

drillholes did not expand the limits of the tin mineralisation significantly, and showed that it was confined to a narrow lode that was discontinuous at depth and along strike.

Good potential remains for alluvial tin accumulation in the adjacent valleys, as well as palaeochannel hosted uranium in the Tertiary sediments to the east, and these possibilities will be explored in due course.

CURNAMONA ENERGY LIMITED (Havilah 45.4% ownership)

Curnamona Energy continued with drilling at the Oban uranium resource and preparation of a mining and rehabilitation program (MARF) in order to meet PIRSA's regulatory requirements for the conduct of an in situ recovery trial.

GEOHERMAL RESOURCES LIMITED (Havilah 63.6% ownership)

Frome 12 commenced during the quarter and has made steady progress, recently passing a depth of 1650 metres. Granite basement was intersected at 1471 metres, and drilling is continuing within the granite in order to determine the degree of fracturing and the internal temperature gradient.

CORPORATE

Curnamona Energy in specie distribution

During the quarter it was announced that having regard to the recent change in financial market conditions, directors had concluded that it was not in the best interests of Havilah shareholders for the distribution proposal to proceed.

It was noted that Curnamona Energy's current share price does not reflect the true underlying value of the Oban deposit and exploration areas. Moreover, the outlook for uranium as an energy source and for Curnamona Energy as a future uranium producer, looks bright. By retaining its 45.4% stake Havilah will ensure that Curnamona Energy cannot be purchased below fair value by an opportunistic bidder in the current depressed market.

Should market circumstances change, directors may reconsider the distribution. In the meantime, Directors will aim to maximise the value of Havilah's investment in Curnamona Energy by husbanding this strategic stake through this abnormally depressed period for uranium stock.

FINANCE

As at 31 October 2008 the Company had available funds of approximately \$12.8 million. Of this amount roughly \$3.64 million is joint venturer's funds to be allocated to the Kalkaroo project. The great majority of the \$3.7 million expenditure during the quarter was for the Kalkaroo resource delineation drilling and associated costs including assaying and supervision.

It is expected that total expenditure on Havilah's own account in the next quarter will be minimal as projects other than Kalkaroo are put on hold. Kalkaroo joint venture expenditure is also likely to be reduced as less expensive activities replace the previous drilling program.

Dr K R Johnson
CHAIRMAN

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

HAVILAH RESOURCES NL

ABN 39 077 435 520



Quarterly Report
November 2008

HIGHLIGHTS

FOCUSED ON KALKAROO MINING FEASIBILITY STUDY

- Expenditure minimised with all resources now 100% focused on completion of the Kalkaroo feasibility study funded by Glencore International.
- Kalkaroo feasibility study drilling largely completed, with confirmatory results.
- Appreciable gold and native copper in Kalkaroo oxide ore offers a lower capital cost mining start up option.
- In specie distribution of Curnamona Energy shares deferred. Appreciation in value possible as in situ recovery trial proceeds during 2009.
- Geothermal Resources' Frome 12 drilling has made steady progress, having now passed a depth of 1650 metres.

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.

Please direct enquiries to Dr Bob Johnson Chairman, on (08) 8338 9292

63 Conyngham Street Glenside 5065 South Australia
phone 61 8 8338 9292 fax 61 8 8338 9293
email info@havilah-resources.com.au
www.havilah-resources.com.au

REVIEW OF OPERATIONS

PROGRESS ON COPPER STRATEGY

Since the last quarterly report the entire world for junior resource companies has been turned upside down both in terms of asset values and commodity prices. Havilah Resources NL's (Havilah – ASX:HAV) response has been to minimise its expenditure by focusing almost entirely on the Kalkaroo feasibility study that is being funded by Glencore International. Havilah will endeavour to preserve its capital to the maximum extent possible until market conditions improve. Consequently, most activities during the quarter relate to the Kalkaroo project.

KALKAROO FEASIBILITY STUDY (Havilah 100%, copper-gold-molybdenum)

The bulk of the drilling for resource delineation, metallurgy and geotechnical purposes, which has run for more than twelve months, was completed during the quarter with some 219 holes for 38,674 metres being drilled in total during this program.

Better results received during the quarter include:

Hole No	From	To	Int m	Cu%	Au g/t	Comments
KKDD242	162	226	64	1.2	0.8	Kalkaroo West quartz breccia
KKDD236	76	134	58	0.73	0.6	Kalkaroo West oxide ore
KKDD295	106	142	36	1.1	1.6	Kalkaroo West oxide ore
KKDD255	94	130	36	2.1	0.86	Kalkaroo West oxide ore
KKDD251	228	258	30	1.1	1.5	W end Main zone sulphide ore
KKDD311	158	216	58	0.6	0.5	Central Main zone sulphide ore
KKDD316	155	187	32	2.0	-	Kalkaroo East quartz breccia

With most assay results now received, work is progressing on an updated JORC resource model to be reported in early 2009.

Overall the feasibility drilling has supported the results of the earlier rounds of exploration drilling and confirmed that:

- The mineralisation consistently shows good geological continuity between drill sections, providing a high level of confidence in the resource model.
- Generally wide, economic gold and copper grades continue to the nominal 200 metre base of the planned open pit over the entire 3 km length of the deposit.
- Most sections typically show an enriched oxidised upper part of the orebody lying above the primary sulphide zone. The oxidised ore contains predominantly native copper (or copper metal), chalcocite (a rich form of copper sulphide) and free gold.
- The highest gold and copper grades occur in highly broken rocks along a major fault zone at West Kalkaroo, where the overburden cover is shallowest.
- Higher grades of molybdenum are confined to a specific part of the main zone mineralisation.



These observations indicate that an option to minimise start up capital costs may be to commence mining of oxidised ore at Kalkaroo and recover free gold and native copper in a low cost gravity processing plant. Also, West Kalkaroo would appear to be the best place to commence mining because of the higher gold grades and reduced overburden depths. The purpose of the feasibility study is to provide clear answers to these and other critical questions relating to the economics of mining the Kalkaroo orebody.

In order to better define the shallow oxide copper-gold resource at West Kalkaroo, RC drilling continued in this area during the quarter, with 12 RC drillholes for a total 1510 metres being completed. Visible gold and native copper were observed in most of these holes.

Several other tasks required to provide critical information for the feasibility study were initiated during the quarter, including:

- Process plant engineering design. An experienced consulting firm has been contracted to complete a preliminary process plant design and costing estimate. The cost of the process plant is an important element of the overall capital cost estimate for the project development.
- Geotechnical studies in order to provide a rigorous assessment of the open pit wall stability. This involved drilling three

dedicated diamond drillholes parallel with the orebody strike, and compilation of thousands of structural readings from many other drillholes by Havilah's geologists. The results were analysed by an experienced geotechnical engineer, who provided recommendations concerning the pit wall slope angle. The pit wall angle is an important parameter in determining the open pit mining economics, because it directly affects the volume of overburden removal – a lower pit wall angle means more waste removal is required, with commensurate higher mining costs.

- Logistical studies, including costing of various alternative sources of power and cost estimates for upgrading main access roads.
- Mine dewatering and mine water supply studies, involving the completion of more than a dozen dedicated drillholes for pump testing and draw-down measurements to allow calculation of water flows. Dewatering will be an essential part of maintaining pit wall stability, especially given the unconsolidated clay overburden at Kalkaroo. This work will also establish whether dewatering will be able to provide an adequate process water supply.
- Baseline flora and fauna surveys required for the MARP.

Havilah's effort continues to focus on completion of the feasibility study in order to provide a firm basis on which the various development options can be evaluated against current financial models.

MUTOOROO SULPHURIC ACID PROJECT (Havilah 100%, sulphuric acid-copper-cobalt)

Work on the Mutooroo project was temporarily suspended during the quarter, with the contracted RC drilling rig and personnel deployed to the Kalkaroo feasibility study. It is planned to complete the Mutooroo feasibility study and MARP upon completion of the work at Kalkaroo.

This temporary cessation of activities does not diminish Havilah's confidence in the Mutooroo project. Notwithstanding the dramatic fall in commodity prices, the Mutooroo project still looks very attractive based on its copper, cobalt and sulphuric acid production, with the added possibility of electricity and iron ore as by-products.

The key to development of Mutooroo is construction of a sulphide roasting plant, and Havilah's preferred option is to seek a strategic partner to assist with the financing, and also marketing of the sulphuric acid produced.

PROSPECT HILL (Havilah earning 85%, tin)

Assay results for the 24 hole, 2231 metre RC drilling programme at the Prospect Hill tin project in the northern Flinders Ranges were received during the quarter. The new