



HAVILAH RESOURCES NL

63 Conyngham Street
Glenside 5065 South Australia
phone 61 8 8338 9292
fax 61 8 8338 9293
email info@havilah-resources.com.au
ABN 39 077 435 520

ASX Release

28 August 2009

APPENDIX 5B – FOURTH QUARTER ACTIVITIES AND CASH FLOW REPORT
MINING LEASE OFFERED OVER PORTIA GOLD DEPOSIT

HIGHLIGHTS

- **Kalkaroo feasibility study in final stages.**
- **1,745 Ha Mining Lease offered over Portia – North Portia area.**
- **67,000 ounce base of Tertiary gold Inferred Resource estimate at Portia.**
- **Commencement of resource drilling of the oxidized copper mineralization at North Portia**
- **Curnamona Energy estimates a 2,100 tonne eU₃O₈ Inferred Resource at Oban.**
- **Geothermal Resources estimates an Inferred Resource of 84,000 PJ of thermal energy in place for a 500 km² portion of the Frome Project area.**

REVIEW OF OPERATIONS

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

Havilah Resources NL (Havilah – ASX:HAV) continued to focus on progressing the Kalkaroo feasibility study during the quarter.

Work concentrated on detailed mining studies, including : open pit optimisation, mine design, waste dump design and location, and haulage cycle time estimates. Preliminary open pit design was completed using a staged pit development approach, which defers overburden removal costs in the early years. The ultimate open pit design extends to a maximum depth of 205 metres, is approximately 2.7 km long and covers an area of 147 Ha.

Ten open pit mining stages are planned, with Stage 1 commencing with the excavation of a starter pit at Kalkaroo West (Figure 1). Approximately 5.8 million tonnes of ore and 41 million tonnes of waste material would be extracted during Stage 1 in the development of a box-cut in preparation for

in-pit dumping. Upon completion of Stage 1 all remaining nine stages will be mined until completion of the ultimate pit design to maintain a consistent waste to ore strip ratio of around 4.9:1 (Figure 2).

Most technical aspects of the feasibility study are either complete or nearing completion. The main tasks remaining are mining cost estimation, re-optimisation of mine design work, mine design independent review, financial model development and reporting. The feasibility study completion date has been re-scheduled to the end of October 2009, in order to provide sufficient time for finalisation and independent verification of the mine design work.

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

Gold Resource Estimate

During the quarter Havilah announced an updated Inferred Resource estimate for the Portia base of Tertiary (BOT) gold mineralization of **720,000 tonnes @ 2.9 g/t for 67,000 ounces of gold**, using a high grade cut of 60 g/t.

The BOT gold mineralization is closely drilled and has proven to be consistently gold mineralized over an area of at least 600m x 100 m, and ranging from 1 to 4 metres in thickness. Owing to a known coarse gold sampling problem, Havilah processed the entire weight of air-core drill samples in a purpose built washing plant. The resource estimate is based on 895 assayed samples from 205 Havilah drillholes and was completed by a specialist geologist using Vulcan 3D software. **It is generally supported by the earlier Pasmenco drilling results**, but because of acknowledged sampling and assaying problems, the Pasmenco assays were not included in the present resource estimate.

The resource is assigned an inferred category, because although it is well constrained by drilling, and the individual assays are considered reliable, the overall grade and hence total contained gold, is critically dependent on the high grade cut value applied, as shown in the following table. This arises because of frequent high gold assays (>30 g/t), such that 30% of gold metal is attributable to only 1.4% of samples that contain the highest gold values. While these high gold assays are considered to be real because of the painstaking assay methodology used, caution dictates that an upper gold value cut of 30-60 g/t should be used to avoid such assays having a disproportionate influence, and therefore leading to an over-estimation of the grade of the deposit.

High grade cut g/t	uncut	60	30
Grade g/t	3.1	2.9	2.6
Total oz	72,000	67,000	60,000
Total tonnes	720,000		

Inferred resource estimates for base of Tertiary gold at Portia at different high grade cuts

The proposed trial open pit at Portia aims to exploit as much of this BOT gold resource as is economically feasible in order to generate a cash surplus. Preliminary open pit designs suggest that it could be possible to extract at least half of the contained gold (> 30,000 ounces) and still generate a cash surplus of approximately \$10 million at a gold price of A\$1,000 / ounce. However, since this is only a small trial open pit, the economics are critically dependent on minimizing capital costs, including overburden removal, and also the prevailing A\$ gold price.

The main objective of the trial open pit is to expose and better understand gold mineralization in the underlying bedrock. To date, it has not been possible to determine a gold resource in the bedrock from surface drilling owing to poor sample quality and unreliable assays, combined with the erratic and patchy gold distribution. It is suspected that the bedrock gold mineralization is hosted by thin, but extremely gold rich quartz veins that are difficult to properly drill test from the surface.

Exposure of the bedrock on the pit floor will enable sampling and mapping to be completed, and give confidence in the expected size of the bedrock gold resource. The results of this work will ultimately determine whether to proceed with a stage 2 open pit designed to extract mineralized weathered bedrock material and the remaining BOT gold mineralization not captured in the trial open pit.

Mining Lease Application

Havilah's Mining Lease Proposal (posted on PIRSA's website at : http://www.pir.sa.gov.au/minerals/public_notices/portia_gold_project_mining_lease_proposal.) has been approved. PIRSA have now offered Benagerie Gold Pty Ltd (a wholly owned subsidiary of Havilah) a Mining Lease over an area of 1,745.1 Ha for a period of seven years.

A Mining and Rehabilitation Plan (MARF) must now be approved before the trial open pit can proceed at Portia. Work has commenced on preparation of this document.

Drilling North Portia Oxidised Copper-Gold Mineralisation

Havilah has commenced a 25 hole shallow drilling program at North Portia with the objective of defining a JORC compliant resource for the oxidized copper-gold mineralization. It is envisaged that North Portia oxidized ore could provide a useful supplementary ore feed during the early stages of mining at Kalkaroo.

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

Havilah continues to seek a strategic partner to assist with financing completion of the project feasibility study and development of an integrated sulphuric acid-copper-cobalt processing plant. Discussions have been held with various parties during the quarter.

CURNAMONA ENERGY LIMITED (Havilah 45.4% ownership)

Curnamona Energy published an initial Inferred Resource estimate of **2,100 tonnes of eU₃O₈** for its Oban uranium deposit. This comprises **8.2 million tonnes of uranium mineralization at an average grade of 260 ppm eU₃O₈** (applying a grade thickness cutoff of 0.015 metre % eU₃O₈).

24 new holes drilled into the Oban resource were logged with a Prompt Fission Neutron (PFN) tool, which unlike gamma logging tools, directly measures the content of uranium in sands adjacent to the boreholes. The PFN uranium grades correlated closely with those calculated for the gamma logs, therefore establishing that there are no significant uranium disequilibrium issues for the Oban deposit.

Curnamona Energy also reports that with all approvals now in place it has commenced site works for the proposed planned ISR field recovery trial at Oban.

GEOHERMAL RESOURCES LIMITED (Havilah 63.6% ownership)

Geothermal Resources raised \$902,000 during the quarter via a successful shareholder share purchase plan offer.

An Inferred Resource of 84,000 PJ of thermal energy in place is estimated for the interpreted granitic geothermal reservoir lying between 3-5 km depth over a 500 km² portion of the Frome Project area . This equates to an electrical generating capacity of 460,000 GWh, assuming a heat recovery factor of 20% and electrical conversion efficiency of 10%. To put this in perspective, this would supply all of South Australia's electricity needs for more than 30 years at the current annual rate of consumption of 12,500GWh (www.escosa.sa.gov.au).

Advice was received that an application for a Geothermal Drilling Program (GDP) grant for the Frome Project **is assessed as eligible and will now undergo full merit assessment**. These grants, of up to \$7 million on a 1:1 expenditure basis, are provided by the Commonwealth Government to assist with the drilling of deep holes, hydro-fracture stimulation and testing of water flows.

FINANCE

As at 31 July 2009 the Company had available funds of approximately \$9.5 million. The majority of the approximately \$0.55 million expenditure during the quarter was on the Kalkaroo feasibility study that is being funded by Glencore International.

Kalkaroo joint venture expenditure is likely to be at a slightly lower level next quarter as the feasibility study draws to completion in October 2009. Additional expenditure will be incurred on planned resource drilling of the North Portia oxidized copper resource in the next quarter.

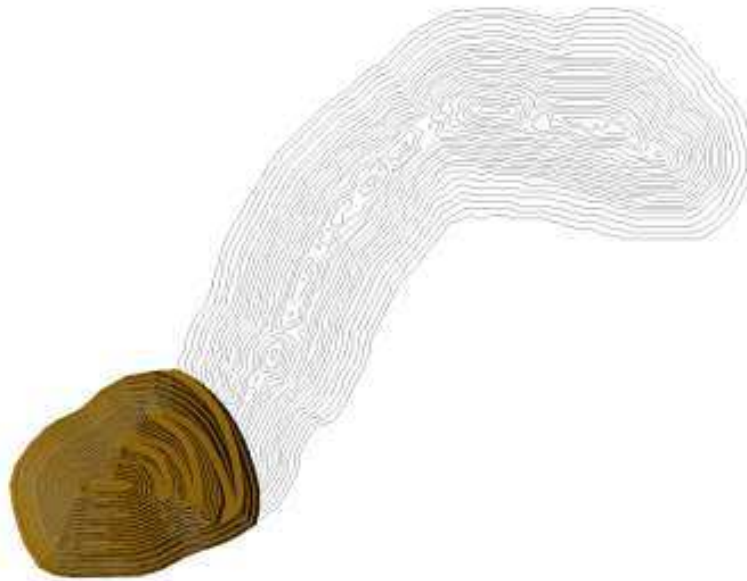
Dr K R Johnson
CHAIRMAN

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 styles of mineralization and types 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



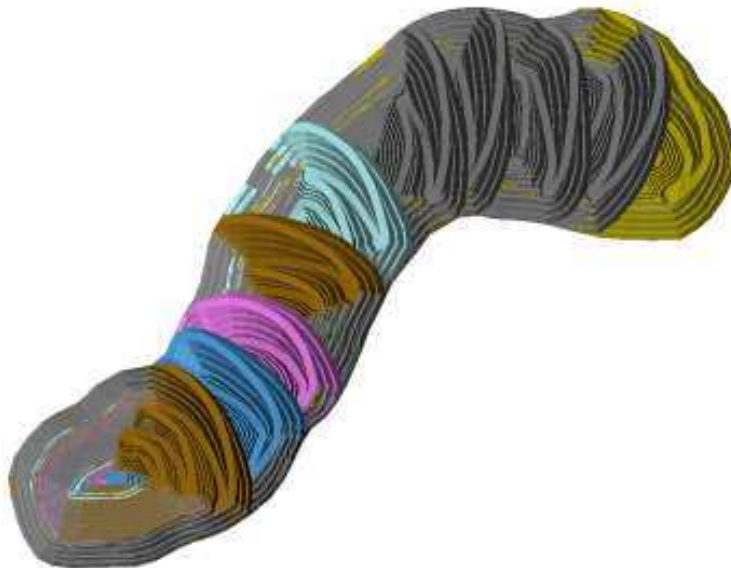
1. This pit is the smallest pit to begin backfill for the next stage and has a basal length of 125m and basal area of just 3,300 sq. metres.



MAPPER VUE™

Figure 1: Stage 1 Starter pit design

Upon completion of stage 1, all remaining nine stages to completion of the ultimate pit design maintain a consistent waste to ore strip ratio of around 4.9 to 1. (Figure 2)



MAPPER VUE™

Figure 2: Showing all 10 stage designs to completion of the ultimate pit design

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")

31/07/09

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a)exploration and evaluation	-546	-6874
(b) development		
(c) production		
(d) administration	-106	-503
1.4 Dividends received	72	532
1.5 Interest and other items of a similar nature received		
1.6 Interest and other costs of finance paid		
1.7 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	-580	- 6845
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects		
(b)equity investments		
(c) other fixed assets	-15	- 15
1.9 Proceeds from sale of:(a)prospects	-	-15
(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)		
Net investing cash flows	-15	-30
1.13 Total operating and investing cash flows (brought forward)	-595	-6875

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	-33	-130
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-33	-130
Net increase (decrease) in cash held		-628	-7005
1.20	Cash at beginning of quarter/year to date	10101	16478
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	9473	9473

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	395
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Much of this amount comprises payment for contract drilling to Talager Drilling Pty Ltd, a company associated with Dr Bob Johnson. Drilling charges are at standard commercial rates as determined by public quotes for comparable equipment, and approved by non-associated directors. Some is also payment to Maptek, a company associated with Dr Bob Johnson for geological resource modelling work at standard charge out rates. 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	400
4.2 Development	
Total	400

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	343	593
5.2 Deposits at call	9130	9508
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	9473	10101

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 <i>(description and conversion factor)</i>	200,000	Employee	<i>Exercise price</i> 102 cents	<i>Expiry date</i> 09/05/09
		3,587,768	Listed	160 cents	30/04/10
		3,520,000	Directors	118 cents	14/08/10
		100,000	Employee	106 cents	29/08/10
		200,000	Employee	96 cents	17/02/11
		90,000	Employee	75 cents	19/10/11
		75,000	Employee	178 cents	12/02/12
		100,000	Employee	212 cents	13/04/12
		150,000	Employee	231 cents	08/06/12
		300,000	Employee	218 cents	17/12/12
		1,800,000	Directors	199 cents	10/01/13
		1,000,000	Unlisted	180 cents	06/03/13
		500,000	Unlisted	225 cents	06/03/13
		200,000	Employee	150 cents	04/04/13
		50,000	Employee	132 cents	28/08/13
		400,000	Employee	45 cents	23/03/14
-7.8	Issued during quarter	400,000	Employee	45 cents	23/03/14
7.9	Exercised during quarter			<i>Exercise price</i>	<i>Expiry date</i>
7.10	Expired during quarter	200,000	Employee	102 cents	09/05/09
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

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

Sign here:
(Director/Company secretary)

Date: 28 August 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.