

REVIEW OF OPERATIONS

CAPITAL RAISING

Havilah Resources NL (Havilah – ASX:HAV) is pleased to announce that its current capital raising of \$9.4 million, planned to close on 28 February, has been well supported by shareholders. There has been strong demand for shortfall shares by shareholders and the issue is likely to be fully subscribed. The funds will be put to work immediately on the main purposes outlined in the Prospectus, namely advancing the Portia trial open pit and the Kalkaroo feasibility study, plus testing various regional exploration targets.



KALKAROO COPPER GOLD PROJECT (Havilah 100%)

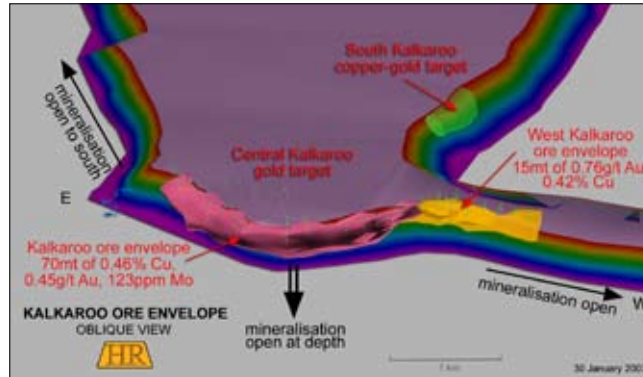
Some of the best ever drilling intersections were reported from the West Kalkaroo prospect during the quarter, including 102 metres of 0.83% copper and 1.6 g/t gold in KKRC136 and 81 metres of 0.48% copper and 1.6 g/t gold in KKRC127. It is notable that the West Kalkaroo resource is now over 600 metres long and still remains open to the west and at depth on all drill sections, with the most westerly hole, KKRC135, yielding excellent gold and copper assays and terminating in ore (14 metres of 0.81% copper and 1.7 g/t gold). Thus there is good scope for future step out drilling to continue increasing the resource base. In addition, much of the West Kalkaroo resource is oxidised ore and at shallower depth than the main Kalkaroo resource and would therefore be expected to have more favourable mining economics.

Havilah has incorporated all drilling results from West Kalkaroo into an updated resource model for Kalkaroo, resulting in a 28% increase in the total resource, from 85 million tonnes (measured) to 108 million tonnes (measured and indicated) of combined copper, gold and molybdenum mineralisation. The additional resource at West Kalkaroo is of indicated status at this stage because further

drilling is required to improve sample quality, confirm geological interpretations and thereby more confidently constrain the ore envelope.

Using a A\$20 per tonne ore value cutoff, this resource translates to 85 million mineable tonnes at a grade of 0.51 g/t Au and 0.45% Cu within a conservative optimised open pit model. Compared with the previous Kalkaroo resource announced 12 months ago, this represents a 21% increase in the open pit mineable tonnes with a corresponding 13% increase in gold grade and a marginal change in the copper grade. The total contained gold of 1.41 million ounces has climbed 36% in the current resource reflecting the important contribution of higher gold grades at West Kalkaroo. In gold terms, Kalkaroo has the equivalent of over 6 million ounces.

With the additional funds now in hand, Havilah has commenced a detailed feasibility study on the Kalkaroo deposit that is being managed by experienced senior resource geologist, Mr Peter Leah. The feasibility study will involve a programme of diamond drilling, including some large diameter core to obtain ore samples suitable for comprehensive metallurgical testing and geotechnical studies.



MUTOOROO COPPER-COBALT PROJECT (Havilah 100%)

Feasibility study drilling completed late last year and funded by Havilah's partner, Chinese resources group Heilongjiang Resources Limited, has returned excellent results including 27 metres of 1.75% copper and 0.22% cobalt in drillhole MTRC55.

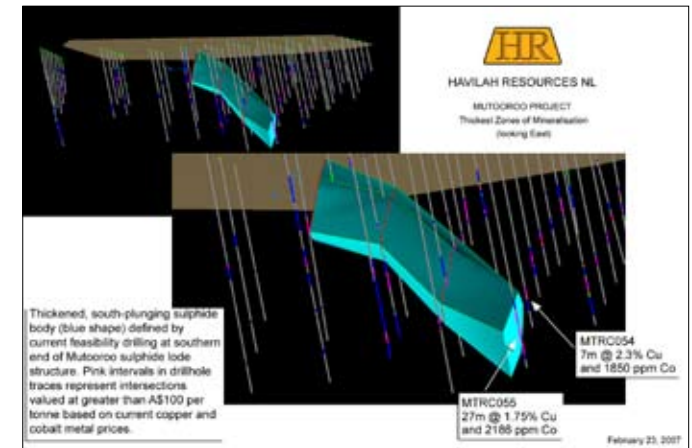
This drilling was confined to the southern end of the potential resource and recently received assay results indicate thick sulphide intersections that approximate true widths as follows:

Hole No	From	To (m)	Interval	Cu%	Co ppm	A\$/T value*
MTRC050	37.8	45	7.2	1.5	2338	275
MTRC052	66	74	8	1.99	1831	275
MTRC053	86	93	7	2.05	1967	288
MTRC054	111	118	7	2.3	1850	298
MTRC055	130	157	27	1.75	2186	282
MTRC056	73	80	7	1.98	1336	239
MTRC058	112	121	9	1.44	2006	283

* using US\$2.60/lb Cu and US\$25/lb Co and 0.78 exchange rate

Combining with Havilah's earlier drilling results it is now apparent that within the overall sulphide lode structure there is a thickened southerly plunging sulphide body with true widths of up to 30m (previously reported in holes MTRC044 and 45) as shown in the attached figure. The A\$ per tonne ore values, computed from current copper and cobalt metal prices indicated in the table, give some idea of the potential value of this material and why the option of direct shipping the bulk sulphide concentrate appears attractive and is being pursued by Havilah's partner.

The newly defined thicker sulphide zone defined by Havilah's current drilling lies within the overall potential 11 million tonne resource envelope defined in Havilah's earlier published mining scoping study and could provide an optimum location for commencement of an open pit. The area drilled in detail thus far represents only about 350 metres of some 1700 metres strike of Mutooroo copper-cobalt sulphide lode that to date has been drilled on relatively wide spacing. There is thus good scope to discover further thick, plunging sulphide bodies along strike, as already indicated by Broken Hill South's earlier diamond drilling (eg DDH005 which returned 9 metres of 1.6% Cu and 0.18% Co from 290.8-299.8 metres and 23 metres of 1.2% Cu and 0.20% Co from 306.3-329.2 metres). Up dip continuations of these deeper intersections will be targeted in the next round of drilling.



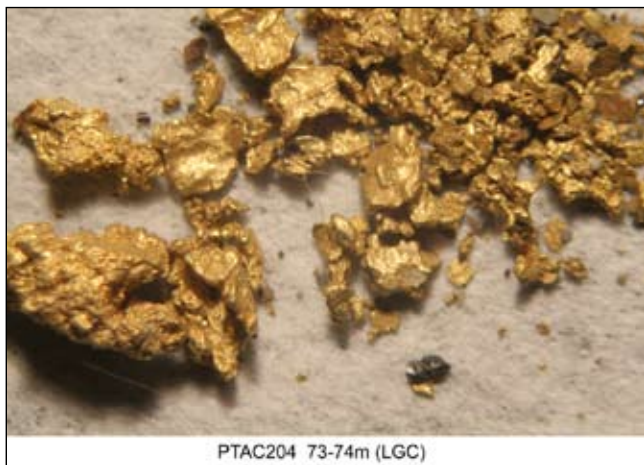
A primary objective of the feasibility study drilling is to prove up sufficient ore to JORC measured resource status to support an annual production schedule of around 20,000 tonnes of copper and 2,000 tonnes of cobalt. The aim is to achieve this goal over the next six months with closely spaced RC drilling and some twinned diamond drillholes that will in addition provide critical geotechnical and metallurgical data.

PORTIA GOLD PROJECT (Havilah 100%)

Samples from 20 drillholes on a roughly 20m x 20m grid in the floor of the proposed trial open pit continued to be processed in Havilah's washing and gravity separation plant during the quarter. The coarse gold grains were hand picked from the resulting heavy mineral concentrate and weighed. Comparatively high grade gold

intersections over significant widths in several drillholes, have now been confirmed by this time consuming, but accurate process:

PTAC 191	26 metres of 15.4 g/t Au
PTAC 193	13 metres of 33.5 g/t Au
PTAC 197	25 metres of 14.5 g/t Au
PTAC 205	26 metres of 9 g/t Au



A more consistent picture is emerging of the overall gold distribution as more samples are washed and the statistical errors associated with the coarse-grained "nugget" gold sampling problem are reduced. It is apparent, however, that the total gold resource at Portia is greatly influenced by several extremely high grade gold zones, whose dimensions are very difficult to constrain by drilling.

Havilah therefore continues to investigate the feasibility of excavating a trial open pit to obtain a large bulk sample in order to more accurately estimate the grade and distribution of gold within the deposit so that the economics of a full scale gold mining operation can be determined. The trial open pit will not proceed until there is reasonable certainty that the amount of recoverable gold will more than cover the trial mining costs. The above reported results are a positive indication that this will be the case, but this needs to be confirmed with more complete results before a final decision is made.

In the meantime, funds raised from the current entitlements issue will be used to complete various tasks in advance of commencing the trial open pit, such as obtaining all permitting, building all required infrastructure, dewatering and geotechnical studies, and further diamond drilling.

CURNAMONA ENERGY LIMITED (Havilah 50.6%)

Curnamona Energy has reported that its wholly owned subsidiary, Oban Energy Pty Limited, has pegged a Mineral Claim over its 100% owned Oban uranium project, located 60 kilometres north of the Honeymoon uranium deposit. Oban Energy plans to commence a field leach trial on the Oban deposit in order to conclusively determine the amenability of the resource to in situ leach extraction methods.

Drilling in the second half of last year at Oban returned numerous economically significant uranium intersections within coarse-grained palaeochannel sands, including a well mineralised area (average Grade Thickness of 0.2 m% eU₃O₈) covering some 100,000 square metres. The in situ value of gamma-indicated uranium in this small area is over \$70 million at current spot uranium prices, with the potential for a tenfold increase in the immediate vicinity.

Subject to obtaining required approvals from PIRSA and other relevant government agencies, field leach trials are permitted on a Mineral Claim, but product cannot be sold. Curnamona Energy's immediate objective is to secure all necessary permitting and to proceed with construction of a simple processing circuit to support the field leach trials. Assuming the field leach trial is successful, Oban Energy would obtain a mining licence and upgrade the field leach trial pilot plant to a full scale operation.

Exploration drilling at Oban is planned to recommence in March, following completion of maintenance and repairs to the Company's drilling rig and construction of a semi-permanent camp near Oban that will service both the drilling and field leach trial personnel.

GEOTHERMAL RESOURCES LIMITED (Havilah 63.6%)

Geothermal Resources has announced that it plans to commence the first round of shallow geothermal gradient drilling on its Frome Project in March. Holes will be drilled to at least 500 metres depth for the purpose of taking temperature measurements of standing water at the bottom of each drillhole so that the temperature gradient can be estimated, which in turn will yield vital information concerning the likely geothermal energy potential of the predicted buried uranium rich granites in the region.

Further technical details relating to Havilah activities will be found on the Company's website:
www.havilah-resources.com.au

FINANCE

As at 31 January 2007 the company had available funds of \$1.04 million, of which the majority is held in a term deposit. This will be supplemented by the successful \$9.4 million raising, bringing cash on hand to almost \$10.5 million. Total exploration expenditure by the company during the quarter was approximately \$755,000 of which drilling and related expenses, including assaying and field costs, accounted for more than 80%. It is expected that more than \$200,000 of this expenditure will be reimbursed from a PACE grant for drilling at West Kalkaroo and also from funds expended on behalf of the Mutooroo joint venture.

Dr K R Johnson, CHAIRMAN

HAVILAH RESOURCES NL

ABN 39 077 435 520



Quarterly Report
February 2007

HIGHLIGHTS

POSITIVE RESULTS ON ALL FRONTS

- A successful entitlements issue to shareholders raising \$9.4 million that will be applied to progressing the Portia trial open pit and advancing the Kalkaroo feasibility study.
- 28% increase in size of Kalkaroo copper resource including the West Kalkaroo mineralisation to over 100 million tonnes.
- Feasibility study drilling at the Mutooroo project returns excellent grades of copper and cobalt over wide intervals.
- Confirmation of high grade bedrock gold mineralisation at Portia from washing of more drill samples from the floor of the proposed trial open pit.
- Decision to proceed with field leach trials on Curnamona Energy's Oban uranium deposit (Havilah 50.6%).

The information in this report has been prepared by Dr Bob Johnson who is a member of the Australasian Institute of Mining and Metallurgy and Dr Chris Giles who is a member of The Australian Institute of Geoscientists. Drs Johnson and Giles are employed by the Company on consulting contracts. They have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as Competent Persons as defined in the JORC Code 2004. Drs Johnson and Giles consent to the release of the information compiled in this report in the form and context in which it appears.

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