

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.

120.3 million ordinary shares

31.6 million listed options

10.4 million unlisted options



QUARTERLY ACTIVITIES REPORT – PERIOD ENDING JANUARY 2013 HIGHLIGHTS FOR QUARTER

- **Grants iron ore project** – release of maiden Inferred Resource of **304 million tonnes of 24% Fe**. Favourable mining geometry, with minimal waste and overburden.
- **Portia mining approval** – continued progress on acquisition of additional technical field data required by DMITRE and EPA for mining approval. Anticipating a more efficient and less costly tailings design and water management system.
- **MMG exploration agreement** – significant copper and gold aircore drilling results from 2012 program. A major drilling program planned for 2013.
- **Maldorky iron ore project** – progressing mining lease proposal, metallurgical test work and agreements with native title parties.
- **Kalkaroo copper-gold project** – further metallurgical test work concentrating on gold recoveries in saprolite and sulphide ore material.

GRANTS IRON ORE PROJECT

During the quarter Havilah released a maiden JORC Inferred Resource estimate for the Grants iron ore deposit of **304 million tonnes of 24% Fe** (applying an 18% Fe cut-off grade), as summarised in the following table.

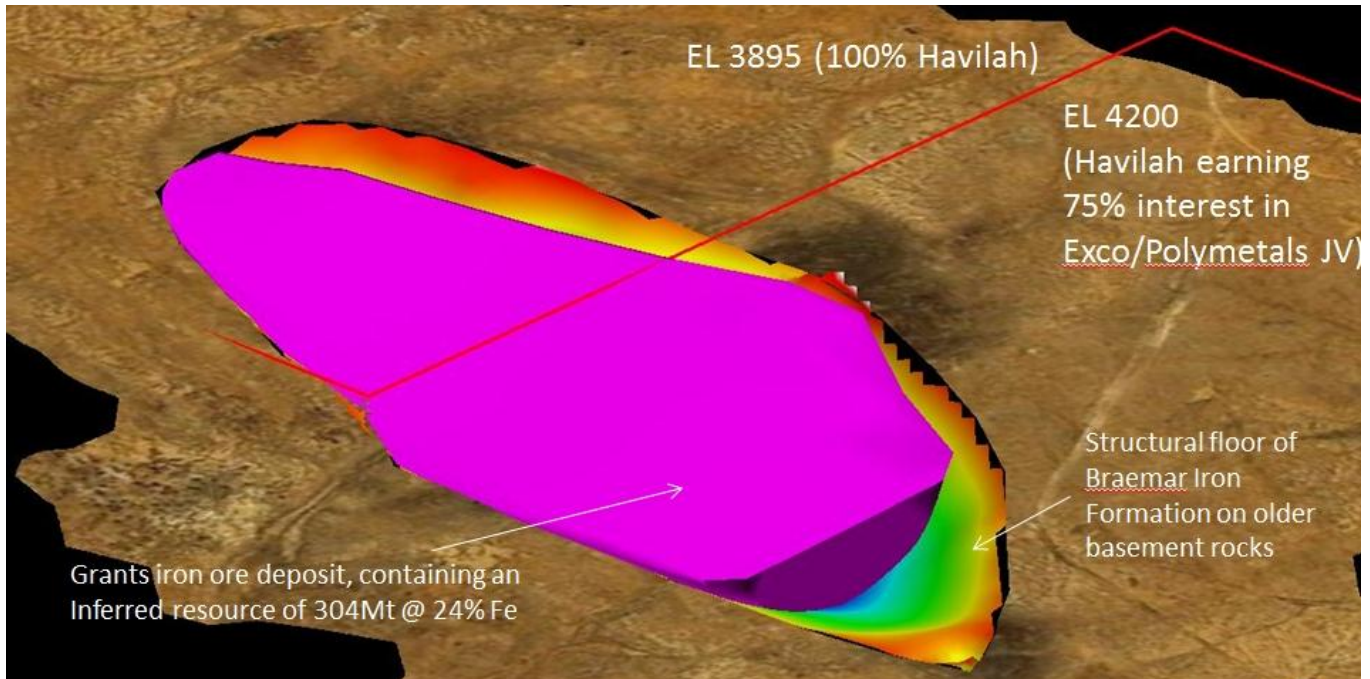
Grants Iron Ore Resource Estimate – December 2012

Cut-off Grade (Fe%)	Tonnes (to 4 sf)	Average Grade (Fe%)	Average SG
0	331,700,000	23.1	3.46
10%	328,300,000	23.3	3.47
15%	323,000,000	23.5	3.48
18%	304,000,000	24.0	3.49
20%	274,300,000	24.4	3.51

The resource estimate is based on laboratory XRF assay results from 37 Havilah drillholes (total metreage 3919m) and is assigned an Inferred Resource status due to the relatively wide spacing of drillholes.

The Grants iron ore deposit has several positive attributes that will favour its future development.

- **Optimum open pit geometry** – a homogeneous keel shaped mass of iron ore up to 180m thick covering approximately 130 Ha, with minimal internal waste and almost no overburden, as illustrated by the topographic cut-away below. As a consequence it is anticipated that almost all of the 304 million tonne Inferred Resource will be mineable, subject to economic factors.
- **Favourable logistics** - only 8 km from railway line, near to power and gas and 1 hour from Broken Hill.
- **Excellent ore continuity** – such that Havilah’s geologists are confident that further infill drilling will convert to a Measured Resource status.
- **Can yield more than 100 million tonnes of premium grade product** (>60% Fe) with very low levels of impurity elements, assuming a yield factor of 33%.



Grants iron ore deposit in relation to local terrain. An I-Site laser scanner survey has recently been completed over the deposit producing extremely accurate topography for resource estimations and future mine planning purposes.

The Grants deposit is roughly 2,250m long x 700m wide and covers an area of roughly 130Ha. Of this, roughly 35Ha of the deposit, equating to approximately 100 million tonnes, is located within Havilah’s 100% owned EL 3895 and the balance of approximately 204 million tonnes, is within the adjoining EL 4200 farm-in, where Havilah is earning a 75% interest from the Polymetals (ASX:PLY) / Exco (ASX:EXS) joint venture. The thickest intersection is a remarkable 180m of 22.6% Fe from surface in drillhole GTRC40 in the central portion of the deposit.

The potential for a significant iron ore deposit at Grants was recognised during reconnaissance investigations by Havilah geologists late last year. It forms a low rise of typical Braemar Iron Formation that is heavily lateritised at surface. Notably, this lateritised iron ore was hand-picked from the “Grants Quarries” during the 1890’s and railed to Broken Hill for use as a flux in smelting of the lead ores. It appears to have been preserved in a structural depression or trough in the older Broken Hill age basement rocks and there is good scope to discover extensions and additional deposits in the basin with further drilling.

The Grants discovery follows on from Havilah’s other iron ore discovery success at the nearby Maldorky iron ore project which also contains a substantial higher grade iron ore resource of similar style. It can underwrite Havilah’s intention of developing a long life regional iron ore project capable of production within a relatively short timeframe for moderate capital expenditure. The style of mineralisation and associated processing for these projects has indicated that a high grade (plus 60% Fe), low impurity product can be shipped from site.



PORTIA GOLD PROJECT

Havilah is presently working with consulting groups to acquire additional technical field data in order to satisfy Environmental Protection Authority (EPA) requirements in relation to tailings dam design and water usage and discharge for the Portia gold mining operation. This has involved drilling of additional water bores for pump testing and also various laboratory tests to characterise the settling of the tailings material and clay substrata seepage. A likely outcome of this work will be a more efficient and less costly tailings dam design and water management system, resulting in less operational risk and reduced mine closure costs. Current expectations are that operating approvals will be granted in the second quarter of 2013.

In the meantime, based on a comprehensive financial model prepared for the Portia project Havilah has commenced discussion of project financing terms with various financiers. Progress continues to be made on other aspects of the project including negotiations with contractors, camp suppliers and various other stakeholders

MALDORKY IRON ORE PROJECT

Work continues on a number of fronts to complete a scoping study, metallurgical testing and processing flow sheet design and a mining lease proposal (MLP) for the Maldorky project. A draft mining lease proposal was prepared and submitted to DMITRE late last year and points arising from the feedback are currently being addressed by dedicated Havilah staff assigned to the task.

Several tonnes of Maldorky ore, obtained from retained drilling chips, is currently being treated in a specially constructed pilot plant in order to test a conceptual processing flow sheet design and also to generate sufficient high grade iron ore product suitable for future sintering tests. The largely gravity-based processing route, if proven successful, should provide a comparatively simple and efficient means of upgrading the iron ore from mining grades of approximately 30% to consistent saleable product grades of around 62%.

Two meetings have been held with representatives of the Wilyakali native title claimants since the beginning of the year with the view to reaching a heritage protection agreement and a mining agreement, as required under current legislation. Work is currently in progress on drafting the necessary agreement documents.

KALKAROO COPPER-GOLD PROJECT

The Kalkaroo project, with published JORC resources of over 623,000 tonnes of copper and 2 million ounces of gold, is a potentially company making project for Havilah. Hence high priority is being given to progressing compilation of a mining lease proposal for Kalkaroo on an expanded mining lease area required to cover the larger open pit design.

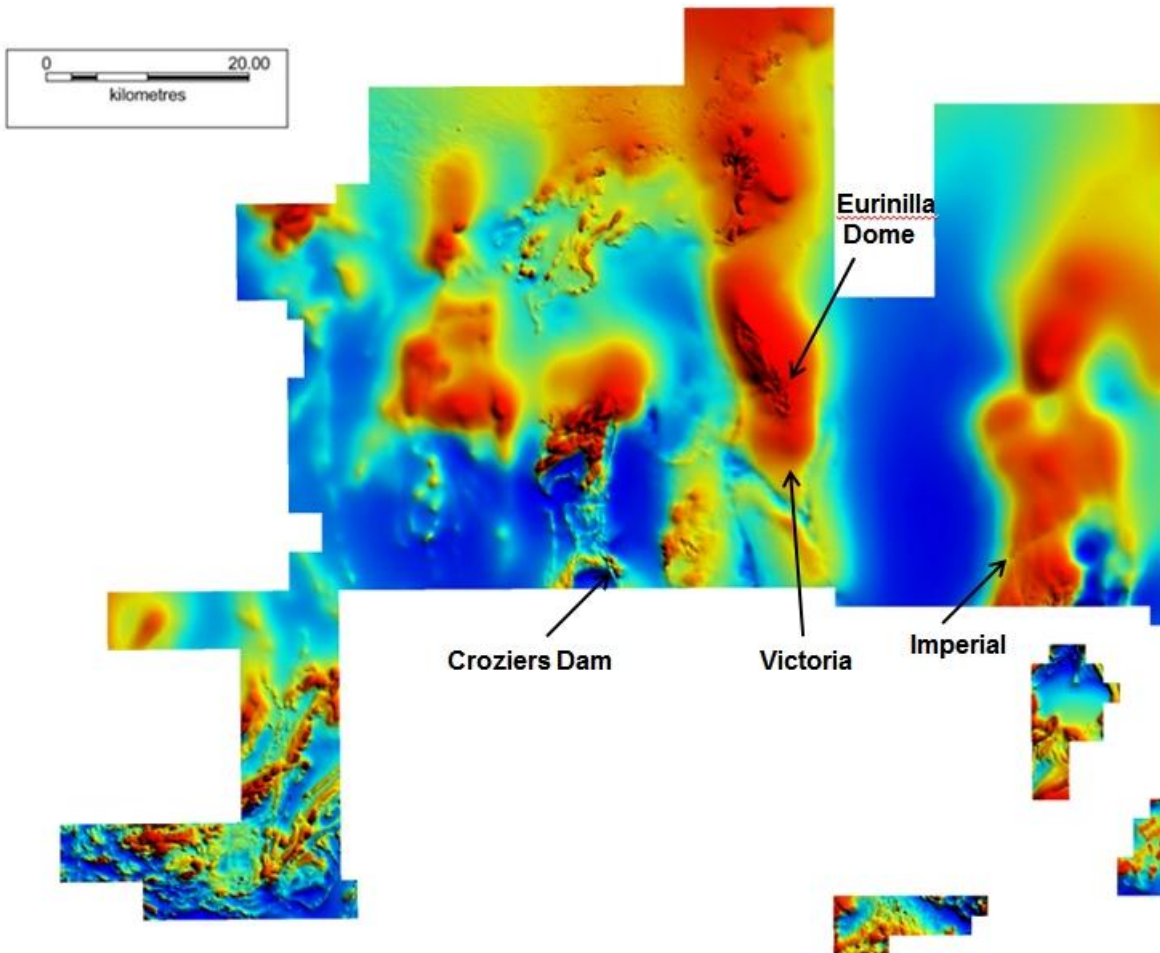
Havilah is carrying out further metallurgical test work on a representative suite of gold saprolite ore samples in order to confirm the 98% gold recoveries and low cyanide consumptions obtained in previous leach tests. Grinding and cyanidation leach tests are also being conducted on gold bearing pyrite concentrates from the sulphide flotation circuit in order to determine if current 65-70% gold recoveries in the sulphide ore can be further improved for minimal additional capital expenditure.

EXPLORATION

MMG Exploration Pty Ltd ("MMG") have reported that their total expenditure since execution of the exploration agreement on 6 September 2011, was in excess of \$4 million, of which approximately \$3.4 million was spent during 2012. Main field activities during 2012 included:

- A regional aeromagnetic survey covering the entire tenement block (>100,000 line km).
- 13,154m of aircore drilling on the Benagerie dome (including Croziers dam prospect) and the Eurinilla dome (including the Victoria prospect - see map below for locations).

- Semi-detailed to detailed gravity surveys (mostly 250m x 500m station spacing) over selected target areas, including the Imperial prospect.
- One diamond drill hole at the Imperial prospect.



Location of MMG prospect areas mentioned in the text. The base magnetic image covering the entire exploration agreement area was generated from MMG's new high resolution aeromagnetic data. This image clearly shows considerably more fine geological detail in the cores of the various domes than earlier aeromagnetic surveys, which will enhance future targeting.

Of note are widespread gold and copper assays returned from aircore drilling from the Eurinilla dome and Croziers dam prospects, with significant results as follows :

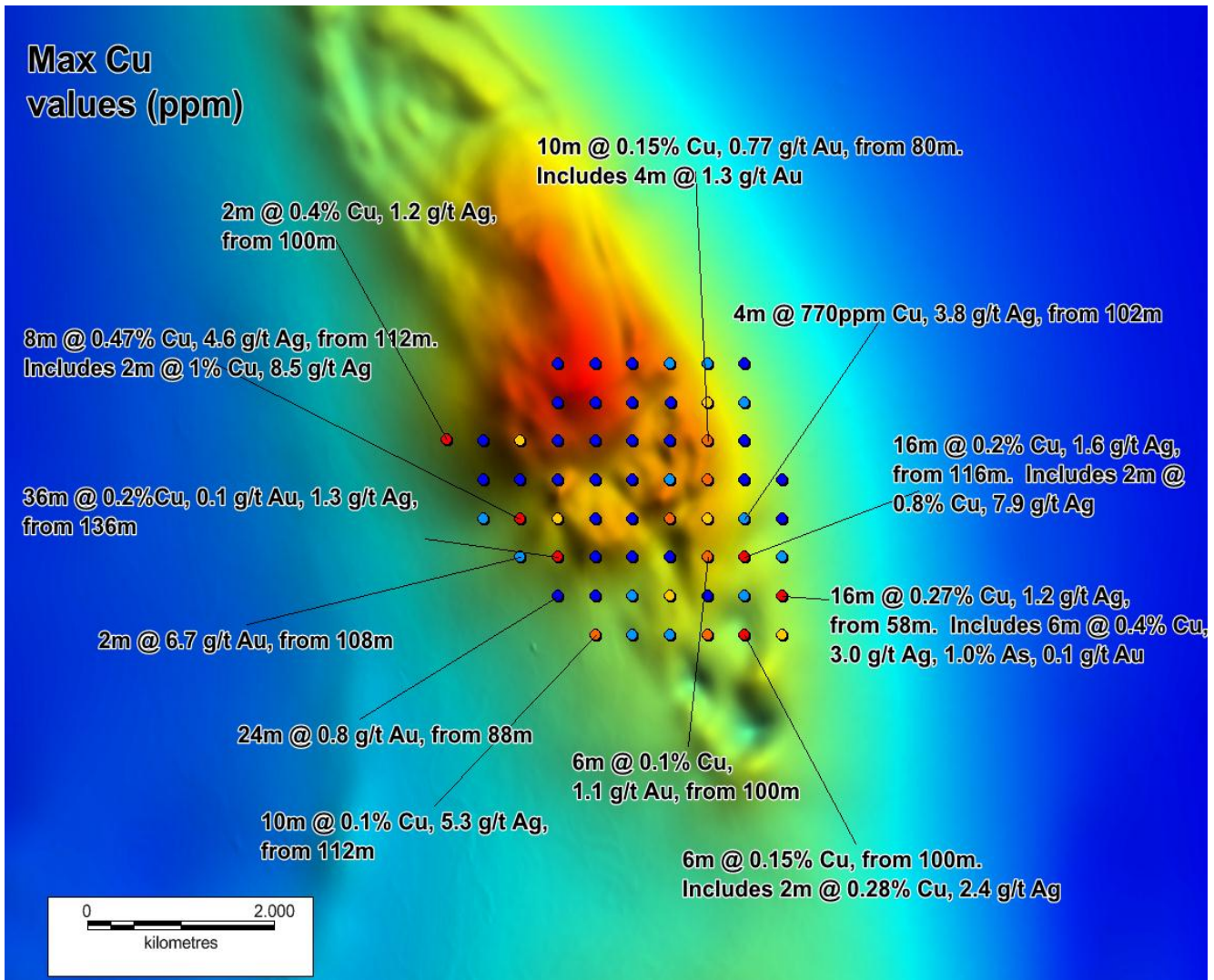
Eurinilla Dome

EURAC 20 8m of 1.0g/t Au from 82-90m
 EURAC 32 8m of 0.48% Cu from 112-120m
 EURAC 45 6m of 1.1g/t Au from 100-106m
 EURAC 48 36m of 0.64g/t Au from 76-112m

Croziers Dam

BNGAC 20 17m of 0.15% Cu from 28-45m
 BNGAC 82 4m of 1.1g/t Au from 28-32m
 BNGAC 97 2m of 0.51% Cu from 56-58m

The distribution of anomalous copper and gold results in MMG drilling at the Eurinilla dome is shown below, and confirms the widespread copper and gold mineralisation obtained in earlier Pasminco and Havilah drilling. This mineralisation is believed to be related to the prospective sequence, which at this locality dips shallowly off the southern closure of the Eurinilla dome, and may explain the apparent arcuate distribution of mineralisation. Many of the aircore holes ended in subeconomic copper and gold grades where bit refusal in harder rock prevented further penetration.



Significant MMG copper and gold aircore drilling results from Eurinilla dome plotted on magnetic image generated from MMG's new high resolution aeromagnetic data. The aeromagnetic image clearly highlights individual metasedimentary units wrapping around the dome plus several cross-cutting faults.

Copper-gold mineralisation at Croziers dam prospect is associated with appreciably higher levels of rare earth elements and magnetite alteration, possibly indicating more iron oxide copper-gold (IOCG) affinities.

MMG's proposed 2013 exploration program includes approximately 10,000m of diamond drilling, 7,000m of aircore drilling and further gravity and electrical geophysics. The focus of this work will be on opening up new prospective areas of the tenements that have had only limited prior exploration work.

While Havilah's current focus is on advancing its development projects, Havilah does plan to carry out some selective exploration on its own account at targets in the vicinity of the Portia and Kalkaroo deposits commencing next month. The objective is to increase the currently known resources at both deposits.

HAVILAH MARKET RECOGNITION

In common with many junior companies, Havilah has not achieved adequate market recognition, resulting in a languishing share price. Experienced mining executive, Mr Peter Reeve, has been recently appointed in an executive role to assist in the commercialisation of the Company's broad suite of mineral assets. Havilah's recent presentation to the financial community is posted on Havilah's website and it emphasises the attractive future



growth profile of Havilah’s mineral development projects, and the potential for value creation by ongoing discoveries on the Company’s highly prospective exploration tenements.

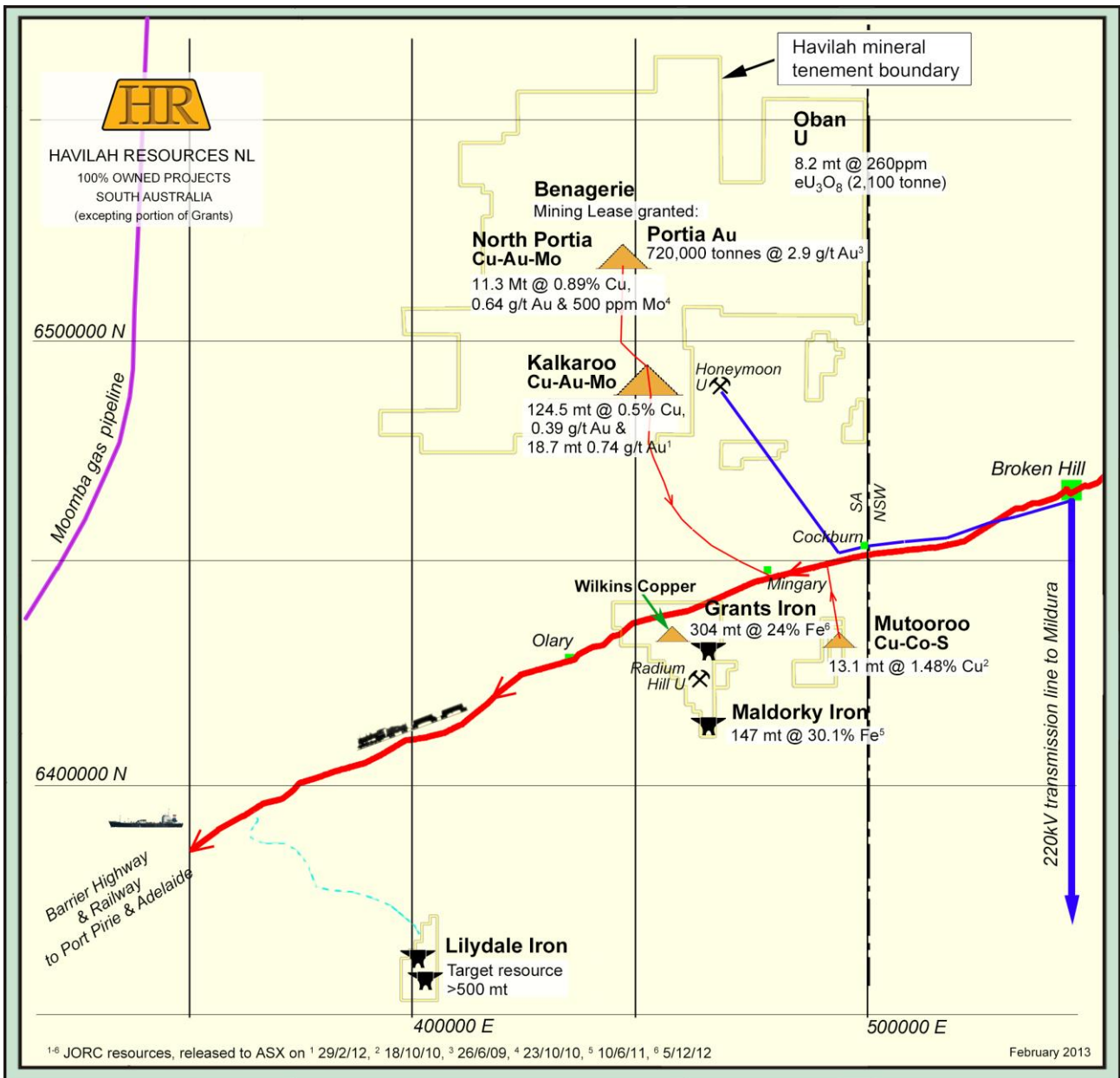
FINANCE

As at 31 January 2013 the Company had available funds of approximately \$8.14m. Expenditure during the quarter was spread over a number of projects, with most expenditure directed towards additional work related to mining approvals for Portia (approximately \$300,000) and metallurgical test work on Maldorky iron ore.

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 January 2013

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 & evaluation (b) development (c) production (d) administration	-615	-1,875
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	58	98
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
	Net Operating Cash Flows	-812	-2,492
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	-	-20
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	56	56
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	56	36
1.13	Total operating and investing cash flows (carried forward)	-756	-2,456



1.13	Total operating and investing cash flows (brought forward)	-756	-2,456
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	4,302	7,415
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	-11	-31
1.18	Dividends paid		
1.19	Other (Share Issue Costs)	-15	-67
Net financing cash flows		4,276	7,317
Net increase (decrease) in cash held		3,520	4,861
1.20	Cash at beginning of quarter/year to date	4,623	3,282
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	8,143	8,143

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

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
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3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	585
4.2	Development	
4.3	Production	
4.4	Administration	175
Total		760

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	167
5.2 Deposits at call	7,976	4,456
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	8,143	4,623

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	120,333,301	120,333,301		
+Ordinary securities				
7.4	6,618,734	6,618,734		
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>	19,196,037 1,797,116 10,842,397 100,000 1,000,000 2,000,000 6,000,000 500,000 1,000,000 100,000 1,100,000 560,000 200,000 400,000 602,000	Listed Listed Listed Employee Directors Directors Directors Unlisted Unlisted Employee Employee Employee Employee Employee	<i>Exercise price</i> 50 cents 75 cents 100 cents 150 cents 96 cents 68 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 28/11/16 28/11/16 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	6,618,684	Listed	100 cents	30/8/13
7.9	Exercised during quarter	50	Listed	100 cents	30/8/13
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: 20 February 2013
(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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