HAVILAH RESOURCES NL

235 Glen Osmond Road
Frewville SA 5063

ABN 39 077 435 520

Telephone : 61 8 8338 9292
Facsimile : 61 8 8338 9293

Website : havilah-resources.com.au

29 November 2002

The Manager
Companies Announcements Office
Australian Stock Exchange Ltd
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Dear Sir / Madam,

APPENDIX 5B – FIRST QUARTER ACTIVITIES AND CASH FLOW REPORT

HIGHLIGHTS

- Drilling commenced on several gold targets on the Mulyungarie project area selected following a detailed assessment of extensive high quality geophysical data and previous reconnaissance drilling data.

- Sampling of quartz reefs at the Luxemburg gold workings on the Cutana exploration licence returned gold values up to 3 g/t. Compilation of earlier exploration data commenced with the view to selecting optimum drilling targets.

- Downhole electromagnetic surveying in the 602 metre deep drillhole at Mattaweara (RCM 1) aimed at detecting an off-hole conductor generated ambiguous results. Detailed interpretation by a consultant is being undertaken to clarify this.

- Approvals were received for drilling at the Parndana basemetal – gold project on Kangaroo Island, to be carried out during the next quarter.

REVIEW OF OPERATIONS

During the quarter Havilah Resources NL completed acquisition of the **Mulyungarie** project (EL 2740) from the administrators of Pasminco and commenced drilling of several gold targets. Downhole electromagnetic surveying was carried out at **Mattaweara** and 3D computer modelling incorporated the latest drilling results at **Pernatty**. Compilation and evaluation of all earlier exploration data for the **Mutooroo Mine, Cutana and Parndana** projects was undertaken in preparation for future drilling programmes.

MULYUNGARIE PROJECT

- During the quarter acquisition of the project was completed from the administrators of Pasminco. All previous Pasminco data was obtained and evaluated in detail in order to understand the nature of gold and basemetal mineralisation intersected in some of their reconnaissance drillholes.
- In addition the high quality gravity and magnetic data generated by the government funded Broken Hill exploration initiative (BHEI) was acquired and also interpreted in an effort to identify the key mineralisation signatures. This data is of exceptionally high quality and probably the most detailed of any freely available government geophysical survey data in Australia. For example aeromagnetic line spacing over much of the area is on 100 metre spacing (compared with the norm of 400 metres) and gravity readings have been recorded on 1 km x 1 km spacings. The advantage of this detailed geophysical data is that it allows geologists to "see" through the barren cover rocks and obtain a reliable picture of the prospective bedrock trends and structures despite the fact that there is not a single bedrock outcrop in the entire area.
- Several key gold targets and secondary lead, zinc, silver targets were selected and an air-core drilling programme commenced at the end of the quarter. The air-core drilling method chosen is particularly suited to drilling through the soft sandy and clayey barren cover rocks and is also comparatively cheap, but has limitations in hard rock or zones of high water flow.
- At the end of the quarter drilling was progressing satisfactorily, and already the explanations for several of the key magnetic and gravity features was apparent, allowing improvement in the geological understanding. Notably, narrow gossanous ironstone horizons, usually associated with gold mineralisation in this region, have been encountered in some drillholes. Samples have been submitted for assay and results will be released upon completion of the drilling programme.

MATTAWEARA PROJECT

- Following the previous inconclusive drilling result on the prospective magnetic / gravity anomaly a downhole electromagnetic survey was conducted, making use of the 602 metre open drillhole. The objective was to determine if an electrical conductor, which could indicate a metallic orebody, lay to the side of the drillhole or below it. While a pulsing current was fed into large wire loops alternately laid out in the four quadrants surrounding the drillhole collar the time / decay responses were picked up on a probe as it was lowered down the hole. This technique gave inconclusive results based on a cursory inspection of the data, probably caused by the abundance of conductive salty water. Detailed interpretation by a specialist geophysical consultant is being sought.
- It is considered desirable to obtain further geophysical data in order to refine the target prior to any future drilling. This could involve employing a deep looking electromagnetic system, that would pick up deeply buried conductors, possibly combined with detailed ground magnetic surveying.

PERNATTY PROJECT

- The new drillhole data was incorporated into a 3D model that clearly shows a buried Gawler Craton basement ridge roughly coincident with the gravity high.

- Examination of drillcore for previous Seltrust drillhole SAR 8 on the northeastern flank of this ridge indicated a 200 metre thick zone of altered and sulphide mineralised rock, with a peak intersection of 0.65 metres of 2.25 % Cu and 6.05 % Zn at 1146 metres depth. This mineralisation is interpreted to be in a type of skarn rock at the margin of a possible Hiltaba Granite body.
- Future work is planned to concentrate on the mineralisation potential of the Gawler Craton basement ridge. This will require further drilling on specific targets outlined by more detailed geophysics, possibly including electromagnetic methods that are specifically designed to identify sulphide mineral concentrations.

CUTANA PROJECT

- Following grant of this new exploration licence, compilation of more than twenty years of previous exploration data commenced. The objective is to integrate this historic data with the new BHEI geophysical data and recent detailed government mapping in the area, in order to identify new geological concepts and drilling targets.
- Preliminary sampling of the multiple tensional quartz reefs at the Luxemburg gold workings returned anomalous gold results up to 3 g/t, which will be considered for follow up in a future drilling programme.

MUTOOROO MINE PROJECT

- Compilation and modelling of all previous exploration data continued during the quarter, with the object of recalculating and confirming the copper resource and identifying new drilling targets that could possibly expand the existing resource.

PARNDANA PROJECT

- Following receipt of all drilling approvals, a short reverse circulation (RC) drilling programme is planned for early December. The objective is to determine the nature and extent of the promising zinc and gold mineralisation obtained in previous Mines Department drilling at the Grainger prospect, including an intersection of 5 metres of 5.8% zinc.

SANDSTONE PROJECT

- There were no activities on this project during the quarter. Argonaut Resources NL has taken over as operator of the project and to date no programme or budget for future work has been put to the joint venture.

Further details of the exploration activities during the current quarter and relevant diagrams may be found on the Company's website : www.havilah-resources.com.au

NEW ACQUISITIONS

During the quarter Havilah made application for a new exploration licence adjoining the Mulyungarie project in order to cover interpreted strike extensions of the prospective sequence.

Havilah has a vigorous watching brief for new exploration opportunities, but did not advance any investigated opportunities beyond the preliminary evaluation stage during the quarter.

FINANCE

At 30 October the company had available funds of $ 5.168 million, of which the majority is held in a term deposit.

Exploration expenditure by the company during the quarter was $ 84,000 of which geophysical work amounted to approximately $ 25,000. Exploration expenditure forecast for the next quarter is likely to exceed this amount owing to expenses associated with the Mulyungarie drilling programme.

CORPORATE

Shareholders and are invited to join Havilah's E-List if they would like to be contacted whenever Havilah makes a significant announcement to the Australian Stock Exchange. Registration details may be submitted via Havilah's website.

Dr K R Johnson
CHAIRMAN

The information in this report has been prepared by Dr. Chris Giles, who is a member of The Australian Institute of Geoscientists, and an adherent to the Institute's codes and recommended practices. He has minimum of five years experience in the types of activities being reported.

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

Appendix 5B

Mining exploration entity quarterly report

Name of entity

HAVILAH RESOURCES NL

ABN	Quarter ended ("current quarter")
077435520	31 OCTOBER 2002

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (3 months) $A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a)exploration and evaluation	-84	-84
	(b) development		
	(c) production		
	(d) administration	-14	-14
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	109	109
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)	-	(1)
	Net Operating Cash Flows	11	11
	Cash flows related to investing activities		
1.8	Payment for purchases of :(a)prospects		
	(b)equity investments		
	(c) other fixed assets	-14	-14
1.9	Proceeds from sale of: (a)prospects		
	(b)equity investments		
	(c)other fixed assets	14	14
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (TERM DEPOSIT INVESTMENT)	-	-
	Net investing cash flows	-	-
1.13	Total operating and investing cash flows (carried forward)	11	11

1.13	Total operating and investing cash flows (brought forward)	11	11
	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		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows		
	Net increase (decrease) in cash held		
1.20	Cash at beginning of quarter/year to date	5157	5157
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	5168	5168

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	68
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

		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	150,000
4.2	Development	
	Total	150,000

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	52	51
5.2	Deposits at call	5116	5106
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	5168	5157

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

		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** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	54,950,020	39,475,020		Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	6,000,000		*Exercise price* 25 cents	*Expiry date* 24 / 1 / 2007
7.8	Issued during quarter				
7.9	Exercised during quarter				
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 /~~does not*~~ *(delete one)* give a true and fair view of the matters disclosed.

Sign here: .... Date: 28 November 2002
(Director/Company secretary)

Print name: ...Dr. K R 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 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.

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