

Havilah Resources

(ASX : HAV)

30 November 2012

Havilah Resources NL aims to become a significant new producer of iron ore, copper, gold, cobalt, molybdenum and tin from its 100% owned JORC mineral resources in northeastern South Australia.

113.7 million ordinary shares

25.2 million listed options

10.4 million unlisted options



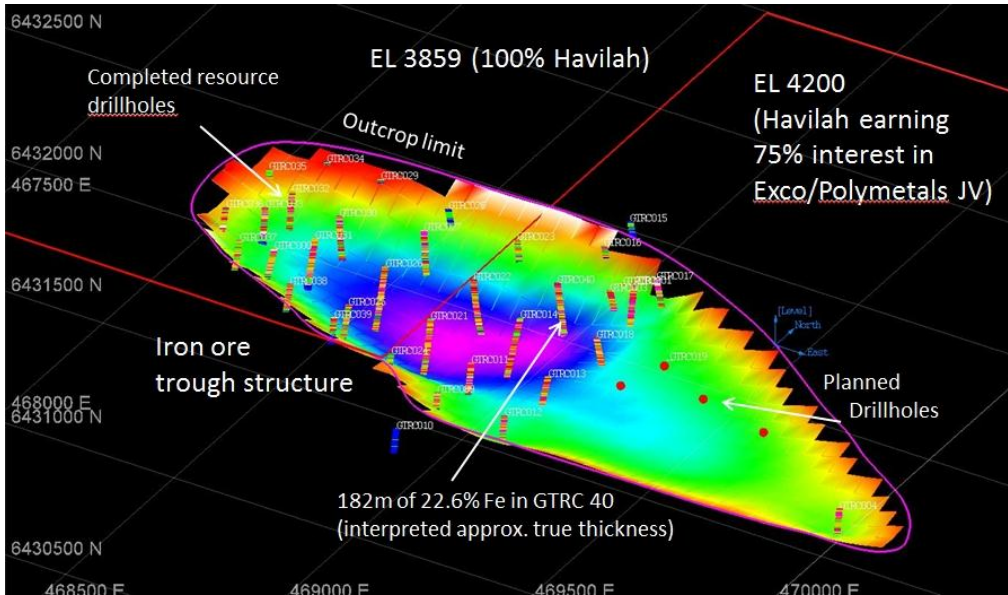
QUARTERLY ACTIVITIES REPORT – PERIOD ENDING OCT 2012 HIGHLIGHTS FOR QUARTER

- **Up to 180m true thickness iron ore intersections in drilling at Grants**
Resource drilling has intersected thick intervals of continuous iron ore mineralisation from surface over a 130Ha area.
- **Kalkaroo mineralisation proven to continue at depth**
Five diamond drillholes completed up to 600m down-dip of the Kalkaroo orebody all returned mineralised intersections, indicating that mineralisation extends well beyond the current resource.
- **Portia gold mine permitting remains on track**
Havilah is compiling additional field data requested by DMITRE and EPA in order to address final outstanding issues in the way of the Portia mine approval.
- **Significant new copper-gold discovery confirmed at Wilkins**
Several Havilah drillholes have intersected wide low grade copper-gold intervals in a quartz-magnetite rich skarn host in a structure that extends for several kilometres.
- **Successful ASX conference promotion in Singapore and Hong Kong**
Participation in an ASX sponsored conference in Singapore and Hong Kong provided good exposure to a spread of Asian based investors.
- **MMG drilling underway**
MMG commenced a 14,000m drilling program on Havilah's tenements during the quarter, with results yet to be reported.
- **Successful non-renounceable 1:10 rights issue raises \$7m**
A placement after the close of the quarter enabled almost the full amount sought by the rights issue to be raised, putting Havilah in a strong cash position.
- **Appointment of new executive**
Well respected and well known mining executive, Mr Peter Reeve was appointed after the close of the quarter in an executive capacity to assist with corporate development and strategic planning.

GRANTS IRON ORE PROJECT

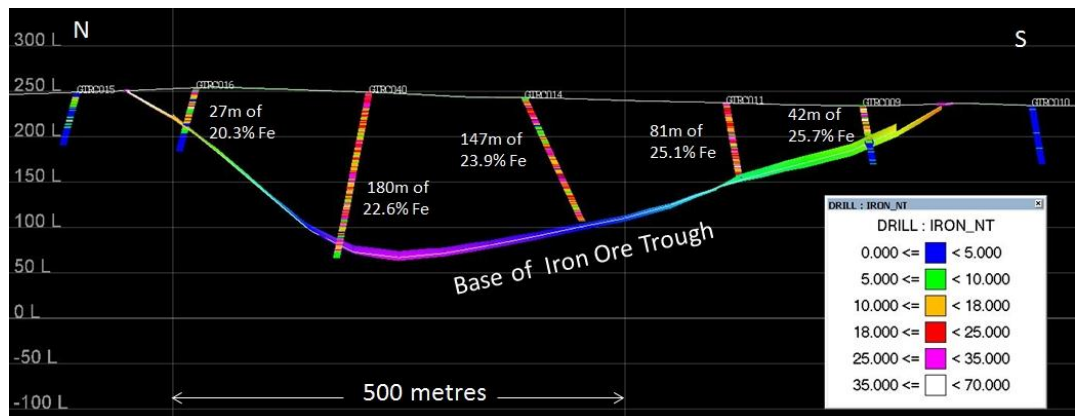
The first round of resource drilling at the Grants iron ore project was completed during the quarter, confirming it as a new Braemar style iron ore discovery, lying only 8km south of the Barrier Highway and Transcontinental Railway. Iron ore mineralisation has now been proven to extend over an area of roughly 130Ha in a gently dipping basinal structure approximately 2,250m long x 700m wide and from surface to 175m depth. Some outstanding vertical thicknesses of iron ore were encountered, including **180m of 22.6% iron** in drillhole GTRC40 (interpreted to be near true thickness).

There is little or no overburden over the entire area, and dips are shallow, which makes the deposit very attractive for open pit mining. Havilah personnel are presently working on the block model resource and mining design, and a JORC resource for the deposit is expected to be released in the near future.



Havilah's resource drilling of Grants shows that the base of the gently dipping Braemar Iron Formation forms an elongate east-west trough within older basement rocks

Typical north-south cross-section through the Grants iron ore trough, showing the gently dipping host Braemar Iron Formation extending from surface to 180m depth (true thickness) in the central portion of the trough



KALKAROO DEEP DIAMOND DRILLING

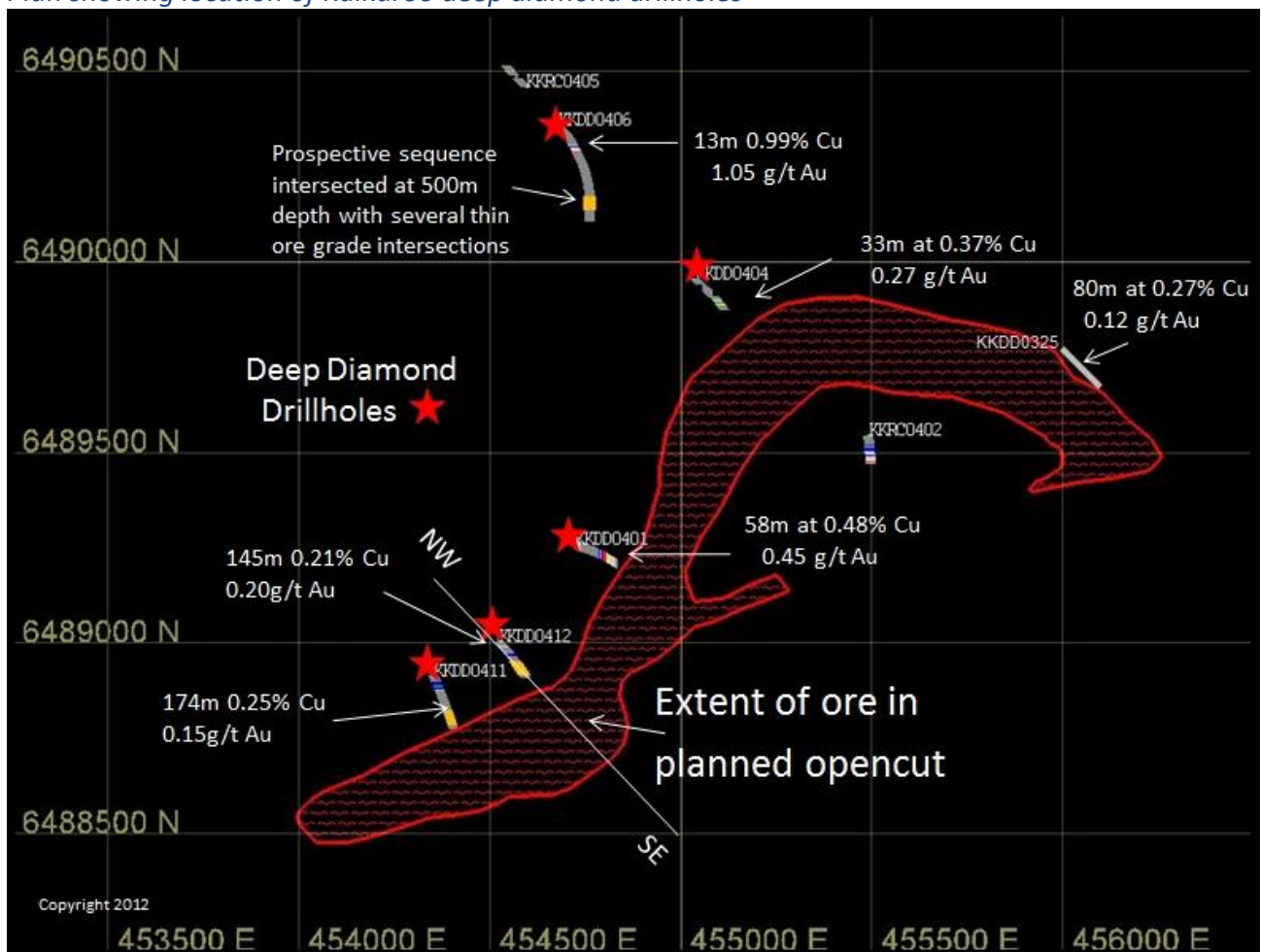
During the quarter Havilah successfully completed a five hole deep diamond drilling program to test depth extensions of the prospective sequence at some distance from the previous deepest holes drilled by Havilah into the Kalkaroo deposit. Complete assay results now available show that all five deep step out diamond drillholes intersected strong copper-gold mineralisation at depth below the current Kalkaroo resource (see results in summary table below). This demonstrates the potential to expand the present resource down dip of the current open pit design for only an incremental increase in overburden removal.

In addition, a new hangingwall mineralised position was discovered in drillhole KKDD406, namely **13m of 0.99% copper and 1.05g/t gold**. This intersection raises for the first time the possibility of shallower stacked ore lenses above the main mineralised prospective sequence with significant implications for enhancement of the open pit mining economics.

Recent Kalkaroo deep diamond drilling assay results

Hole ID	From	To	Metres	Cu%	Au g/t	Mo ppm
KKDD401	291	349	58	0.48	0.45	
and	333	340	7			565
KKDD404	365	398	33	0.37	0.27	
and	376	384	8			533
KKDD406	198	211	13	0.99	1.05	
KKDD411	261	435	174	0.25	0.15	
including	275	405	130	0.28	0.17	
KKDD412	233	378	145	0.21	0.20	
including	281	344	63	0.35	0.31	
including	281	312	31	0.47	0.44	
KKDD325	198	278	80	0.27	0.12	
including	234	247	13	0.45	0.25	
including	261	269	8	0.52	0.25	

Plan showing location of Kalkaroo deep diamond drillholes





KALKAROO SALE PROCESS

Havilah continues to engage with parties with regard to the commercialisation development of Kalkaroo. In the meantime, Havilah is progressing compilation of a mining lease proposal for Kalkaroo on an expanded mining lease area required to cover the larger open pit design. Havilah is also carrying out further metallurgical work on gold saprolite ore samples in order to confirm the 98% gold recoveries and low cyanide consumptions obtained in previous leach tests.

PORTIA GOLD MINE PERMITTING

In the last quarterly report it was advised that the Mining Regulation Branch of the Department for Manufacturing, Innovation, Resources and Energy (DMITRE) had forwarded the Program for Environmental Protection and Rehabilitation (PEPR) document to the Environmental Protection Authority (EPA) for their comment on the suitability of the mining proposal. The PEPR document forms the basis upon which mining operating approvals are granted in South Australia.

Issues were raised concerning water balance and the optimum means of disposing of excess saline water should there be any, and establishing tailings dam leakage rates, if any, with greater precision. Both matters require more scientific field data to be gathered and the employment of experts in the respective fields concerned. The water balance issue can only be resolved by more comprehensive pump test data, which is presently being organised by Havilah's Portia operations manager.

Havilah is focusing its management effort on both tasks, which should be completed before the end of the year allowing a modified PEPR to be submitted. Havilah's Chairman, Dr Bob Johnson, said that while he was disappointed with the further delay in Portia permitting, he was satisfied that outstanding issues were being properly and efficiently addressed in close co-operation with DMITRE, and he remained confident that approvals would be achieved early in the New Year.

In related developments, Havilah has :

- secured the services of an experienced advisor to assist with finalising a financing package for Portia;
- reached a compensation agreement with the local station owner; and
- conducted site visits with potential mining contractors.

MALDORKY MINING LEASE PROPOSAL

Havilah has submitted a first draft mining lease proposal for Maldorky, which must be approved by DMITRE before a mining lease will be granted. Recent ministerial directives have substantially increased the level of detail required in this document compared with previously, which is now being addressed. In the meantime Havilah is in process of constructing a pilot beneficiation plant for Maldorky ore, and has selected twenty tonnes of retained drill chips for this test work. The objective is to confirm the proposed processing flow sheet and also to generate sufficient suitable beneficiated high grade iron ore product for sintering tests.

MMG EXPLORATION

Following identification of targets from a recent 102,000 line km aeromagnetic survey and completion of aboriginal heritage surveys, MMG commenced a drilling program, comprising :

- 14,000m of aircore drilling (approximately 132 holes) on the southern Eurinilla dome and southern Benagerie dome.
- 1,000m of diamond drilling on the Mulyungarie dome.

To date, no results have been reported to Havilah. MMG is continuing with its drilling target generation work in preparation for an expanded drilling program in 2013.

PROMOTION

Havilah directors undertook several promotional activities during the quarter including presentations to a number of institutional investors in Sydney and Melbourne introduced by Canaccord Genuity. Havilah also participated in an ASX sponsored "ASX Small to Mid Caps Investor Conference" held in Singapore and Hong Kong. This conference provided an opportunity for one on one meetings with representatives of Asian - based institutions, corporations and private investors and identified many opportunities for Havilah to follow up.

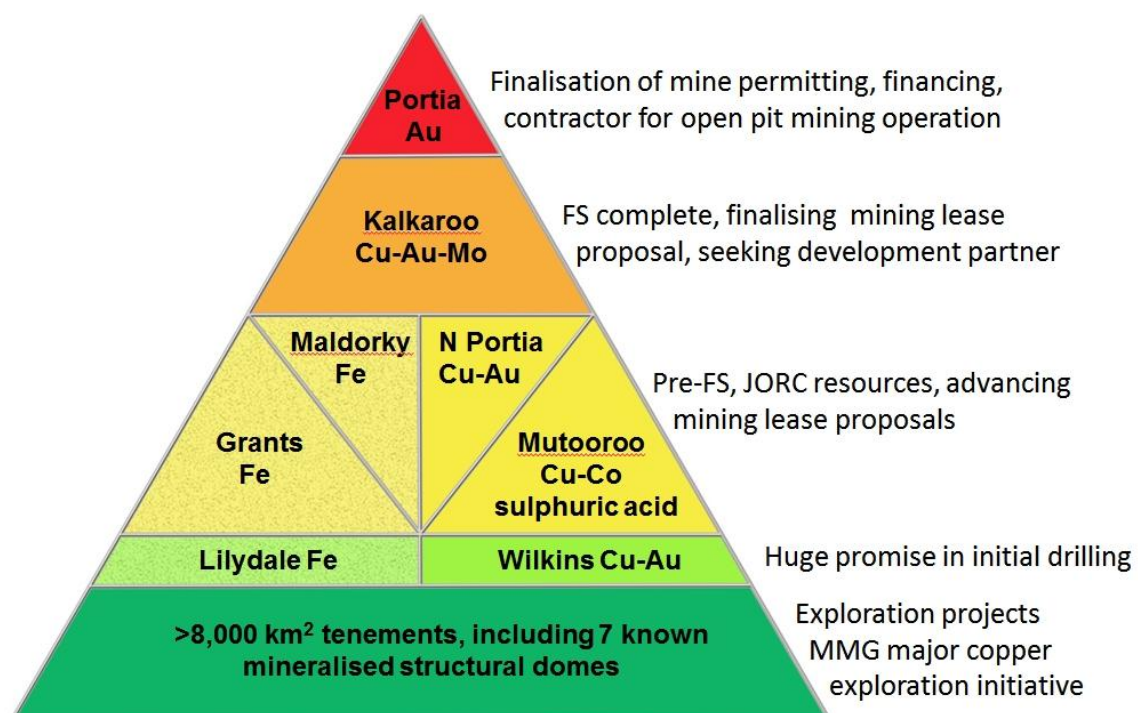
1:10 NON-RENOUCEABLE RIGHTS ISSUE

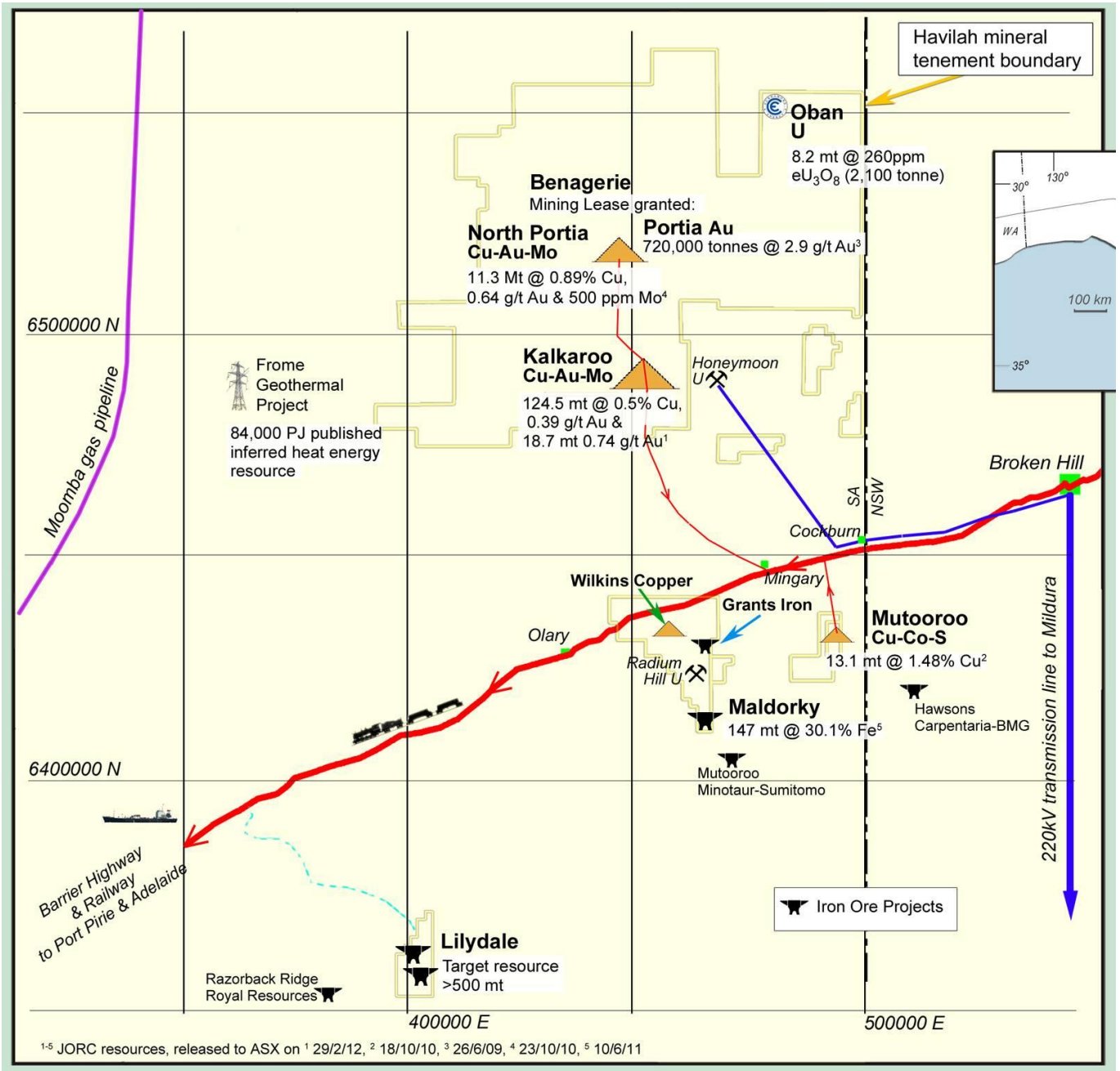
The pro-rata 1:10 non-renounceable rights issue at \$0.65 per new share successfully raised almost the full amount sought of approximately \$7m, with directors taking their full entitlements and nearly all the shortfall being placed after the end of the quarter. Each new share has an attaching free option exercisable at a price of \$1 at any time within a period of 12 months from the date of issue.

FINANCE

As at 30 October 2012 the Company had available funds of approximately \$4.6m, which included proceeds of take up of the rights issue and exercise of options of approximately \$3.1m. A further \$4.3m has subsequently been added to Havilah's cash balance from proceeds of the shortfall placement, after the end of the quarter.

Expenditure during the quarter was spread over a number of projects, with substantial expenditure on deep diamond drilling at Kalkaroo (approximately \$300,000), resource drilling at Grants and exploration drilling at Wilkins. Other substantial expenditures were incurred in preparing the Portia PEPR document (more than \$250,000), legal fees relating to native title and aboriginal heritage advice (\$150,000) and the Portia mining lease renewal (\$78,000), plus extra expenses associated with auditing and the non-renounceable rights issue.





For further information visit the Company website www.havilah-resources.com.au or contact :

Dr Bob Johnson, Chairman, on (08) 83389292 or email : info@havilah-resources.com.au

Competent Persons Statement

The information in this report has been prepared by geologists 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.



Appendix 5B

Mining exploration entity quarterly report (Unaudited)

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Havilah Resources NL

ABN

39 077 435 520

Quarter ended ("current quarter")

31 October 2012

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (.3.... months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	-1,260 -460	-1,260 -460
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	40	40
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		
	-1,680	-1,680
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	-20	-20
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		
1.12 Other (provide details if material)		
	-20	-20
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	-1,700	-1,700



1.13	Total operating and investing cash flows (brought forward)	-1,700	-1,700
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	3,113	3,113
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	-20	-20
1.18	Dividends paid		
1.19	Other (Payment for bank guarantee deposit \$90. Costs of share issues \$863)	-52	-52
	Net financing cash flows	3,041	3,041
Net increase (decrease) in cash held			
		1,341	1,341
1.20	Cash at beginning of quarter/year to date	3,282	3,282
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	4,623	4,623

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	434
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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

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

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	750
4.2 Development	
4.3 Production	
4.4 Administration	250
Total	950

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	167	406
5.2 Deposits at call	4,456	2,876
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	4,623	3,282

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	113,714,567	113,714,567		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	4,956,315			
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>	19,196,037 1,797,116 4,223,763 100,000 1,800,000 6,000,000 500,000 1,000,000 150,000 1,100,000 560,000 200,000 400,000 602,000	Listed Listed Listed Employee Directors Directors Unlisted Unlisted Employee Employee Employee Employee Employee Employee	<i>Exercise price</i> 50 cents 75 cents 100 cents 150 cents 199 cents 96 cents 225 cents 180 cents 46 cents 96 cents 76 cents 76 cents 98 cents 109 cents	<i>Expiry date</i> 30/10/2013 23/3/14 30/8/13 04/04/13 10/01/13 20/11/14 06/03/13 06/03/13 23/03/14 20/11/14 27/5/14 27/5/15 23/2/16 25/6/16
7.8 Issued during quarter	4,223,873	Listed	100 cents	30/8/13



7.9	Exercised during quarter				
7.10	Expired during quarter				
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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 29 November 2012
(Director/Company secretary)

Print name: ...Bob Johnson.....

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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.

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