

BELLHAVEN COPPER & GOLD, INC.

(TSX-V: BHV - \$1.18)

Recommendation

Speculative Buy

Risk

High

Target Price

\$1.40-\$1.50

Price (August 2)

\$1.18

Potential Return

19%-27%

52-Week Range

\$1.31-\$0.39

% Below High

10%

% Above Low

202%

Shares O/S

20.8 million

Market Cap

\$24.5 million

Average Daily Volume

20-Day: 139,600

150-Day: 59,700

Year-End

April 30

C\$	BVPS	EPS
2005A	\$0.10	\$(0.13)
2006A	\$0.18	\$(0.08)
2007E	\$0.15	\$(0.09)
2008E	\$0.15	\$(0.09)

BVPS: Book Value Per Share

EPS: Earnings Per Share

Analysts

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Data Source: www.BigCharts.com

UPFRONT

With the release of highly encouraging drill results, the shares of Bellhaven Copper & Gold Inc. ("Bellhaven") have exceeded our Target Price. Based on the information currently available, we are raising our share price objective with a view to refining it after the release, expected later this year, by the Company of a revised mineral resource estimate.

FAVOURABLE DRILL RESULTS AT CERRO CHORCA

Bellhaven announced its first results from its 3,300 meter drill program being conducted at its copper, gold, and silver Cerro Chorcha porphyry deposit in Panama with joint venture partner Empire Minerals Corp. (OTC: EMPL).

These are the best results (both in terms of thickness and grade) thus far at Cerro Chorcho. Bellhaven encountered mineralization from surface to 239 meters depth of 1.2% copper, 0.23 g/t gold, and 6.1 g/t silver. This included 38 meters of copper grading 2.88%.

MINERAL RESOURCE ESTIMATE

This property contains a NI 43-101 mineral resource estimate of 135 million tonnes grading 0.48% copper. The ongoing diamond drilling program, with three holes completed to date and nine holes planned, will test the mineralization at Cerro Chorcha, a 1 km by at least 600 meter surface expression.

DIAMOND DRILLING PROGRAM

The current diamond drilling program is expected to be completed by the end of September 2007. We expect that Bellhaven will follow this up with a new mineral resource estimate for Cerro Chorcha soon after.

In a telephone conversation with management, we learned that, in 2008 Bellhaven expects to have a highly active year, with four drilling programs under way at the following properties with its joint venture partners: Cerro Chorcha (Empire Minerals), Rio Liri, Los Hatillos (Golden Cross) and Viento Frio (Western Troy).

COMMENT: *Given expectations of further drill results from the remaining eight drill holes at Cerro Chorcha, there is the potential for more favourable news flow in the near term, as Bellhaven carries out and continues its 3,300 metre drill program.*

While one additional hole does not result in a higher mineral resource estimate, this hole contains the highest and thickest grade copper encountered to date at the property, and demonstrated significant high-grade near-surface mineralization.

Furthermore, Bellhaven shareholders will benefit from any upside exploration potential at the Company's other Panamian properties as drill programs are expected to commence in 2008.

MARKET PERFORMANCE

At the time of our Initiating Report of April 16, 2007, Bellhaven shares were trading at \$0.53, and have had a great run. (This Initiating Report is available on our website at www.eResearch.ca.)

Bellhaven's share price has moved sharply higher in recent weeks, in advance of, and following the release of the results from this first drill hole. Consequently, the eResearch original Target Price of \$1.10 has been exceeded.

We will wait until later in the year for the release of the revised mineral resource estimate before recalculating our net asset value estimate for Bellhaven. However, reflecting the increased expectations for this huge copper project in Panama, eResearch is increasing its Target Price for Bellhaven from our original objective of \$1.10 to a range of \$1.40-\$1.50. This share price revision also considers possible exploration upside from the additional drilling programs slated for 2008.

HOT OFF THE PRESS

Bellhaven has just announced a \$15,000,000 brokered private placement consisting of up to 13,636,364 units at a price of \$1.10 per unit. Each unit consists of one common share and one-half of one share purchase warrant. For full details see Bellhaven's press release dated August 3, 2007. The proceeds will be used for exploration, future acquisitions and working capital.

COMMENT: *This is a significant fund raising for Bellhaven given its current market capitalization of \$24 million, that will provide it with significant financial fire-power going forward as it explores and acquires properties in Panama.*

Nigel Heath, BBM, CFA
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