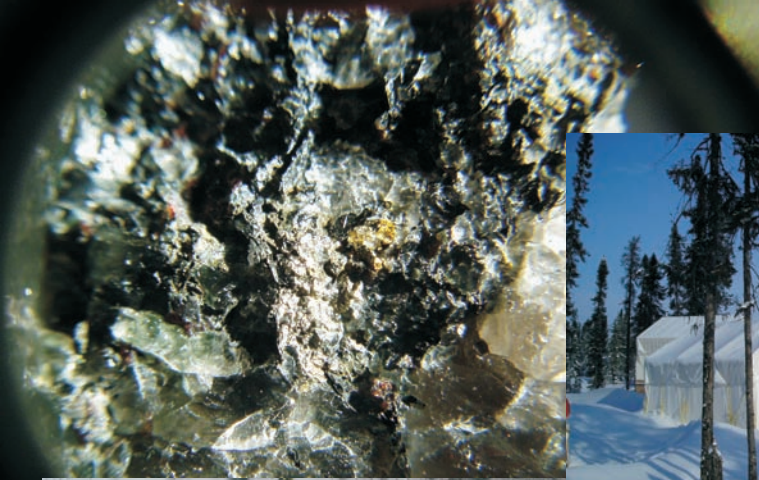


# EVERTON RESOURCES

**EVR** TSX-V

ANNUAL REPORT 2007



### **Directors and Officers**

André Audet – Director, Chairman of the Board, CEO  
Alain Krushnisky – Director  
Ronald Little – Director  
Ian MacLean – Director  
John Paterson – Director  
Brooke Macdonald - Director  
Marc L'Heureux – Vice President of Exploration  
Marc Carbonneau – CFO, Corporate Secretary

### **Issued and Outstanding**

57,473,985 Outstanding Shares  
68,737,825 Fully Diluted  
TSX Venture Exchange – EVR  
Frankfurt Exchange - ERV

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This annual report contains certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address future exploration drilling activities and events or developments that the Company expects, are forward-looking statements. Such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, continued availability of capital and financing and general economic, market or business conditions.



## REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, I am pleased to report on the activities and accomplishments of Everton Resources Inc. during the past fiscal year and to present the audited financial statements for the year ending October 31<sup>st</sup>, 2007.

During the reporting period, Everton continued to strengthen its land position while advancing its exploration programs to become one of the most active junior mining exploration companies in Quebec and in the Dominican Republic. With four years of grassroots exploration, the Company provides investors with an exceptional portfolio of active projects in two distinct and emerging gold districts.

Everton Resources now holds an impressive land position with over 1,106 km<sup>2</sup> in Quebec and is the second largest landholder around the Eleonore gold discovery in the Opinaca region which was acquired by Goldcorp for approximately \$500 million. Everton also holds 791 km<sup>2</sup> of highly prospective mineral rights in the Dominican Republic, including a large land position adjacent to Barrick/Goldcorp's Pueblo Viejo deposit that contains over 18 million ounces of gold. Everton also holds an impressive land package adjacent to Xstrata's Falcondo nickel mine in the Dominican Republic.

Here are some of the highlights and recent developments on Everton's key projects:

### \$12.5 million financing

In February 2007, Everton closed an oversubscribed \$12.5 million private placement with Orion Securities and Canaccord Capital. This financing will allow the Company to continue to aggressively pursue exploration programs in Quebec's Opinaca Reservoir Area, as well as in the Pueblo Viejo District, Dominican Republic. The Company's strong financial position will sustain its exploration activities for years to come.

### Dominican Republic

In April 2007, Everton entered into an option agreement with Linear Gold to acquire an undivided 50% interest in the Ampliacion Pueblo Viejo and Loma Hueca concessions as well as an additional undivided 15% in the Loma El Mate concession. This agreement significantly increases Everton's land position around Barrick/Goldcorp's world-class 18 million ounce Pueblo Viejo gold deposit and further demonstrates our strong commitment to the Dominican Republic.

Immediately after optioning the Ampliacion Pueblo Viejo concession, trench work commenced at the La Lechoza Target on the northern portion of the Ampliacion Pueblo Viejo concession where an 8-trench program for a total of 794 meters was completed. The best intercept was obtained from trench LT-11 where 6.65 g/t gold and 18.8 g/t silver were cut over 22 meters, including 22.1 g/t gold and 48.6 g/t silver over 4 meters.

Everton anticipates a drill campaign in the Dominican Republic to commence in April 2008 on the many targets identified in the Pueblo Viejo District.



### Quebec

In September 2007, Everton announced the discovery of a new mineralized zone – the Charles Target – on the Opinaca A property (option to acquire 65%) in the James Bay area of Quebec. The summer 2007 field program returned significant rock-chip samples, grading up to 35.9 g/t Au over a strike length of at least 1 km. Based on geophysical results, further drilling is scheduled to begin in late March 2008.

In November 2007, Everton announced the sale of 18 of its non-Opinaca properties to a new entity, NQ Exploration Inc., which will control an impressive property portfolio in the James Bay area of Quebec. An IPO is anticipated in late February 2008. This sale will enable Everton to focus all of its resources in the Opinaca Reservoir Area adjacent to Goldcorp's Eleonore gold deposit. Furthermore, it allows Everton shareholders to participate in the growth of the new vehicle and converts these assets at approximately three times Everton's acquisition and exploration costs.

### The Team

In September 2007, the Board of Directors was pleased to welcome Brooke Macdonald as a Director. Mr. Macdonald has more than 17 years of experience in the mining industry, concentrating on exploration and mine development in Latin America. Over the last year, Everton has further strengthened its exploration team by adding two geologists and one technician for the Quebec projects as well as two geologists and two technicians in the Dominican Republic.

As you can see, 2007 was a productive year for Everton, and 2008 promises to be even more interesting as the Company starts drilling on many prospective targets in Quebec and the Dominican Republic.

On behalf of Everton Resources, I would like to thank our shareholders for their loyal support and confidence. To our partners, I wish to extend our appreciation for their commitment and efficient collaboration. Finally, I wish to convey my personal gratitude to all the members of Everton's technical and administrative staff, directors, advisors and consultants; without their dedication and enthusiasm, Everton's accomplishments would not have been possible.

A handwritten signature in black ink that reads "André Audet".

André Audet  
Chairman & CEO

February 11<sup>th</sup>, 2008



## NEW ACQUISITIONS

During the year, Everton secured its land position in the James Bay region of Quebec by map-staking several hundreds of claims adjacent to the existing Opinaca and Wildcat properties. A total of 388 claims were added to Wildcat blocks #4, #5, #7 and #8 while the Opinaca A property was increased by 67 claims. These acquisitions were based on the successful gold showing discoveries made during the year.

In Quebec, the Company also acquired from an independent staking syndicate a 100% interest in eleven projects in the James Bay territory, namely Sarcelle, Candlestick, Corvet South, LeMoyne, Gauchet, Duncan, Aylmer, Morand, Pine Hill North, Jobert and Castle South by paying the syndicate \$125,000 and issuing 380,000 common shares of the Company. Further to a sale agreement dated November 22, 2007, and amended on December 5, 2007, the Company sold these properties and seven other properties located in the same area to NQ Exploration Inc.

In the Dominican Republic, Everton also announced that the company has been granted an option to acquire from Linear Gold, an undivided 50% interest in the Ampliación & Loma Hueca Concessions plus an option to acquire an additional undivided 15% interest in the Loma el Mate Concession. The Ampliación Concession consists of 4,045 hectares adjacent to the northern edge of Barrick/Goldcorp's 18 million ounce Pueblo Viejo mine, while the Loma Hueca Concession consists of 3,450 hectares approximately 15 km south-east of Everton/Linear's Loma el Mate Concession within the Los Ranchos Formation.

Everton can earn an undivided 50% interest in the Ampliación Concession by making cash payments totaling \$700,000, incurring exploration expenditures of \$2,500,000 and issuing 1,200,000 Everton common shares over a three-year period. Everton can acquire a 65% interest in the concession by incurring all additional expenditures on the concession to the completion of a bankable feasibility study and by paying Linear \$2,000,000 and issuing 1,000,000 additional Everton common shares.

Everton can earn an undivided 50% interest in the Loma Hueca Concession by making cash payments totaling \$100,000, incurring exploration expenditures of \$600,000 and issuing 200,000 Everton common shares over a three-year period. Everton can acquire a 65% interest in the concession by incurring all additional expenditures on the concession to the completion of a bankable feasibility study and by paying Linear \$250,000 and issuing 300,000 additional Everton common shares.



## EXPLORATION PROJECTS

### QUEBEC

#### *Opinaca*

On December 9<sup>th</sup> 2005, Everton signed an option agreement with Azimut Exploration to earn up to a 65% interest in Opinaca Blocks A, A-East, B and B-North covering 284 km<sup>2</sup> by spending \$4.8 M in exploration work and by making cash payments of \$340,000 over 5 years. The claims are in the vicinity of the Eleonore gold discovery, in James Bay, Quebec. The Eleonore gold deposit was acquired by Goldcorp from Virginia Gold Mines. Everton is the operator of the Opinaca project.

During the year ended October 31<sup>st</sup> 2007, Everton conducted three drill programs totalling 4,638 meters, 127 line-kilometers of induced polarization geophysics (IP), mechanical trenching and the collection of more than 2,000 rock, soil and till samples on the Opinaca concessions.



*Opinaca Camp*

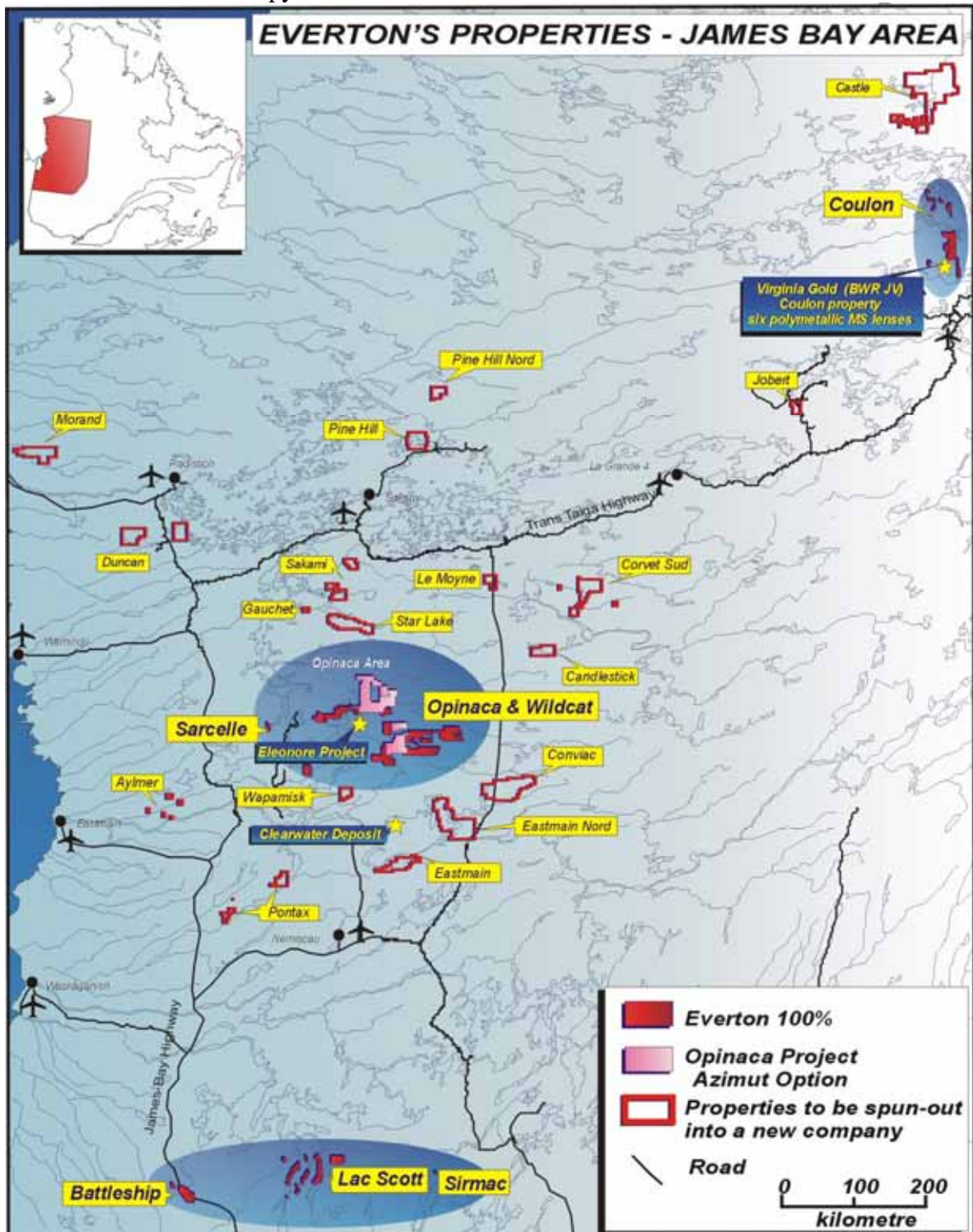
In November 2006, Everton announced the drilling results on Opinaca A and B. The 632-meter diamond drill program tested 6 targets along the Inex Zone on Opinaca A and a two-hole 413 meter diamond drill program tested a geological model at the Claude Target on Opinaca B. The results from Opinaca B confirmed mineralization similar to the Eleonore gold discovery and indicated a 10-km long gold bearing structure along a North-East corridor between the Claude Target on Opinaca B and the Manuel Showings on Everton's 100%-owned Wildcat 5 property.

The drill program on the Inex Zone confirmed that the IP anomalies correspond to biotite-rich horizons containing up to 5% pyrite-pyrrhotite within paragneissic rocks. The mineralization is also locally associated to garnet-rich silicified bands. Some visible gold grains were observed in the core. The best results were obtained in hole OP-06-03 where 1.46 g/t Au over 4.0 m between 45.5 m and 49.5 m deep, including 3.03 g/t Au over 1.5 m. Some other isolated values grading up to 8.65 g/t Au over 0.6 m were obtained in this hole. Additional significant isolated values of 1.07 g/t over 1.0 m were returned in hole OP-06-01, 9.03 g/t Au over 0.5 m in hole OP-06-02 and 3.69 g/t Au over 0.5 m in hole OP-06-05. Overall four of the six holes drilled along the Inex Zone intersected gold values over 1 g/t as well as metric intervals grading over 100 ppb Au. This program confirmed the presence of gold throughout the Inex Zone and the nugget effect of the gold grades.

Everton also completed two drill holes totaling 413 m to test a geological model at the Claude Target on Opinaca B. Drill-hole OP-06-07 was located to target the 5.62 g/t Au sheared outcrop. The entire drill-hole OP-06-07 is characterized by the presence of altered and sheared rocks containing a section of 40-meter wide moderate to strongly pervasive silicification zone within paragneissic and amphibolitic rocks, containing up to 10%



disseminated fine-grained arsenopyrite, with minor pyrite and pyrrhotite and thin injections of microcline veinlets. The silicification zones are bounded by zones of biotitization, tourmalinization, and epi-dotization containing a variable amount of garnets. This mineralization is similar to the mineralization at the near-by Eleonore gold discovery. Assay results from the 189-meter long hole OP-06-07 returned very anomalous gold values closely associated with the arsenopyrite content and silica alteration.





The whole drill section graded 221 ppb over 186.8 meters, including a section of 1.0 g/t Au over 21.5 meters between 130.0 m and 152.5 m deep, including 1.4 g/t Au over 12 meters, including 4.6 g/t Au over 2.0 m. Several other intercepts grading between 1.01 g/t Au and 4.0 g/t Au over 1.0 m to 3.0 m were cut outside the main silicified zone. These anomalous gold results associated with pervasive silica alteration and fine-grained arsenopyrite mineralization suggest the proximity to a major mineralized system.

Following the results of the initial drill-test hole OP-06-07, Everton completed a 12-hole diamond drilling program for 2,624-meters to follow-up on the extensions of the zone during the winter. Nine holes tested the lateral extensions of hole OP-06-07 over a strike length of 350 meters and at an average depth of 100 meters, except hole OP-07-20 that tested the Claude Target at a depth of 200 meters vertical. The three other holes were testing IP and airborne electromagnetic anomalies 850 meters to 2.5 kilometers east of the Claude Target.



*Claude Target Area*

The silica-altered zone was recognized in all the nine holes drilling the 350-meter lateral extensions at Claude. Hole OP-07-20 that was targeting the zone at depth encountered visible gold over 1.5 meters. The three holes located hundreds of meters to the east did not cut any significant mineralization. Best gold assay values from the winter drilling program are summarized in the table below.

Hole #	From (m)	To (m)	Length (m)	Au g/t
OP-07-09	33.5	35.5	2.0	1.01
OP-07-10	49.0	51.0	2.0	2.22
OP-07-11	121.0	122.0	1.0	2.39
	149.0	151.0	2.0	6.73
OP-07-12	185.5	188.0	2.5	0.56
OP-07-17	109.0	110.0	1.0	3.56
	182.0	183.0	1.0	1.71
OP-07-20	207.0	208.0	1.0	1.01
	302.5	304.5	2.0	3.63
	incl. 303.5	304.5	1.0	6.36
	325.0	327.0	2.0	2.42

The winter program also completed 34 km of induced polarization (IP) survey in the Claude Target area and 59 km of IP over the Smiley Target, located on the Opinaca A property. The Smiley Target is located in the central part of Opinaca A and consists of an extended gold-in-soil anomaly located only 5 km north of the Eleonore gold discovery. This soil anomaly is supported by the presence of gold values of 2.41 g/t Au, 0.77 g/t Au and 0.18 g/t Au from three different till samples collected down-ice of the soil anomaly. Based on the encouraging results from the two drilling programs and the discovery of several targets, Everton designed





a summer exploration program for the Opinaca A & B properties to accelerate exploration work around existing targets as well as to identify other targets from new areas.

During the summer, more than 4,000 outcrops on existing targets and new anomalous areas were prospected by field crews, yielding a total of 1,100 rocks samples, 465 till samples and 550 soil samples. Follow-up prospecting and sampling has led to the discovery of the Charles Target on Opinaca A where anomalous to high grade rock chip sample values ranging from 0.1 to g/t to 24.6 g/t Au were returned over an area of at least 500 m long by 100 m wide. Results announced on August 9<sup>th</sup> 2007, of 92 rock chip samples and 3 boulder samples collected within the mineralized zone are as follows:

- 10 samples yielded values higher than 1.0 g/t Au, including values of 24.6 g/t Au, 16.7 g/t Au, 2.4 g/t Au, 1.6 g/t Au, 1.4 g/t Au and 1.3 g/t Au. Visible gold was observed on the outcrop where the 16.7 g/t Au sample was collected;
- 7 samples returned values ranging from 0.5 to 1.0 g/t Au;
- 15 samples returned values ranging from 0.1 to 0.5 g/t Au; and
- 63 samples returned values less than 0.1 g/t Au.

An additional 66 rock chip samples were collected and released on September 13<sup>th</sup> 2007. New rock chip sample results from the Charles Target, collected within an area of 50 meters x 10 meters, yielded results ranging from 1.0 g/t Au to 35.9 g/t Au. From the 66 new samples collected, 24 samples yielded values higher than 1.0 g/t Au, including 7 samples over 10.0 g/t Au (10.1 g/t Au, 10.4 g/t Au, 12.2 g/t Au, 21.6 g/t Au, 21.9 g/t Au, 28.0 g/t Au and 35.9 g/t Au). A rock chip sample from an outcrop located 670 meters on strike to the northeast of the Charles Target returned a value of 2.7 g/t Au. Two other rock samples collected 160 meters and 350 meters to the southwest along the strike of the Charles Target returned respectively 4.0 g/t Au and 1.1 g/t Au. The total strike length of the Charles Target defines a corridor of approximately 1.3 kilometers in length. The lithologies identified in this corridor are composed of garnet and sulphide-rich, chloritized and silicified metasediments in contact with pegmatitic intrusions. The mineralization is comprised of up to 20% pyrite, arsenopyrite with minor pyrrhotite and chalcopyrite associated with garnet and chloritic zones. Another gold showing located 5 km southeast of the Charles Target was also discovered.

An eight-hole 969-m diamond drill program was completed in October to test the extensions of the Charles Target. All 8 holes intersected altered metasediments containing variable amounts of sulfide mineralization. Recent interpretation of the Charles Target suggests a possible extension further south where outcrop sampling returned three values ranging between 0.3 g/t Au and 0.4 g/t Au. A portion of the Charles Target was surveyed with a 10-km IP coverage prior to the drill testing. The best drill intercepts at the Charles Target are summarized in the following table:

Hole #	From (m)	To (m)	Length (m)	Au g/t
AC-07-01	141.0	150.0	9.0	0.8
including	141.0	143.0	2.0	2.7
AC-07-02	140.2	144.1	3.9	0.9
	169.6	177.0	7.4	0.5
	212.2	218.5	6.3	0.8



Three other drill-holes were drilled on IP anomalies at the Smiley Target. Sulphide mineralization was intersected in each hole; however no significant values were obtained. Additional drilling is planned in 2008 on the western extension of the Smiley Target.

Prospecting and rock sampling on Opinaca B led to the discovery of the Dominic Target located approximately half-way between the Claude Target and the Manuel Showing along the 10-km long gold-bearing corridor. Values obtained at the Dominic Target returned 6.1 g/t Au, 4.5 g/t Au and 1.7 g/t Au associated with pyrite within silicified and chloritized metasediments with quartz and pegmatite veins (press release Aug. 9<sup>th</sup> 2007). Another sample located 3 kilometers southwest along the corridor returned 1.2 g/t Au.

Rock sampling and trenching work conducted in the Claude Target area, returned grab samples grading 5.84 g/t Au and 4.29 g/t Au and a channel sample grading 2.37 g/t Au over 0.5 m. These results were obtained from a new mineralized zone trending parallel on the northern side of the main Claude Target (hole OP-06-07: 1.0 g/t Au over 21.5m). More trenching is also planned in the Claude Target area for next summer to follow-up on IP anomalies on strike with mineralization.



Comprehensive prospecting and rock sampling along the 10 km long Claude-Manuel corridor has identified additional new high-priority targets on Opinaca B. Several rock samples collected along that corridor returned significant gold values over a strike length of 3 kilometers grading up to 6.1 g/t Au, 4.5 g/t Au, 1.7 g/t Au and 1.2 g/t Au. The mineralization contains up to 5% pyrite and is associated with silicified and chloritized metasediments with quartz and pegmatite veins.

#### *Manuel Showing*

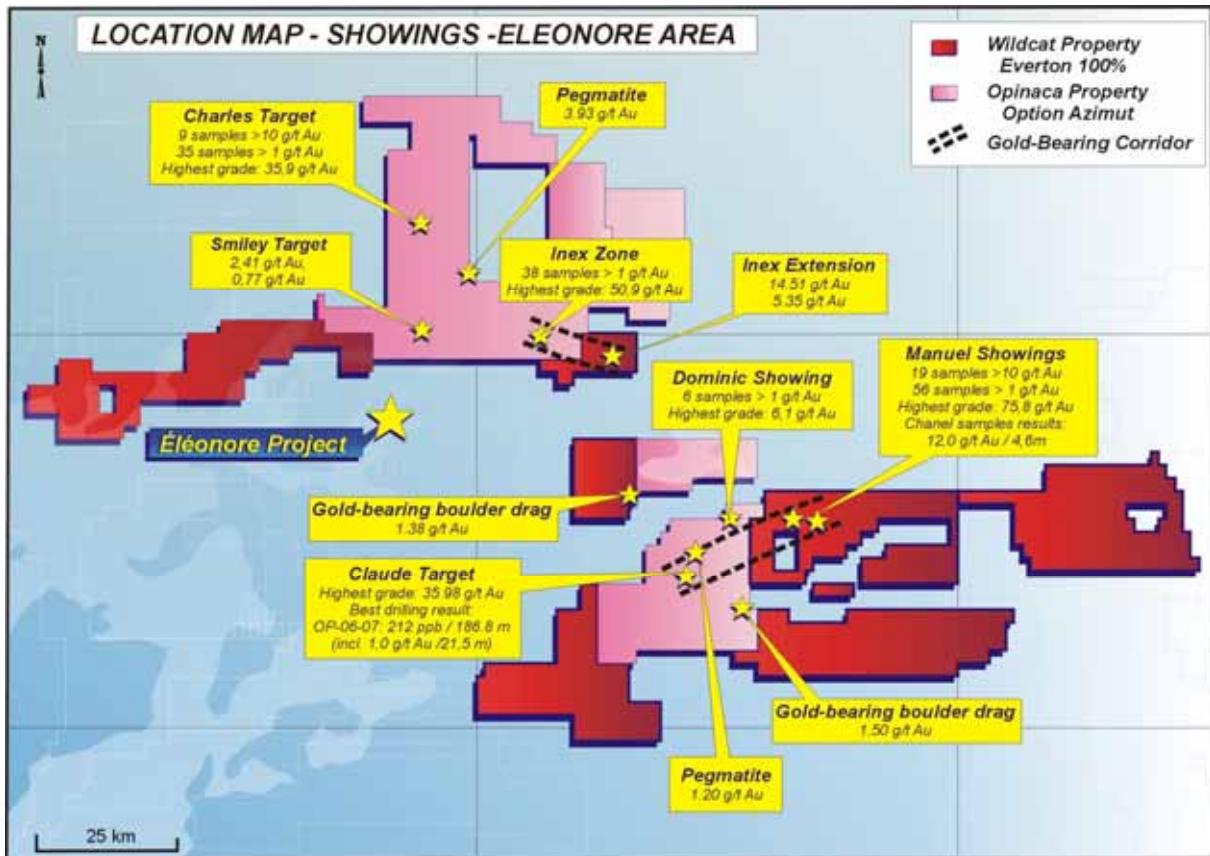
In early 2008, the western extension of the Smiley grid, which is located due north of the Eleonore gold deposit, will be covered with a 28-km IP survey prior to drill testing planned in mid-March. The southern part of the Charles target will be covered as well by a 22-km IP survey.

To follow-up geochemical anomalies and to identify new exploration targets in 2008, an extensive trenching program will continue along the Claude-Manuel corridor in conjunction with ongoing prospecting and sampling programs on both Opinaca A and Opinaca B. The trenching program over the entire 10-kilometer gold-bearing Claude-Manuel corridor between the Claude Target on Opinaca B (under option from Azimut) and the Manuel Showings (12.01 g/t Au over 4.6 meters) on Everton's 100%-owned Wildcat 5. This deformation zone coincides with lake-bottom sediment gold and arsenic anomalies lined up over its strike.

All IP anomalies along the deformation corridor will be investigated by rock sampling or mechanical trenching to identify additional drill targets. Twelve other clusters of lake-bottom



multi-element sediment anomalies and numerous gold-in-till anomalies outlined during the previous campaign will be followed-up by prospecting and soil sampling.



### Wildcat

In January 2005, Everton acquired a 100% interest in 7 blocks of claims, totaling 302 km<sup>2</sup> in the immediate area of the Eleonore gold discovery. The claims were acquired from an independent staking syndicate for a \$100,000 payment and 300,000 shares of the Company. An additional block of claims (Wildcat #8) was acquired by the Company by map-staking.

In 2007, Everton conducted exploration work on Wildcat that consisted mainly of mechanical trenching on block #5, soil sampling on block #3, lake-bottom sediment sampling on block #8 and prospecting and sampling on all the blocks.

In early 2007, Everton proceeded with ground magnetic and induced polarization (IP) geophysics along the 10-kilometer long gold-bearing strike along the northeast trending deformation corridor between the Claude Target on Opinaca B and the Manuel Showings (12.01 g/t Au over 4.6 meters) on Everton's 100%-owned Wildcat 5. This deformation zone coincides with lake-bottom sediment gold and arsenic anomalies lined up over its strike. The IP program was conducted only over the Claude Target on the Opinaca property. Rock exposure in the vicinity of the Manuel Showing allowed proceeding directly with the trenching program without IP surveying.



A total of 20 different trenches were mechanically dug in the Manuel Showing area, where new rock sampling returned gold values of 28.2 g/t Au, 18.6 g/t Au and 12.1 g/t Au on selected samples and 2.76 g/t over 1.5 meters in a channel cut. These new results are located east and west of the original “Manuel Showing” over a strike length of 35 meters.

Assays from soil, till and lake-bottom sediment samples collected on the different blocks during the summer 2007 program have been mostly received and processed. The next phase of exploration work on the Wildcat Project will consist of a follow-up and rock sampling over anomalous sectors outlined by the lake-bottom sediment, till and geophysical surveys. Six different zones have already been identified and are ready for follow-up. The Claude-Manuel strike will be followed-up with more prospecting, trenching and possibly drilling in 2008.

### *Star Lake, Eastmain and other James Bay projects*

During the year, Everton carried out exploration work on some properties in the James Bay region outside of the Opinaca-Wildcat group (please refer to the Acquisition section above). These properties are Star Lake (50% with Iamgold) and Everton’s 100%-owned Eastmain, Eastmain North, Conviac, Morand, Duncan, Sakami, Pine Hill, Pine Hill North, Le Moyne, Candlestick, Corvet South, Gauchet, Jobert and Castle (including Castle South).

The Candlestick, Corvet South, LeMoyne and Duncan properties were flown with airborne magnetite and VLF surveys. Each of the properties mentioned above was covered with reconnaissance mapping, prospecting or sampling.



*Star Lake*

Outside of the Opinaca region in James Bay, Everton contracted the consulting firm IOS Services Geoscientifiques of Chicoutimi, Quebec, to conduct a comprehensive lake-bottom sediment survey totalling more than 1,150 samples over some of its 100%-owned properties located within a 200 kilometer radius from the Opinaca-Wildcat package, namely Candlestick, Conviac, Corvet Sud, Gauchet, Jobert, Lemoyne, Morand, Pine Hill Nord and Duncan. Samples collected are assayed and currently being processed by IOS.

No activity was reported on Pontax, Sarcelle, Coulon, Wapamisk, Aylmer, Battleship, Scott Lake and Sirmac. The Outardes project located in the Otish Mountains was inactive during the year. The non-significant results obtained on the Mirabelli property led to the termination of this option with Majescor and DeBeers.



### Subsequent event in Quebec

On November 28<sup>th</sup> 2007, Everton announced the signing of an Agreement for the sale of the mineral rights on 18 of its non-Opinaca area properties in the James Bay region of Quebec to a new entity, NQ Exploration Inc. The properties are Star Lake, Eastmain, Eastmain North, Conviac, Morand, Duncan, Sakami, Pine Hill, Pine Hill North, Le Moyne, Candlestick, Corvet South, Gauchet, Jobert, Castle (including Castle South), Pontax, Wapamisk and Aylmer. The new vehicle will incorporate the entire property portfolio of the *Société de développement de la Baie James (SDBJ)*. Pursuant to the terms of the Agreement, Everton will receive 12 million common shares of the new vehicle representing approximately 60% of the current outstanding shares, at a deemed price of \$0.25 per share, for an aggregate consideration of \$3 million. An Initial Public Offering (IPO) is planned for February 2008. Everton will be the largest shareholder in the new vehicle and will have two Board seats.

## DOMINICAN REPUBLIC

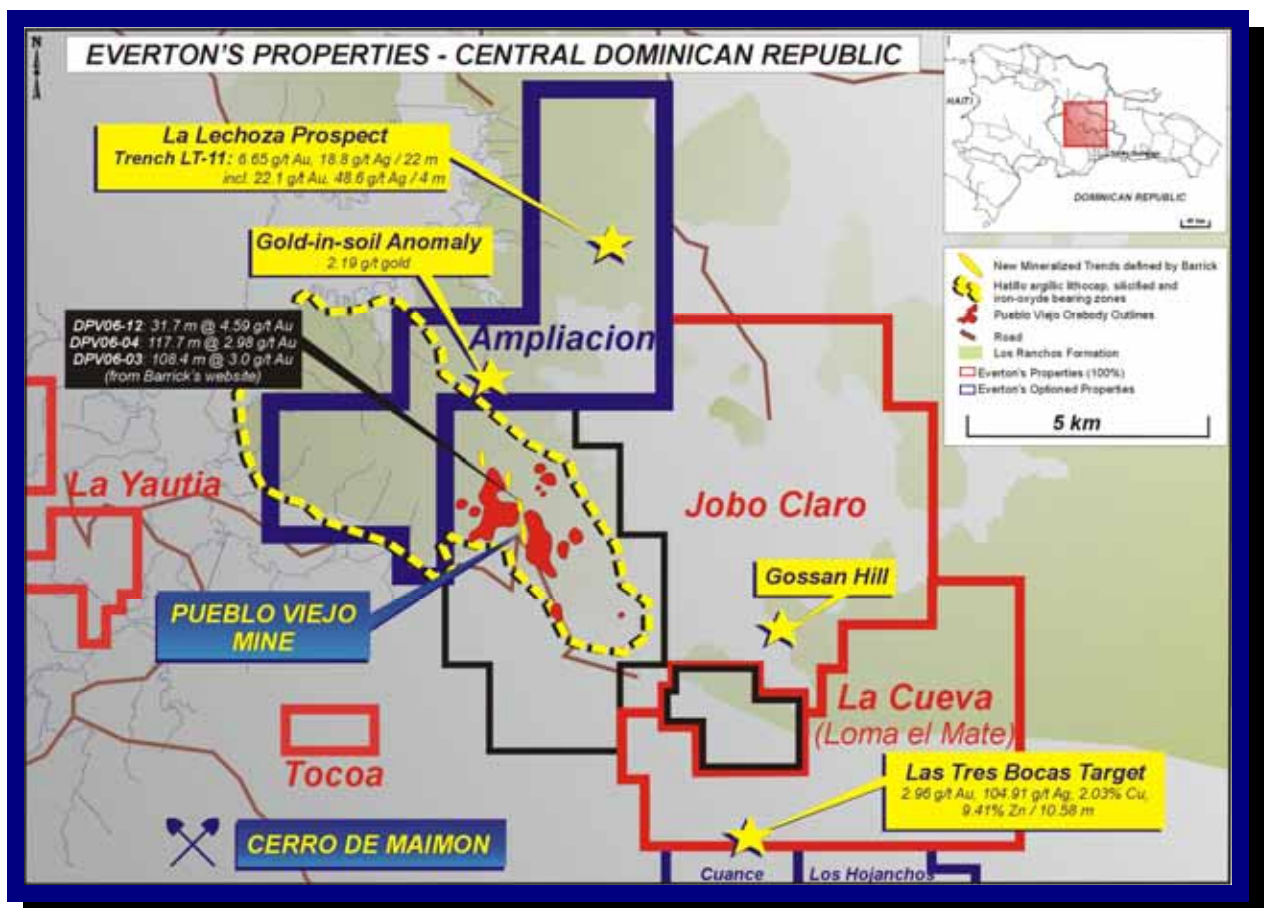


In early 2007, Everton and its partner GlobeStar Mining Corp. launched a major airborne geophysical survey on all properties owned by the companies in the central Dominican Republic. This includes Cuance, Los Hojanchos, Jobo Claro, Ampliacion, Loma el Mate and the Maimon Copper Group of concessions.



Everton's part of the survey covered about 300 km<sup>2</sup> and consisted of approximately 2,700 line-kilometers of low level survey covering the Maimón Formation, host of the Cerro de Maimón copper/gold project and satellite deposits like Loma Pesada, and parts of the Los Ranchos Formation, host of the Barrick/Goldcorp giant Pueblo Viejo gold deposit; all located in the central part of the Dominican Republic. The Maimón Formation is host to at least 8 outcropping massive sulphide bodies, and the survey was designed to test extensions at depth of these bodies, plus seek-out new non-outcropping mineralization which may have been undetectable by shallow detection methods used in the past. The Los Ranchos Formation is host to large high sulphidation systems and associated mineralization.

The survey was carried out by FUGRO Airborne Surveys Corp. and consisted of helicopter mounted Electromagnetic and Magnetic measurement equipment, with accurate surveying capable of achieving positional accuracy of 2 meters in static mode. This new survey penetrates to an estimated 300 meters. The survey was done at 100-meter spacing and final processing and leveling was delivered in November 2007. Numerous clusters of strong polymetallic-type targets were outlined on the concessions.





### *Ampliacion Pueblo Viejo*

The Ampliacion Pueblo Viejo Concession consists of 4,045 hectares adjacent to the northern edge of Barrick/Goldcorp's 18 million ounce Pueblo Viejo mine. Recent trench work by Linear Gold has encountered significant mineralization grading 11.3 g/t gold and 310 g/t silver over 18 meters.

In 1981, the government mining company, Rosario Dominicana intersected 12.3 g/t gold over 12 meters during a shallow drill program. A drilling program conducted in 2006 by Barrick/Goldcorp at the Pueblo Viejo Mine outlined new mineralized trends that define a NNW corridor. Drill intercepts of 2.98 g/t gold over 117.7 meters (hole DPV06-04), 10.18 g/t gold over 9.87 meters (hole DPV06-12), 3.0 g/t gold over 108.4 meters (hole DPV06-03), and 5.31 g/t gold over 23.5 meters (hole DPV06-06) were cut in the extensions of the pits at Pueblo Viejo (Barrick presentation, NRSA, April 2-3, 2007). Gold-in-soil anomalies from a test line located on the Ampliacion Pueblo Viejo concession north of the Pueblo Viejo mine suggests that the new mineralized trend found by Barrick/Goldcorp may extend onto the Ampliacion Pueblo Viejo concession.

The Ampliacion Pueblo Viejo concession covers a portion of the entire stratigraphy of the Los Ranchos Formation, including shallow marine/lacustrine carbonaceous sandstone and shales, which hosts the Pueblo Viejo mine. The Los Ranchos Formation is overlain by the more recent Hatillo Limestone. A recent study by Sillitoe et al. (2006) reports that the basal contact of the Hatillo limestone with the Los Ranchos carbonaceous units shows clear evidence of hydrothermal activity characterized by extensive advanced argillic and alteration. The inference is that the Hatillo limestone may have acted as an impermeable lithocap and thus having a decisive factor in the creation and preservation of the Pueblo Viejo deposit.



*Dominican Republic*

During the year, in addition to the airborne magnetic and electromagnetic survey, Everton and its partner Linear Gold completed a comprehensive soil survey on the concession. The survey consisted of the collection of at least 2,300 soil samples spaced over a 100 m x 100 m grid in two different areas within the concession. Rock samples were also collected along the traverses where mineralized and/or hydro-thermally altered exposures are located. The first area surveyed is located immediately adjacent to the western border of the Pueblo Viejo deposit. To date, partial results from soil samples covering the entire south-western sector of the concession have returned values up to 2.19 g/t gold. While results for 200 samples from this survey are still pending, several anomalous areas are emerging. A detailed mapping



program is also being conducted to establish the exact stratigraphy, alteration assemblage and mineralization of the Ampliación concession and the correlation with the Pueblo Viejo deposit.

Everton and its partner also completed trench work on the La Lechoza Target on the Ampliación Pueblo Viejo concession to follow-up on trenches done by Linear Gold in 2005 that encountered significant mineralization grading 11.3 g/t gold and 310 g/t silver over 18 meters. The partners have completed an 8-trench program for 794 meters at the La Lechoza prospect, on the northern portion of the concession. The best intercept was obtained from trench LT-11 where 6.65 g/t gold and 18.8 g/t silver were cut over 22 meters, including 22.1 g/t gold and 48.6 g/t silver over 4 meters. Significant intercepts released on September 18<sup>th</sup> 2007, are listed in the following table:

<b>Trench #</b>	<b>Length</b>	<b>From</b>	<b>To</b>	<b>Gold</b>	<b>Silver</b>
LT-11	22 m	44 m	66 m	6.65 g/t	18.8 g/t
including	4 m	44 m	48 m	22.1 g/t	48.6 g/t
including	2 m	46 m	48 m	33.9 g/t	85.8 g/t
LT-13	18 m	130 m	148 m	1.13 g/t	-
LT-14	10 m	36 m	46 m	4.35 g/t	-
LT-17	16 m	32 m	48 m	0.20 g/t	-
	2 m	100 m	102 m	0.54 g/t	-
	10 m	106 m	116 m	0.12 g/t	-
LT-18				assays pending	assays pending

Several additional intercepts were cut in trenches LT- 13 and LT-14 yielding respectively 1.13 g/t gold over 18 meters and 4.35 g/t gold over 10 meters. These grades confirm and expand the zone of mineralization discovered by Linear Gold in previous trenching programs conducted in this area between 2003 and 2005.

The trenches were excavated to an average depth of 2 meters using an excavator and continuous 2-meter long channel samples were collected from the bottom of the trenches. From the 483 samples collected, a total of 460 samples have been received from the lab to date. The geology observed in the trenches consists mostly of strong argillically altered volcanic dacites and minor andesites. The mineralization observed occurs as massive iron oxide gossan and as disseminated and stockwork veins of oxidized sulphides. The system has a complex geometry and mapping efforts are underway to construct the model of the mineralization.

Mapping is currently underway in the central and northern sectors of the concession, including the area around the La Lechoza prospect. This comprehensive mapping and sampling program on the Ampliación Pueblo Viejo concession should be completed in early 2008 and integrated with the soil results followed by drill testing the best targets.





### *Loma el Mate*

Everton has acquired the option for an additional undivided 15% interest in the concession, thereby increasing its interest to 65%, by incurring all additional expenditures on the concession to the completion of a bankable feasibility study. Everton is currently analyzing the data from the recently completed airborne geophysical survey flown over the concession before planning a work program to follow-up on last year's discovery hole TBM-07 at the Las Tres Bocas Target grading 2.96 g/t Au, 104.91 g/t Ag, 2.03% Cu, and 9.41% Zn over 10.58 meters. An exploration program will be proposed as soon as the processing of the airborne geophysical data is completed.



*Las Tres Bocas Target*

Everton and its partner are currently analyzing all the drill and field data of the Las Tres Bocas discovery. The data will be integrated with the new airborne EM and magnetic surveys to prepare for a follow-up program in 2008.

### *Loma Hueca*

The Loma Hueca Concession consists of 3,450 hectares approximately 15 km south-east of Everton/Linear's Loma el Mate Concession.

The Loma Hueca concession is located in the upper portion of the stratigraphic sequence of the Los Ranchos Formation. The area includes volcanic clastic rocks and intercalated carbonaceous units similar to the Pueblo Viejo deposit. The area has received limited mapping and surface exploration. The occurrence of gossan and associated base metal anomalies is known in the area. Surface sampling by Linear in 2006 returned values up to 4.08 g/t Au and 2.3 g/t Au. A first round of reconnaissance mapping and sampling was carried out on the property in December 2007. Assay results are pending. Everton is currently reviewing the dataset prior to the next work proposal.

### *Cuance and Los Hojanchos*

Most of the field work conducted on the Cuance concession is related to the Las Tres Bocas target on the Loma el Mate concession since the soil and the IP anomalies extend onto both concessions. During the year, Everton and its JV partner Globestar have extended the zone of enriched multi-element soil anomalies on Cuance by over 1.5 km SE of the Las Tres Bocas target located on the adjacent Loma El Mate concession (JV with Linear Gold). The new multi-element soil anomalies include: gold, copper, zinc, lead, and pathfinders cadmium, arsenic and barium, and are equally as strong as the soil anomalies that resulted in a high-grade drill intercept of 11.58 meters of 2.74 g/t Au, 96.73 g/t Ag, 1.87% Cu and 8.62% Zn at



the Las Tres Bocas target (press release dated May 17, 2006). These soil anomalies are also on trend with the soil anomalies identified on the adjacent Los Hojanchos concession (JV with Globestar). The soil survey was a continuation of exploration efforts that commenced in the summer of 2005 and as of year-end, 1,332 soil samples were collected on the Cuanze concession, including 661 samples taken since September 2006. Exposures of mineralized quartz-sericitic schists which are similar to the Maimon Formation around the Las Tres Bocas area have been identified, mapped and sampled.

In December 2007, Everton and its partner commenced a 6-hole (1,150 m) diamond drill program on the Cuanze concession. The drill program follows the completion of regional soil geochemistry, mapping and trenching over an area considered to be part of the Maimón Formation; host rocks to the Cerro de Maimón project. Two trenches, T1 and T2, totalling 182 meters have been completed over an area of coincident cadmium, barium, gold and copper geochemical anomalies. Trench T1 cut strong argilic-silica alteration and intersected 1.07 g/t Au over 22 m, including 2.01 g/t Au over 9 m, which has been interpreted as a sulphide gossan. Trench T2 cut quartz, sulphide and oxide veinlets including 0.82 g/t Au over 12 m, which may represent stringer mineralization. The drill program is still ongoing as of mid-February 2008.

Everton is fully funding exploration on the Cuanze and adjacent Los Hojanchos concessions and has already spent US\$1 million of a committed US\$1.17 million exploration program. After the completion of this drill program, the Company will have earned a 50% interest in the Cuanze and Los Hojanchos concessions. Everton can earn an additional 20% by funding a feasibility study to bring the project into production.

### ***Maimon Copper***

Everton holds a 100% interest in eight polymetallic concessions totalling 63.4 km<sup>2</sup> within the Maimon Formation, host of the Cerro de Maimon volcanogenic massive sulphide deposit scheduled to commence production in 2008.

Compilation of historical work on some of the blocks indicates copper, zinc and gold-in-soil anomalies coincident with ground geophysical conductors. During the year, reconnaissance work was conducted over the eight blocks of concession, but detailed mapping and sampling was conducted on only two of the concessions, namely La Yautia and El Llano. The eight polymetallic concessions were flown by airborne Mag/EM geophysical survey. An exploration program, including diamond drilling, will be proposed in the spring 2008.

### ***Jobo Claro***

In 2007, Everton acquired its 100% interest in the 53 km<sup>2</sup> Jobo Claro concession adjacent to the eastern edge of the Pueblo Viejo Mine.

The Jobo Claro concession is covered by the volcanic and sedimentary rocks of the Los Ranchos Formation, the same rock unit that hosts the Pueblo Viejo Mine. A regional stream sediment sampling program carried out between 1997 and 2000 by Sysmin for the Mining Office (Dirección General de Minería) of the Dominican Republic, covered the Jobo Claro



concession. From the 17 stream sediment samples collected on the concession, three returned anomalous gold values ranging from 11 to 75 ppb as well as two others, yielded values of 83 and 93 ppm, for a respective background of 10 ppb gold and 65 ppm copper.

A 96 shallow-hole air-track drilling program was completed in November 2006, to penetrate the Quarternary sediments cover and to test possible bedrock and geochemical anomalies. Favourable geology and altered units with sulphide mineralization were cut in some of the holes.

Based on a recent review of the helicopter-borne magnetic and electromagnetic (EM) data, in conjunction with new structural interpretation and air-track drilling data, Everton announced in November 2007 that at least six different targets were to be drill-tested in late fall 2007, including one target that is approximately 1 km from one of the Pueblo Viejo mine pits. All drill targets at Jobo Claro are located along a structural trend in the south-eastern extension of the Pueblo Viejo Moore pit. Airborne magnetics and EM data suggests the presence of mafic intrusives and some NE-SW shallow structural conductors. The drill program was completed in December 2007. Results are pending.



Based on the drilling results and final interpretation of the adjacent Ampliacion Pueblo Viejo concession, a follow-up exploration program will be proposed in early 2008 at Jobo Claro.

### ***Miches***

### *Transporting drill core*

In 2005, Everton signed an option to acquire up to an 85% interest in the Miches project from two independent Dominican companies by spending a total of US\$1,800,000 in exploration work and by paying option fees of US\$175,000 over a 3-year period. The Miches project is comprised of four concessions covering 335 km<sup>2</sup> (La Guara, Leal, Las Cayas and El Piquito) located in the eastern part of the country.

A first phase of exploration work was conducted from the summer 2006 to the end of the previous quarter. The program consisted mainly of reconnaissance mapping and high density stream sediment sampling. More detailed stream sediment sampling, soil sampling and mapping were carried out over anomalous areas during the year.

After consideration of the limited results obtained during the reconnaissance sampling and mapping, the project was abandoned and the option terminated on September 21<sup>st</sup> 2007.



### *La Mireya*

During the year, Everton completed a first phase of exploration work on the 100%-owned La Mireya concession, covering 118.5 km<sup>2</sup> within the eastern cordillera of the Dominican Republic. The program consisted of a higher density stream sediment sampling program and results are pending.

The La Mireya concession is covered by rock of similar age and origin to those of the Los Ranchos Formation that host the Pueblo Viejo gold-silver deposit, located 90 km to the west. Several copper-gold porphyry-type occurrences and alluvial placer gold mineralization have been identified in the past in this sector. A regional stream sediment survey conducted by the European Union SYSMIN program yielded gold values up to 1.44 g/t gold and six others over 200 ppm gold on the La Mireya concession.

A follow-up program was scheduled to begin in 2007, but was delayed due to higher priority work commitments on projects in the vicinity of the Pueblo Viejo mine. The Company intends to follow-up on La Mireya with reconnaissance mapping and a soil sampling survey in 2008.

### *Eastern Properties*

The Eastern Group of properties that is comprised of Candelaria de Jengibre, Cacique de Piedra, Loma la Ceibita, Los Mosquitos del Este, Loma del Valle et Loma Ceiba de Agua were originally acquired based on the interest in the area following the signing of the Miches agreement. A reconnaissance mapping and/or sampling program was done on those concessions during the year. Results are pending.

Due to the limited potential for mineralization, no further work is planned on the Loma del Valle, Candelaria del Jengibre and Loma la Ceibita concessions. Some follow-up sampling will be proposed in 2008 on the other concessions.