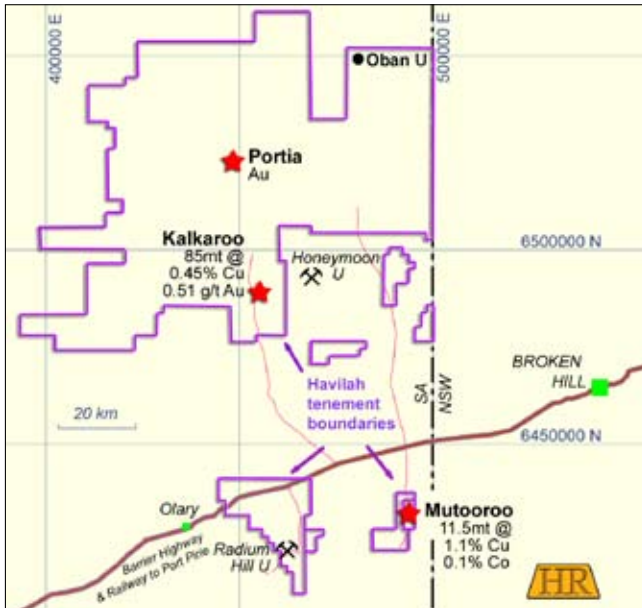


## REVIEW OF OPERATIONS

### CORPORATE

Havilah Resources NL (Havilah – ASX:HAV) \$9.4 million entitlements issue closed on 28 February 2007 fully subscribed. Owing to strong take up of entitlements by major shareholders shortfall shares were limited and it was necessary to scale back shortfall requests. The funds are now being applied to advancing the Portia trial open pit and the Kalkaroo feasibility study, plus testing various regional exploration targets in accordance with the prospectus.

Havilah has announced its intention to reduce its interest in its various subsidiary companies and to distribute a substantial proportion of the proceeds to shareholders. The rationale behind this move is to pass on to shareholders some of the value in Havilah's current investment portfolio.



### PORTIA GOLD PROJECT (Havilah 100%)

A three hole 415 metre large diameter diamond drill coring programme was completed within the area of the proposed trial open pit at Portia during the quarter. Tests are being performed on the drillcore to determine the physical characteristics of the clayey overburden material, including its load bearing capacity and shearing strength which in turn impact on the expected slope stability and hence pit wall angles. This geotechnical information is important to the proper design of the open pit at Portia.

The three drillholes all intersected the base of Tertiary and bedrock gold prospective zones, and half core is presently being assayed by a modified whole of sample aqua regia digest method as a check of Havilah's previous assaying that to date has been based entirely on percussion drilling samples. Results will be reported when complete intervals have been assayed.

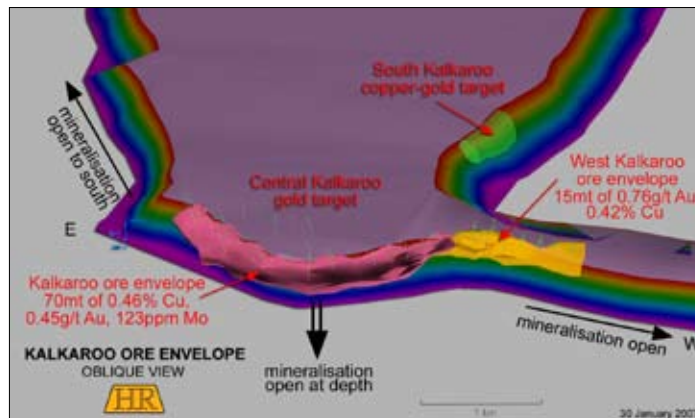
Work continues on preparation of a Mining and Rehabilitation Plan ("MARF") in support of a mining lease application over the Portia area. In parallel, Havilah has complied with a request for an independent study on the economics of its advanced projects by the legal advisors to the Adnyamathanha native title claimants, in order to progress negotiations with the claimants on the Portia mining lease application.

### KALKAROO COPPER GOLD PROJECT (Havilah 100%)

Comprehensive rehabilitation work of previous drill sites was carried out at Kalkaroo during the quarter.

Detailed work programmes and budgets were prepared for the feasibility study by project manager Peter Leah. Total budgeted outlay for the feasibility study is approximately \$13 million, with completion expected by the end of 2008, subject to no unforeseen delays. The major expenditure items in the budget are additional resource and metallurgical drilling, and comprehensive metallurgical testing of ore samples.

Discussions are ongoing with potential partners to assist with financing the feasibility and development of the Kalkaroo project.



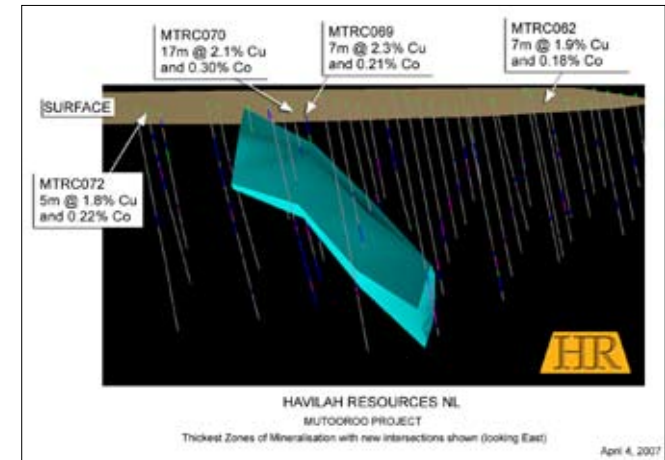
### MUTOOROO COPPER-COBALT PROJECT (Havilah 100%)

Feasibility study drilling funded by Havilah's Chinese partner continued during the quarter. Good widths of economic metal grades continued to be generated, as follows:

Hole No	From	To	Interval (m)	Cu %	Co ppm	A\$/T value*
MTRC062	72	79	7	1.92	1778	266
MTRC069	32	39	7	2.27	2123	316
MTRC070	34	51	17	2.11	2982	365
MTRC072	41	46	5	1.76	2230	286
MTRC074	192	206	14	2.29	2240	325

\* using US\$2.60/lb Cu and US\$25/lb Co and 0.78 exchange rate. The \$A values are for the particular drillhole intervals quoted and are not necessarily representative of the ultimate resource.

Intersections for drillholes MTRC 69, 70 and 72 show economic grades of mineralisation much nearer the surface than previously intersected, which is very encouraging for open pit mining, while similarly good grades in drillhole MTRC 74 confirm economic depth extensions. The A\$ per tonne values of the drillhole intersections shown in the table, computed from copper and cobalt metal prices indicated, give an idea of the potential in situ value of this sulphide material and why the option of direct shipping the bulk sulphide concentrate appears attractive and is being pursued by Havilah's Chinese partner.



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 before the end of the year with closely

spaced RC drilling and some twinned diamond drillholes that will in addition provide critical geotechnical and metallurgical data.

#### **CURNAMONA ENERGY LIMITED (Havilah 48.2%)**

Curnamona Energy raised \$6.4 million via a placement of 3.2 million shares at \$2 per share to JP Morgan Asset Management during the quarter. This gives it \$10 million with which to complete its immediate objectives of:

1. Constructing a field leach trial plant on the Oban uranium deposit upon finalisation of all required permitting.
2. Ongoing exploration of the hundreds of kilometres of untested palaeochannel sands for further in situ leach uranium deposits.
3. Upgrading drilling capacity with commissioning of a second mud drilling rig mounted on an all terrain 6x6 truck.

On 19 April Havilah's 30 million shares in Curnamona Energy were released from escrow.

#### **GEOHERMAL RESOURCES LIMITED (Havilah 63.6%)**

Geothermal Resources commenced shallow geothermal gradient drilling at its Frome Project during the quarter with four pre-collar drillholes completed by Havilah's contracted percussion drilling rig to a maximum 200 metres depth. Diamond drilling to complete the holes to 500 metres depth is currently underway after having been delayed by recent heavy rains in the region.

#### **HAVILAH VALUATION AND STRATEGY**

Following completion of the successful entitlements issue, and \$9.4 million raising, the second plank in Havilah's future growth strategy is in place. These funds will allow Havilah to progress the trial open pit at Portia, with the aim of establishing a sustainable gold mining operation and Havilah's first mining cashflow.

The funds will also be applied to feasibility study work at Kalkaroo that will address the main outstanding metallurgical, geotechnical and resource definition issues. It is expected that this work will add substantial value to Kalkaroo, leading to its financing and development.

Havilah's investments in other listed companies continued to increase in value during the quarter, exceeding \$110 million at one stage, versus a corresponding total market capitalisation of Havilah of roughly \$180 million. With Havilah's Curnamona Energy shares now out of escrow Havilah plans to return some of this value to its shareholders over the next two years.

#### **FINANCE**

As at 30 April 2007 the Company had available funds of approximately \$10.4 million, boosted by the \$9.4 million capital raising. Total exploration expenditure by the company during the quarter was approximately \$200,000, considerably lower than the previous quarter owing to the reduced field activities over summer.

It is expected that total exploration expenditure in the next quarter will be significantly more than that in the current quarter owing to commencement of active field programmes.

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](http://www.havilah-resources.com.au)

*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*

## **HAVILAH RESOURCES NL**

ABN 39 077 435 520



Quarterly Report  
May 2007

#### **HIGHLIGHTS**

##### **STEADY PROGRESS ON ALL FRONTS**

- Over subscribed entitlements issue raises \$9.4 million
- Feasibility study drilling at the Mutooroo project continues to return good copper and cobalt grades
- Large diameter diamond drillcore obtained from Portia for geotechnical and metallurgical test work
- Progress on field leach trial approvals for Curnamona Energy's Oban uranium deposit (Havilah 48.6%)
- Drilling commenced on shallow drillholes for temperature measurements on Geothermal Resources Frome project (Havilah 63.6%)

**63 Conyngham Street Glenside 5065 South Australia**  
**phone 61 8 8338 9292 fax 61 8 8338 9293**  
**email [info@havilah-resources.com.au](mailto:info@havilah-resources.com.au)**  
**[www.havilah-resources.com.au](http://www.havilah-resources.com.au)**