is reasonably necessary to prevent the artificial splitting of holdings to avoid that treatment.

(d) *Sale Facility*

While the Total Distribution will apply to all Shareholders, Sandfire Shares will only be transferred to those Shareholders with a registered address in Australia or New Zealand on the Record Date, or to a Shareholder who, in the Directors' opinion, the transfer of the

Sandfire Shares can be made without imposing undue burden and cost on the Company having regard to the laws of the applicable foreign jurisdiction and are not Unmarketable Parcel Shareholders (**Eligible Shareholders**). Shareholders other than Eligible Shareholders on the Record Date will be deemed as **Ineligible Shareholders** and will not receive Sandfire Shares.

The Company, or its nominee, will sell the Sandfire Shares that would otherwise have been distributed to Ineligible Shareholders, at such price and on such terms as the Company determines in good faith and at the risk of the Ineligible Shareholders. As the market price of Sandfire Shares will be subject to change from time to time, the sale price of those Sandfire Shares cannot be guaranteed. The net proceeds from the sale (in Australian dollars) will be distributed to Ineligible Shareholders (after deducting the costs of the sale and the distribution of the proceeds) as soon as practicable after the sale.

The amount received by Ineligible Shareholders for each Sandfire Share which would otherwise have been transferred to them may be less or more than the actual price received by the Company for that particular Sandfire Share.

6.10 ASX Listing Rule 7.20

In accordance with ASX Listing Rule 7.20, the following information is provided:

(a) The Board expects that, following implementation of the Capital Reduction contemplated by Resolution 3 and the Dividend, the market price of Havilah Shares may adjust to reflect the value distributed to Shareholders.

While the future market price of Havilah Shares cannot be predicted and will depend on prevailing market conditions and investors' assessment of Havilah's remaining assets and prospects, Shareholders should generally expect that the market price of a Havilah Share immediately following implementation of the Total Distribution may be lower than immediately before implementation by an amount broadly corresponding to the value distributed under the Capital Reduction and Dividend.

The actual adjustment in the market price of Havilah Shares may differ materially from the value distributed due to market conditions, investor sentiment, changes in commodity prices, changes in the value of Havilah's remaining assets and other factors.

(b) Fractional entitlements to In-specie Sandfire Shares and Dividend Shares arising on the Total Distribution will be rounded down to the nearest whole share, and Eligible Shareholders who would otherwise receive an Unmarketable Parcel of In-specie Sandfire Shares and Dividend Shares will instead receive their entire entitlement satisfied cash through the Sale Facility, as described above (subject to rounding down).

(c) Holders of Options and Performance Rights in Havilah will not be entitled to participate in the Total Distribution unless the Options are exercised and/or Performance Rights are converted prior to the Record Date.

6.11 Overview of Sandfire

The information in this section 6.11 has been sourced from public information released by Sandfire on the ASX. Shareholders should refer to the ASX website at www.asx.com.au to access Sandfire's periodic and continuous disclosure for further information.

Sandfire is a copper producer with operations and projects across several jurisdictions. It is headquartered in Perth, Western Australia and listed on the ASX. Its principal producing operations are the MATSA (Minas de Aguas Teñidas) copper operation in the Huelva Province of Spain, a polymetallic underground mining operation processing ore through a 4.7Mtpa central facility, and the Motheo copper operation in the Kalahari Copper Belt in Botswana, comprising open-pit mines processed through a 5.6Mtpa facility.

Sandfire also holds an 87 % interest in TSXV listed Sandfire Resources America Inc. (TSXV: SFR), which is the owner of the Black Butte copper project in Montana, United States, an undeveloped high-grade copper resource, and holds an exclusive right to acquire an 80% interest under its agreements with Havilah. Sandfire's former DeGrussa operation in Western Australia is in closure and rehabilitation.

6.12 Rights attaching to Sandfire Shares

The Sandfire Shares to be distributed, should Resolution 3 be approved, rank equally with all other fully paid ordinary shares in Sandfire on issue. Because the Sandfire Shares to be distributed are fully paid, the Sandfire directors cannot make calls for money on them, so they cannot be forfeited for failure to pay a call.

A summary of the more significant rights and obligations attaching to Sandfire Shares is set out below. The summary is not exhaustive. The rights attaching to Sandfire Shares are set out in full in Sandfire's constitution, which is read subject to the Corporations Act and, while Sandfire is listed, the ASX Listing Rules and the ASX Settlement Operating Rules.

(a) General meetings

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

(b) Voting

Subject to the constitution and any rights or restrictions attached to any class or classes of shares, whether by the terms of their issue, the constitution, the Corporations Act, or the ASX Listing Rules, at a general meeting of Sandfire every shareholder present in person or by proxy, attorney or representative has one vote on a show of hands. On a poll, each such shareholder has one vote for each fully paid share held and, for each partly paid share, a fraction of a vote equal to the proportion that the amount paid (not credited) bears to the total amount paid and payable on the share. Resolutions are decided by a majority of votes cast, except where a special majority is required, and the chair has no casting vote. A poll may be demanded by the chair, by at least five shareholders entitled to vote on the resolution, or by shareholders representing at least 5% of the votes that may be cast on the resolution on a poll.

(c) Issues of further shares

Subject to the constitution, the Sandfire directors may issue shares or grant options over unissued shares to any person, at the times and on the conditions they think fit. Those shares may have preferred, deferred or other special rights or restrictions (including as to dividends, voting, return of capital or participation on a winding up), and Sandfire may issue preference shares. This power is subject to the Corporations Act and ASX Listing Rules, and to any special rights of existing shareholders or classes of shareholders.

(d) Variation of rights

Unless their terms of issue provide otherwise, the rights attached to any class of Sandfire shares may be varied either with the written consent of the shareholders of 75% of the shares of that class, or by a special resolution passed at a separate meeting of the holders of shares of that class. The quorum for a separate class meeting is two persons holding or representing at least 25% of the issued shares of the class.

(e) Transfer of shares

Subject to the constitution, the Corporations Act, the ASX Settlement Operating Rules and the ASX Listing Rules, ordinary shares are freely transferable. The shares may be transferred by a proper transfer effected in accordance with ASX Settlement Operating 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 Sandfire directors that is permitted by the Corporations Act.

Sandfire may ask ASX Settlement to apply a holding lock, or may decline to register a transfer, in limited circumstances. These include where permitted under the ASX Listing Rules or ASX Settlement Operating Rules. If Sandfire declines to register a transfer or requests a holding lock, it must give written notice and explain the reasons for refusal.

(f) Partly paid shares

The Sandfire directors may, subject to compliance with the constitution, the Corporations Act and the ASX Listing Rules, issue partly paid shares upon which amounts are or may become payable at one or more future times in satisfaction of all or part of the unpaid issue price.

(g) Dividends

Subject to the Corporations Act, the ASX Listing Rules, the constitution, and the rights of any person entitled to shares with a special right to dividend, the Sandfire directors may pay interim, special or final dividends as the financial position of Sandfire justifies. The Sandfire directors may rescind a decision to pay a dividend before the payment date if they decide the financial position no longer justifies it.

Payment of a dividend does not require confirmation by a general meeting. Subject to any rights or restrictions attached to a share or class of shares, dividends are paid in proportion to the amount paid (not credited) on each share, and no interest is payable on dividends. The Sandfire directors may fix a record date for a dividend, may direct that a dividend be paid wholly or partly by distributing specific assets, and may deduct from a dividend any amount presently payable by the shareholder to Sandfire for calls.

(h) Winding up

Subject to the constitution and the rights or restrictions attached to any shares or class of shares, if Sandfire is wound up, any surplus remaining after payment of its debts, liabilities and the costs of the winding up is divided among shareholders in proportion to the shares they hold, irrespective of the amounts paid or credited as paid on them.

(i) Dividend plans

The Sandfire directors may implement a dividend reinvestment plan, under which participating shareholders may apply all or part of a dividend to subscribe for securities. They may also implement a dividend selection plan, under which participants may elect to receive a dividend from a particular fund, reserve or source of profits, or to forgo a dividend in exchange for another form of distribution.

(j) Sandfire directors

The constitution provides that Sandfire must have at least three directors and no more than 10.

(k) Powers of the Sandfire board

The Sandfire directors are responsible for managing Sandfire's business and may exercise all of Sandfire's powers to the exclusion of shareholders in general meeting, except as otherwise required by the Corporations Act, any other law, the constitution or the ASX Listing Rules.

6.13 Directors' Interests

Set out below is a table indicating the Havilah Shares in which the Directors have a relevant interest (including their personally related parties) as at the date of this Notice, and the indicative number of Sandfire Shares in which each Director would have a relevant interest if Resolution 3 is approved

and the Total Distribution is implemented. No Director will receive any payment or benefit as a consequence of the Total Distribution other than in their capacity as a Shareholder. Each Director's entitlement will be determined by reference to the Havilah Shares held on the Record Date and will be satisfied when the Total Distribution is implemented, on the same pro rata basis and subject to the same terms and conditions as apply to other Shareholders.

	Simon Gray	Christopher Giles	Victor Previn
Havilah Shares held	688,025	42,172,797	3,626,741
Indicative Sandfire Shares each Director would receive under the Total Distribution (based on a Sandfire share price of $20.18)	4,295	263,297	22,642

6.14 Other Information

Disclosure to ASX

Havilah is a disclosing entity for the purposes of the Corporations Act because its Shares are quoted on the Official List of the ASX. Accordingly, Havilah is subject to regular reporting and disclosure obligations. Copies of documents lodged by Havilah with ASIC, including this Notice and Explanatory Memorandum may be obtained for a fee from, or inspected at, an office of ASIC or can be accessed on the ASX market announcements platform.

Forward-looking statements

Some of the statements appearing in this Notice and Explanatory Memorandum may be in the nature of forward-looking statements. The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will" and similar expressions are intended to identify forward-looking statements.

Shareholders should be aware that such statements are only predictions and are subject to inherent risks and uncertainties, many of which are outside Havilah's control. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement, and such deviations are both normal and to be expected. None of Havilah, its officers, or any person involved in the preparation of this document makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, and Shareholders are cautioned not to place undue reliance on those statements. The forward-looking statements in this document reflect views held only as at the date of this document.

No financial product advice

This Notice and Explanatory Memorandum does not constitute financial product, taxation or investment advice, nor a recommendation in respect of the Sandfire Shares. It has been prepared without taking into account the objectives, financial situation or needs of Shareholders or other persons. Before deciding how to vote or act, Shareholders should consider the appropriateness of the information having regard to their own objectives, financial situation and needs, and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances. Havilah is not licensed to provide financial product advice.

No internet site is part of this document

No internet site is part of this Notice and Explanatory Memorandum. Havilah maintains an internet site at www.havilah-resources.com.au. Any reference in this document to that internet site is a textual reference only and does not form part of this document.

6.15 Board Recommendation

After a full and proper assessment of the information available to them, the Board considers that the Total Distribution is in the best interests of Shareholders as a whole. The Directors consider that the Total Distribution provides an efficient and tax-effective means of returning to Shareholders value attributable to the upfront consideration received from Sandfire in respect of the Kalkaroo transaction, while allowing Eligible Shareholders to obtain a direct holding in an ASX-listed entity.

The Board unanimously recommends that Shareholders vote in FAVOUR of Resolution 3.

The Chairman of the meeting intends to vote undirected proxies in **FAVOUR** of Resolution 3.

7 Risk Factors

This Section 7 sets out a summary of the key risks associated with the Total Distribution the subject of Resolution 3, as well as a summary of the general risks associated with an investment in Sandfire Shares and with Sandfire's business and operations more generally. This summary is not exhaustive and does not constitute a complete list of all risks that may affect Sandfire, the Total Distribution or an investment in Havilah Shares or Sandfire Shares.

Shareholders should also have regard to the risk factors set out in the "Key Risks" section of the Company's Annual Report for the financial year ended 31 July 2026, a copy of which is available on the Company's website, and should consider this Section 7 together with that disclosure.

7.1 Risks specific to the Total Distribution

Board discretion not to proceed. Although Shareholders may approve Resolution 3, the Directors retain an absolute discretion as to whether to proceed with the Total Distribution. The Directors may decide not to proceed, or to proceed on different terms, if market conditions or other factors cause them to believe that proceeding would not be in the best interests of Shareholders. Shareholders should be aware that an investment in Sandfire is speculative and is subject to various risk factors.

No guarantee as to the value or performance of Sandfire Shares. Havilah does not make any prediction as to the market value of the Sandfire Shares at the time of distribution or subsequently. Eligible Shareholders who receive Sandfire Shares will be exposed to the risks associated with holding an investment in Sandfire, which are separate and distinct from the risks of holding Havilah Shares and are outside Havilah's control, including risks relating to Sandfire's own operations, financial position and the market price of Sandfire Shares.

Reduction in Havilah's net assets. The net asset backing of Havilah will be reduced following the Total Distribution, as the Sandfire Shares distributed will no longer form part of Havilah's assets, although the Directors consider that the Total Distribution will have no material adverse effect on the interests of Shareholders or the Company's ability to pay its creditors.

Unmarketable Parcel Shareholders. Eligible Shareholders whose pro rata entitlement would otherwise result in them holding an Unmarketable Parcel of Sandfire Shares will instead have their entitlement satisfied wholly in cash, based on the sale price achieved for those shares on-market. That sale price will depend on prevailing market conditions at the time of sale and may be more or less than the notional value of the relevant Shareholder's entitlement as at the Record Date.

Overseas Shareholders and regulatory restrictions. The distribution of Sandfire Shares to Shareholders resident outside Australia and the other Eligible Jurisdictions will be subject to the legal and regulatory requirements of their relevant jurisdictions. Foreign Shareholders whose jurisdiction restricts or prohibits the distribution, or would impose an undue burden on Havilah, will not receive Sandfire Shares and will instead receive the net cash proceeds of sale of those shares, which may be more or less than the notional value of their entitlement as at the Record Date.

Taxation risk. The taxation consequences of the Total Distribution will depend on the individual circumstances of each Shareholder. Shareholders should obtain their own professional taxation advice, as the treatment summarised under "Taxation Implications" above is general in nature only and may not apply to their particular circumstances. There is also a risk that the Australian Taxation Office (**ATO**) may not issue confirmatory rulings consistent with the tax treatment Havilah anticipates for the Total Distribution.

Costs of the Total Distribution. Havilah will incur legal, tax, accounting, Share Registry and other costs in connection with implementing the Total Distribution, which will be borne by the Company.

No effect on proportionate ownership, but change in asset mix. A Shareholder's proportionate ownership interest in Havilah will not change as a result of the Total Distribution. However, the composition of Havilah's asset base will change, as Shareholders will receive a direct holding in Sandfire (an ASX-listed entity operating in different commodities and with its own risk profile) in place of indirect economic exposure to the Sandfire Shares through Havilah.

Unlisted Options exercise price adjustment. The exercise price of Havilah's unlisted Options on issue will be reduced to reflect the Capital Reduction component of the Total Distribution. The exact amount of that adjustment cannot be finally determined until the number of Options exercised prior to the Record Date, and the value of the Capital Reduction, are known.

7.2 General risks relating to Sandfire's business and Sandfire Shares

In addition to the risks specific to the Total Distribution described above, Shareholders should be aware of the general risks associated with Sandfire's business and an investment in Sandfire Shares. Shareholders should consider announcements made by Sandfire on the ASX market announcements platform, including its annual report for the financial year ended 30 June 2026.

Specific risk factors include:

Exploration and growth risk. Exploration is a key part of Sandfire's strategy, including near-mine and regional exploration and its interest in Kalkaroo. Exploration outcomes are inherently uncertain, and if Sandfire is unable to identify new resources and reserves or secure mining approvals, this could constrain its ability to grow and maximise shareholder returns.

Operational performance risk. Given the inherent risks in mining, the variability of Sandfire's orebodies and its exposure to commodity and foreign exchange market volatility, operational disruption may occur. External factors such as geopolitical tension and supply chain impacts, including the availability and cost of critical inputs, could also affect Sandfire's operations and increase costs.

Community and social licence risk. Failure to meet evolving regulatory and societal expectations, or to maintain trust with local communities, could damage Sandfire's reputation and social licence to operate. This could constrain Sandfire's ability to achieve its strategic objectives, reduce its access to capital and increase regulatory costs.

Climate and environmental risk. If Sandfire's plans fail to adequately address physical climate risks or evolving environmental legislation and regulatory requirements, it may face more frequent operational disruption, project delays, increased compliance costs, fines, penalties or legal disputes, any of which could reduce the value of its assets.

Geopolitical and regulatory risk. Adverse geopolitical developments or legislative, regulatory or policy decisions in the jurisdictions in which Sandfire operates may cause operational disruption, approval uncertainty or disruption to trade. Breaches of applicable laws or regulatory requirements could also result in penalties, fines or reputational damage.

Financial risk. A significant deterioration in economic conditions may adversely affect commodity prices, exchange rates, interest rates and input costs. This could affect Sandfire's ability to fund its operations and other investment opportunities, or to comply with its debt obligations.

Schedule 1

Definitions

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

$ means Australian dollars, unless otherwise stated;

Annual Report means the Directors' Report, the consolidated financial statements and Independent Auditor's Report in respect of the financial year ended 31 July 2026;

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX;

ATO means the Australian Taxation Office;

ATO Ruling means a binding class ruling from the Commissioner of Taxation with respect to the Australian tax consequences of the Capital Reduction;

Board means the board of Directors of Havilah Resources Limited;

Capital Reduction means the pro rata reduction of capital referred to in Resolution 3, undertaken by way of an equal reduction of capital under section 256B of the Corporations Act, forming part of the Total Distribution;

Chairman means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice;

Closely Related Party of a member of the Key Management Personnel for an entity means:
(a) a spouse or child of the member;
(b) a child of the member's spouse;
(c) a dependant of the member or of the member's spouse;
(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;
(e) a company the member controls; or
(f) a person prescribed as such by the *Corporations Regulations 2001* (Cth);

Company or **Havilah** means Havilah Resources Limited (ABN 39 077 435 520);

Consolidated Entity consists of Havilah Resources Limited and its subsidiaries;

Constitution means the existing constitution of the Company dated 21 December 2021;

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

Director means a director of the Company;

Directors' Report means the directors' report in respect of the financial year ended 31 July 2026 prepared under Chapter 2M of the Corporations Act for the Consolidated Entity;

Dividend means the fully franked dividend referred to in section 6.1, forming part of the Total Distribution;

Dividend Shares means the Sandfire Shares held by the Company that are distributed to Eligible Shareholders in satisfaction of the Dividend;

Distribution Date means the date that the distribution of in-specie Sandfire Shares to Eligible Shareholders occurs;

Eligible Shareholder means a Shareholder who is registered as the holder of Shares on the Record Date and who is not an Unmarketable Parcel Shareholder, as referred to in section 6.9;

Explanatory Memorandum means the explanatory memorandum that forms part of the Notice;

External Auditor means Grant Thornton Audit Pty Ltd (ACN 130 913 594);

Independent Auditor's Report means the External Auditor's report to the members of the Company for the financial year ended 31 July 2026;

In-specie Sandfire Shares means the Sandfire Shares held by the Company that are distributed to Eligible Shareholders in satisfaction of the Capital Reduction;

Kalkaroo means the Kalkaroo copper-gold project in the Curnamona Province of northeastern South Australia;

Key Management Personnel has the same meaning as in the accounting standards as defined in section 9 of the Corporations Act (so the term broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity, directly or indirectly, including any Director, whether executive or otherwise, of the Consolidated Entity);

Meeting has the meaning in the introductory paragraph of the Notice;

Notice means the notice of annual general meeting which comprises the notice, agenda, Explanatory Memorandum and Proxy Form;

Options means an unlisted option issued to Directors to subscribe for and be allotted one fully paid ordinary share in Havilah upon payment of the exercise price and subject to the terms and conditions of the option;

Performance Right means a right granted by the Company entitling the holder to receive one fully paid ordinary share in Havilah upon the satisfaction of applicable vesting conditions and subject to the terms of the Havilah Employee Incentive Plan. Performance Rights are unlisted;

Proxy Form means the proxy form accompanying the Notice;

Record Date means the date set by the Directors for determining a Shareholder's entitlements under the Total Distribution, expected to be Thursday, 31 December 2026;

Remuneration Report means the remuneration report which forms part of the Directors' Report of the Company for the financial year ended 31 July 2026 and which is set out in the Company's Annual Report;

Sale Facility means the sale facility described in section 6.9(d);

Sandfire means Sandfire Resources Limited (ACN 105 154 185);

Sandfire Shares means fully paid ordinary shares in the capital of Sandfire and, in relation to the Total Distribution, means collectively the In-specie Sandfire Shares and the Dividend Shares to be distributed to Eligible Shareholders;

Sandfire Share Price means the volume weighted average price (**VWAP**) of Sandfire Shares for the last five trading days prior to the Record Date;

Schedule means a schedule to this Explanatory Memorandum;

Share or Havilah Share means an ordinary share in the issued capital of the Company;

Shareholder means a shareholder of the Company;

Share Registry means Computershare Investor Services Pty Limited;

Total Distribution means the total distribution of $44,596,983.56 to Shareholders, comprising the Capital Reduction and the Dividend;

Unmarketable Parcel means a parcel of In-specie Sandfire Shares with a market value, as at the Record Date, of less than $500, applying the standard ASX definition of a marketable parcel;

Unmarketable Parcel Shareholder means a Shareholder whose pro rata entitlement under the Total Distribution would otherwise result in that Shareholder holding an Unmarketable Parcel;

VWAP means the volume weighted average price, calculated by dividing the total value of shares traded on the ASX during the relevant period by the total volume of shares traded on the ASX during that period.

Annexure 1

Pro-forma Consolidated Statement of Financial Position (Unaudited)

The pro-forma financial information detailed below has been provided for illustrative purposes and is intended to provide Shareholders with an indication of the Consolidated Entity's consolidated financial position should Resolution 3 be approved by Shareholders and the Company makes both the Capital Reduction and Dividend via in-specie distribution of Sandfire Shares.

	Notes	Consolidated 31 July 2026 (v) (Audited)	Adjustments	Pro-forma 31 July 2026 (Unaudited)
		$	$	$
Current assets				
Cash and cash equivalents	(i)	40,887,196	(11,399,008)	29,488,188
Trade and other receivables		254,347		254,347
Other assets		98,588		98,588
Total current assets		41,240,131		29,841,123
Non-current assets				
Exploration and evaluation expenditure		22,654,547		22,654,547
Property, plant and equipment		3,900,770		3,900,770
Shares held in Sandfire	(ii)	87,943,785	(44,596,984)	43,346,801
Other financial assets		11,631,888		11,631,888
Investment in associate		403,376		403,376
Total non-current assets		126,534,366		81,937,382
Total assets		167,774,497		111,778,505
Current liabilities				
Trade and other payables		813,046		813,046
Borrowings and lease liabilities		62,377		62,377
Provisions		1,201,696		1,201,696
Current tax liability	(i)	11,399,008	11,399,008	-
Funds received in advance		13,770,199		13,770,199
Total current liabilities		27,246,326		15,847,318
Non-current liabilities				
Deferred tax liability		6,766,033		6,766,033
Provisions		36,433		36,433
Total non-current liabilities		6,802,466		6,802,466
Total liabilities		34,048,792		22,649,784
Net assets		**133,725,705**		**89,128,721**
Equity				
Contributed equity	(iii)	91,736,956	17,999,497	73,737,459
Retained earnings	(iv)	43,849,358	26,597,487	17,251,871
Reserves		(1,860,609)		(1,860,609)
Total equity		**133,725,705**		**89,128,721**

Basis of preparation
The pro-forma financial information set out above comprises the unaudited pro-forma consolidated statement of financial position as at 31 July 2026 of the Consolidated Entity, including the impact of Resolution 3 should it be approved by Shareholders and the Company proceeding with the Total Distribution.

The pro-forma financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards to be included in annual financial statements or interim financial statements.

The values used for the pro-forma consolidated statement of financial position are outlined in the notes below.

Notes

(i) Payment of company income tax to the Australian Taxation Office of $11,399,008 being the estimated current tax liability for the financial year ended 31 July 2026.

(ii) In-specie Sandfire Shares and the Dividend Shares.

(iii) Capital reduction under section 256B of the Corporations Act totalling $17,999,497 that is effected via an in-specie distribution of Sandfire Shares, debited to Havilah's share capital account.

(iv) A fully franked dividend of $0.07514 per Havilah fully paid ordinary share totalling $26,597,487 paid by the in-specie distribution of Sandfire Shares, debited to Havilah's retained earnings account.

(v) The Company's Annual Report was authorised for issue by the Board on 23 October 2026 (and released on the ASX market announcements platform on 26 October 2026). It included the consolidated statement of financial position as at 31 July 2026.

Havilah Resources

Havilah Resources Limited
ABN 39 077 435 520

Need assistance?

Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

Online:
www.investorcentre.com/contact

YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30am (Adelaide time) on Tuesday, 15 December 2026.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative
If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 189454

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

SAMPLE ONLY

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Havilah Resources Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** _____

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Havilah Resources Limited to be held at National Wine Centre of Australia, Corner of Botanic & Hackney Roads, Adelaide, SA 5000 on Thursday, 17 December 2026 at 10:30am (Adelaide time) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	☐	☐	☐
Resolution 2	Re-election of Director Dr Chris Giles	☐	☐	☐
Resolution 3	Capital Reduction and In-specie Distribution of Sandfire Shares	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1	Securityholder 2	Securityholder 3	
			/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details *(Optional)*

Mobile Number _____

Email Address _____

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

SAMPLE ONLY