

**Recommendation**

Speculative Buy

**Target Price**

C\$0.65

**Risk**

High

**Ave. Monthly Trading Vol.**

1,725,875

**Quick Facts**

<b>Recent Price</b>	C\$0.31	
<b>Symbol</b>	EVR:TSX-V	
<b>Shares O/S</b>	19.6 million	
<b>52 Wk. Range</b>	\$0.65-\$0.09	
<b>Fiscal Year End</b>	Oct. 31	
	<b>EPS</b>	<b>CFPS</b>
<b>2001</b>	n.a.	n.a.
<b>2002e</b>	n.a.	n.a.
<b>2003e</b>	n.a.	n.a.

**STRENGTHS**

- **Focused on exploration in the Dominican Republic, host to one of the largest polymetallic mines in the world, but relatively unexplored for mineral deposits**
- **Near-term exploration including drilling, reconnaissance mapping, soil sampling and ground geophysics is planned for the Bayaguana and Pueblo Viejo District Concessions**
- **Demonstrates a blend of financial, business, and industry experience**

**RISKS**

- **Commodity price risk**
- **Inherent risk in mining and mineral exploration**
- **Political risk associated with neighbouring Haiti**

**CONCLUSION**

- **Good leverage to the price of copper and gold**

**Everton Resources Inc.**

Data Source: www.bigcharts.com

*Everton Resources Inc is a Canadian junior exploration and development company with three projects under option in the Dominican Republic.*

**SUMMARY AND RECOMMENDATION**

We recommend the shares of Everton Resources Inc. as a Speculative Buy to investors looking for capital appreciation associated with precious and base metal exploration success in the Dominican Republic, host to the Pueblo Viejo and Cerro de Maimon polymetallic deposits, Pueblo Viejo ranking as one of the world's largest copper-gold deposits.

Despite hosting one of the largest gold and silver mines in the world, the Dominican Republic has remained relatively unexplored for mineral deposits. Everton Resources is favourably positioned and funded to evaluate its property portfolio for deposits similar in character to the Pueblo Viejo deposit.

We are recommending the shares of Everton Resources Inc. as a Speculative Buy to investors looking for capital appreciation associated with precious and base metal exploration

success in geological terrain dominated by the Pueblo Viejo Gold Deposit, one of the world's largest gold deposits, currently under evaluation by Canadian miner Placer Dome Inc. and GlobeStar Mining Corporation's much smaller Cerro de Maimon copper-gold mining project, which is nearing development and has a full mining permit.

We believe that there is considerable upside potential for the stock from exploration success on the property in the near term. A target price of C\$0.65 is forecast for Everton Resources. This is significantly higher than the current share price of the Company, which falls within the 30 to 40 cent range, but justified by stock price levels of over C\$0.60 reached late last year. This current premium is based on the expectation that the Company will maintain the necessary financing to complete its short-term exploration goals, and supported by the Company's favorable land position in the Dominican Republic, as well as the recent increase in base and precious metal prices.

The Company's management also demonstrates a blend of financial, business, and mining experience.

---

## THE COMPANY

Everton Resources Inc. is engaged in the exploration and development of mineral properties and holds interests in mineral properties located in the Dominican Republic. The Company was incorporated as Mount Hope Resources Corp. in November 1996 and after briefly conducting business as a technology company, 3Net Media Corporation, commencing in February 2, 2000, changed its name to Everton Resources Inc. in September 2002, after a 4 to 1 share consolidation. Everton's office and principal business address is in Ottawa, Ontario.

The Company's shares trade on the TSX Venture Exchange under the symbol EVR, and at this time and over the foreseeable future has a primary focus of exploring for and developing gold and base metal deposits on its properties in the Dominican Republic.

In February 2003, Everton entered into an option agreement with GlobeStar Mining Corporation, a TSX-V-listed exploration company, to earn up to a 50% interest in the Bayaguana group of concessions located in the Bayaguana Mining District of the Dominican Republic. Later in the year, Everton added to its property portfolio by entering into an option agreement also with GlobeStar Mining to earn up to a 70% interest in the three gold exploration concessions in the Pueblo Viejo Mining District, as well as with Linear Gold Corporation, a TSX-V-listed exploration company, to earn a 50% interest in an additional concession, also located within the Pueblo Viejo Mining District. Everton's exploration focus is solely on the Dominican Republic.

GlobeStar Mining is focused primarily on developing a mine at Cerro de Maimon, some 60 km from the Bayaguana group of concessions, while maintaining momentum for the company's exploration portfolio through joint venture agreement, such as with Everton.

**Everton's exploration focus falls within the Bayaguana and Pueblo Viejo Mining Districts, over concessions underlain by the same geological formation that hosts the Pueblo Viejo and Cerro Maimon polymetallic deposits**

Despite hosting one of the largest gold and silver mines in the world, the Dominican Republic has remained relatively unexplored for mineral deposits. Everton is favourably positioned and funded to evaluate its property portfolio for deposits similar in character to the Pueblo Viejo and Cerro de Maimon deposits.

Everton's exploration focus falls within the Bayaguana and Pueblo Viejo Mining Districts of the Dominican Republic, over concessions underlain by the same geological formation that hosts the Pueblo Viejo and Cerro Maimon polymetallic deposits. Results from the Company's exploration programs in the Dominican Republic demonstrate this potential with favorable results reflected in the share price during this promising market for precious and base metals.

Early exploration results from Everton's group of properties in the Bayaguana District, namely the Trinidad, Managua and Rincon Abajo concessions, are promising. Field mapping, trenching, an IP survey and subsequent drilling on the Trinidad North and South targets on the Trinidad concession has identified gold grades from the property, which exhibits similar geology and surface characteristics to the Pueblo Viejo Gold Deposit. Drilling will resume in June 2004. At the Dona Amanda copper and gold target, on the Rincon Abajo concession, drilling and subsequent metallurgical studies

have defined anomalous copper and gold mineralization. Deep drilling beneath the Dona Amanda mineralization and step out drilling is planned to increase the size of the deposit. An IP survey over both the Dona Amanda and Dona Loretta targets to define the shape and the size of zones of mineralization, prior to 1,500 metres of drilling planned for the end of May 2004, has been completed. Also, mapping, soil sampling, ground geophysics and trenching in early 2004 over selected targets on properties in the Pueblo Viejo District, namely the Cuance and Los Hojanchos concessions, indicates a mineralized zone associated with topographic highs and similar in nature and orientation to mineralization at Pueblo Viejo. Further work and drilling is planned.

The Company's management also demonstrates a blend of financial, business, and mining experience.

---

## **DIRECTORS AND MANAGEMENT**

### **Andre Daniel Audet - Chief Executive Officer, Chairman and Director**

Mr. Audet is the Vice-President and a Director of Majescor Resources Inc., a diamond exploration company, August 1999 to present; a Director of Patrician Diamonds Inc, a diamond exploration company July 2000 to present; a past Vice-President of BMO/Nesbitt Burns, June 1990 to August 1999. Mr. Audet is also currently the President of eNet Capital, a private venture capital sourcing firm.

### **Marc Carbonneau - Chief Financial Officer and Corporate Secretary**

Mr. Carbonneau is a Chartered Accountant with over 18 years of experience as a controller in small to medium sized companies. Mr. Carbonneau has extensive experience in internal controls, budgeting and production of financial statements.

### **Marc L'Heureux - Vice President Exploration and Acquisitions**

Mr. L'Heureux is a professional geologist with a Master's degree in economic geology. He cumulates over 18 years of experience in designing, implementing and managing exploration and acquisition programs with several mining companies, namely Cambior, Barrick and Falconbridge.

### **Brooke Macdonald - Vice President New Business Development**

Mr. Macdonald is a lawyer specializing in contract negotiations, direct foreign investment and joint ventures in the mining industry in Latin America. Mr. Macdonald has extensive experience representing mining companies, first as an associate at the Caracas office of international law firm Baker & McKenzie, and later as Placer Dome's legal counsel for exploration in Latin America and president of Placer Dome de Venezuela S.A. Mr. Macdonald has been instrumental in the acquisition of mineral rights to several world-class gold deposits and the permitting and construction of operating mines in Latin America.

### **Ronald N. Little - Director**

Mr. Little is a Professional Engineer and is currently the President, CEO and Director of Orezone Resources Inc. Mr. Little is also a Director of Majescor Resources Inc., a diamond exploration company, November 1999 to present; and a Director of Afcan Mining Corporation, a gold exploration company September 2003 to present. Mr. Little has over 15 years experience, at senior levels, in mining exploration, mine development and mine operations. Most of his experience was gained with major Canadian mining companies and included several international operations. He has a background in both geology and mining engineering.

**Don Halliday - Director**

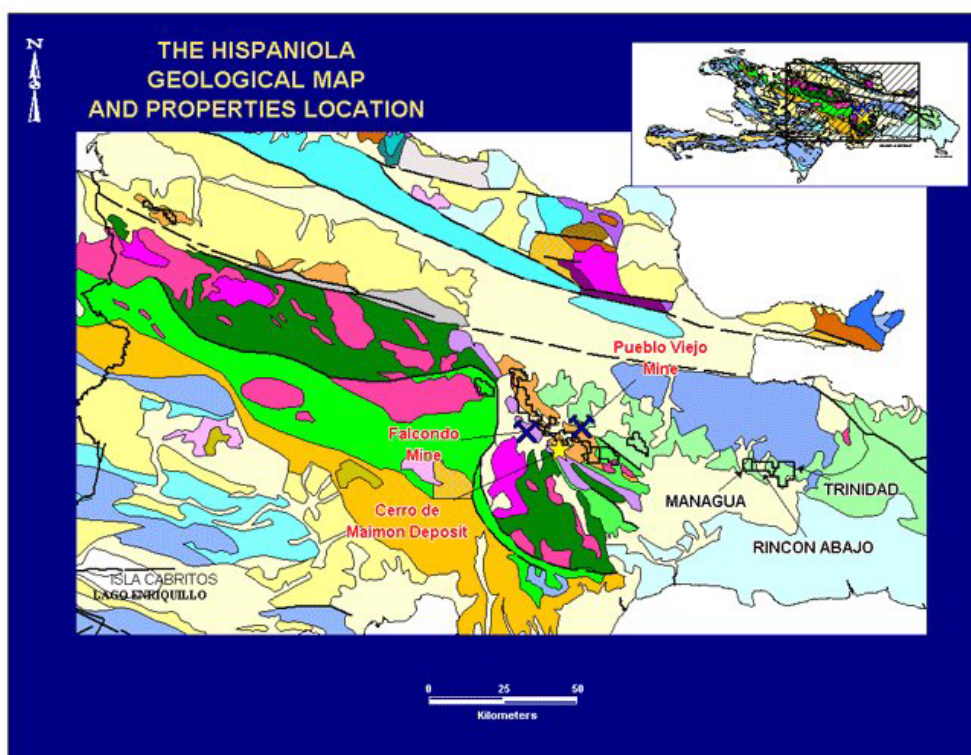
Mr. Halliday is the Investor Relations Manager of Nevsun Resources Ltd, a gold exploration company and has worked in a similar role for Bema Gold. Mr. Halliday is currently a Director and Vice President with Sunridge Gold Corp, April 2000 to present.

**PROJECTS**

Everton is currently earning interest in the Bayaguana group of exploration concessions in the Bayaguana Mining District from GlobeStar Mining Corporation. GlobeStar Mining is the operator of the project. Everton is also earning interest in four additional concessions in the Pueblo Viejo Mining District, three from GlobeStar Mining and one from Linear Gold Corporation.

**The Bayaguana District Concessions**

Figure 1: Geological map and location of Everton's Bayaguana District Concessions



Source: Company reports

**The Bayaguana concessions host two deposits and two large-scale exploration targets and occupy a strike length of 18 km in the Los Ranchos geological formation, host to the Pueblo Viejo mine**

Everton has an option from GlobeStar Mining to earn a 50% interest in the Bayaguana group of concessions, consisting of three contiguous concessions known as Managua, Rincon Abajo and Trinidad, by incurring cumulative exploration expenditures of US\$1.5 million within two years, from February 2003 when the agreement was signed. The concessions host two deposits and two large-scale exploration targets and cover a total area of approximately 7,350 ha and occupy a strike length of 18 km in the Los Ranchos geological formation which hosts the Pueblo Viejo mine, the largest high sulfidation gold deposit in the Caribbean Basin, currently under evaluation by Placer Dome. The concessions are in the exploration stage and host no known body of commercial ore.

**Table 1: Resource estimates for the Managua and Rincon Abajo Concessions**

Concession	Deposit	Resource Estimate	References
Managua	Cerro Kiosko	<b>Indicated resource:</b> 0.56 M tonnes @ 1.93 g/t Au, 4.2 g/t Ag, 1.01% Cu	Patrick, 1998
		<b>Inferred resource:</b> 4.36 M tonnes @ 2.01 g/t Au, 5.17 g/t Ag, 0.98% Cu (using a 0.35 g/t Au cut-off grade)	
Rincon Abajo	Dona Amanda	<b>Inferred resource:</b> 45.5 M tonnes @ 0.45% Cu, 0.22 g/t Au (using a 0.3% Cu cut-off grade)	Chénard, 2000 and 2002

Source: Company reports

Corporación Minera Dominicana S.A. (CMD), a Dominican corporation, holds title to the properties. GlobeStar Mining Corporation holds a 100% interest in CMD (through its wholly owned subsidiary) which had previously acquired CMD from Canadian-based base metals miner Falconbridge Ltd's Dominican subsidiary. Falconbridge has retained a net smelter royalty of 2% on the first CMD property (including the Maimon Properties also under option to Everton) to go into production, 1.5% on the second property and 1% on the third property.

### Previous Work

The Mines Department of the Dominican Republic first conducted exploration work in the Bayaguana District, completing soil geochemical surveys in 1981 at the Dona Loretta Target and over the area now covered by the Rincon Abajo and Trinidad concessions. Five percussion air holes and an IP survey were completed on the Rincon Abajo concession 1982. Intercepts included 1.5 metres of 1.75 g/t Au and 1.6 metres of 1.09% Cu, in a separate interval.

## Managua Concession

### Cerro Kiosko Target

Falconbridge carried out a soil survey and an IP Survey in 1996. The Cerro Kiosko Target was drill tested in 1997 (17 holes) and again in 1998 (12 holes). Drilling in 1997 returned 22 metres of 3.0 ppm Au, 4.3 ppm Ag, and 0.79% Cu (drill hole OF-2). This led to a 1998 preliminary resource estimate by Falconbridge of 6.2 million tonnes of 2.2 g/t Au, 6.2 g/t Ag, and 0.8% Cu (considered to be an inferred mineral resource according to CIM Standards). An indicated resource of 0.56 million tonnes at 1.93 g/t Au, 4.2 g/t Ag and 1.01% Cu; and an inferred resource of 4.36 million tonnes at 2.01 g/t Au, 5.17 g/t Ag, and 0.98% Cu was compiled by ACA Howe in 1998 from check assays on core from Cerro Kiosko. Both resources use a cut-off grade of 0.35 g/t Au. Indicated and inferred resources quoted by ACA Howe were defined according to the Australian Classification of Identified Mineral Resources and Mining Reserves (1996).

**An Inferred Resource for Cerro Kiosko has been calculated at 4.36 million tonnes @ 2.01 g/t Au, 5.17 g/t Ag, 0.98% Cu (using a 0.35 g/t Au cut-off grade)**

Sarmin Exploration Corporation, a wholly owned subsidiary of GlobeStar Mining, carried out geologic mapping and surface sampling in 1999. Six trenches were dug on the Managua concession and trench samples were collected and analysed, followed by an IP survey and the drilling of four drill holes on the east-central portion of the Managua concession. Each hole intersected hydrothermal alteration and sulfides but gold and copper values were barren to weakly anomalous.

## Rincon Abajo Concession

### Dona Amanda Target

**An Inferred Resource for Dona Amanda has been calculated at 45.5 million tonnes @ 0.45% Cu, 0.22 g/t Au (using a 0.3% Cu cut-off grade)**

Falconbridge carried out a soil survey and geophysical program on the Rincon Abajo concession in 1988 and 1989 defining a 1.5 km x 0.5 km soil anomaly over the Dona Amanda Target. Anomalous results for gold, arsenic, antimony and molybdenum led to a geophysical survey and drill program at Dona Amanda in 1990 and 1991. Eleven holes were drilled at Dona Amanda intersecting a secondary enrichment blanket of copper mineralization at a depth of 10 to 50 metres from the surface. The blanket varies between 15 and 123 metres in thickness (average 43 metres) and dips gently towards the south. Falconbridge estimated the mineral resource at 45.5 million tonnes at 0.45% Cu. The resource was later confirmed at a cut-off grade of 0.3% Cu and estimated the gold grade at 0.14 g/t, later modified to 0.22 g/t and assigned to the inferred mineral resource category according to CIM Standards.

Seven holes were drilled in 2002 to test IP targets located north of the Dona Amanda deposit. The targets were conductors located north and west of the Dona Amanda deposit. The best intercepts include 0.52 metres of 2.56% Cu (DA-17) and 25.03 metres of 0.284% Cu (DA-12). These results do not add to the resource at Dona Amanda but they do limit the potential of the deposit to grow towards the north. The deposit has not been drilled off to the south or to the east. Two additional holes drilled on the Trinidad concession tested the thickness of the Hatillo limestone.

### Dona Loretta Target

Anomalous results for gold, arsenic, antimony and molybdenum from a soil survey carried out by Falconbridge in 1988 and 1989 led to a geophysical survey and drill program at Dona Loretta in 1990 and 1991. Six diamond drill holes were drilled at the Dona Loretta Target area during 1990 yielding significant results. Drill hole CC-01 returned 40.4 metres of 2.99% Cu, 0.37 g/t Au and 37 g/t Ag. Intercepts in CC-02, CC-03 and CC-06 contained less than 1% Cu and low-grade (less than 0.2 g/t) Au.

Sarmin Exploration Corporation carried out geologic mapping and surface sampling in 1999 at the Rincon Abajo concession and completed an additional drill hole in 2000 to confirm the values intercepted in CC01. The Sarmin hole returned 23.4 metres of 2.09% Cu and 0.3 g/t Au.

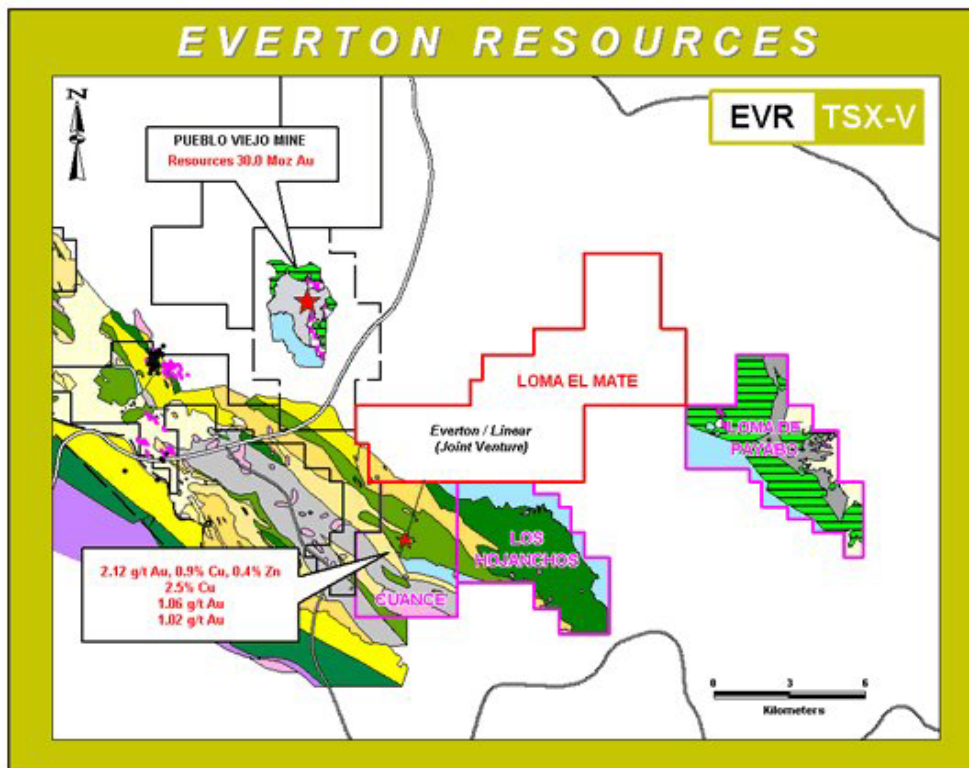
## Trinidad Concession

### Trinidad South Target

The Trinidad concession is a large hydrothermal alteration system centered on a series of felsic volcanic domes. Geologic mapping and soil sampling was carried out on the Trinidad concession in 1999. Surface rock chip samples returned anomalous gold, copper and local zinc. Gold and arsenic define a 2.5 km x 1.3 km east-west striking target immediately east of Loma de Guaimarote. The southeast flank of Loma de Guaimarote was drill tested (8 holes) in 1990, prior to the soil survey, by Falconbridge. Anomalous gold (over 100 ppb) was encountered in LG-05, LG-06 and LG-07. The best intercept was 8.3 metres of 1.75 g/t Au in LG-07. Two additional diamond holes (101.22 metres) were drilled in 2002 to test the thickness of the Hatillo limestone.

## Pueblo Viejo District Concessions

Figure 2: Geological map and location map of the Pueblo Viejo District Concessions



Source: Company reports

Everton has an option from GlobeStar Mining to earn up to 70% in three gold exploration concessions, the Cuanze, Los Hojanchos and Loma de Payabo concessions, covering 70.4 sq km. All the concessions are in the volcano-sedimentary Los Ranchos Formation, host to the Pueblo Viejo mine. Everton can earn the interest by spending a total of US\$1,170,000 within three years and by completing a bankable feasibility study within two additional years. Also, Everton has an option from Linear Gold Corporation to earn a 50% interest in the Loma El Mate concession. Everton has the option to acquire the interest by incurring cumulative work expenditures of US\$0.5 million over a two-year period, with a minimum of US\$200,000 within the first year.

As with the Bayaguana group of concessions, Corporación Minera Dominicana S.A. (CMD), a Dominican corporation, holds title to the properties. GlobeStar Mining Corporation holds a 100% interest in CMD which it had previously acquired from Canadian-based base metals miner Falconbridge Ltd's Dominican subsidiary. Falconbridge has retained a net smelter royalty of 2% on the first CMD property (including the Bayaguana group of concessions also under option to Everton) to go into production, 1.5% on the second property and 1% on the third property.

The Cuanze, Los Hojanchos and Loma de Payabo concessions are in the volcano-sedimentary Los Ranchos Formation, host to the Pueblo Viejo mine. The Cuanze and Los Hojanchos concessions are contiguous with Pueblo Viejo, less than 3 km from the mine, and exhibit extensive argillic alteration and silicification over north-south

structures associated with the Pueblo Viejo orebody. The Loma de Payabo exploration concession is situated between the Pueblo Viejo and Bayaguana groups of concessions.

Indications of volcanogenic massive sulphide mineralization (Cu, Zn, Au and Ag) have been encountered on the Cuanca and Los Hojanchos concessions, while highly sulphidic epithermal mineralization of Pueblo Viejo-type hosted by the Los Ranchos formation is present over three kilometres on the Loma de Payabo concession.

Hydrothermal alteration at Cuanca and Los Hojanchos consists of sulphidic silicification and propylitic alteration of mafic and sedimentary rocks of the Maimon formation. Sample results to date on Cuanca include up to 4.07% Cu and 9.8 ppm Ag (sample DA-4553) and up to 2.12 g/t Au (sample DA-14599).

The Loma El Mate concession covers 58 sq km and is adjacent to the Pueblo Viejo mine property. The Loma El Mate concession contains several different targets areas, based on stream-sediment sampling and regional airborne magnetics. Most of the concession is underlain by the mid-Cretaceous Los Ranchos Formation, which is host to the ore deposits of Pueblo Viejo system. Large zones of hydrothermal alteration have been recognized with little follow-up work to date. Additional targets indicate zones of magnetite destruction characteristic of Pueblo Viejo-type of mineralization.

---

## RECENT DEVELOPMENTS

### The Bayaguana District Concessions

Everton and Globestar Mining's exploration program commenced in early 2003 on the Trinidad (Trinidad concession) and Dona Amanda (Rincon Abajo concession) targets areas, followed by work on the Dona Loretta Target (Rincon Abajo concession) early in 2004.

A 2003 rock-sampling program to confirm the anomalous gold zone and to define the overall gold content of rock showing strong silicification and argillic alteration, confirmed the presence of a gold-in-soil anomaly at Trinidad. 15 samples returned grades from 0.5 g/t Au to 5.46 g/t Au, while 8 samples returned values from 0.5 g/t Au to 2.72 g/t Au on Cerro Kiosko target and 1.29% Cu at the Trinidad North Target.

A 10-trench program was subsequently carried out to investigate the anomalous gold zone on the Trinidad concession. A soil-sampling program on the eastern part of the Rincon Abajo concession and in the western extension of the gold soil anomaly on Trinidad was also conducted to follow up a mapping program that revealed strong argillic and silica-altered rocks, similar to those observed on the Trinidad concession and in the Pueblo District.

Trenching above strong IP conductors confirmed the presence of gold mineralization below the Trinidad targets, termed the Trinidad North and South targets. The Trinidad target area was also noted to exhibit similar geology and surface characteristics to the Pueblo Viejo Gold Deposit. A subsequent 1,770 metre 19 hole drill program on the Trinidad South Target late in 2003, aimed at defining sectors with higher exploration potential, returned 761 ppb Au over 5 m in hole LG-09; 312 ppb Au over 4.45 m in hole LG-15, 287 ppb Au over 11.13 m in hole LG-16; 470 ppb Au over 6.25 m in hole LG-17, including 1.92 g/t Au over 1 m, and 1.33 g/t Au over 1.52 m in hole LG-22.



A 9 hole drill program on the Trinidad North Target, situated 1.4 km north of the Trinidad South Target, aimed at testing IP conductors on a copper-in-soil anomaly was started in February 2004 and will be completed during summer 2004.

Recent reinterpretation of the Dona Amanda copper and gold deposit predicts good leachability, low overburden stripping and heightened interest in these copper deposits. Results from the metallurgical testing of one of two drill holes on the deposit, Hole DA 19, drilled into the center of the Dona Amanda resource, revealed mineralization from 7 metres depth to 197 metres, a total of 190 metres including 67.1 metres of 0.42% Cu and 0.31 g/t Au, and 9.2 metres of 0.59% Cu and 0.21 g/t Au. Testing indicated that the ore is amenable to simple flotation. The second hole, Hole DA 20, a 100 metre step-out, encountered continuous mineralization from the surface to 177 m in depth. Intersections of interest include 25.92 metres of 0.54 g/t Au, 28.66 metres of 0.35% Cu and 0.28 g/t Au, including 17.99 metres of 0.54 % Cu and 0.08 g/t Au.

**One of two drill holes drilled into the center of the Dona Amanda resource, revealed mineralization from 7 metres depth to 197 metres, a total of 190 metres**

A comprehensive IP and ground magnetic geophysical program covering geochemical and mapping targets in all project areas has recently been completed. This includes coverage over the Dona Loretta Target to define the shape and the size of the actual mineralised zone, prior to drilling this summer. IP coverage also extended over the alluvium overburden cover separating the Dona Amanda and Dona Loretta Targets, where there is potential for these significant copper/gold occurrences to be linked with possible extensions either westwards or eastwards. Dona Amanda is a secondary enriched copper blanket while Dona Loretta is a copper bearing brecciated structure, which is open along strike. Drill testing of the Dona Amanda area is planned for June 2004.

Everton is committed to spending US\$1.5 million by March 2005, under its option agreement with GlobeStar Mining - the operator of work on the Bayaguana group of concessions, and has advanced C\$1 million in funds to finance exploration on these properties until September 2004.

In summary, Everton's planned exploration, in the context of work completed, on the Bayaguana group of concessions includes:

- The resumption of a 500-metre program of drilling of targets on the Trinidad concession in June/July 2004. This follows a program of geological mapping, sampling and geophysics and 1,500 metres of drilling on the concession.
- Deep drilling beneath the Dona Amanda mineralization (Rincon Abajo concession), and step out drilling with the objective of ramping up the resource to 100 million tonnes, is planned. This follows a program of assay checking and 500 metres of drilling at the Dona Amanda Target. This together with preliminary metallurgical testing, an internal economical study and geophysics has been completed.
- 1,500 metres of drilling are planned at the Dona Loretta Target (Rincon Abajo concession) for the end of May 2004. This follows a program of geological mapping, sampling, geophysics, trenching.

## Pueblo Viejo District Concessions

**Mineralization at Los Hojanchos consists of massive sulphide bands sub-parallel to the underlying formation that have never been drilled**

Mapping, soil sampling, ground geophysics and trenching in early 2004 over selected targets on the Cuance and Los Hojanchos concessions indicates an extensively mineralised zone over approximately 5.0 x 1.5 km associated with topographic highs. The nature and orientation of the mineralised zone display similarities to mineralization at Pueblo Viejo. Rock samples collected returned anomalous gold values, 7 over 100 ppb, the highest being 1.58 g/t Au. Mineralization at Los Hojanchos consists of massive sulphide bands sub-parallel to the underlying formation that have never been drilled. The massive sulphide bands are parallel to the mineralization in the Pueblo Viejo gold mine, which lies 2 km from the boundary of the Cuance joint venture, in the same Los Ranchos formation. Everton and Globestar Mining are also currently carrying out soil sampling, ground geophysics and trenching on the Loma de Payabo concession.

Fieldwork is also planned for the Loma el Mate concession consisting of mapping, regional reconnaissance, stream-sediment sampling and soil sampling over selected areas.

**Drilling is planned for the Trinidad, Dona Amanda and Dona Loretta Targets, with reconnaissance mapping and sampling, soil sampling, ground geophysics and drilling on the Cuance, Los Hojanchos and Loma de Payabo concessions**

Everton is committed to spending US\$390,000 by August 2005 under its option agreement with GlobeStar Mining - the operator of the Cuance, Los Hojanchos and Loma de Payabo concessions, and has advanced C\$150,000 in funds to finance exploration. On the Loma el Mate concession, Everton is committed to spending US\$200,000 by January 2005, with a possible extension, under its option agreement with Linear Gold - the operator of the concession, and has advanced C\$50,000 in funds to finance exploration.

Everton's exploration program on the Pueblo Viejo group of concessions includes:

- Reconnaissance mapping and sampling, soil sampling, ground geophysics and drilling on three properties, namely Cuance, Los Hojanchos and Loma de Payabo. A program of sediment sampling and mapping is currently underway at Loma el Mate.

---

## FINANCIAL VALUATION AND FORECAST

The Company has 19.6 million shares outstanding (27.8 million fully diluted) with management ownership of 20%. At recent share prices of C\$0.30 - 0.40 this is a fully diluted market capitalization of C\$8.3 - C\$11.1 million.

The Company currently has C\$1 million on hand and has settled its funding commitments to finance its exploration programs, through its joint venture partners, on the Bayaguana and Pueblo Viejo District concessions this year.

While the current political problems in Haiti seem to be contained within the borders of that country, any influence of a deteriorating political situation in Haiti on neighbouring Dominican Republic will also stand to alter our financial forecast and valuation of Everton, as would a deteriorating economic climate in the Dominican Republic.

Recent results from the Company's exploration programs in the Dominican Republic have illustrated this potential with favourable results reflected in the share price during this good market for precious and base metals. We expect that positive news will drive the stock price higher over the next several months.

We believe that there is considerable upside potential for the stock from exploration success on the property in the near term. A target price of C\$0.65 is forecast for Everton Resources. This is significantly higher than the current share price of the Company, which falls within the 30 to 40 cent range, but justified by stock price levels of over C\$0.60 reached late last year. This current premium is based on the expectation that the Company will maintain the necessary financing to complete its short-term exploration goals, and supported by the Company's favorable land position in the Dominican Republic, as well as the recent increase in base and precious metal prices.

---

### eResearch Recommendation System

- Buy:** Expected total return within the next 12 months is at least 20%
- Speculative Buy:** Expected total return within the next 12 months is at least 40%. Risk is High (see below)
- Hold:** Expected total return within the next 12 months is between 20% and the T-Bill rate
- Sell:** Expected total return within the next 12 months is less than the T-Bill rate

### eResearch Risk Rating System

A company may have some but not necessarily all of the following characteristics of a specific risk rating to qualify for that rating:

- High Risk:** Financial - Little or no revenue and earnings, limited financial history, weak balance sheet, negative free cash flows, poor working capital solvency, no dividends.  
Operational - Weak competitive market position, high cost structure, industry consolidating, business model/technology unproven or out-of-date.
- Medium Risk:** Financial - Several years of revenue and positive earnings, balance sheet in line with industry average, positive free cash flow, adequate working capital solvency, may or may not pay a dividend.  
Operational - Competitive market position and cost structure, industry stable, business model/technology is well established and consistent with current state of industry
- Low Risk:** Financial - Strong revenue growth and earnings over several years, stronger than average balance sheet, strong positive free cash flows, above average working capital solvency, company may pay (and stock may yield) substantial dividends or company may actively buy back stock.  
Operational - Dominant player in its market, below average cost structure, company may be a consolidator, company may have a leading market/technology position.

---

### Disclosure Statement

eResearch accepts fees from the companies it researches (the "covered companies") and from subscribers. The sole purpose of this policy is to defray the cost of researching small and medium capitalization stocks which otherwise receive little research coverage. In this manner, eResearch can minimize fees to its subscribers. Everton Resources Inc. paid eResearch a fee of \$4,300.00 to conduct research on the company.

To ensure complete independence and editorial control over its research, eResearch follows certain business practices and compliance procedures. Among other things, fees from covered companies are due and payable prior to the commencement of research and, as a contractual right, eResearch retains complete editorial control over the research.

eResearch analysts are compensated on a per-company basis and not on the basis of his/her recommendations. Analysts are not allowed to solicit prospective covered companies for research coverage by eResearch and are not allowed to accept any fees or other consideration from the companies they cover for eResearch. Analysts are also not allowed to trade in the shares, warrants, convertible securities or options of companies they cover for eResearch.

In addition, eResearch, its officers and directors cannot trade in shares, warrants, convertible securities or options of any of the covered companies. eResearch accepts payment for research only in cash and will not accept payment in shares, warrants, convertible securities or options of covered companies. eResearch will not conduct investment banking or other financial advisory, consulting or merchant banking services for the covered companies. eResearch is not a brokerage firm and does not trade in securities of any kind.

eResearch's sole business is in providing independent equity research to its institutional and retail subscribers.

No representations, express or implied are made by eResearch as to the accuracy, completeness or correctness of its research. Opinions and estimates expressed in its research represent eResearch's judgment as of the date of its reports and are subject to change without notice and are provided in good faith and without legal responsibility. Its research is not an offer to sell or a solicitation to buy any securities. The securities discussed may not be eligible for sale in all jurisdictions. Neither eResearch nor any person accepts any liability whatsoever for any direct or indirect loss resulting from any use of its research or the information it contains. This report may not be reproduced, distributed or published without the express permission of eResearch.

### For further informations and subscription contact:

#### Independent Equity Research Corp.

130 Adelaide St. W,  
Suite 2215, Toronto Ont.,  
Canada M5H 3P5  
Toll-free: 1-866-854-0765

Our research is accessible on:  
[www.eresearch.ca](http://www.eresearch.ca)

	Price
Single Report	\$29*
Annual Subscription (full service)	\$99*
Annual Subscription (single company)	\$50*

\* plus applicable tax