EVERTON RESOURCES

EVR TSX-V

For 8:30 am Release
January 9, 2013
TSX-V:EVR

Everton Updates its recent Exploration Activities in the Dominican Republic

Ottawa, January 9, 2013 — Everton Resources Inc. ("Everton") (TSX-V:EVR) OTCQX:EVRRF) (FRANKFURT:EVR) is pleased to provide an update for its exploration projects located in the Dominican Republic ("DR").

Ampliacion Pueblo Viejo II ("APV")

The APV property is located along the western and northern boundaries of Barrick - GoldCorp's Pueblo Viejo gold mine (Proven and Probable Reserves of 25.3 M ounces) (refer to Barrick Gold's financial statements for their year end December 31, 2011) which commenced gold production on August 14, 2012. The APV property is divided into three project areas: APV North, APV Central and APV South.

During November and December 2012 Everton carried out a detailed sampling and mapping survey in the southern sector of the Ampliacion Pueblo Viejo project, adjacent to the Monte Negro pit of the Pueblo Viejo mine. The survey consisted of auger soil and rock sampling of an area 600 x 900 metres in the target Arroyo Hondo North. It is believed that structures controlling mineralisation in the Arroyo Hondo I and II pits of Pueblo Viejo may extend into the APVS sector in this area. Previous exploration on drill holes APV09-03 and APV11-33 in this target intersected anomalous intervals of 55 metres @ 0.25 g/t and 54 metres @ 0.29 g/t Au, including 43.5 m @ 0.18% Cu.

A total of 140 auger soils and rock samples were collected. Of these, 80 samples were scanned with a Niton XRF (X-ray fluorescence) analyzer and 60 samples were sent for ICP-MS assaying at Acme Laboratories. The gold values are clustered over an area of outcrop of breccia of possible hydrothermal origin. Elevated values of Cu and Mo also occur associated with Au over the breccia.

Everton plans to follow up on these results with a close spaced diamond drilling program and a deep penetration ground IP survey aimed to locating and defining any possible structurally controlled mineralisation in this sector.

APV Figure 1 (see page 4)

Pun-Ponton

The Pun-Ponton property, which covers 6,725 ha, is situated in the south central region of the Dominican Republic approximately 20 km east of the Pueblo Viejo mine. It includes the mineral prospects of Majagual Hill, Copey Hill and Los Cumanies-Granadillo (Cumani). Majagual Hill has characteristics of porphyry Cu-Au-Mo mineralization, Copey Hill epithermal, high-sulphidation Au mineralization, and Cumani volcanogenic massive sulphide (VMS) polymetalic mineralization.

Since 2007, Everton has conducted a regional exploration program over the property including active stream sediments, soils and rock geochemistry, trenching and pit excavation and geologic mapping. No geophysical surveys have been completed on this property.

The 2011 and 2012 exploration program results define several multi-element anomalies associated with the mineral occurrences. Extensive surface hydrothermal alteration has also been mapped in the areas of the geochemical anomalies. The anomalies are principally associations of Cu-Au-Mo on Majagual Hill, Au-Ag-Cu on Copey and Cu-Zn-Au-Ag on Cumanies-Granadillo. Maximum values recorded in rock samples from these areas are 4 g/t Au, 29.8 g/t Ag,

0.63% Cu and 0.67% Zn and anomalous concentrations of Mo (136 ppm) and Pb (0.12%) (Figure 2A) (Figure 2B) (see Page 5 and 6).

Four trenches and one hand-dug pit have been excavated on the Majagual Hill target on the site of the best gold and copper values in soils. The pit averaged 0.3 g/t Au over 15 m and a maximum value of 1.7 g/t over a 1 m interval. On the Cumanies-Granadillo target, three trenches were excavated with anomalous Cu values.

Geologic mapping and PIMA (portable infrared electromagnetic spectrometer) and XRD (X-ray diffraction) alteration mineral mapping define a zoning of alteration patterns from propylitic to phyllic and advanced argillic – potassic alterations over Majagual Hill. Textural breccias mapped in outcrop show remarkable similarity to breccias in high sulphidation epithermal systems. Two regional structural orientations have been mapped: 1) A NW-SE regional fault system parallel to the regional corridor generated during the formation of the island arc, and 2) A set of NE-SW faults (transfer structures). These second structures are syngenetic with N-S lineaments. The conceptual model of these structures is orthogonal convergence. Key elements (Au-Ag-As-Hg-Sb-B-Bi-Mo) are grouped along regional orthogonal structures. The association of these elements with an advance argillic alteration zone or transitional to potassic alteration zone delineate the centre of a hydrothermal (mineralized) system.

Everton plans to follow up on these results with extensions of these trenches, a deep penetration ground IP survey and eventually with an exploration drilling program, once the required environmental permits are obtained.

See Pun-Ponton – Technical Report (see page 8)

In other news, Everton announces that Viking Gold has decided to not proceed with the option agreement to earn up to a 60% interest in two mining concessions in the Dominican Republic.

Sampling, Assaying and Quality assurance / Quality control (QA/QC)

All sample shipments are sealed and shipped to Acme Analytical Laboratories (R.D.) S.A. at Maimón, Dominican Republic for preparation. Prepared samples are then sent to the Acme Analytical Laboratories Ltd. in Vancouver for analysis. ACME is an ISO 9001:2008 qualified assayer that performs and makes available internal assaying controls.

Qualified Person

Hugo Dominguez, M.Sc., C.P.G., General Manager of Everton Minera Dominicana SRL, and a qualified person in accordance with National Instrument 43-101, is responsible for supervising the exploration program and has reviewed and approved the technical information contained in this news release.

About Everton Resources Inc.

Everton is actively exploring in the Dominican Republic adjacent to the Pueblo Viejo project, currently being mined by the world's two largest gold mining companies, Barrick Gold Corporation (60%) in partnership with Goldcorp Inc. (40%) ("Goldcorp"). Everton also holds an interest in the Opinaca region of James Bay, Quebec where the Company has partnered with Aurizon Mines Ltd. who is advancing Everton's interest by funding 100% of all exploration work on one of the largest land packages adjacent to Goldcorp's Eleonore gold deposit.

For further information on Everton Resources Inc. please visit www.evertonresources.com or contact:

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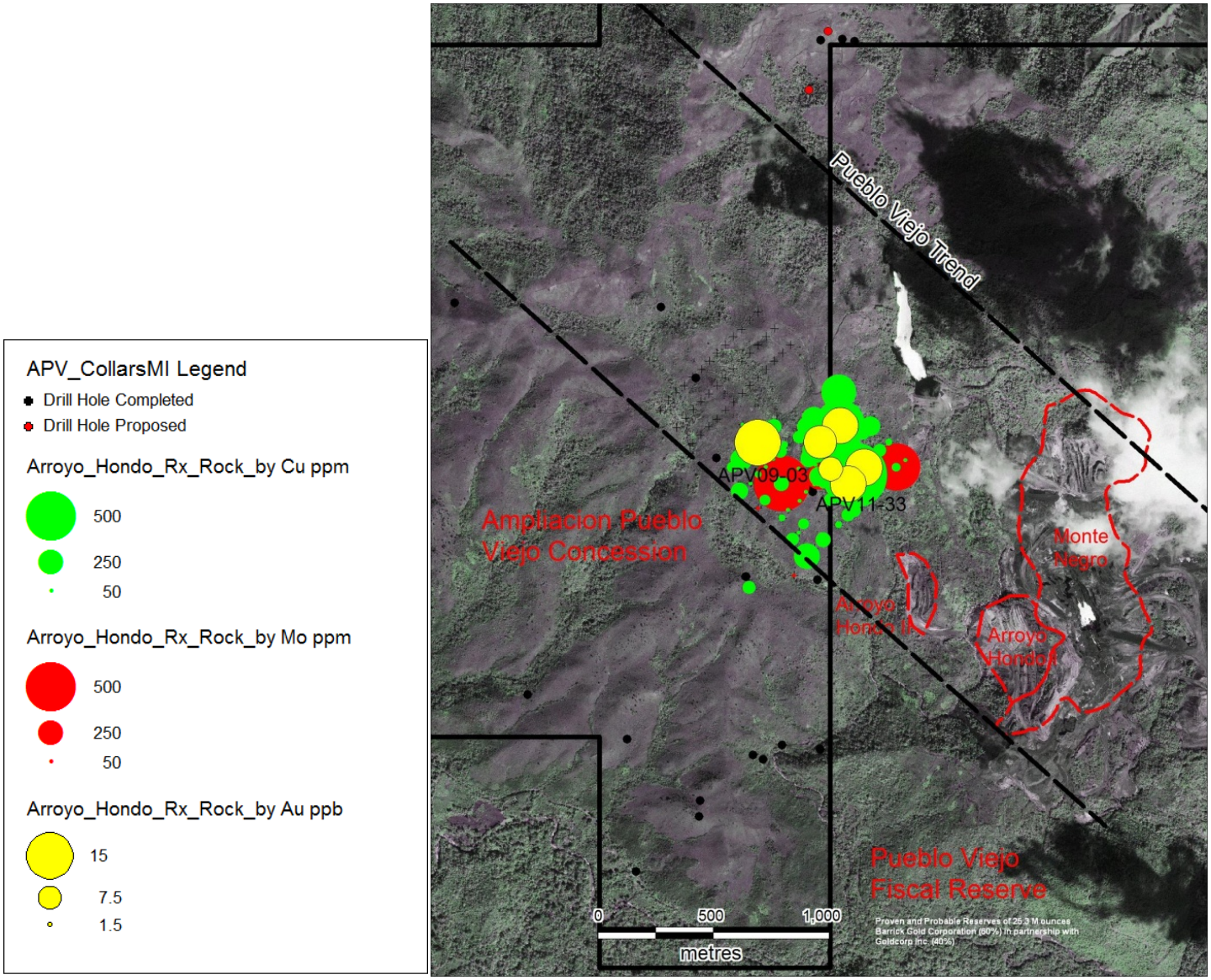
This news release contains certain forward-looking statements that involve risks and uncertainties, such as statements of Everton's plans, objectives, strategies, expectations and intentions. The words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to Everton, or its management, are intended to identify such forward-looking statements. Many factors could cause Everton's actual results, performance or achievements to be materially different any future results, performance or achievements that may be expressed or implied by such forward-looking statements. The forward-looking statements included in this press release represent Everton's views as of the date of the release. While Everton anticipates that subsequent events and developments may cause its views to change, it specifically disclaims any obligation to update these forward-looking statements, except in accordance with applicable securities laws. Accordingly, readers are advised not to place undue reliance on forward-looking information. All subsequent written and oral forward-looking statements attributable to Everton or persons acting on its behalf are expressly qualified in their entirety by this notice.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

APV – Figure 1


APV_CollarsMI Legend
Drill Hole Completed
Drill Hole Proposed
Arroyo_Hondo_Rx_Rock_by Cu ppm
500
250
50
Arroyo_Hondo_Rx_Rock_by Mo ppm
500
250
50
Arroyo_Hondo_Rx_Rock_by Au ppb
15
7.5
1.5
Pueblo Viejo Trend
APV09-03
APV11-33
Ampliacion Pueblo Viejo Concession
Monte Negro
Arroyo Hondo II
Arroyo Hondo I
Pueblo Viejo Fiscal Reserve
Proven and Probable Reserves of 25.3 M ounces Barrick Gold Corporation (60%) in partnership with Goldcorp Inc. (40%)
0
500
1,000
metres

GOLD: $1668.50 EVR-TSX.V: $0.075

PROJECTS

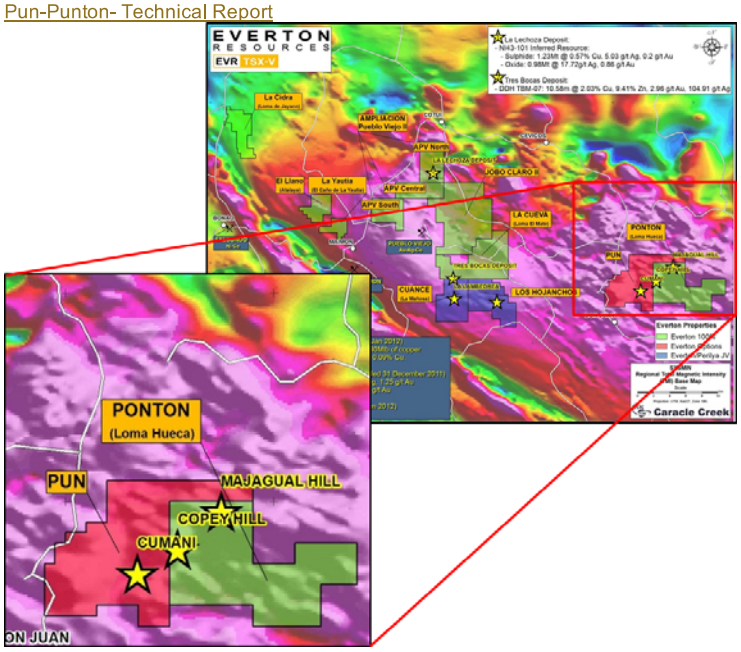
Dominican Republic
- Ampliacion Pueblo Viejo (APV)
- La Cueva (formerly Loma el Mate)
- Loma Hueca (Ponton)
- Cuance and Los Hojanchos
- Maimon
- Jobo Claro
- Pun/Ponton

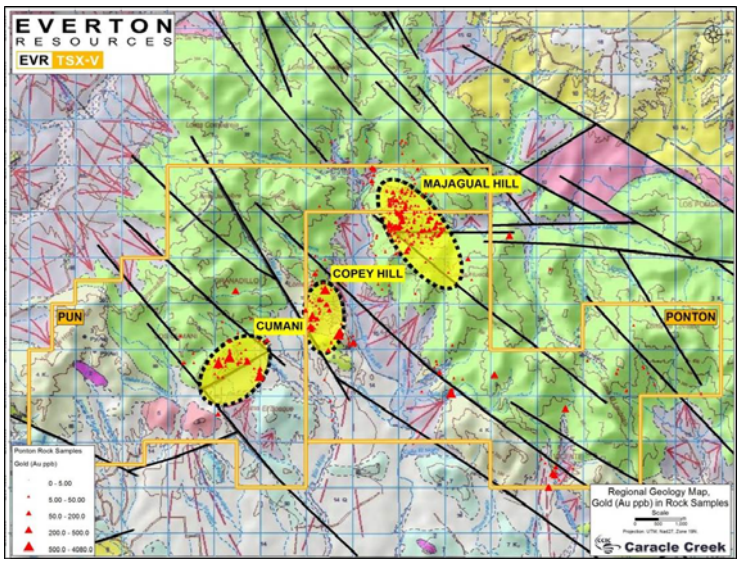
Quebec

Our Partners

PUN/PONTON

Pun-Punton- Technical Report





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Everton Press Release Nov 30, 2012 details

November 19, 2012
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November 6, 2012
Everton Options to Viking Gold - Press Release details

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EVR TSX-V

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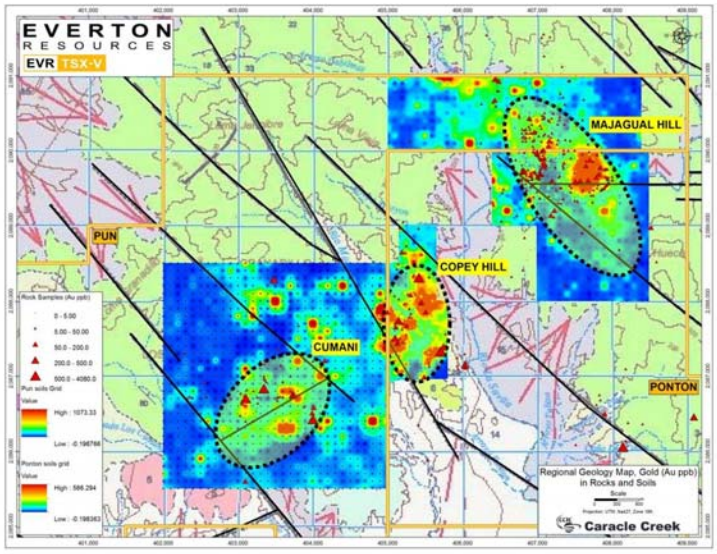
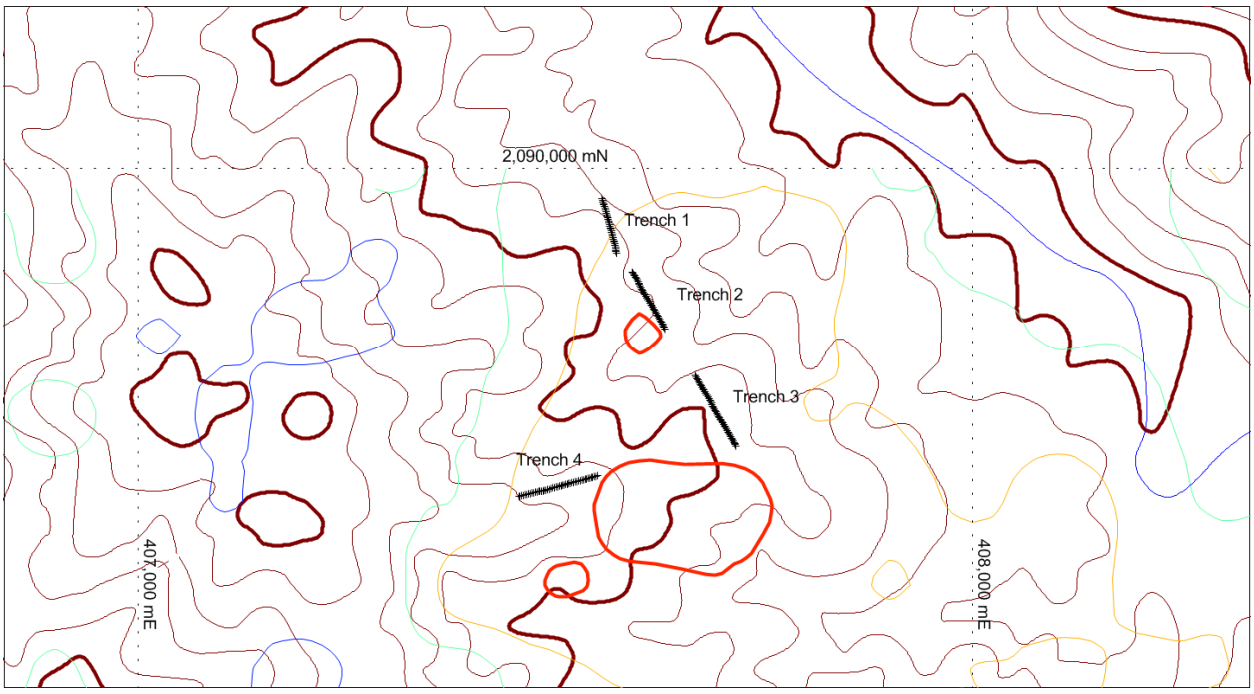
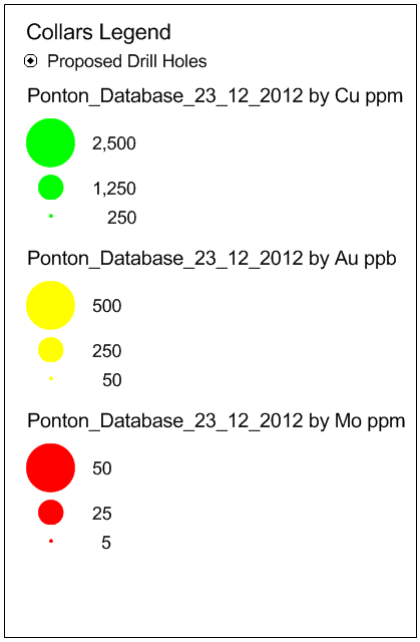
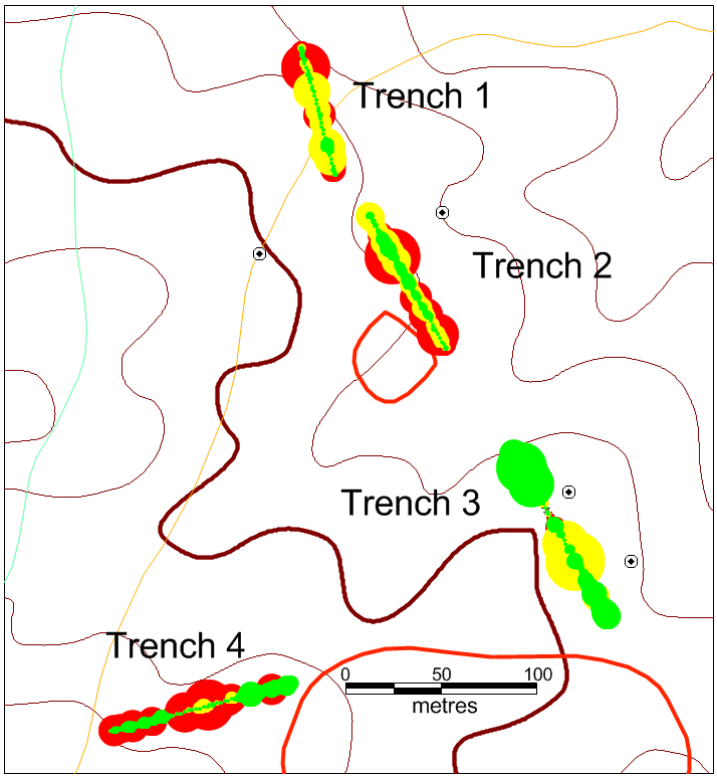
in Deutsch

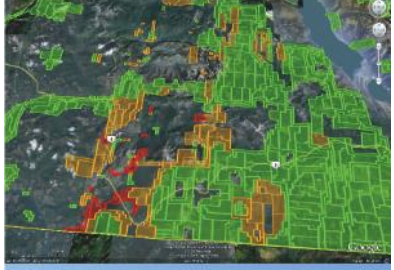


Pun-Ponton (Majagual Hill) – Figure 2B



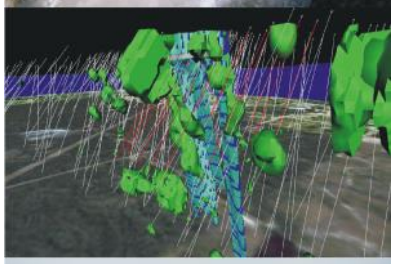
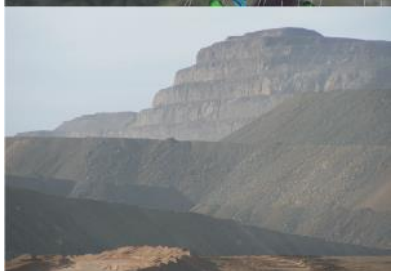










RECOMMENDATIONS FOR EXPLORATION

PUN PONTON -MAJAGUAL HILL

Dominican Republic

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EVR TSX-V

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November 7, 2012

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This report has been prepared by Caracle Creek International Consulting Inc. (Caracle Creek) on behalf of Everton Resources.

2012

Issued by: Toronto

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1.0 SUMMARY

The Majagual Hill Cu-Au-Mo Porphyry target is one of three targets located within the Ponton concession of the Pun-Ponton Property, covering an area of 6,725 ha and situated in the south central region of the Dominican Republic and is the focus of this report. The Copey Hill and Cumani targets, located southwest of the Majagual Hill target on the same property are not discussed in detail in this report.

The Majagual Hill target is hosted in the Early Cretaceous Los Ranchos Formation, a series of tholeiitic island arc volcanic and volcanoclastic rocks that underlies much of the Property and is also host to the neighbouring Pueblo Viejo gold deposit (Barrick Gold/Goldcorp). The Los Ranchos Formation, possibly co-genetic with the Maimón Formation, forms a 17 km wide zone between the Hatillo Thrust in the southwest and a Tertiary limestone platform to the northeast. Tonalite intrusives occur throughout the Property. Extensive Quaternary cover fills the main valleys and/or the flat plains at the edges. A major fault system, oriented northwest to southeast, controls much of the topography and the distribution of rivers and creeks.

The SYSMIN geological mapping project (2002) identified three main sub-units of the Los Ranchos Formation on the Property; the Lower Unit being the most extensive and containing several areas of mineral potential. The Lower Unit, interpreted to represent an intra-oceanic island arc, contains mainly polygenetic pyroclastic breccias intercalated with mafic basaltic lavas and lesser andesite as fine-grained, well stratified volcanoclastic horizons; the thickness of this unit is more than 1,500 metres.

Work to date on the Property includes conventional soil grid sampling, rock sampling, trenching, stream sediment sampling, geological mapping, alteration mapping (PIMA) and XRD sample analyses. Zonation in alteration was identified forming a concentric alteration pattern with haloes of propylitic alteration south-southeast of Majagual Hill. This external ring is followed towards the centre by haloes of argillic and phyllic alteration. Over the area of interest an intense advance argillic alteration developed with localized areas of silicification. Two regional structural orientations have been mapped: 1) A NW-SE regional fault system parallel to the regional corridor generated during the formation of the island arc. And 2) A set of NE-SW faults (transfer structures). It appears that this second lineament favors the generation of N-S conjoints. The conceptual model of these structures is orthogonal convergence. Key elements (Au-Ag-As-Hg-Sb-B-Bi-Mo) are grouped along regional orthogonal structures. The association of these elements with an advance argillic alteration zone or transitional to potassic alteration zone delineate the centre of a hydrothermal (mineralized) system. Boron concentrations in rocks defining an

elliptic zone, suggest a breccia body, emplaced in the volcanic pile and rocks around the Boron anomaly show paragenesis with clear indications of hydrothermal origin.

Work to date on the Property points to the development of a mid-depth hydrothermal - porphyry Cu-Au mineralized system at Majagual Hill. To evaluate this theory, rock textures were compared against the known hydrothermal Yanacocha deposit. The textures in the two samples are similar and are interpreted as transitional textures from an epithermal environment to a porphyry environment.

The proposed work program is based on previous work and the applied deposit model, and is designed to intersect Cu-Au-Mo mineralized zones. Phase I proposes five drill holes totalling 2000m at Majagual Hill over the central intersection of the regional structures and coinciding with the prerequisite porphyry alteration and mineral distribution pattern. Three dimensional digital modelling of existing data and all incoming data is highly recommended to better understand the 3D orientation of the targets and assist in the interpretation of drill results. Ground geophysics and down hole geophysics, especially IP, are recommended on the Property to assist in the 3D modelling and the delineation of mineralized zones. Two additional phases of exploration surrounding Majagual Hill are recommended following the positive results of Phase I.

2.0 INTRODUCTION

The Majagual Hill Cu-Au target is located within the Ponton concession of the Pun-Ponton property (the "Property") which covers 6,725 ha and is situated in the south central region of the Dominican Republic (Figures 1, 2 and 3). Two additional Cu-Au porphyry targets, Copey Hill and Cumani, situated southwest of the Majagual Hill target (Figure 3), are not discussed in detail in this report.

The proposed diamond drill hole locations at Majagual Hill are based on the results obtained from the geochemical and geological exploration programs completed on the Property. Results from surface exploration suggest the existence of Cu-Au mineralization (+/-Mo), formed along shoulders to porphyry intrusions. The style of alteration and metal associations observed on the Property suggest that this area contains several Cu-Au porphyry targets. The objective of the recommended diamond drilling program is to intersect Cu-Au mineralized zones associated with a "World Class" Cu-Au porphyry deposit.

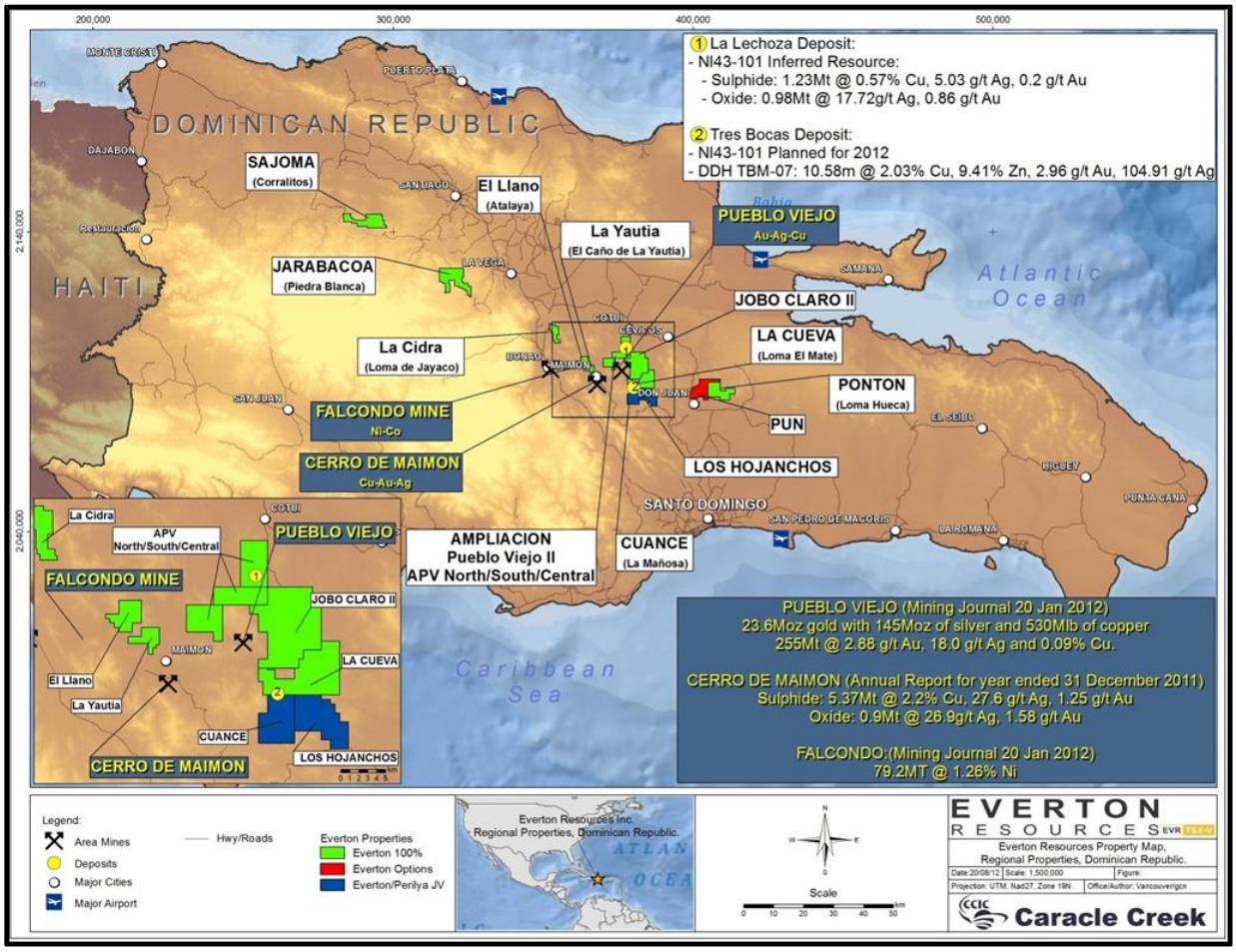


Figure 1. Location of all Properties held by Everton Resources Inc in the Dominican Republic, including the Pun Ponton Property.

3.0 GEOLOGICAL SETTING AND MINERALIZATION

3.1 Regional Geology

The Pun-Ponton Property is located in the south-central section of topographic sheet Sabana Grande de Boya 6272 IV and is about 35 km southeast of the world-class Pueblo Viejo gold mine (Figures 2 and 3). Topographic sheet 6272 IV was the object of geological mapping at 1:50000 scale during the SYSMIN project (September-November 2002) and is located at the northeastern corner of the Dominican Cordillera Oriental (Figure 3). This is a relatively low region with elevations between 50 and 500 m, with the highest peak, Loma de Lovaton, at 529 metres. The area is divided by an east-west ridge where, to the north, the Yuna river flows toward the Bay of Samana on the planes of San Francisco de Macoris and to the south, tributaries of Ozama river flow toward the coastal plain of the Caribe (Llanura Costera del Caribe).

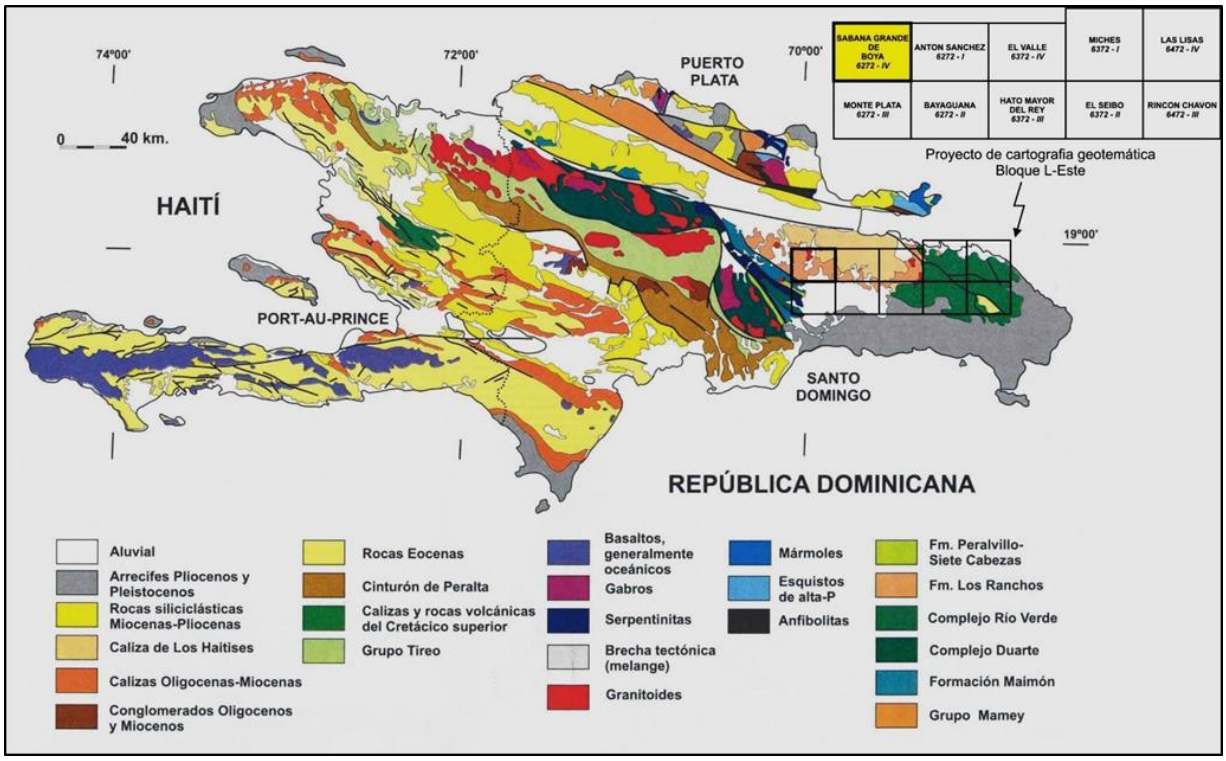


Figure 2. Schematic geological map of the island of Hispanola showing the location of topographic sheet Sabana Grande de Boya (yellow in key map modified from Lewis and draper, 1990 in Escuder Viruete et al., 2002).

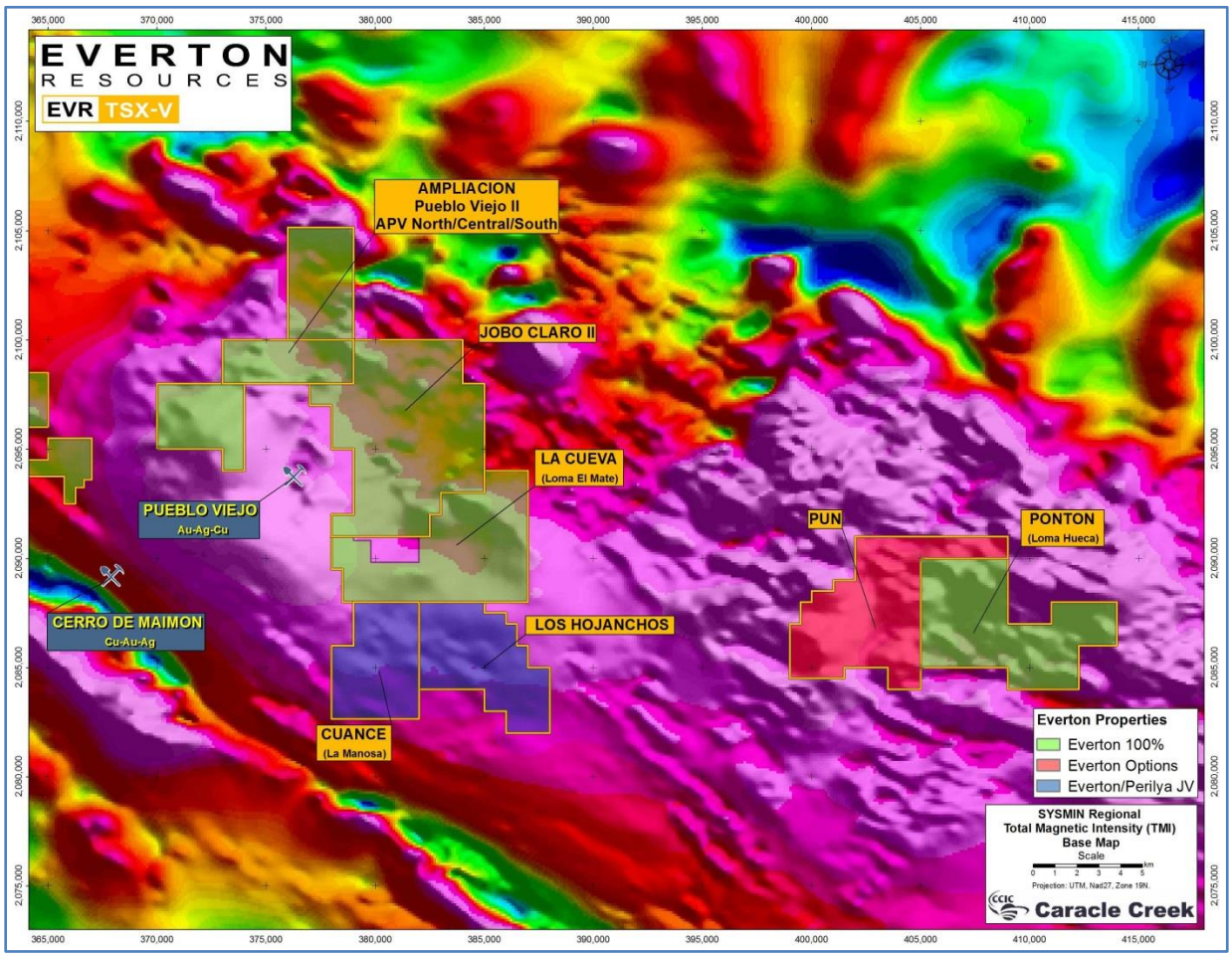


Figure 3. Regional Total Magnetic Intensity (TMI) from SYSMIN airborne survey, with location of the core Everton Resources properties, including Pun Ponton.

3.2 Pun-Ponton Property Geology

The Early Cretaceous Los Ranchos Formation (LRF), which underlies much of the Property, consists mainly of tholeiitic island arc volcanic and volcanoclastic rocks and is interpreted to represent an intra-oceanic island arc; the LRF may be co-genetic with the Maimón Formation. The LRF forms a 17 km wide zone between the Hatillo Thrust in the southwest and a Tertiary limestone platform to the northeast (Figure 4). Cevicos, a tonalite batholith, is located at the northeast corner of the sheet and tonalites in general are well represented on the southern part of the map sheet. The northeast quarter is covered by tabular bodies of Los Haitises limestone with characteristic karst morphology. Extensive Quaternary cover fills the main valleys and/or the flat plains at the edges. Topography and the distribution of rivers and creeks are the result of geological formations as well as a major fault system oriented northwest to southeast.

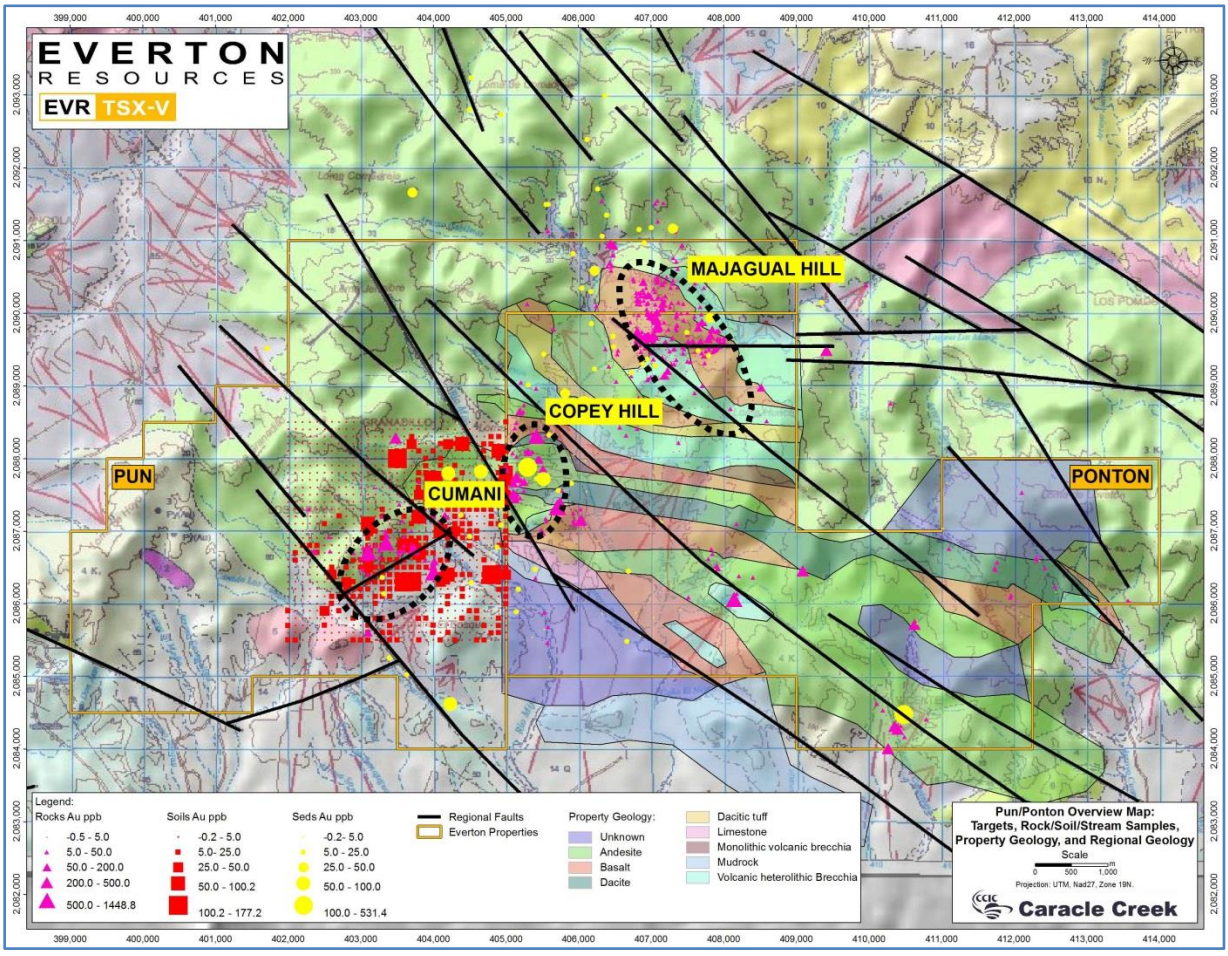


Figure 4. Distribution of geological units within the Pun Ponton Property (source: SYSMIN) and location of the Majagual Hill, Copey Hill and Cumani Cu-Au porphyry targets. Au analysis results from rock, soils and stream sediment sampling programs.

Prior to the SYSMIN project geological mapping, there was limited detailed geological information on the Los Ranchos Formation found in Kesler, (2005) and Kesler et al., (1992), which concentrated on the Pueblo Viejo deposit area. The SYSMIN project proposed three main sub-units of the LRF; all three units outcrop on the Pun Ponton Property. The Lower Unit is the most extensive and within this unit, several areas of mineral potential have been identified (Figure 4).

Lower Unit: Primarily polygenetic pyroclastic breccias intercalated with mafic basaltic lavas and lesser andesite as fine-grained, well stratified volcanoclastic horizons. Breccias outcrop usually as "boulders" of several meters in diameter have various grain size, texture and composition. The thickness of this unit is more than 1,500 m. The lower contact of this unit is masked by the intrusion of tonalite at depth. The lower unit is interpreted to represent an intra-oceanic island arc.

Intermediate Unit: Felsic lavas, dacites and riodacites associated with pyroclastic ashes and epiclastites of felsic composition. The thickness of this unit varies and can reach more than 1,000m in places. This unit is very distinct yellowish-beige to pinkish. The unit is covered by a particular type of vegetation due to high silica content of the bedrock.

Upper Unit: Composed of andesitic pyroclastics, mainly monogenetic breccias and agglomerates with minor massive intervals of andesites and porphyritic basalts. The upper unit is discordant with the Los Haitises limestone.

4.0 EXPLORATION

Since the joint venture between Everton Minera Dominicana S.R.L. (project operator) and Linear Gold Caribe (Brigus Gold Corp.), surface reconnaissance programs have been carried out over the entire area of the Property. This work included prospecting and sediment, rock and soil sampling. The follow up work over anomalous areas of interest resulting from these reconnaissance surveys included geological mapping, alteration mapping, geochemical analysis, gridded soil sampling (conventional and auger) and additional rock sampling and trenching.

4.1 Sampling and Trenching

Conventional soil samples were collected over a 100 x100 m grid covering an irregular polygon of approximately 7 km^2. This grid was later extended to the north over the Pun concession. A total of 738 soil samples were collected at a 50 cm depth (Figures 4 and 5).

Continuous anomalous regions identified in the conventional soil sampling program, were followed up by auger soil sampling using a denser grid of 50 x 50 m. This soil survey covered an area of approximately 0.84 km^2. The average depth of sampling was 1.03 m and a total of 374 samples were collected.

Rock chip sampling was not done on a systematic grid. Geologists sampled interesting outcrops during reconnaissance mapping, resulting in an irregular distribution of samples over the concession. There are heavily sampled areas and a large part of the ground without rock chip samples. A total of 836 rock samples were collected (Figures 4 and 5).

Four trenches were completed on Majagual (Figures 7 and 13). One of the four trenches was shallow and so samples from this trench are considered channel samples. The other three trenches had an average depth of 1.69 m with a maximum of 2.0 m. Sampling was continuous every 2.0 m. Samples were collected from the floor of the trenches as channels for a total of 126 samples

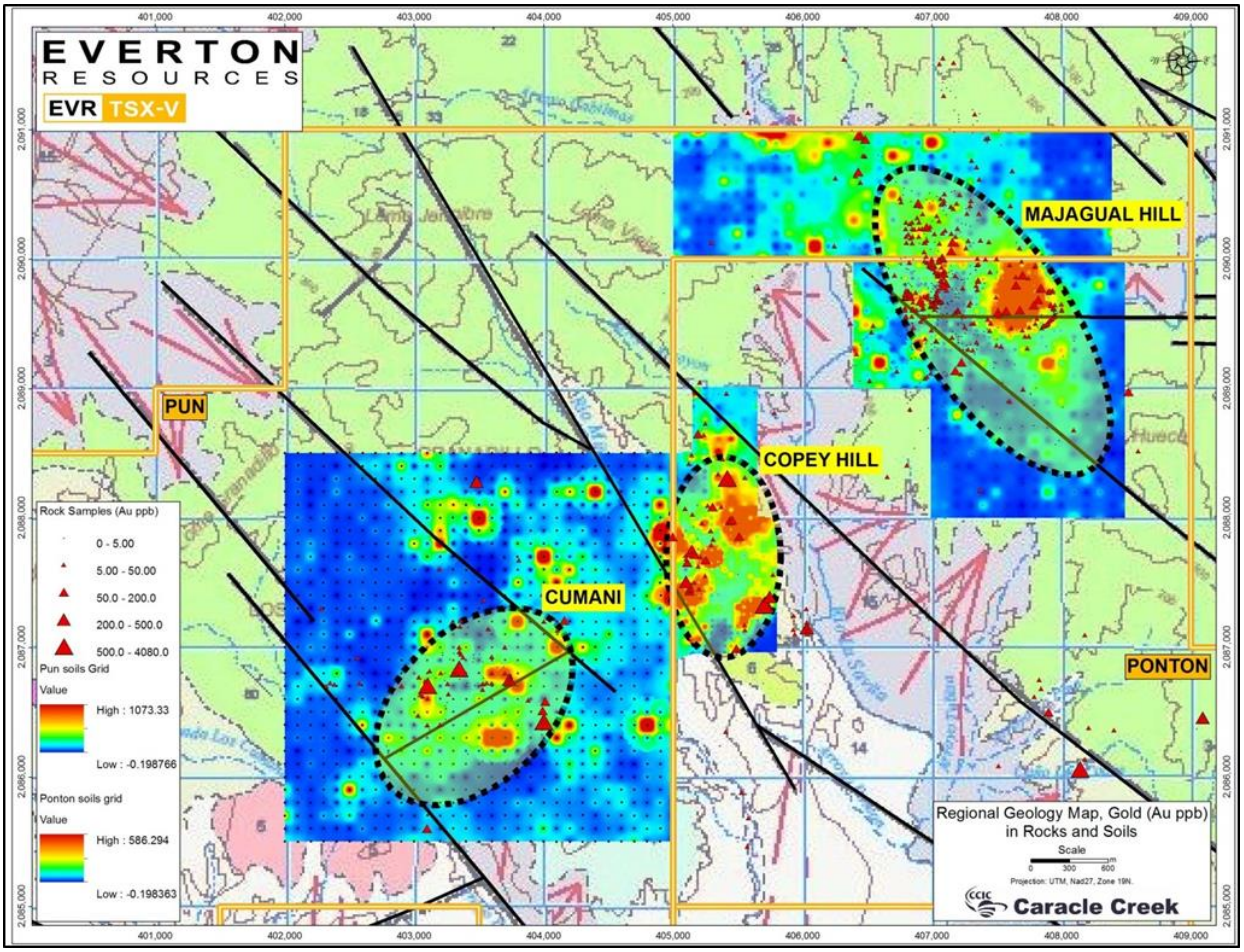


Figure 5. Distribution of Au in rock and soil samples within the Pun Ponton Property and location of the Majagual Hill, Copey Hill and Cumani porphyry targets.

4.2 Stream Sediment Sampling

In 1997 MIM (Linear Gold Caribe/Brigus Gold Corp.) carried out sampling of stream sediments and BLEG samples (37 samples). In December 2007 Everton collected 93 samples that were analyzed using ICP-MS (Acme Labs 1F-MS) and tested for 53 elements. During 2007-2008 a total of 57 samples were collected during various programs. During 2011-2012 the stream sediment program was extended to the west and north of concession covering various sub-streams; a total of 243 samples were collected. Overall, a total of 430 stream sediment samples were collected.

4.3 Mapping

Recent geological mapping at 1:5000 scale around the Majagual Hill area identified rocks of Los Ranchos Formation Lower Unit. The main mapped units are described as follows:

LATITE-BASALT: Fine-grained, aphyric texture, strongly sheared with minor pyrite breccias pyrophyllite, smectite, sugary silica.

BASALTIC ASH TUFF: Thin bedded, composed by very fine grained crystal-glass and some rounded "like bomb" lithic clast. Some layers showing green cherty texture, generated by intense silica replacement. Coarse-grained pyrite occurs in cherty layers.

AMYGDALOIDAL BASALTIC FLOW: The rock has an intense hydrothermal alteration, masking the original protolith. Observed abundant rounded to sub-rounded vesicular structures filled specular hematite or white clay minerals. In groundmass occur as abundant brownish muscovite flakes.

ANDESITE LITHIC TO CRYSTAL TUFF: Showing several brownish to white colors. The strongly hydrothermal alteration obliterated the original texture. One can observe a paste composed by lithic ghosts and in some case crystals that have been replaced by clay minerals giving a fine granular appearance. Many of the outcrops are cut by sulfide after oxide (cm) or hair like veinlet's, also disseminated pyrite near the edge.

BRECCIATED ROCKS: Several descriptive terms are grouped here:

Intrusion Breccia: This breccia composed by white amorphous silica fragments, cemented by specular hematite and brownish powdering iron oxide.

Dilational Breccia: Form by angular to rounded silica clast; infilling open brittle rock + silica + reddish hematite + specular hematite.

FERRICRETE: Poorly sorted gravel-pebble to boulders fragments, very compact and strong iron oxide cemented and located in several streams around the hill.

PYRITE FAULT GOUGE: In the central main zone. Pyrites occurs as coarse-grained, semi-massive, mixed fine-grained pasty pyrite + kaolinite. External halo clay minerals > Pyrite fine to medium grained over 25%. PIMA scanning shows: quartz + pyrophyllite + kaolinite + illite + dickite +/- diaspore.

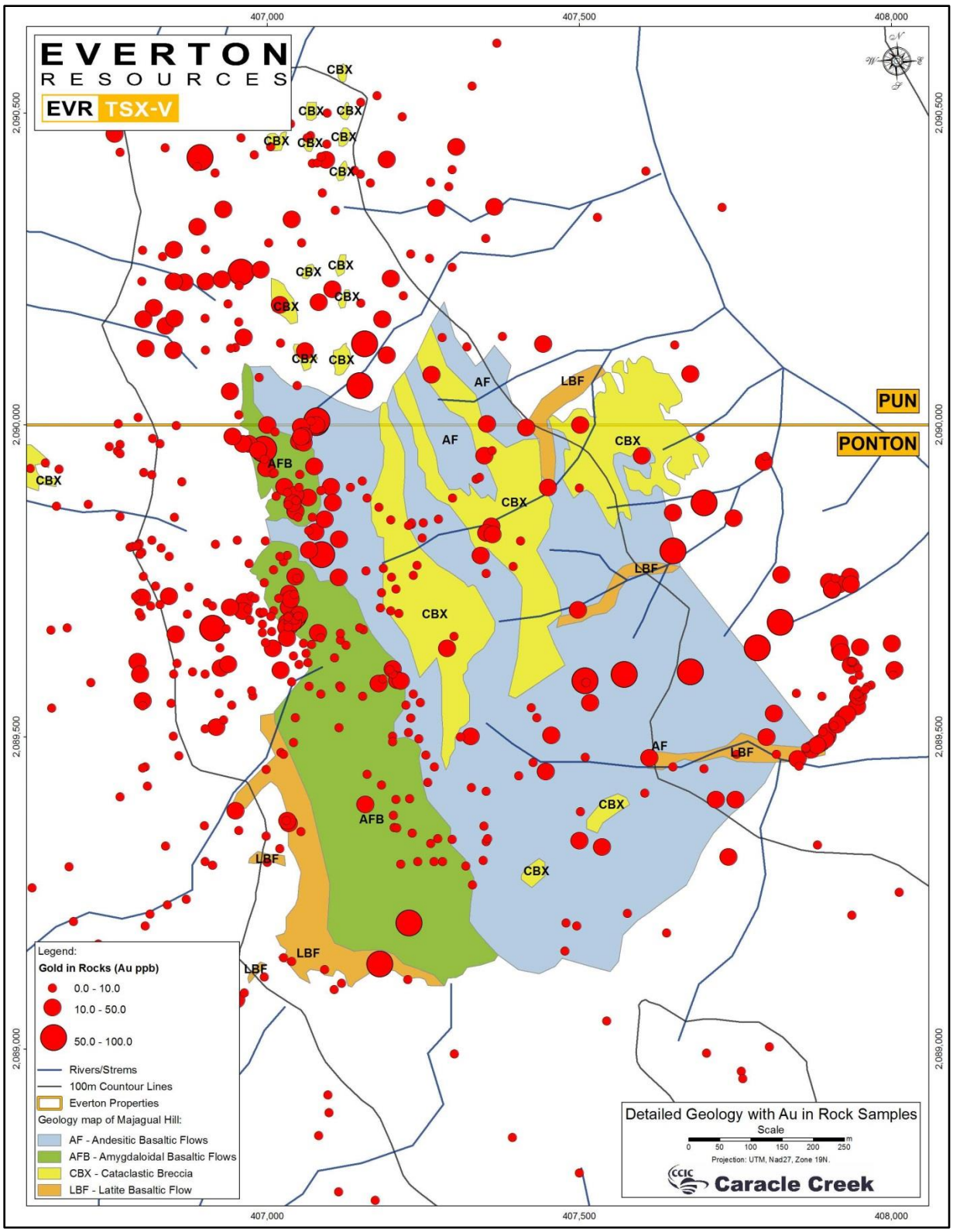


Figure 6. Detailed geology with Au in rock samples Rocks on the eastern half of the map are interpreted to represent mesothermal to porphyry type targets. Rocks on the western half of the area show resemblance to epithermal type environment.

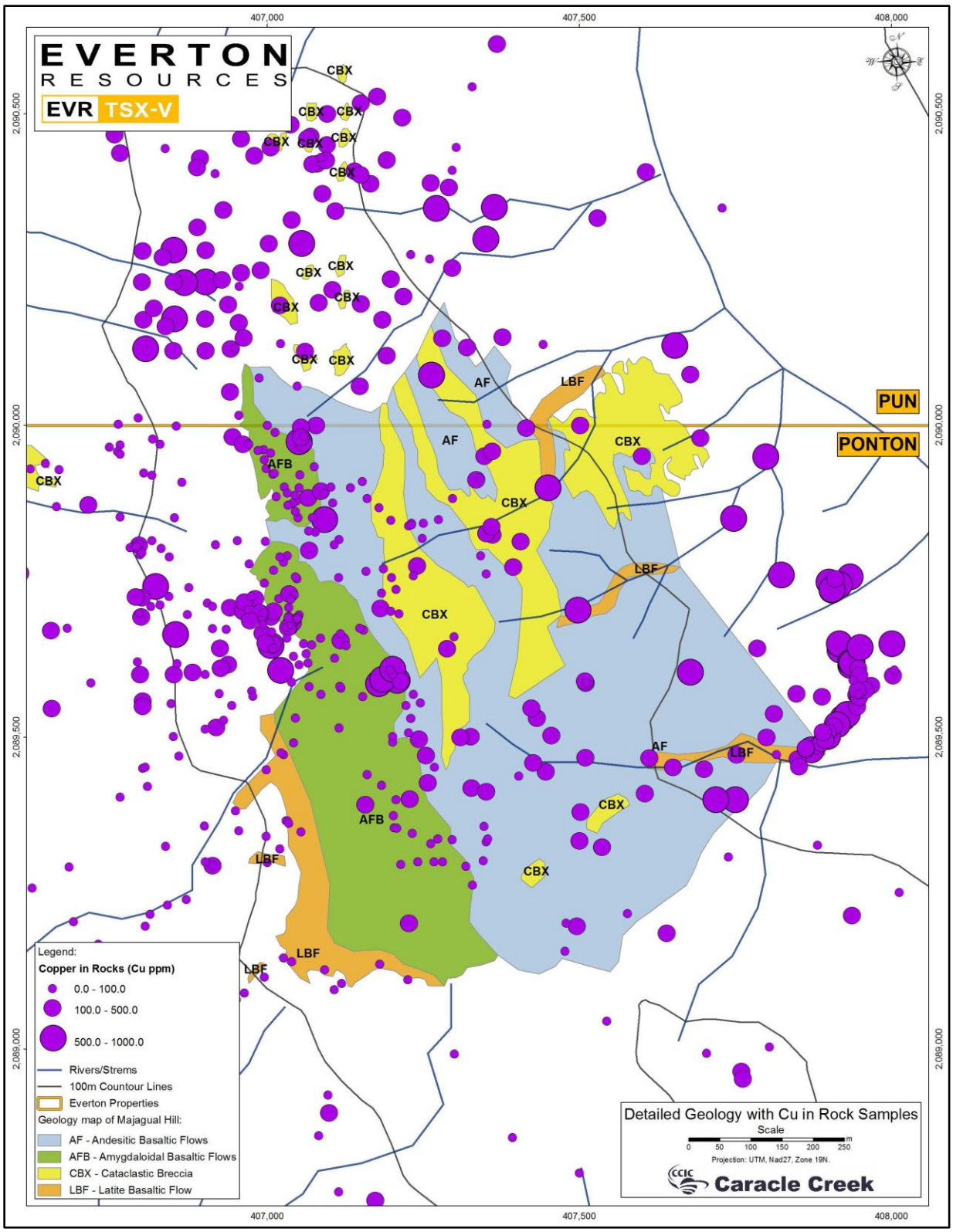


Figure 7. Detailed geology map of the Majagual Hill area with Cu in rock samples

4.4 Geophysics - Airborne Magnetic, EM and 2D-IP

A coarse, regional airborne magnetic survey was completed by SYSMIN in 2002 (Figures 3 and 8). No ground or detailed airborne geophysical surveys have been completed on the Property to date.

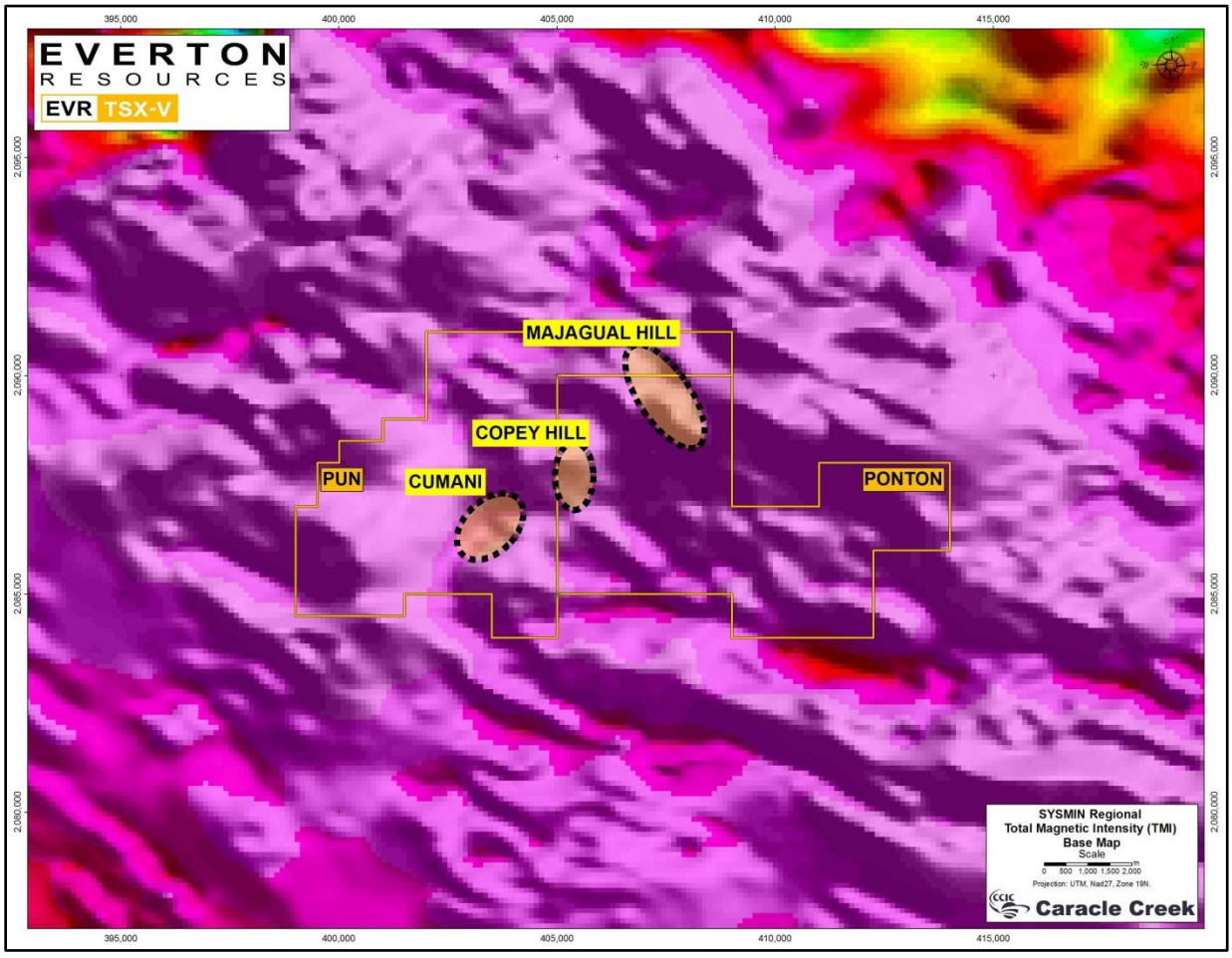


Figure 8. Regional SYSMIN Total Magnatic Intensity (TMI) survey over the Pun Ponton Property and surrounding area. The locations of the Majagual Hill, Copey Hill and Cumani Cu-Au Targets are shown for reference.

4.5 Alteration Mapping

During soil sampling, several outcrops were tested with PIMA to identify the mineralogy of alteration. A paragenesis and zonation in alteration was identified based on the data collected. An alteration map of the zones identified is shown in Figure 9. The main alteration assemblage observed is diaspore + kaolinite + dickite + tourmaline + pyrophyllite + quartz.

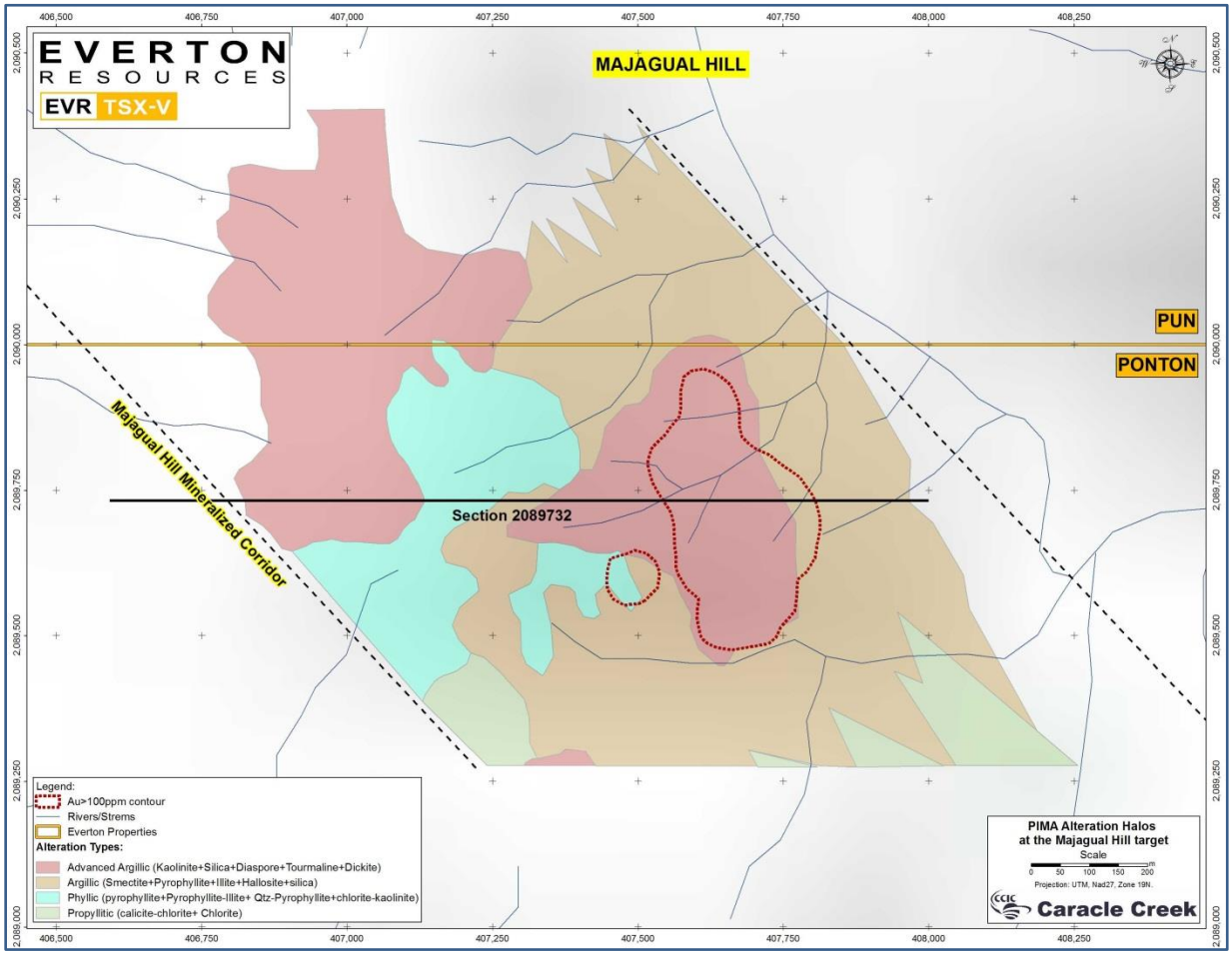


Figure 9. PIMA alteration halos at the Majagual Hill target.

Rock textures were compared against the known hydrothermal Yanacocha deposit for similarities to assist in deposit model interpretation (Figure 10 and 11). The textures in the two samples are similar and are interpreted as transitional textures from an epithermal environment to a porphyry environment. The transitional "patchy" textures at Tantahuatay -Yanacocha are associated with Mo anomalies; the same occurs at Majagual Hill. Moreover, the development of these textures indicates an intense activity of replacement by magmatic hydrothermal fluids, with total destruction of the original textures of the rock. Associations like pyrophyllite-diaspore-kaolinite-dickite-tourmaline are clear evidence of the existence of a thermal convection cell generated by an intrusive at medium depth. Although the textures in these samples are indicative of porphyry type environment, the samples shown below are not mineralized and are included as a reference to the texture only.

Figure 10. Hand sample MJ-7: Patchy texture Qtz.-Tourmaline

Figure 11. Sample T41-51.3m Tantahuatay-Yanacocha

4.6 Petrographic Study

One sample (MJ-7) taken from an area of advanced argillic alteration was selected for petrographic study (Figures 10, 11 and 12). A report detailing the findings of the petrographic study concluded the sample came from and area representing a hydrothermal system:

"The texture of the minerals of sample MJ-7 observed under petrographic microscope clearly indicates a hydrothermal rock. Quartz shows a granoblastic texture that indicates precipitation under hydrothermal conditions. Afterwards, the tourmaline grows overprinting the granoblastic quartz with a clearly hydrothermal replacement. There are no other minerals and the original protolith has been completely replaced. In conclusion, is very likely that the fluid from which this rock precipitated is a hydrothermal fluid of magmatic origin. Moreover, the B anomaly present in this specimen is a sufficient clue for further research". (Lisard Torro; May 2012, e-mail).

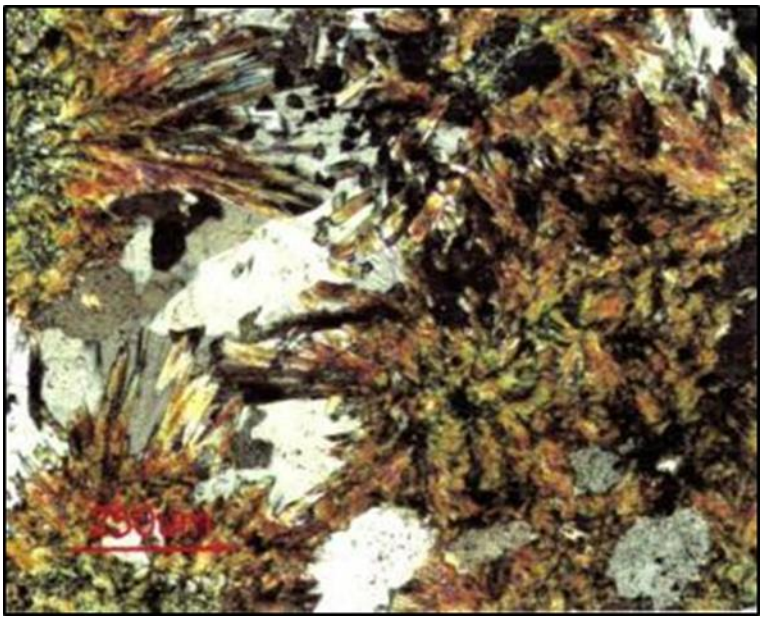
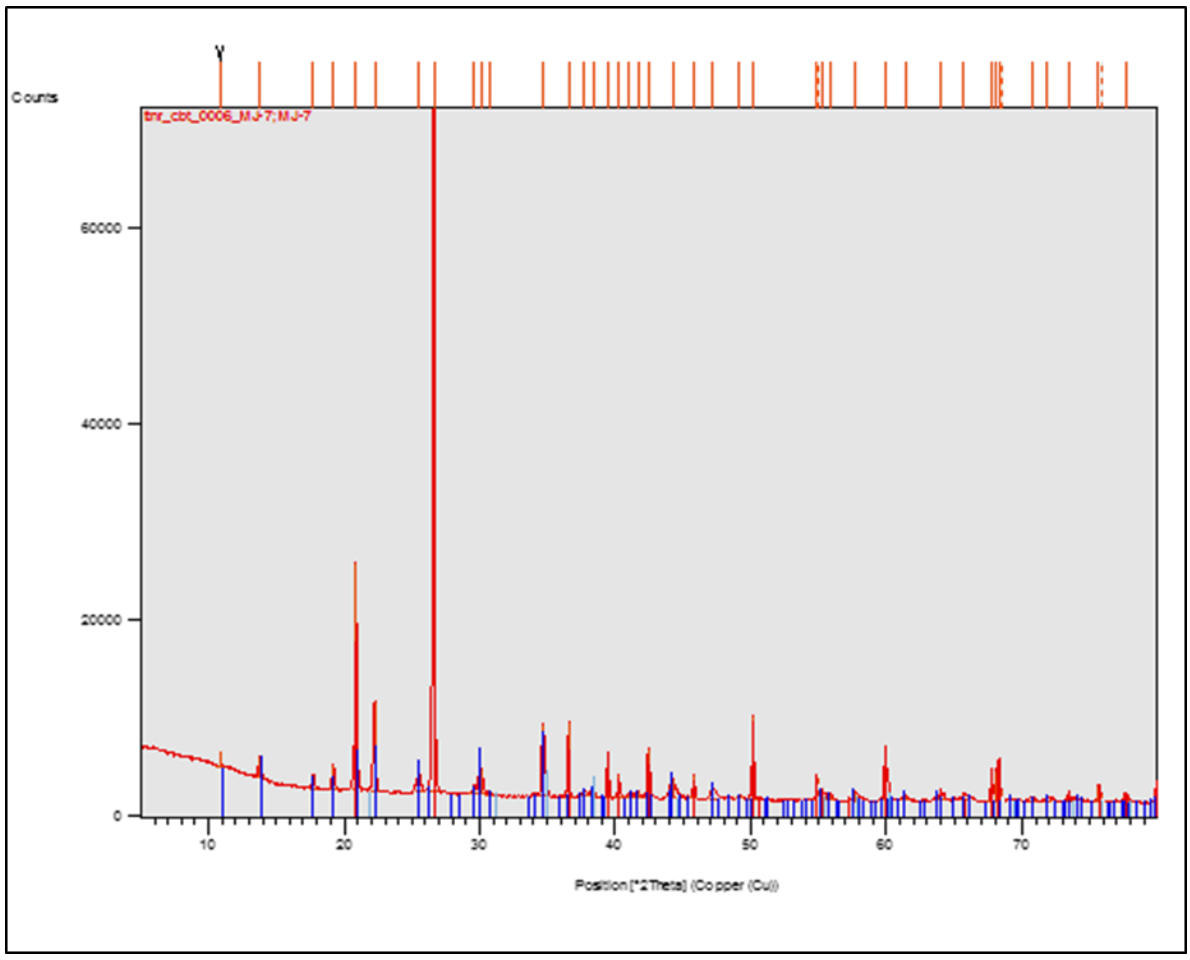


Figure 12. MJ-7 Granoblastic texture with growth tourmaline (250µm)

The results of a XRD analyses confirm the presence of quartz-tourmaline paragenesis (Figure 13). This combined with the detection of Diaspore +/- Tremolite are interpreted to indicate that this zone is high temperature and of a Potassic or Sodic-calcic composition. In addition, the distribution of Boron tends to form an E-W elongated ellipse which suggests the presence of a breccia like body that cuts through the volcanic pile.



Visible	Ref. Code	Score	Compound Name	Displacement [°2Th.]	Scale Factor	Chemical Formula
*	01-079-	76	Quartz	0,000	1,025	Si O2
*	01-085-1814	55	Dravite	0,000	0,095	Na Mg3 Al6 (B O3)3 Si6 O18 (O H)4

Figure 13. XRD difractogram showing the mineral composition of sample ML-7

4.7 Structural Geology

Two regional structural orientations have been mapped on the Property (Figure 14): 1) A NW-SE regional fault system developed parallel to the regional corridor generated during the formation of the island arc. This lineament tends to form discontinuous zones of pyrite fault gauge. And 2) A set of NE-SW faults (transfer structures) whose planes do not show development of pyrite fault gauge (at least in outcrop). These lineaments are visible in the SYSMIN maps. It appears that this second lineament favors the generation of N-S conjoints with semi-massive pyrite or pyrite fault gauge. The conceptual model of these structures is shown in Figures 17 and 19.

Volcanoclastic units that outcrop in the vicinity of Majagual Hill dip to the southwest at 45-55 degrees (Figure 15) and are interpreted to be a monocline cut by a series of faults oriented at NW-SE and NE-SW. The NW-SE fault set shows dextral displacement of lithologic contacts.

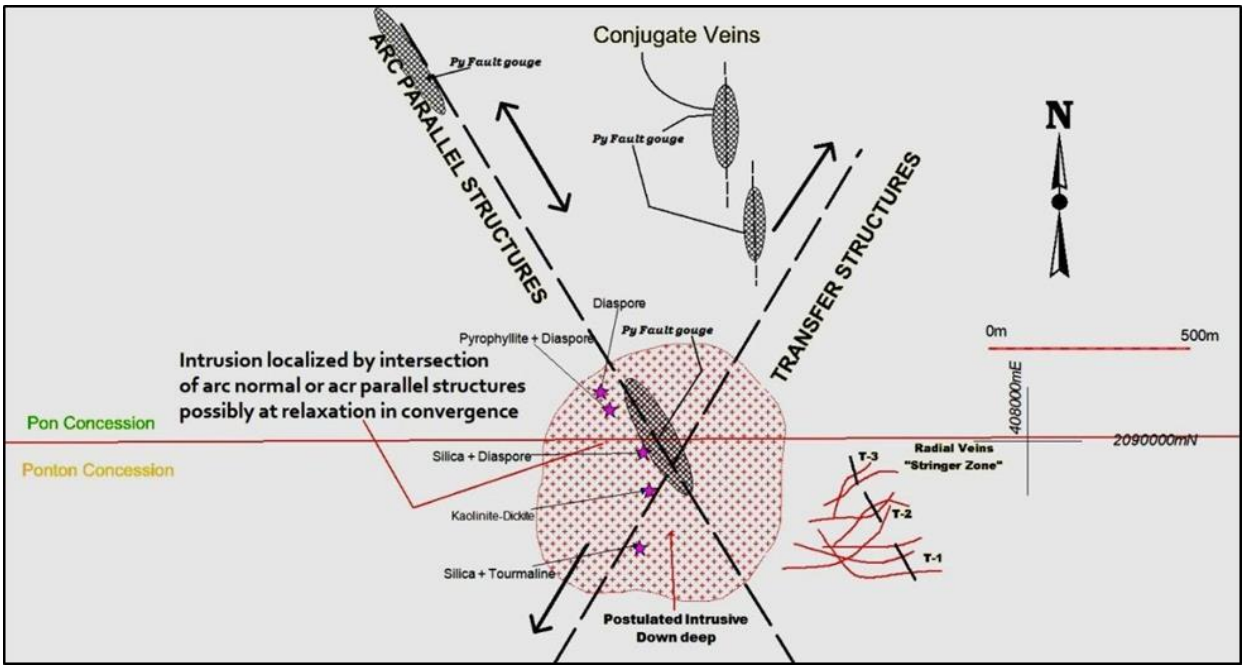


Figure 14. Conceptual model of the main structural features at Majagual Hill. Location of trenches T-1, T-2 and T-3 are shown.

Figure 15. Stratification dipping to the SW at Majagual Hill.

4.8 Geochemistry

Rock samples were sent for multi-element analysis at ACME labs. The relative concentration of certain elements, most notably Au, Ag, As, Cu, B, Mb, Mo, Pb and Sb, have been used to identify the deposit model. The results of the geochemical analysis are discussed below in relation to the deposit model.

5.0 DEPOSIT MODEL AND DISCUSSION

Based on the information to date, the Majagual Hill target is interpreted as a medium depth hydrothermal porphyry system that formed in an extensional island arc environment. Conceptual models for this type of system are provided in Figures 17 and 19. This interpretation is based on the alteration mapping, structural mapping and geochemistry as described below.

Intense hydrothermal alteration observed at Majagual Hill extends for more than 5 km in diameter. A concentric alteration pattern has been observed with haloes of propylitic alteration developed mainly towards south-southeast of Majagual Hill. This external ring is followed towards the centre by haloes of argillic and phyllic alteration. Over the area of interest an intense advance argillic alteration developed with localized areas of silicification (Figure 9). Alteration minerals such as diaspore + kaolinite + dickite + tourmaline + pyrophyllite + quartz identified at higher elevations at Majagual Hill indicate the emplacement of an intrusive body at depth.

Figure 16. Geomorphological features at Majagual Hill (looking north)

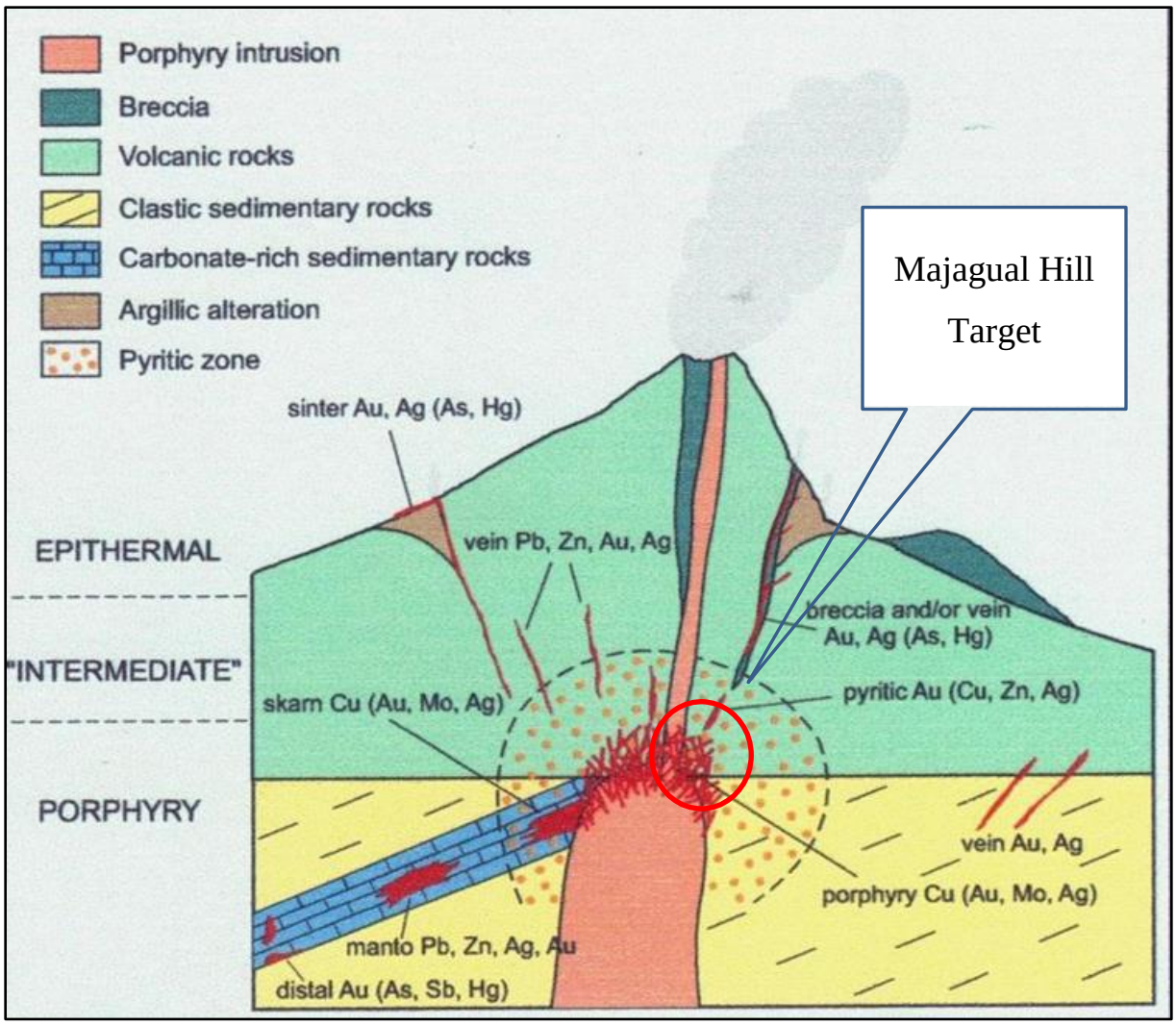


Figure 17. Conceptual Model and likely target location for Majagual Hill (Sinclair, 2007).

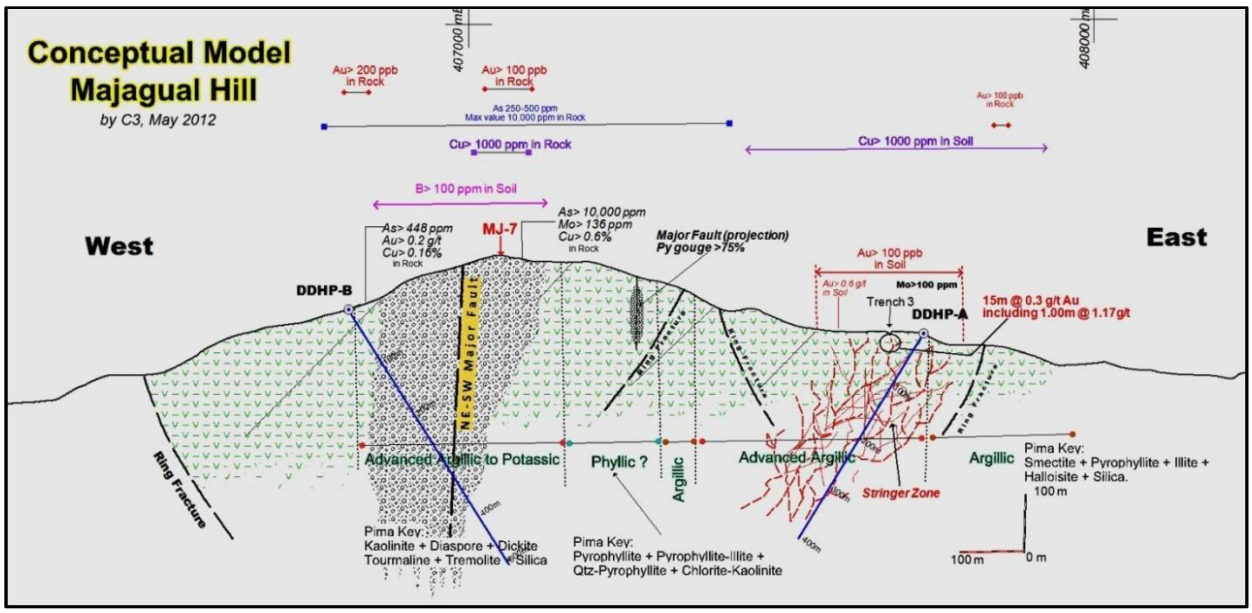


Figure 18. Section 2089732 mN: Conceptual model for Majagual Hill target (note: drawing does not show postulated intrusive outline).

The structural setting at Majagual Hill is an ideal environment for the emplacement of intrusive bodies at the main intersections of an orthogonal system: orthogonal convergence (Figure 14 and 19). The area to the east (trenches 1, 2 and 3) is interpreted to represent the peripheral zone of an intrusion. In orthogonal convergence vertically elongate intrusions might most easily be emplaced upward during a relaxation of the regional stress regime; vertical stress becomes dominant. Cone-shaped sheeted fractures ring the top of the intrusion and propagate upwards as concentric or kinked straight segments, and display dip variations from moderately inward close to the intrusion, steepening both at higher levels and further from the intrusion. There is a small element of horizontal stress near the intrusion but only a vertical component at higher levels. Concentric (sheeted) fractures propagate above intrusions with high interstitial fluid pressures compared to lithostatic pressures and form concave upward shapes. Heidrick and Titley (1982) describe radial and concentric fractures developed by hydraulic fracturing in association with the emplacement of 'upward-extending' intrusions in the southwestern US, and elsewhere. These predominate in the host rocks away from intrusions. Concentric sheeted fractures are inferred herein to preferentially develop above the intrusion margins and stockwork fractures to overlie the carapace. Radial and concentric fractures may predominate as dikes. These radial and concentric fracture systems around and related to mid-shallow level intrusives act as structural controls for the emplacement of mineralization.

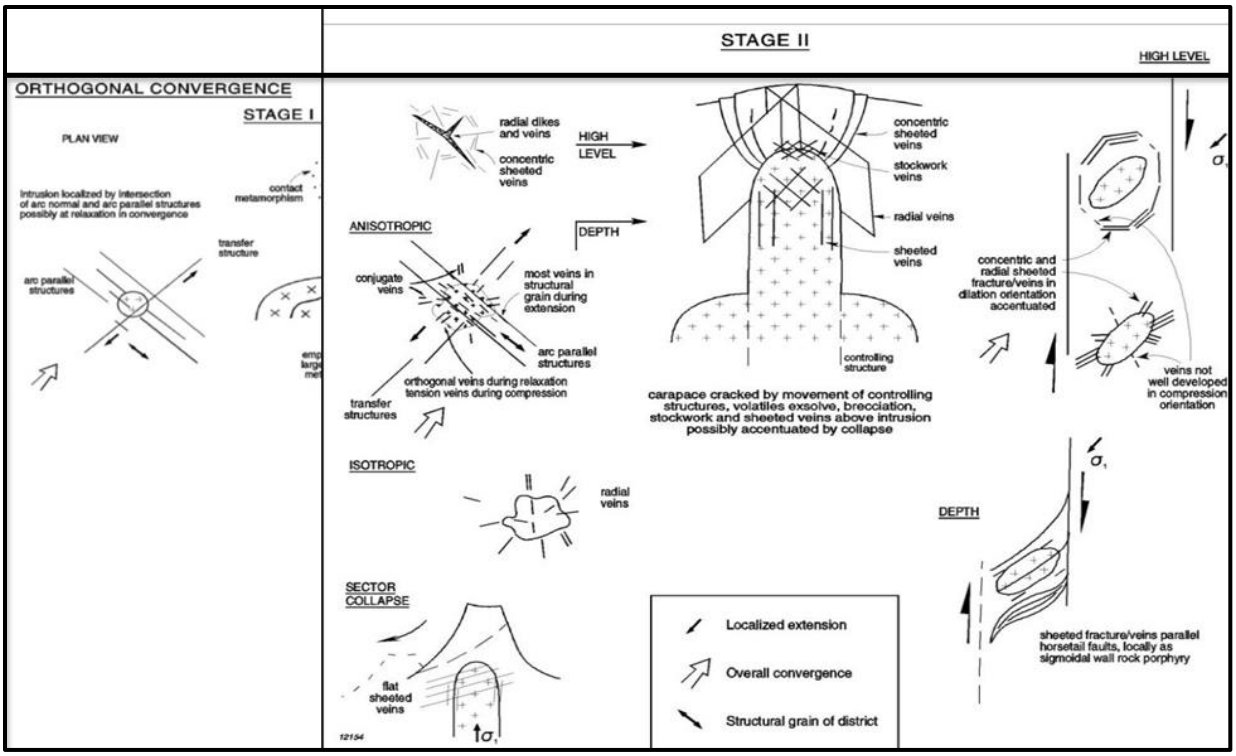


Figure 19. Conceptual Orthogonal Convergence Model

One of the most convincing parameters of the existence of the emplacement of an intrusive body at medium depth is the geochemical distribution of Au-Ag-As-Cu-Mo-Pb in the rocks relative to the area's structures and alteration pattern. The anomalous values of these metals represent the in situ response to possible mineralization at depth. The distribution of these elements around the area of intersection of regional faults (NW-SE: Arc Parallel structure and NE-SW: transfer structure) suggests the presence of a major mineralization centered on the converging structures at Majagual Hill (Figures 20 – 28).

Au-Ag-As-Hg-Sb-B-Bi: These elements are grouped along regional structures as shown in Figures 20 through 28. The presence of mobile elements like Hg, As and Sb, the last two with concentrations above the upper detection limit of 10,000 ppm for As and 2,000 ppm for Sb, suggest the preservation of the top part of the system. The association of these elements with an advance argillic alteration zone or transitional to potassic alteration zone delineate the centre of a hydrothermal (mineralized) system.

Boron: Boron concentrations in soils with values higher than 100 ppm tend to define an elliptic zone, most likely a breccia body, emplaced in the volcanic pile (Figure 27). The rocks outcropping around the Boron anomaly show a qtz-tourmaline paragenesis with clear indications of hydrothermal origin.

Cu-Mo-Pb: similar to mobile elements, Cu, Mo and Pb converge around the area of intersection of regional faults. Significant values of Cu >0.6% have been encountered in rocks with intense oxidation. Given the low mobility of Mo and Pb, these elements could indicate in situ mineralization at the top as well as at the periphery of Majagual Hill. Figures 26 to 28 show this distribution.

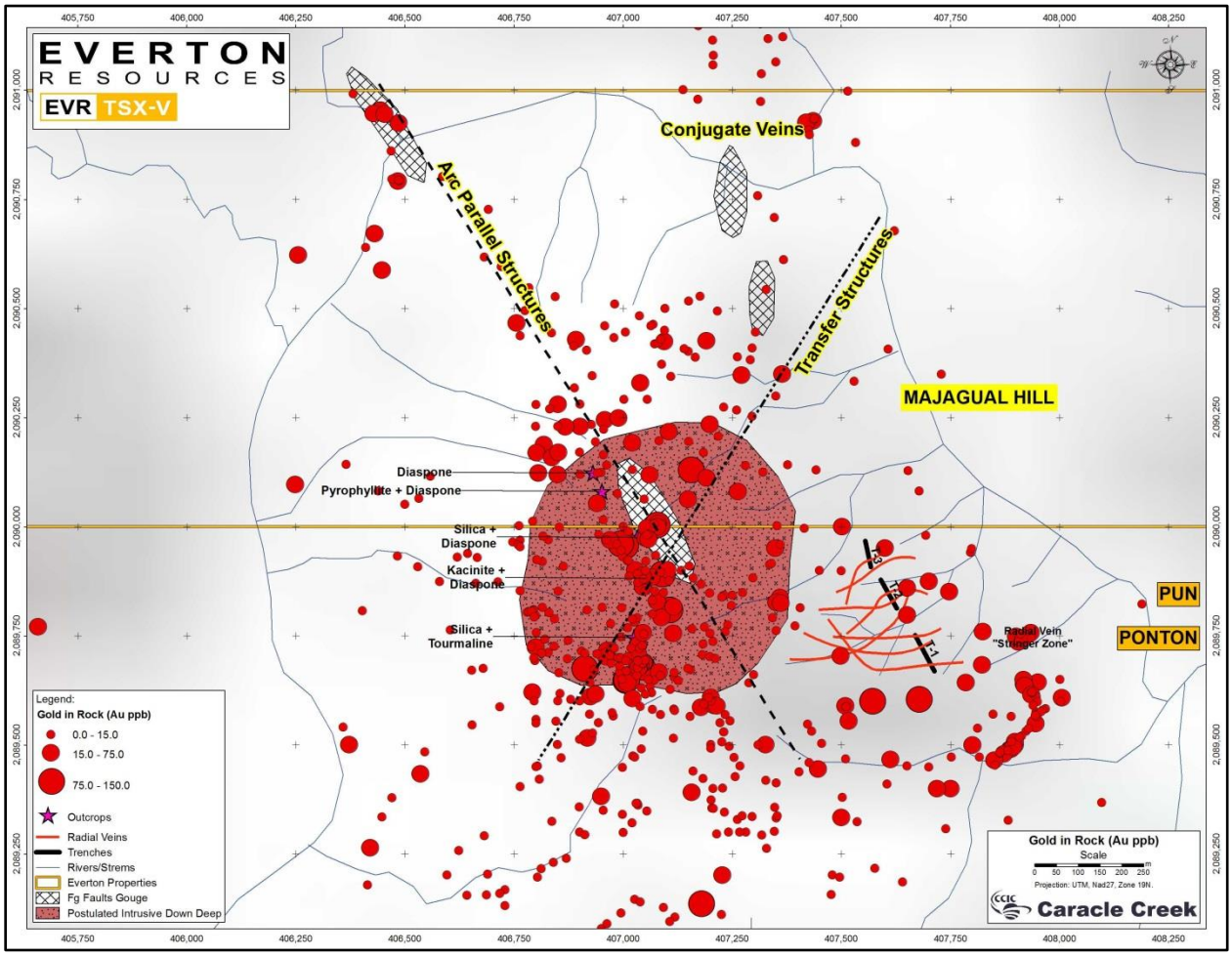


Figure 20. Au in rock; max value 213.9 ppb

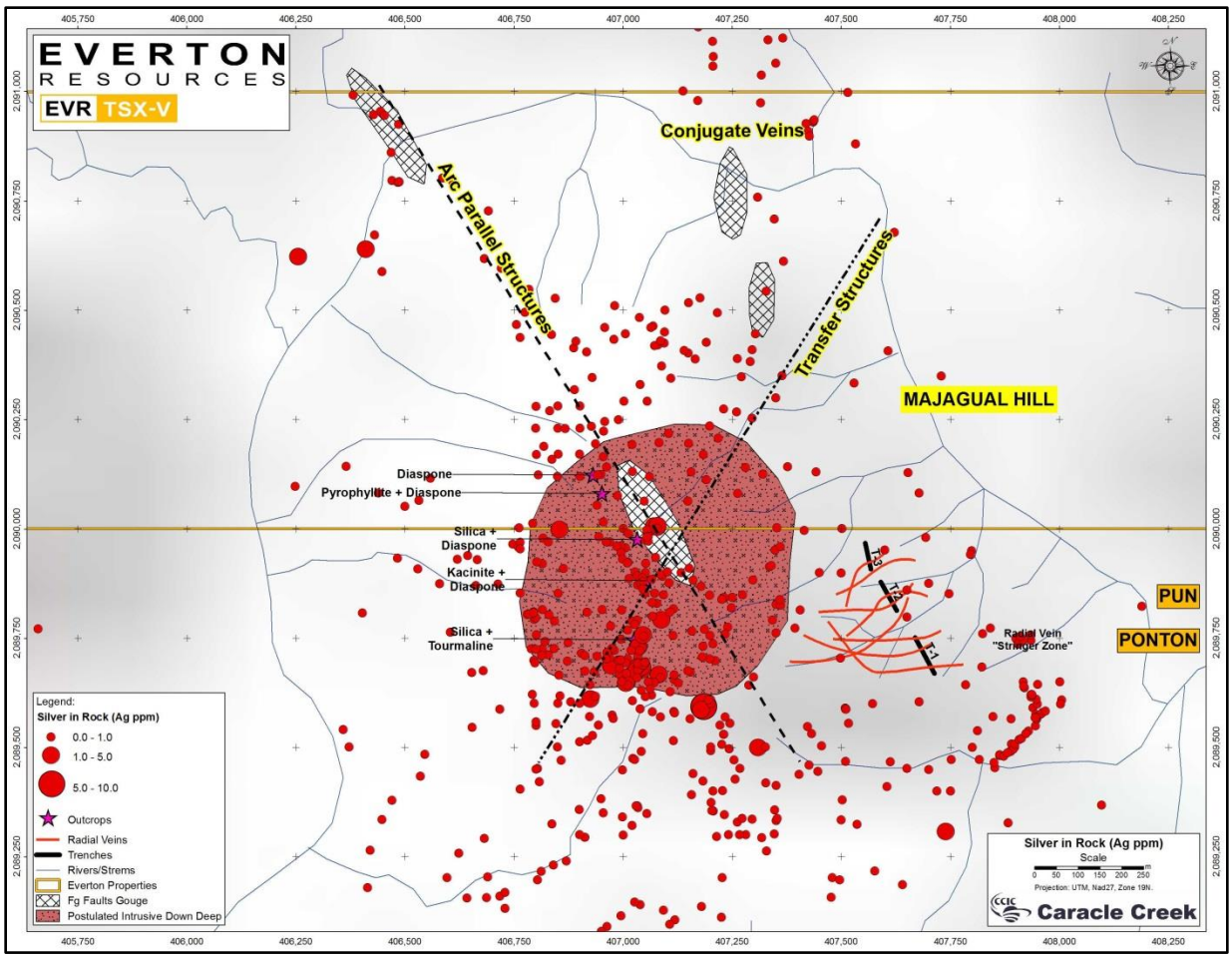


Figure 21. Ag in rock; max value 29.8 ppm

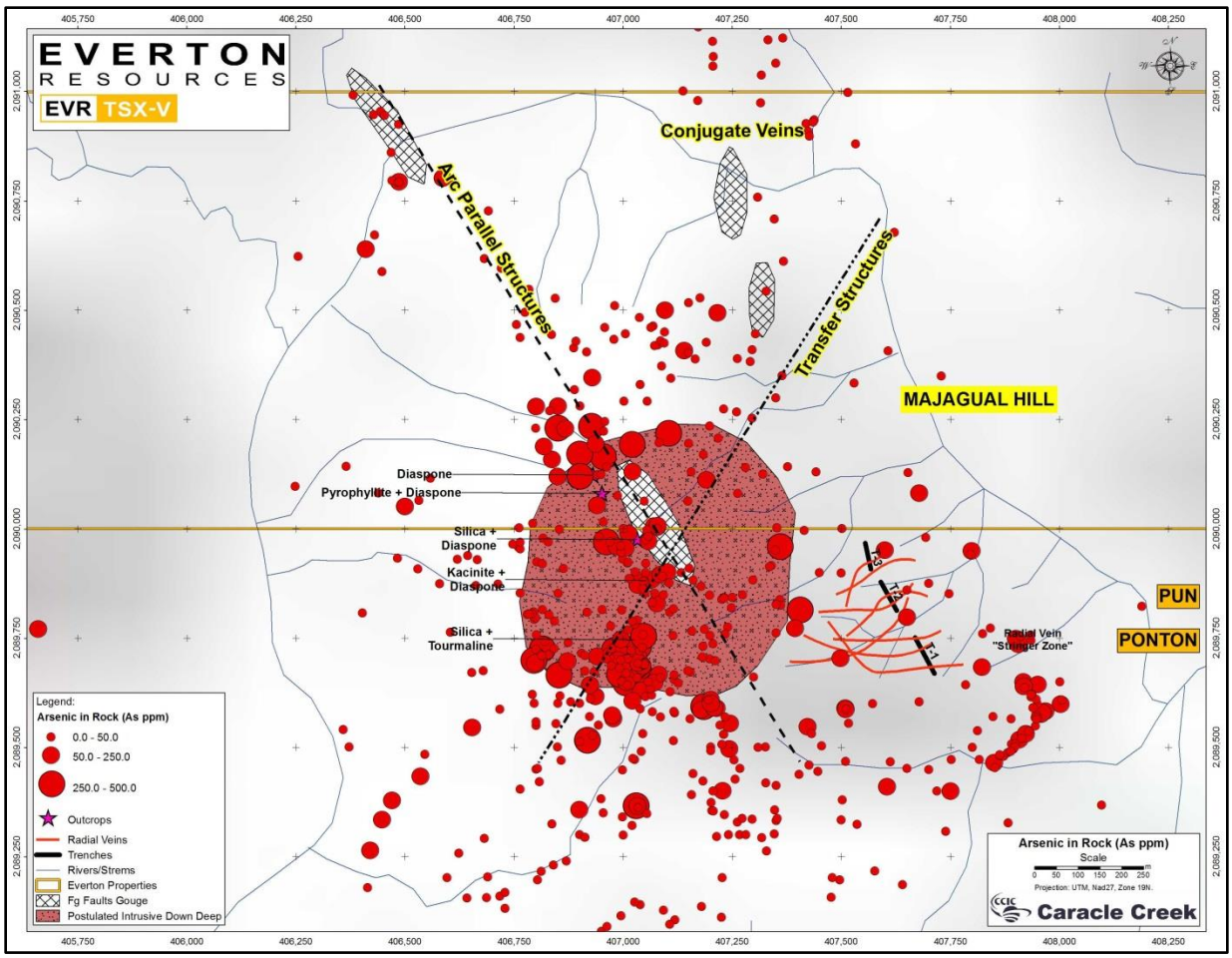


Figure 22. As in rocks; max value > 10,000 ppm (overlimit)

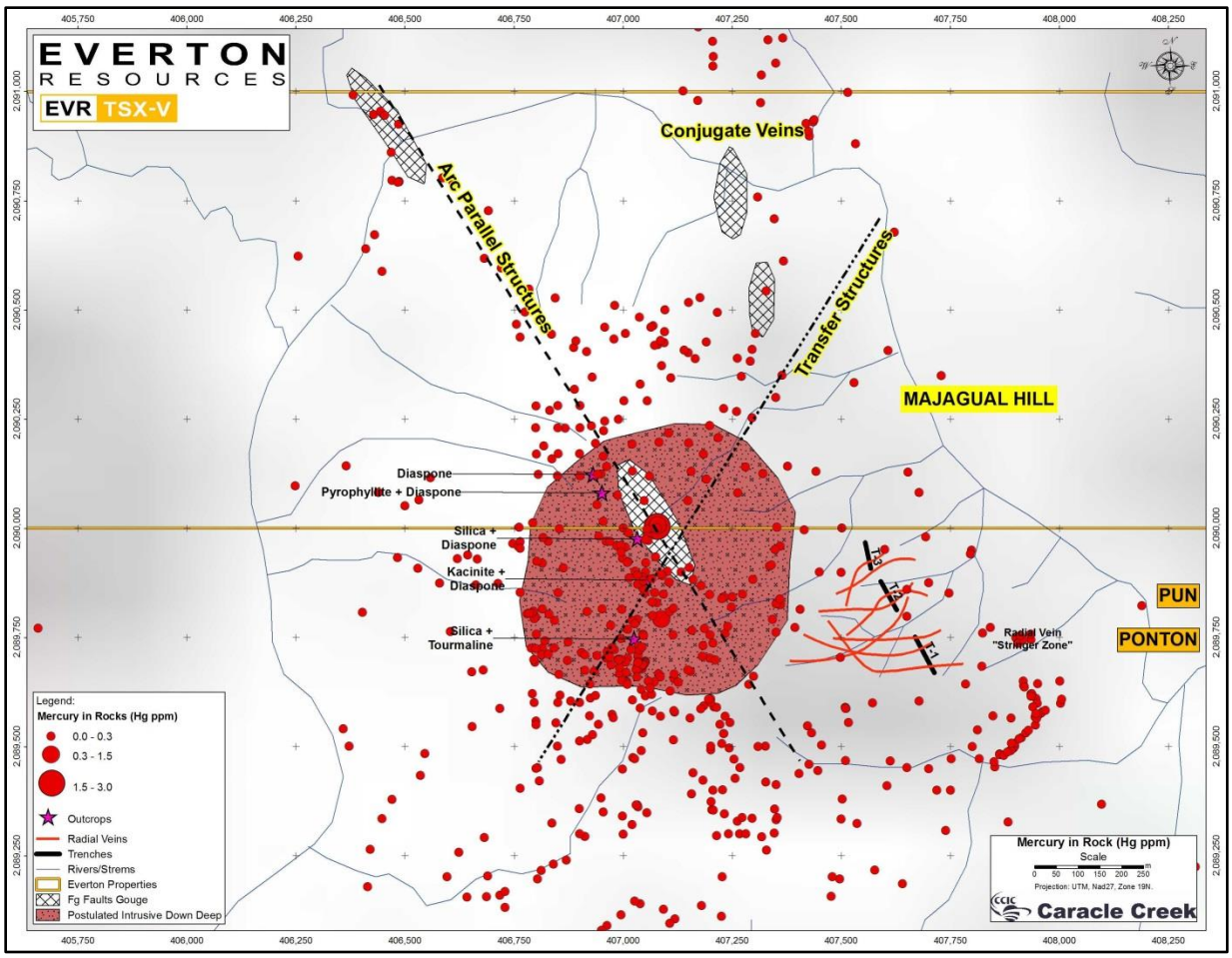


Figure 23. Hg in rocks; max value 5.81 ppm

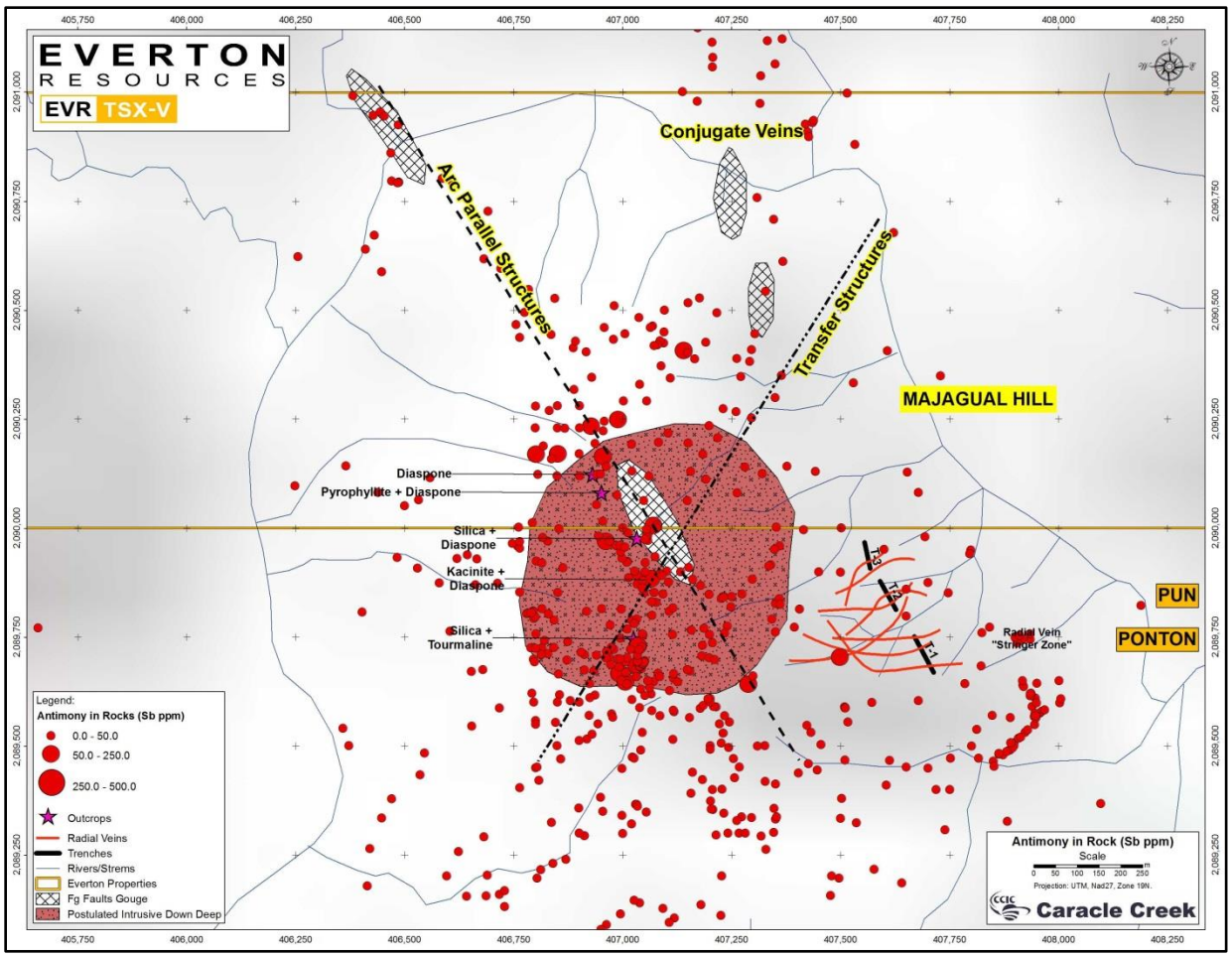


Figure 24. Sb in rocks; max value >2,000 ppm (overlimit)

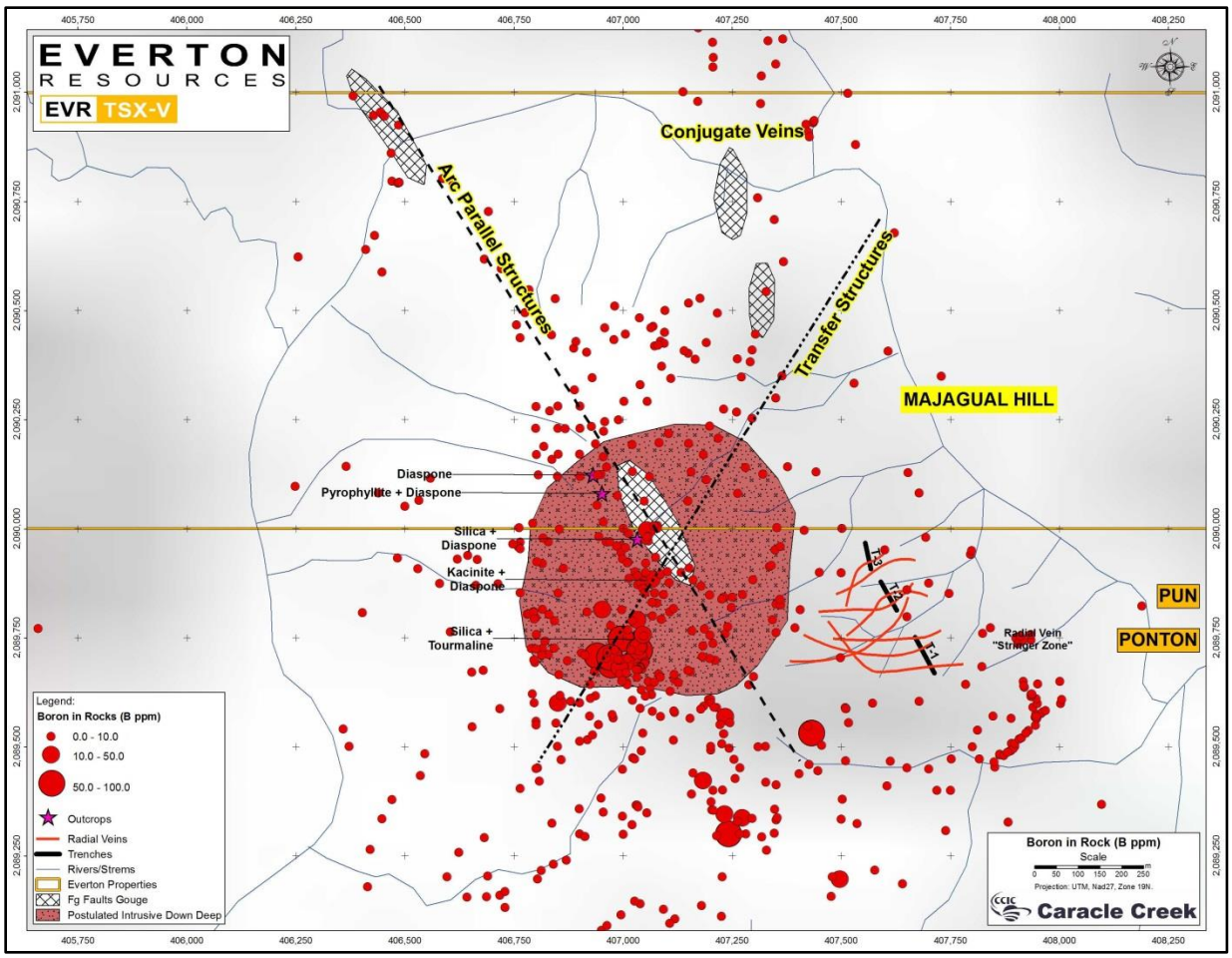


Figure 25. Boron in rocks; max value 192 ppm

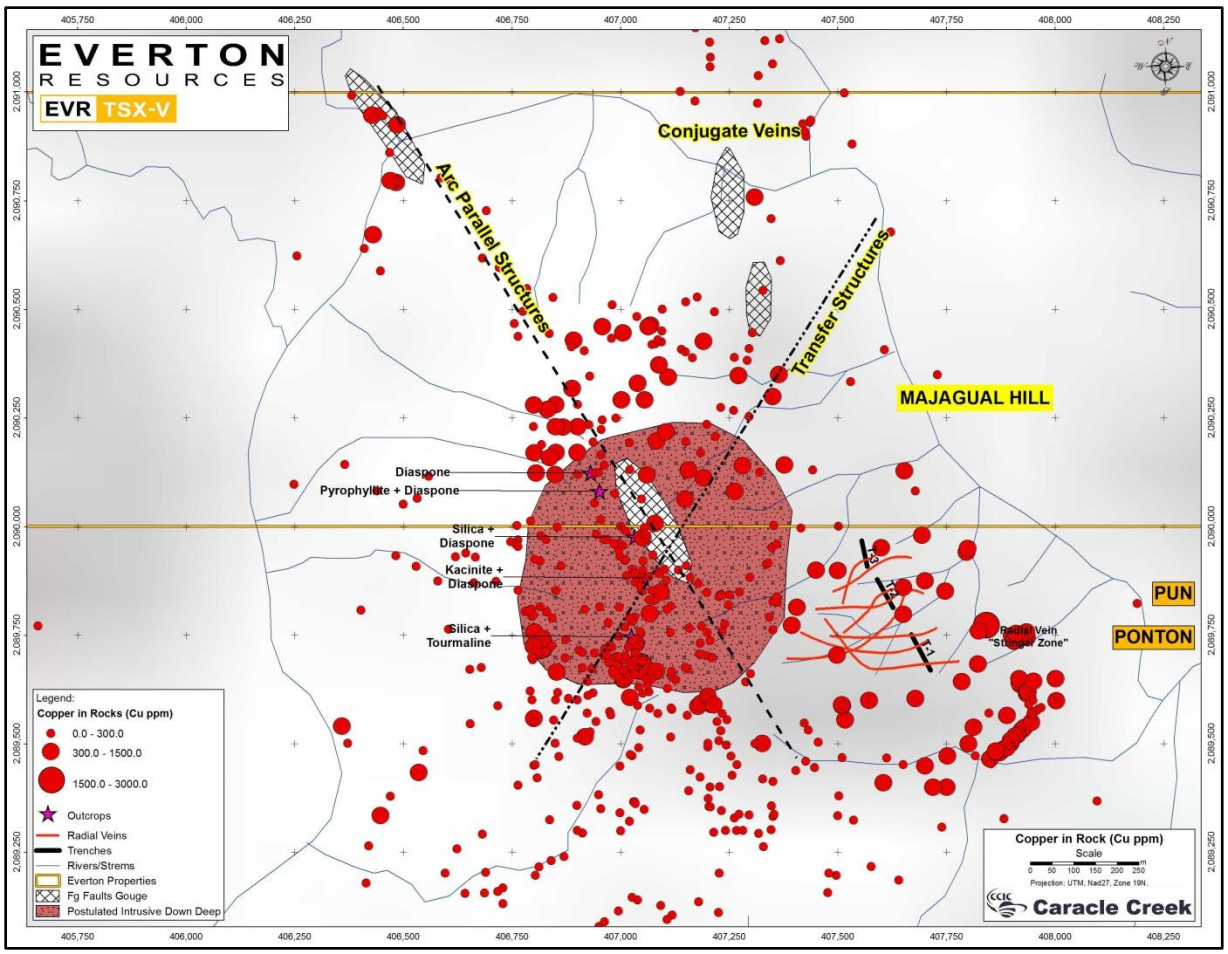


Figure 26. Cu in rock; max value 6,331.6 ppm

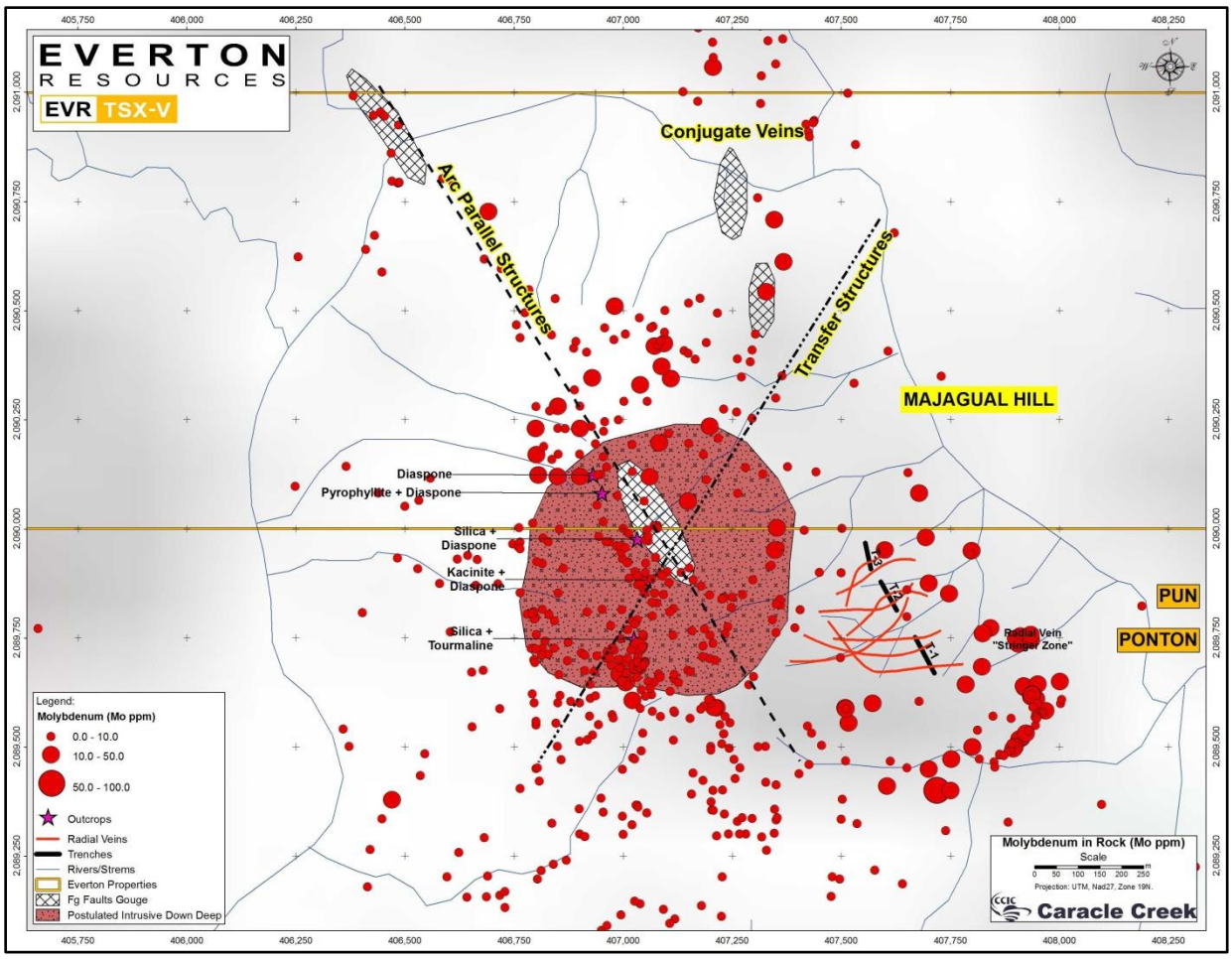


Figure 27. Mo in Rocks; max value 136.3

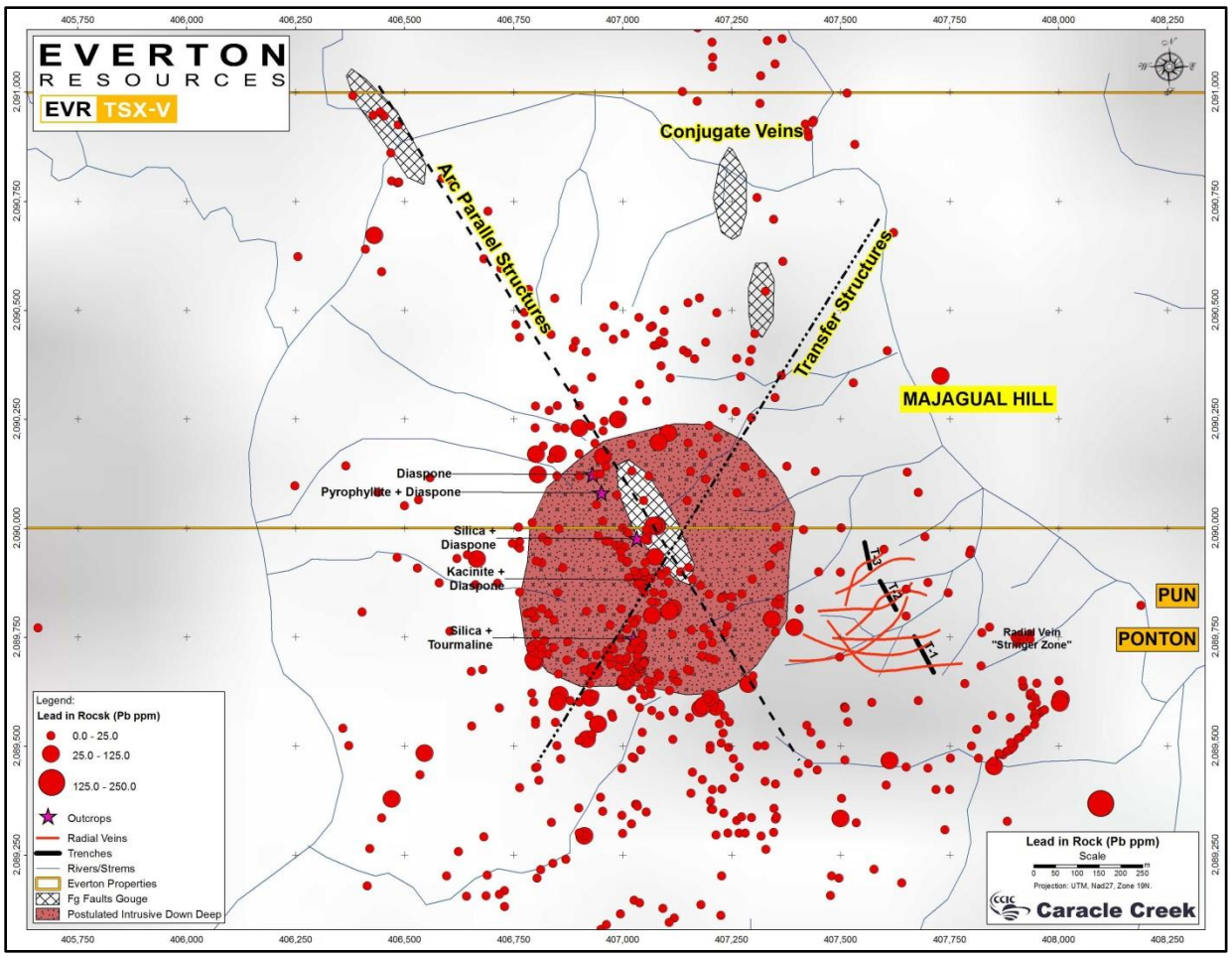


Figure 28. Pb in rocks; max value 498.1 ppm

Figure 29. Hematite veinlets with alteration

"Sulfide after specular hematite veinlet with developed clay (sericite) + pyrite after oxide halo, along vein. The rock has an intense alteration masking the original protolith. However observed abundant rounded to sub-rounded vesicular structures filled specular hematite or white clay minerals. In groundmass occur abundant tiny brownish muscovite flakes. The groundmass shows a sugary appearance, but very soft" from C3 logging.

Another important feature identified through gridded sampling at Majagual Hill is the Zn dispersion is soils over a 100m x 100m. A clear ring shaped (depletion) distribution can be observed in the Zn distribution pattern that defines the extension of the mineralized central zone delineated by the other elements (Figure 30).

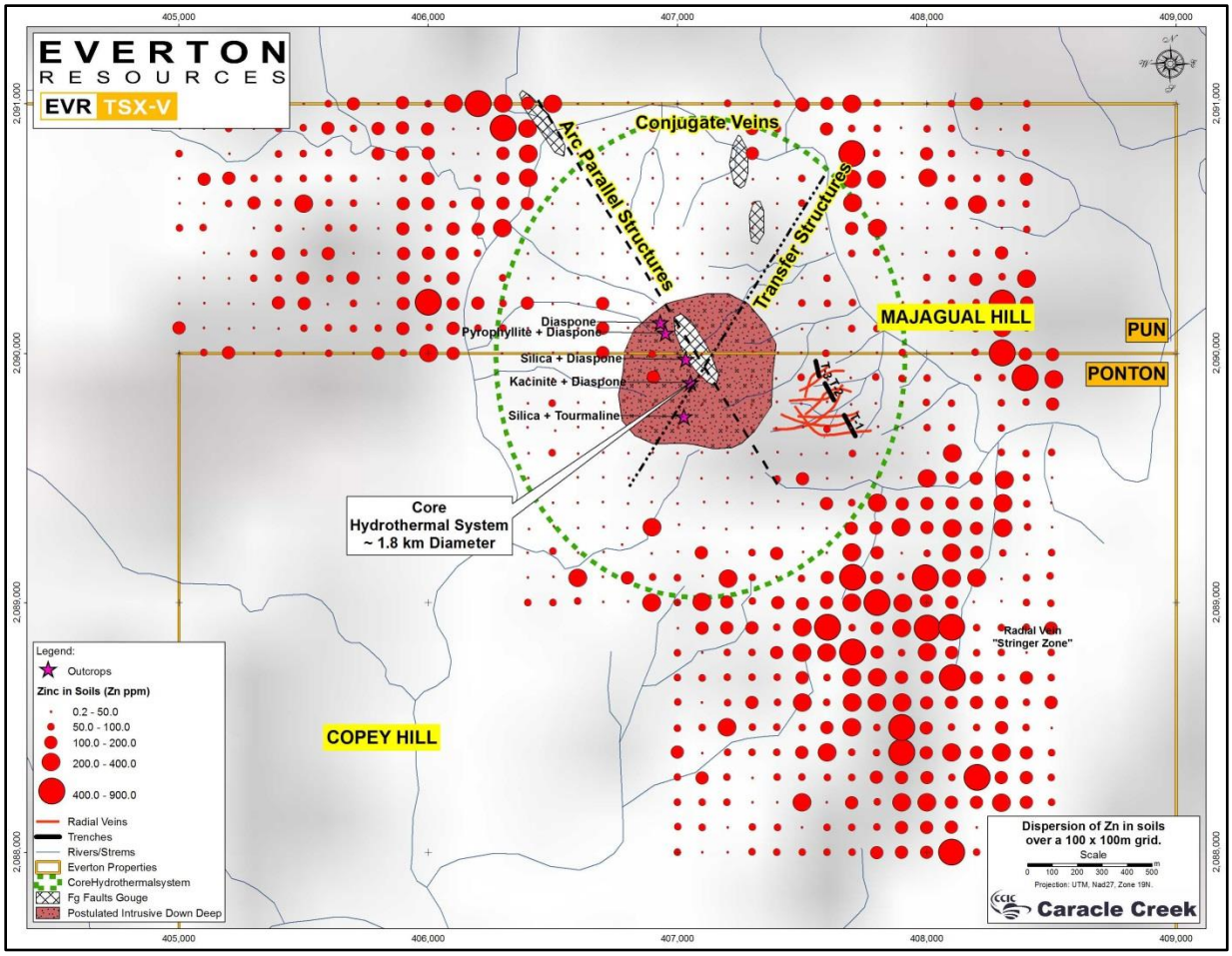


Figure 30. Dispersion of Zn in soils over a 100 x 100m grid. The geometry of this dispersion appears to indicate the extent of the mineralized centre at Majagual Hill; centre has a diamter of approximately 1.8km

6.0 CONCLUSIONS AND RECOMMENDATIONS

The previous work on the Pun-Ponton Property has returned abundant evidence of a hydrothermal system and dome emplacement at Majagual Hill. The extensional environment of island-arc evolution has favored pathways for the emplacement of volcanic structures with the capacity to generate thousands of metres thick volcanoclastic packages (Los Ranchos Formation). The complex evolution, volcanism and intrusions, and the enrichment of the magma in metals like Au-Ag-As + (Cu-Mo-Pb) has generated centres with potential to host world class deposits. The sampling and mapping programs, especially the alteration and structural mapping have delineated target areas within the system and enhanced the understanding of the prospect to the point that drill targets can be proposed as the next phase of exploration and advancement of the project.

Based on the current understanding of the Majagual target, a minimum of 5 drill holes totalling 2000 metres are proposed as the next phase of exploration (Table 1; Figure 32).

If Phase I drilling at Majagual Hill is successful in intersecting significant mineralization, there are additional areas to the NW and SE with similar geochemical anomalies that should be tested (Phase II and III; Figure 32).

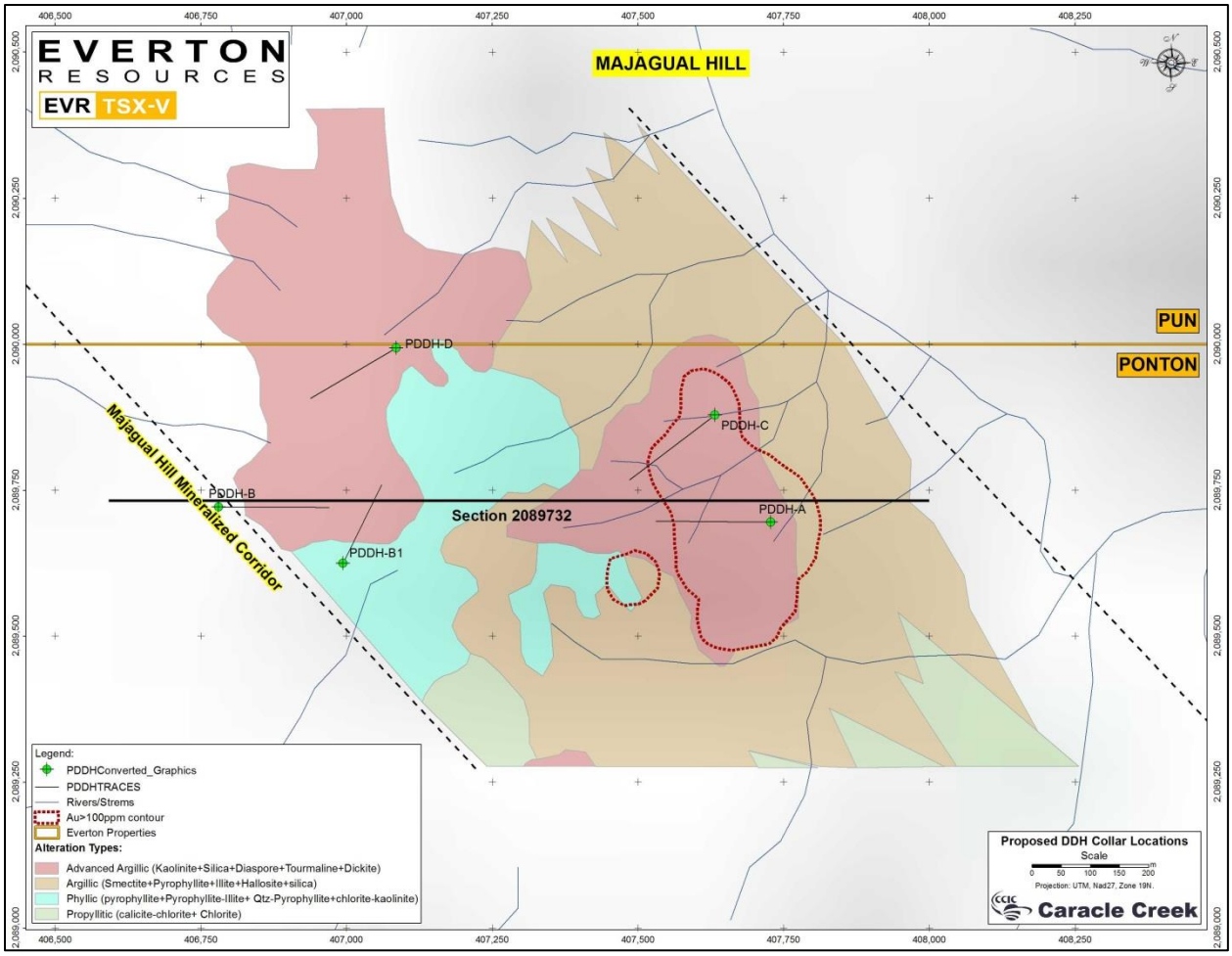


Figure 31. Proposed drill collar locations for 4 diamond drill holes at the Majagual Hill Target

Coincident with the drill program, a detailed ground geophysical IP / EM survey is proposed for the Pun-Ponton property to better understand the mineral distribution, especially at depth. There has also been considerable success with down hole IP and EM and this should be considered; using the drill hole as a platform for more detailed subsurface investigation and expansion of the area tested by a single drill hole. These types of geophysical surveys will also help identify drill targets on Copey Hill and Cumani. The Earth Probe System is capable of these types of surveys and can provide high resolution data up to 400m from surface and up to 80m off hole.

Most importantly, the existing data should be compiled into a digital 3D model to better assess the mineral distribution and should include a complete review of Copey and Cumani as well. With proper elevations of surface samples, and assay results from trench and auger samples, the three dimensional

distribution of mineralized zones can be modeled and used to best target mineralization at depth. Geophysical and drill data results can be incorporated as collected for an evolving model. In the end, a 3D model produced early in the program and iteratively updated will be an invaluable tool for drill program design and the ultimate success of a project.

Two additional phases of exploration are proposed assuming positive results of Phase I. The three proposed phases are shown in Figure 32, and are designed to follow-up on the results of the alteration mapping, sample program and structural / deposit interpretation.

Table 1. Details of the proposed Phase I diamond drill program at Majagual Hill.

Hole	UTM E	UTM N	Az	Dip	Depth (m)	Objectives	Target Area Highlights
A	407729	2089695	270	-60	400	Target to intersect a zone with intense oxidation, generated by oxidized stringer type veinlets.	Trench with 15m @ 0.3 g/t, including **1.00m@ 1.17 g/t** Au. Several Au over 0.3 g/t in soil. Continuous anomalous gold values in trenches with peak of **0.6 g/t.** Several Mo anomaly samples (rock and soil), some over 100 ppm. Several Cu over 1000 ppm in soil Advanced argillic alteration and strong iron oxide stained.
B	406781	2089724	090	-60	500	Test the upper (top) portion of the system where anomalous concentrations of Au-Ag-As-Cu-Mo-Pb converge.	Au> 200 ppb rock sample. **As> 10,000 ppm in rock *Sb> 2,000 ppm in rock *** B> 190 ppm in soil **Cu> 0.6% in rock** Mo> 136 ppm in rock Pb> 498 ppm in rock. Qtz-Tourmaline + Kaolinite + Dickite + Diaspore + Pyrophyllite alteration. Several gossanous floats ***Overlimit ACME assay**
B1	406997	2089626	025	-60	450	Same as previous	Same as previous
C	407630	2089878	235	-60	400	Drill testing based on NW-SE dilatant structures. Likely to intersect significant mineralization at depth.	Continuous anomalous gold > 0.2 g/t in trenches. Several Au over 0.3 g/t in soil with peak of **0.51 g/t.** Advanced argillic alteration and strong iron oxide staining.
D	407087	2089994	240	-60	400	Drill testing based on NW-SE dilatant structures. Likely to intersect significant mineralization at depth.	Informal working, pyrite fault gouge **Cu>0.3%** Several Au>100 ppb. Hg> 5.81 ppm (Max value in rock/ overall target). As> 250 ppm

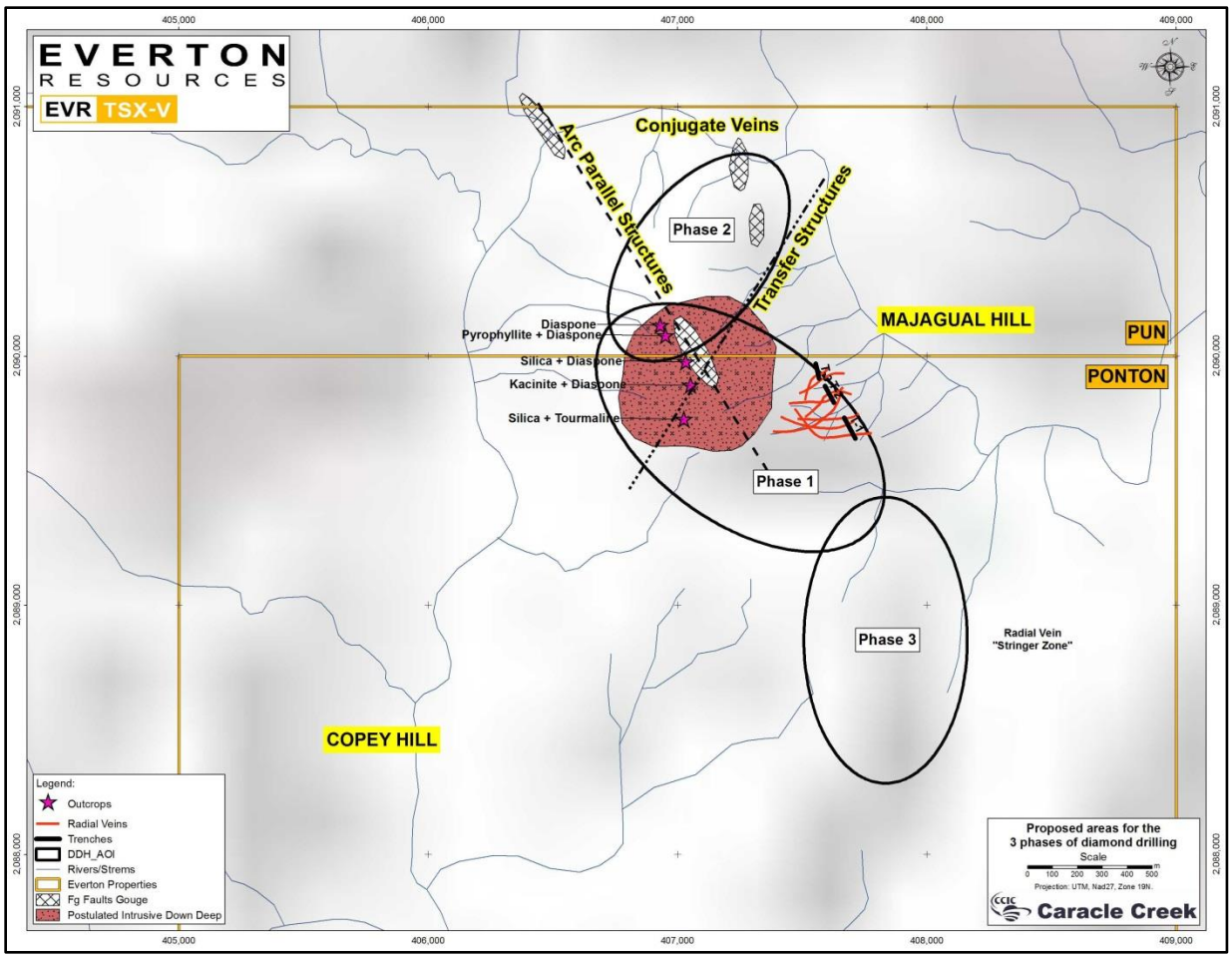


Figure 32. Proposed areas for the 3 phases of diamond drilling at the Majagual Hill target.