HAVILAH RESOURCES NL

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

17 November 2003

Dear Sir / Madam,

APPENDIX 5B – FIRST QUARTER ACTIVITIES AND CASH FLOW REPORT

HIGHLIGHTS

- Finalisation of acquisition of Pasminco's 70% interest in EL's 2812 and 2878, that cover the prospective Benagerie Dome in the Curnamona Craton.
- Commencement of an 8,400 metre aircore resource drilling programme on the Portia prospect, where the Pasminco-Werrie Gold joint venture previously discovered rich eluvial gold mineralisation.
- Construction and successful commissioning of a treatment plant designed to collect all coarse gold from the Portia drilling samples.

REVIEW OF OPERATIONS

All effort during the quarter was entirely focussed on the Curnamona Craton properties, including finalisation of agreements and tenement transfers, planning of drilling programmes, preparatory field logistics, and commencement of drilling on the Portia prospect. The Portia prospect was discovered by the Pasminco-Werrie Gold joint venture in 1998, and yielded many spectacular gold intersections, in what was interpreted to be a Tertiary eluvial gold layer derived from a high grade reef system in the underlying weathered basement rocks. However, the lack of reproducibility of results, caused by the coarse nuggety nature of the gold, led to considerable uncertainties in resource estimations, and the true economic significance of the prospect remains uncertain.

To avoid repetition of these sampling problems at Portia required some innovation and experimentation on the part of Havilah prior to commencement of the drill programme. Particular attention was paid to optimising drill sample quality, as all else depends on this, and development of an assay method that is able to collect all coarse gold in the drill samples.

BENAGERIE DOME PROJECT (EL 2812 – Benagerie Ridge Joint Venture, Havilah 70%, Lynch Mining 30%)

Following grant of Ministerial consent to the transfer of a 70% interest in EL's 2812 and 2878 to Havilah, an air-core drilling programme commenced on the Portia prospect. By the end of the period some 45 air-core drillholes totalling 4,269 metres had been completed. The drilling was successful in achieving consistently high returns of dry unwashed sample through the critical horizontal gold pay zone Given that the bulk of the gold occurs in a comparatively thin, rich layer, it was essential to ensure that there was no washing of the sample, and that a full volume sample was obtained. The drill rig employed was adapted to achieve the desired result, by using a larger than normal 4.5" diameter air-core bit and considerably higher pressures and volumes of air than is normal for air-core drilling, which successfully held back the water while drilling through the pay zone. The pay zone, marked by a distinctive grey silty clay was logged in most holes. However, as the gold is not visible in the clay it is not known whether the pay zone contains economic levels of gold until the samples are treated.

All sample for each metre interval through the zone of interest, is collected in large plastic bags and transported off site for processing. In view of the coarse nature of the gold, conventional hard rock assaying methods, where only a small proportion of the sample is taken for assay, is not appropriate. Consequently, all sample from each metre interval will be washed in a trommel, and the concentrate collected in a Knelson concentrator. The concentrate will be cleaned up on a Gemini vibrating table, and the coarse gold separated and physically weighed. For the pay zone to be economic, each 1 metre drill sample should carry at least 0.03 grams of gold and this amount of gold should be clearly visible and measurable in the final concentrate. The necessary equipment has been built or acquired by Havilah and testing shows that it functions according to design specifications, and will therefore be adequate for its purpose.

20 tonnes of samples for 29 holes were transported to the sample processing site at the end of the quarter, and for practical reasons it is planned to treat the drill samples in batches. It is planned to release the results on a multi-hole section by section basis, in order to smooth out any individual high gold assays caused by gold nuggets. The processing method is not quick, and requires constant supervision to ensure adequate security is maintained. It is expected that the first batch of results from the air-core drilling at Portia will be available before Christmas.

Owing to the unconventional method of gold assaying to be employed, Havilah has commissioned recognised mineral laboratory, AMDEL, to regularly inspect and quality control the entire sampling and processing procedure. To this end, a senior metallurgist from AMDEL has already inspected the drilling operations and will continue to be involved on a consulting basis through the entire process.

Upon completion of the current drilling programme at Portia, a 2000 metre drilling programme is planned to test the limits of the secondary copper resource at North Portia, where modelling of previous Pasminco- Werrie Gold joint venture drilling data indicates potential for a substantial low grade secondary copper resource 70 – 100 m below surface. In addition, approximately 1000 meters of drilling is planned to follow up the spectacular gold grades previously encountered at the Shylock prospect (eg 23m of 79 g/t Au) and to explore for a rich, Portia style eluvial subsurface gold deposit. It is planned to complete the current Portia drilling programme and the above two programmes during the next quarter.

KALKAROO PROJECT (EL 2720 – Curnamona Craton)

Negotiations continued with Placer Dome Asia Pacific Limited to finalise the agreement to transfer its 54.3% interest in Kalkaroo EL 2720 to Havilah. It is hoped to complete the transaction and transfer of the tenement interest to Havilah in the next quarter, following which it is planned to commence a detailed gravity survey over the main Kalkaroo prospect area.

OTHER PROJECTS

Work on other project areas during the quarter was confined to reporting and data compilation.

FINANCE

At 31 October the company had available funds of $4,186,000, of which the majority is held in a term deposit. Consequent on finalisation of the acquisition of a 70% interest in EL's 2812 and 2878, payment of $250,000 (plus $25,000 GST) was made to Pasminco Australia during the quarter. Exploration expenditure by the company during the period was $ 116,000. Drilling and associated expenses connected with the programme at Portia are currently running at the rate of approximately $120,000 per month, and will be reflected in the accounts for the next quarter.

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 a 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

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

Name of entity

HAVILAH RESOURCES NL

ABN	Quarter ended ("current quarter")
077 435 520	31/10/03

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	-116	-116
	(b) development		
	(c) production		
	(d) administration	- 50	-50
	Dividends received		
1.4	Interest and other items of a similar nature received	19	19
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)	1	1
	Net Operating Cash Flows	-146	-146
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a)prospects	-275	-275
	(b)equity investments		
	(c) other fixed assets	- 44	-44
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)		
	Net investing cash flows	-319	-319
1.13	Total operating and investing cash flows (carried forward)	-465	-465

1.13	Total operating and investing cash flows (brought forward)	-465	-465
	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	-465	-465
1.20	Cash at beginning of quarter/year to date	4651	4651
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	4186	4186

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	103
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	350,000
4.2	Development	
	Total	350,000

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	51	143
5.2 Deposits at call	4135	4508
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	4186	4651

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	EL2812 EL2878	Purchase of 70% interest Purchase of 70% interest	0 0	70% 70%

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** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**				
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,500,000	1,500,000	20 cents	20 cents
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)*			*Exercise price*	*Expiry date*
7.8	Issued during quarter	1,500,000 300,000	nil nil	20 cents 25 cents	8 December 2008 8 December 2008
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: 17 November 2003
(Director/Company secretary)

Print name: Dr KR 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.