StockAnalysis

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Havilah Special Issue

By Peter Strachan

This Week

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Havilah Resources (HAV)
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Havilah Resources (HAV)

Captial Structure - HAV			
Shares		79.9	m.
Options		7.6	m.
Price	$	1.42	
Market Cap	$	113	m.
Cash (est)	$	10	m.

Havilah has raised $9.4 million to undertake a trial pit at its **Portia gold project** and will also undertake a feasibility study at its Kalkaroo copper and gold project, involving metallurgical studies and logistics.

StockAnalysis has taken all total intersections from Portia (ignoring higher grade sub-sections) and calculated the average grades and widths. The average width of intersections from the limited data available is 10.3 metres, though two holes ended in mineralisation, so this sample probably under calls the total thickness of gold mineralisation, which is seen to vary from 2 metres to over 26 metres. While the average grade is 20.8g/t, the weighted average grade from these intersections is 16.3g/t, calculated by dividing the sum of each individual intersection with its grade, by the total length of all intersections.

Gold Intersections at Portia

Hole	Width m.	grade g/t	gm metres
188	3	10.5	32
189	5	16.5	83
191	26	15.4	400
193	13	33.5	436
194	2	25.5	51
196	9	12.5	113
197	25	14.5	363
198	5	17.4	87
199	3	8.5	26
201	2	81	162
204	4	5.7	23
205	26	9	234
Average	10.3	20.8	16.3

Source: Havilah Resources, Strachan Corporate Pty Ltd

If a trial pit addresses an area of 30 metres by 30 metres to a depth of 25 metres, then assuming an SG of 2.4 tonnes per m^3, 54,000 tonnes of material at an average grade of 6.7 g/t might be expected to deliver 11,700 ounces of gold to the pilot gravity plant. Recovery of this gold would be worth about $7.2 million, largely paying for the trial operation and setting up the project for a long term operation.

StockAnalysis suspects that higher gold grades may be achieved, but we will not know this for sure until the trial is run. This is why the company is running the trial! By the end of 2007, shareholders will know if the project is going to be viable, given an overburden of 65 to 75 metres of free digging material. If the project proves positive, Havilah will be able to reconfigure its operations to run as an ongoing production operation, with permanent water, power and low cost overburden removal. Portia will be largely an earth moving operation followed by a simple, low cost gravity separation of free gold, with no chemicals required. All up, StockAnalysis calculates that cash operating costs could be less than A$250/oz, depending on final grade.

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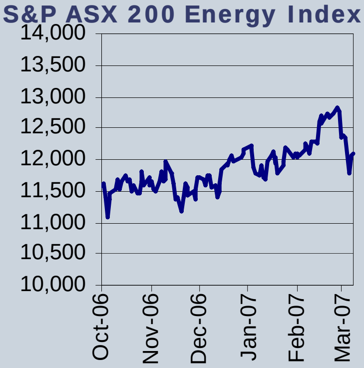
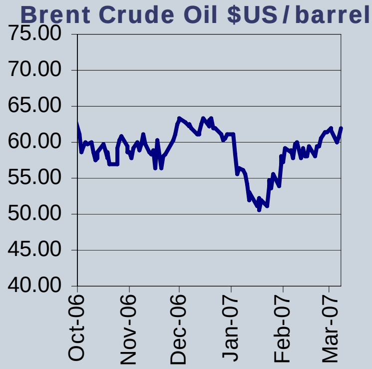
Indices & Prices	
All Ordinaries	5,803.30
Energy Index	12,102.70
Brent US$/bbl	61.83
AUS$/US$	0.7758
As at Close March 8th	

All Ordinaries

S&P ASX 200 Energy Index



Brent Crude Oil $US/barrel



A$/US$