



HAVILAH RESOURCES NL

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APPENDIX 5B – SECOND QUARTER ACTIVITIES AND CASH FLOW REPORT

GOLD ADDING SIGNIFICANT VALUE

HIGHLIGHTS

- **Steady progress on completion of the Kalkaroo feasibility study funded by Glencore International.**
- **Continuing to seek approval for trial open pit at Portia gold project .**
- **Curnamona Energy continues to pursue approval for field leach trial.**
- **Geothermal Resources Frome 12 completed at 1761m depth in granite bedrock and returns promising temperatures.**

REVIEW OF OPERATIONS

RISING VALUE OF GOLD INVENTORY

With a dramatically rising A\$ gold price, the value of Havilah Resources NL (Havilah – ASX:HAV) gold inventory is increasing. **Havilah’s flagship Kalkaroo project, although primarily focused on copper, is a large gold deposit in its own right, containing approximately 1 million ounces of gold in addition to substantial copper and molybdenum.** The most gold enriched part of the orebody at West Kalkaroo is also the shallowest and softest ore and scoping studies show that it could sustain production rates of >50,000 ounces of gold per annum for several years. In addition, Portia still represents a potentially attractive high grade gold mining proposition.

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

Once again Havilah has focused its attention on numerous tasks connected with completion of the Kalkaroo feasibility study during the quarter. Work has progressed steadily on several important fronts, namely :

- Generating a JORC resource model that incorporates all drilling assay results and current geological interpretations.
- Completion of 14 water bores for hydro-geological studies with the twin objectives of determining open pit dewatering parameters and process water availability. Siting of the

boreholes relied on detailed geological knowledge gained from the resource delineation drilling.

- Completion of an initial process plant design engineering study by GRES consulting group.
- Logistical studies aimed at determining the best options for road, rail and power facilities.
- Finalising open pit wall angle parameters based on comprehensive geotechnical studies.

Assay results received for recent RC percussion drilling at West Kalkaroo has confirmed that thick, broadly horizontal zones of gold mineralization occur within the oxidized top of the main copper-gold orebody, including :

KKRC 346 58 metres of 2.2 g/t gold from 80-138 metres

KKRC 345 44 metres of 1.33 g/t gold from 116-160 metres

KKRC 350 44 metres of 1.15 g/t gold from 74-118 metres.

Havilah's effort will continue to be focused on completion of the feasibility study over the next quarter in order to fully evaluate all development options for Kalkaroo with its joint venture partner, Glencore International.

BENAGERIE (PORTIA) GOLD PROJECT (Havilah 100%, gold)

Since drilling stopped at the Portia gold project almost eighteen months ago, Havilah has continued to work towards grant of a Mining Lease by progressing the following critical tasks :

- Completion of a confidential Native Title compensation agreement with the Adnyamathanha Native Title Claimants.
- Preparation of a comprehensive mining and rehabilitation program (MARP) for the Portia trial open pit, followed by an ongoing rigorous approval process applied by PIRSA
- Various technical studies on the hydrology, pit wall stability, site logistics (including road access, road metal sources), tailings dam design and processing plant design and construction.

Subject to funding, Havilah aims to commence the trial open pit at Portia as soon as the MARP is approved and a Mining Lease is granted by PIRSA.

It should be noted that Havilah has secured virtually all of the processing plant to treat the gravity separable gold at Portia (see photograph of trommell) and is confident that in the worst case scenario there is sufficient gold in the Portia trial open pit to cover all mining and production costs at present gold prices. The main reason for the trial open pit is to expose the bedrock so that the rich, patchy gold mineralization intersected in earlier drilling can be mapped and bulk sampled. Past drilling results, such as :

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

which are based on painstaking washing and weighing the gold from the weathered bedrock are believed to justify such a strategy.

MUTOOROO COPPER-COBALT PROJECT (Havilah 100%, copper-cobalt -sulphuric acid)

Work on the Mutooroo project remains temporarily suspended while Havilah seeks a strategic partner to assist with financing completion of the project feasibility study.

CURNAMONA ENERGY LIMITED (Havilah 45.4% ownership)

Curnamona Energy's plans to commence a simple *in situ* recovery trial at Oban is subject to ongoing consultation with PIRSA and other government agencies over the mining and rehabilitation program (MARP). In the meantime, drilling in the vicinity of the Oban uranium deposit continues to generate encouraging results and an expansion in the area of economic roll front uranium mineralization.

GEOHERMAL RESOURCES LIMITED (Havilah 63.6% ownership)

Frome 12 was successfully completed at 1761.2 metres depth in red granite that shows well developed subhorizontal fracturing, which is positive for a hot fractured rock geothermal source. A bottom of hole temperature of 93.5 °C indicates an elevated temperature gradient and good prospects for achieving temperatures of more than 200 °C at depths of around 4 km.

3D modelling of Crower project subsurface geology indicates large volumes of sedimentary aquifers with potentially huge stored geothermal energy capacity in the form of hot water.

FINANCE

As at 31 January 2009 the Company had available funds of approximately \$11.14 million. Of this amount roughly \$2 million is joint venturer's funds to be allocated to the Kalkaroo project. The majority of the \$1.63 million expenditure during the quarter was on the Kalkaroo feasibility study that is being funded by Glencore International.

It is expected that total expenditure on Havilah's own account will continue to be minimal until such times as the MARP for the Portia trial pit is approved and gold mining development expenditure commences. Kalkaroo joint venture expenditure is likely to be at a similar level next quarter as the feasibility study draws to completion in June 2009.

Dr K R Johnson
CHAIRMAN

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 mineralization 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.

Enquiries should be directed to Dr Bob Johnson, Chairman, on (08) 83389292





Trommell designed and built to treat Portia ore

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

HAVILAH RESOURCES NL

ABN

077 435 520

Quarter ended ("current quarter")

31/01/09

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a)exploration and evaluation (b) development (c) production (d) administration	-1632	-5341
Dividends received		
1.4 Interest and other items of a similar nature received	136	378
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
	-1654	- 5268
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	- 3	- 6
1.9 Proceeds from sale of:(a)prospects (b)equity investments (c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities (PACE)		
1.12 Other (cash from Kalkaroo JV partner)		
	-3	-6
Net investing cash flows		

1.13	Total operating and investing cash flows (brought forward)	-1657	-5274
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	-32	-64
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-32	-64
Net increase (decrease) in cash held			
		-1689	-5338
1.20	Cash at beginning of quarter/year to date	12829	16478
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	11140	11140

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	283
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

The majority of this amount comprises payment for contract drilling to Talager Drilling Pty Ltd, a company associated with one of the directors. Drilling charges are at standard commercial rates as determined by public quotes for comparable equipment, and approved by non-associated directors. Other payments are to companies associated with the directors for management and consulting services in accordance with service agreements previously entered into, and for reimbursement of expenses incurred by directors on behalf of the Company.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,200
4.2 Development	
Total	1,200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	463	823
5.2 Deposits at call	10677	12193
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	11140	12829

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	81,950,946	79,950,946		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

7.7	Options (description and conversion factor)	120,000	Employee	Exercise price	Expiry date
		200,000	Employee	25 cents	09/10/08
		3,587,768	Listed	102 cents	09/05/09
		3,520,000	Directors	160 cents	30/04/10
		100,000	Employee	118 cents	14/08/10
		200,000	Employee	106 cents	29/08/10
		90,000	Employee	96 cents	17/02/11
		275,000	Employee	75 cents	19/10/11
		100,000	Employee	178 cents	12/02/12
		150,000	Employee	212 cents	13/04/12
		300,000	Employee	231 cents	08/06/12
		1,800,000	Directors	218 cents	17/12/12
		1,000,000	Unlisted	199 cents	10/01/13
		500,000	Unlisted	180 cents	06/03/13
		350,000	Employee	225 cents	06/03/13
		100,000	Employee	150 cents	04/04/13
				132 cents	28/08/13
7.8	Issued during quarter				
7.9	Exercised during quarter			Exercise price	Expiry date
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does ~~not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:
(Director/Company secretary)

Date: 27 February 2009

Print name: Dr KR Johnson..... Director / Chairman.....

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.