



HAVILAH RESOURCES NL

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Dear Fellow Shareholders,

The past quarter has seen updated mine modelling studies completed for both the Kalkaroo and Mutooroo copper deposits. You will note in the Quarterly Report that these deposits have significant income generating capacity, which has been determined independently by highly qualified mining professionals and will form the basis of our negotiations with development partners over coming weeks.

By bringing in partners we should be able to accelerate mine development and gain access to markets without the need for Havilah shareholders to directly fund the mine construction. Havilah personnel are then also free to pursue the numerous exploration targets we have in our tenements portfolio in the Curnamona Craton, and make new discoveries of copper, gold and zinc.

We will shortly begin drilling the McBrides zinc prospect that is characterised by widespread, high tenor zinc anomalies identified in earlier drilling by Pasmenco and ourselves. There is great potential to host a Broken Hill-size metal accumulation in this area. The work will be supported by a \$100,000 PACE Grant from the Department of Mines and Energy (PIRSA).

We will also be drilling more holes at the Portia gold deposit. With the improvement in gold price this deposit is looking attractive and some confirmatory drilling is planned to test new theories. We have almost completed the analysis of all the data collected in the area and are now investigating preliminary mine plans. Any mine here would be well within the capacity of Havilah to self fund as it would be able to start as a small, but potentially rich gold mine. If you have not had the chance, check the photo gallery on the Havilah web site to see the nugget gold from Portia.

Curnamona Energy Limited (Havilah 50.6%) has resumed drilling in the Yarramba Palaeochannel in its search for uranium. This work is in an area of the palaeochannel where there has never been any drilling and results to date show encouraging indications of the presence of uranium. As we build our knowledge of the palaeochannel we will be able to home in on potential mineralised sites. The holes are logged for radiation as they are drilled, so we know very quickly when we strike something of interest.

Geothermal Resources Limited is progressing with its capital raising and we are on track to list (subject to the ASX) sometime in March after the issue is closed. We have battled a little to get the requisite spread of 400 shareholders with at least 8,000 shares minimum for ASX listing requirements, but we are very close and expect to close off shortly. Thank you to all Havilah shareholders who subscribed to the IPO. This is some of the most prospective hot rock ground in Australia, which has been acquired for a very small outlay, and we believe in time will prove to be a valuable asset for Havilah.

Finally I would encourage all interested shareholders to go to our web site and add your email address so that you can receive quick notification of our expected stream of exploration announcements over coming months. Simply click on the "Email Announcements" button on any page and enter your name and email address. If you later wish to remove your name you can email us to remove it.

In closing I would like to emphasise again that the in-ground mineral assets which Havilah controls are very significant for a company of Havilah's size. We are steadily progressing towards bringing in large partners to develop the mines and so generate an early cash flow for Havilah. For a small company with limited resources this takes time and patience. Your Directors remain fully committed to long term value creation and building shareholder returns irrespective of short term market fluctuations.

Yours sincerely

Bob Johnson
Chairman