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April 28, 2009

Ontex Resources Limited

Metals & Mining

TSX: ONT	C$0.18
Recommendation:	**SPECULATIVE BUY**
12-Month Target:	**C$0.80**

RONALD WORTEL, MBA, P.ENG.
ron@mineralfields.com
(416) 306-5797

JONATHAN DWEK, ASSOC. ANALYST
jonathan@mineralfields.com
(416) 665-9339 x 252

Moving Closer to A Million Ounces in the Beardmore – Geraldton Gold Camp

Event:

- Initiating Coverage

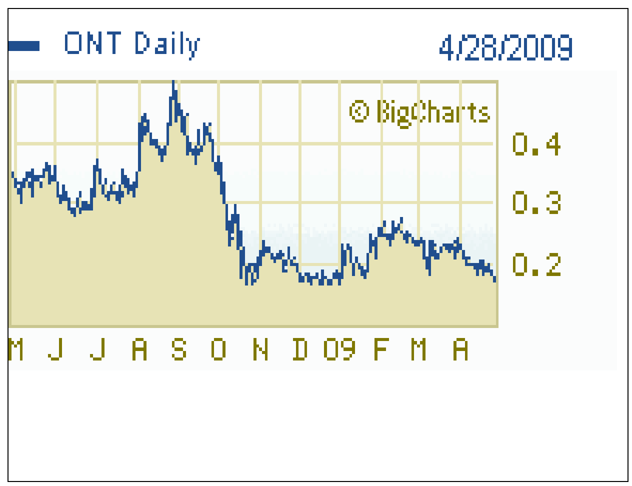
Highlights:

- Drilling delivers expanded resource on Brookbank gold project.
- 698,200 oz in main Brookbank deposit held 100% by Ontex, with 853,700 oz total resources on the project.
- Drilling resumed on project in March '09 with initial $2.3 million budget.
- Control of 35km of under explored strike length along the gold trend with numerous prospects requiring investigation.
- Revitalized gold camp with several other junior and mid cap explorers spending in excess of $20 million in 2009 attracting market attention to this long dormant area.
- Significant share ownership by management and supportive institutions.

Investment Recommendation:

We are recommending the shares of Ontex Resources Limited as a **SPECULATIVE BUY** based on its success in advancing a significant resource in an under-explored camp during a strong gold market.

52-week High-Low	C$.56-C$0.12
Shares outstanding	103,136,000
Market capitalization	C$19,595,000
Fiscal year end	December 31
Major shareholders	Management 10% Other Institutions 9% MineralFields 7%



Source: TSX

Company Description

Ontex Resources Limited is a Canadian exploration and development company with a focus on precious metals. Ontex's main project is the advancement of the Broobank gold deposit in the Beardmore – Geraldton gold camp, 200 kilometres northeast of Thunder Bay, Ontario.

Summary

Advanced project in a proven productive gold camp.

Adding ounces adds Value

Ontex Resources is a Canadian junior exploration company focused on its Brookbank gold project in NW Ontario. The project covers 35km along strike of the favourable geology hosting the Beardmore-Geraldton gold camps. This major gold camp produced over four million ounces from 14 mines but remains dormant with the last limited production in 1988. The last significant production ended in 1968. The mines closed due to economics and not a lack of gold as historic resources are known at many of the past producing mines. Only one permitted mill remains in the camp, located in Beardmore at the Northern Empire Mine held by others.

Ontex holds the largest compliant resource in the camp with 853,700 attributed ounces recently outlined on its projects. The core of this resource is its 100% owned Brookbank deposit, 698,200/oz at 6.51 g/t. Resource expansion and definition drilling will be the focus for the initial 2009 $2.345 million program which began in March 2009. This resource was recently updated and shows a gain of 23% over the 2006 value and now stands at 612,531 oz for a 3.4 g/t economic cut off (assays cut to 40 g/t gold on Brookbank and 13 g/t gold on Cherbourg.)

Based on the success of exploration on this project we estimate the 2009 program could add between 117,650 and 355,000 to the total resource value that should be reflected in share price appreciation. We also expect the program to deliver excellent individual assay results to attract investor attention.

Our analysis of the Canadian junior gold explorers sector indicates the market is valuing ounces in the ground at an average of US$29.33. Ontex is currently trading at US$17.56/oz, well below the average. Our estimated resource growth for the initial 2009 program adds $0.13 to $0.24 per share in value to Ontex at the market average and $0.38 to $0.59 at the regional camp average value. We believe this additional value should be realized by Ontex' stock in 2009. **The stock is a SPECULATIVE BUY at current price levels**.

The Company

TSX listing for a junior gold explorer is positive and a valuable asset

Ontex Resources Limited was incorporated on August 8, 1945, as Bargold Mines Limited. In January 1970, the company name was changed to Ontex Mining Limited. In 1981 Ontex changed its name to Ontex Resources Limited, and in June 1983, the company amalgamated with Brookbank-Sturgeon Mines Limited and continued as Ontex Resources Limited. Ontex common shares are traded on the Toronto Stock Exchange, symbol "ONT".

The Company's primary focus is to advance the Brookbank project to a level that attracts an experienced joint-venture partner / acquirer and sees that this asset becomes a gold producer in the near future.

Now over $20 Million in exploration conducted on the project

Current management and directors hold excellent technical backgrounds with experience in finance, exploration and mining with a strong focus on corporate growth. A recent up turn in both gold prices and investor sentiment provided management with the ability to renew the growth in the company by aggressively pursuing both the exploration and development potential of their assets.

Projects

35 km of strike in a 4 million ounce producing camp

THE BROOKBANK GOLD PROJECT

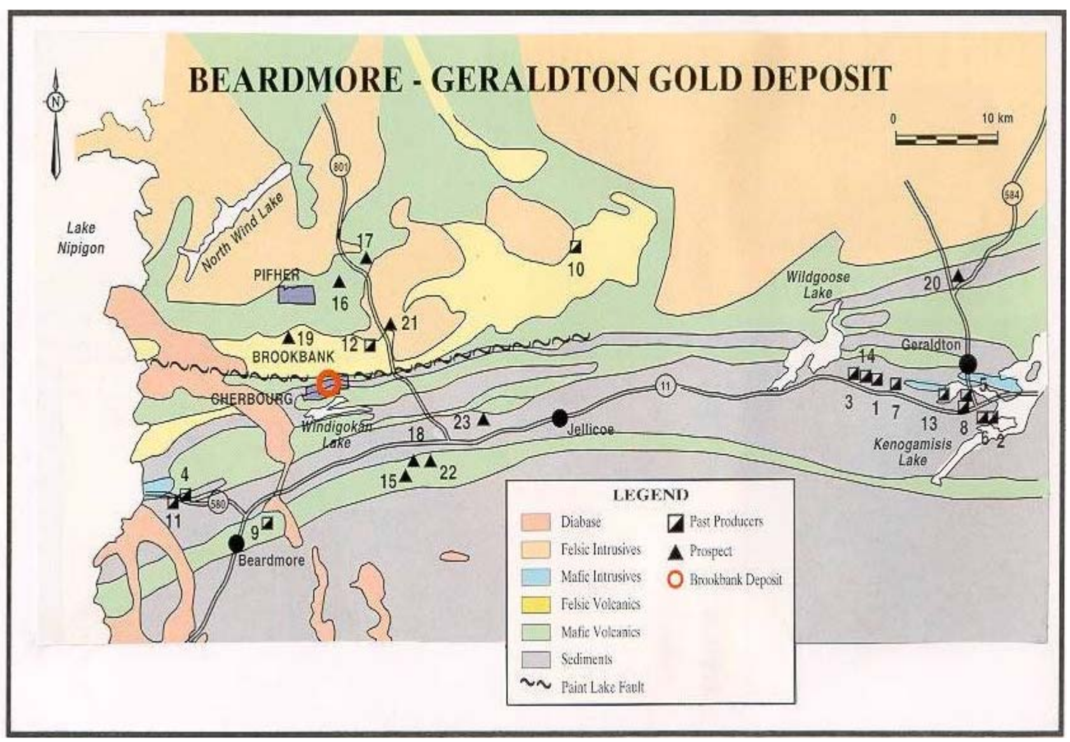
Located in the heart of the prolific Beardmore-Geraldton Greenstone Belt is one of the largest undeveloped resources of Northern Ontario: The Brookbank Gold Deposit is 100% owned by Ontex.

This property covers a 35km strike length of favourable geology and structure and is known to host a NI 43-101 compliant indicated and inferred mineral resource of 2.3 million tonnes of grading 9.1 g/tone un-cut containing 678,424 ounces of gold at a cut-off grade of 3.4 g/tonne on a 100% basis.

The earliest known work on the Beardmore-Geraldton properties was by Connell Mining and Exploration Co. Ltd. who carried out a program of surface trenching and limited diamond drilling in 1934. In 1944, Noranda Exploration Company Limited (Noranda) conducted surface exploration that included detailed mapping, trenching and 1,857 m of diamond drilling in 40 holes.

Figure 1: Location of the Brookbank Project and the Beardmore-Geraldton Gold Camp

Located along one of Ontario's major gold bearing structures



Source: Company reports

Geological Setting:

Typical Archean Lode

The Brookbank Property is within the Beardmore-Geraldton Gold District straddling the boundary between the Wabigoon and Quetico Belts of the Superior Structural Province. The geology of the area is dominated by isoclinally folded east-west trending *gold deposits associated with major crustal breaks*

metavolcanic and metasedimentary rocks of Archean age that are bound by felsic granitoid intrusions of Archean and Early Proterozoic age. The area has been subjected to heterogeneous, locally intense brittle and ductile deformation and faulting within east-west trending shear zones.

The Brookbank Property is underlain predominantly by east-west trending and steeply south to vertically dipping metavolcanic and metasedimentary rocks. The metavolcanic rocks are locally intruded by quartz-feldspar porphyritic dykes. The northern domain metasedimentary belt consists mainly of polymictic conglomerate. Intermediate to mafic intrusions cut the metavolcanic and metasedimentary rocks in the central part of the Brookbank Property.

The Brookbank Property is transected by an east-west-trending zone of extensive heterogeneous brittle and ductile deformation and hydrothermal alteration that hosts the main mineralization and is referred to as the “Brookbank Shear Zone”. Deformation is locally in excess of 1 km wide and consists of anastomosing bands of intense fissile shearing, quartz veining and fracturing with associated ductile deformation around domains of less deformed metavolcanic and metasedimentary rocks. (see Figure 2)

Mineralization:

The Beardmore-Geraldton and Tashota-Onaman greenstone belts produced over 4.10 million ounces of gold from 14 past producers since commencement of production in the mid 1930’s. [See Table 1] Production of gold has been from discrete quartz veins, iron formations, shear zones and porphyry-related mineralization. All of the gold mineralization is associated with sulphides. The bulk of the known mineralization appears to be structurally controlled.

Resource drilling is expanding the Brookbank and Cherbourg Zones

The most notable mineralization in the Brookbank Shear Zone are the Brookbank Gold Deposit and the Cherbourg and Fox Ear Veins. They occur within one of several bands of intense deformation and hydrothermal alteration at the contact between domains of mafic flows and polymictic conglomerate. The main structural break between the Cherbourg and Foxear zones occurs over a strike length of 6.5 kilometres and is known to hold significant gold mineralization.

Location and Access:

Easy access for exploration and future development in a mining camp

The Brookbank property consists of a 35 km long continuous block of staked and leased claims in Irwin, Sandra, Walters and Leduc Townships extending north of the Trans Canada highway (Hwy 11) between Beardmore and Jellico, northern Ontario. The Brookbank Gold Deposit is situated in the western third of the property in the central part of Irwin Township.

The Brookbank Property can be accessed by a series of gravel roads extending north from the Trans Canada Highway. The highway extends east - west adjacent to the main Trans Continental line of the Canadian National Railway and the Trans Canada Pipeline. An airport is located in the community of Jellico, approximately 20 km southeast of the property. The Brookbank Gold Deposit can be accessed from Windigokan Lake Road that extends 12 km north from the Trans Canada Highway, 14 km east of the town of Beardmore. (see Figure 1)

A fully permitted 200 ton per day crushing, grinding and cyanidation mill is located in Beardmore and is currently on care and maintenance. The entire infrastructure required to operate a gold mining operation is therefore situated within close proximity to the property.

Fourteen historic mines produced over four million ounces of gold at a good average grade of 0.37 oz per ton

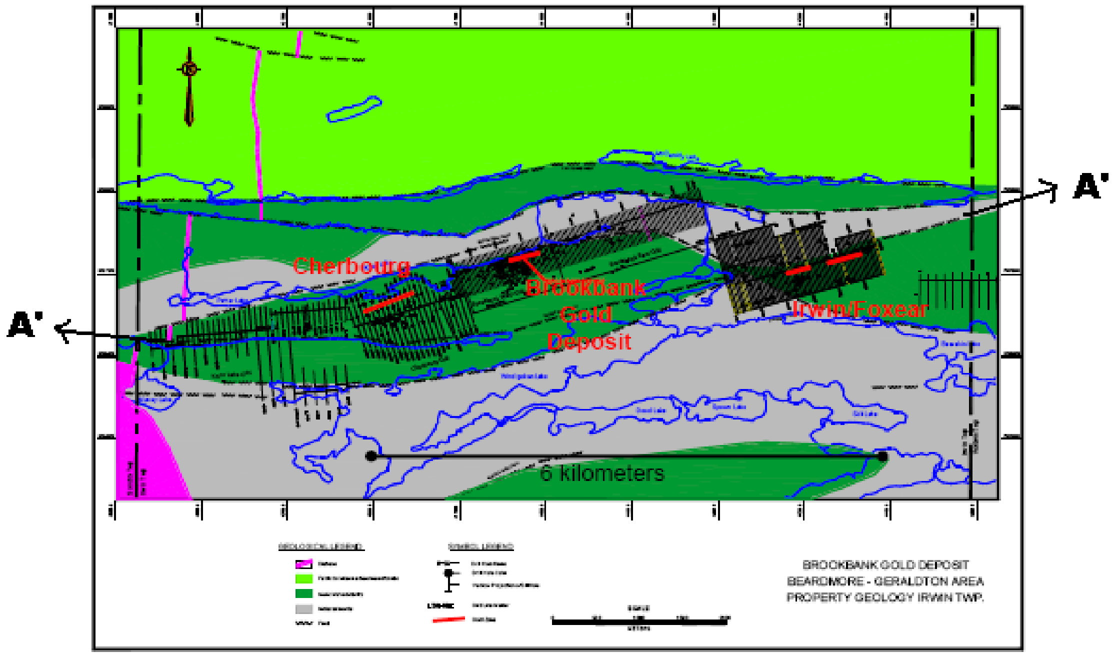
Table 1: Past Gold Production Beardmore-Geraldton Belt/Tashota-Onaman Belt

Past Producers	Years Active	Ounces of Gold Produced	*Tons of Ore Milled*	Average Grade Oz gold/ton
1/ Bankfield	1937-42, 1944-47	66,417	231,009	0.29
2/Hard Rock	1938-51	269,081	1,458,375	0.18
3/ Jellicoe	1939-41	4,238	10,620	0.4
4/ Leitch	1936-68	847,690	920,745	0.92
5/Little Long Lac	1934-54, 56	605,499	1,780,516	0.34
6/MacLeod-Cockshutt	1938-68	1,475,728	10,337,299	0.14
7/Magnet Consolidated	1938-43, 1946-52	152,089	359,912	0.42
8/Mosher Long Lac	1962-66	330,265	2,710,657	0.12
9/Northern Empire	1934-41, 49	149,493	425,866	0.35
10/Orphan (Dikdik)	1934-35	2,460	3,525	0.7
11/Sand River	1937-42	50,065	157,870	0.32
12/Sturgeon River	1936-42	73,438	145,123	0.51
13/Talmora-Long Lac	1942, 1948	1,417	6,634	0.21
14/ Tombill	1938-42, 55	69,120	190,622	0.36
TOTALS		4,097,000	18,738,773	Av. 0.37

Source: Company Reports

Extensive work conducted on the known deposits

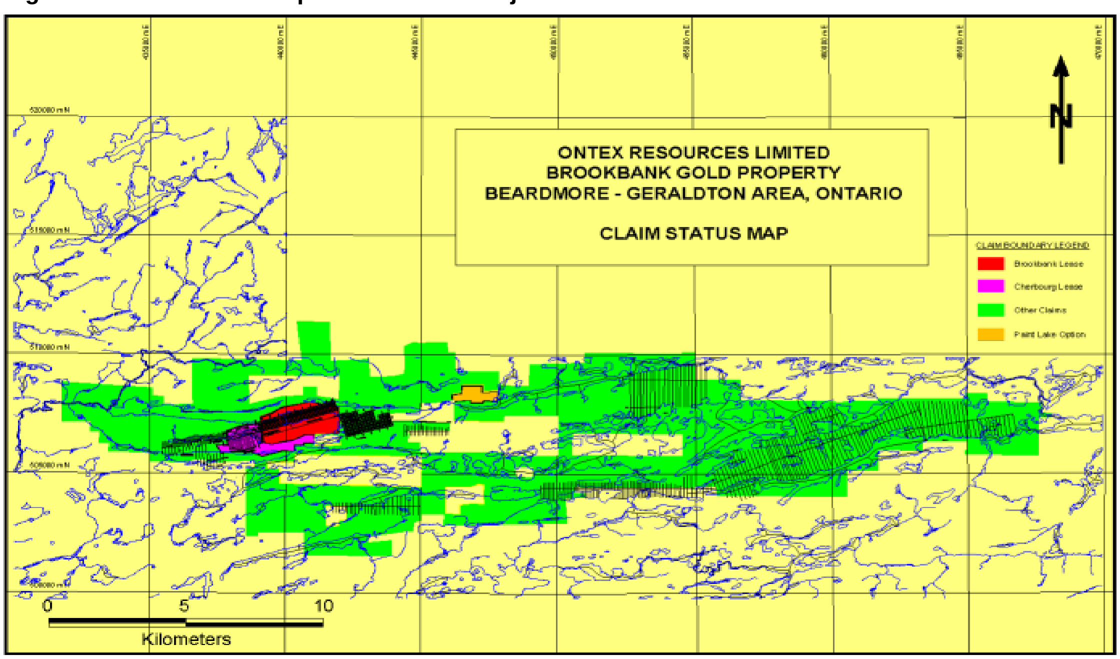
Figure 2:Local Geology – Brookbank Gold Project



Source: Company reports, for section A – A^1 see figure 4

Large continuous land position

Figure 3: Claim Status Map – Brookbank Project



Source: Company Reports

Metallurgical Testing

In 2006 Lakefield confirmed recoveries of 28% by gravity and 96.5% by gravity and cyanidation

Wittech Development Inc. completed a study of mineralogy and metallurgy for Hudson Bay Mining and smelting Company Limited. The mineralogical studies indicated that the precious metal mineralization consisted of gold-silver particles with an approximate gold to silver ratio of 80:20 occurring primarily as late fracture controlled mineralization, on grain boundaries and as free gold. The metallurgical test work indicates that excellent recoveries can be obtained at grinds of approximately 85% -200 mesh using direct cyanidation. The ore should present no major metallurgical difficulties. The specific gravity of the mineralized core has been calculated to be 2.76 g/cm^3.

Mineral Resource Estimates, Brookbank Property

In 2006, John P. Thompson and Associates, using a longitudinal section methodology, estimated an Indicated and Inferred Mineral Resource for the main Brookbank Gold Deposit using cut-off grades of 2.0 g/t, 3.0 g/t, 4.5 g/t and 6.0 g/t gold and a radius of influence of 25 meters to calculate the Indicated Resource and 50 meters for the Inferred Resource. Intercepts less than the minimum width of 1.5 meters were expanded at zero grade to the minimum width, keeping in mind the minimum grade requirement.

John P Thompson and Associates also estimated an Indicated and Inferred mineral resource at 2.0 g/t and 3.0 g/t gold cut-off grades for the Cherbourg and the Irwin – Foxear mineralized zone. (see Table 2)

Table 2: 2006 Resource at 2.0 g/t cut off

	Indicated			Inferred			Combined		
Zone	Tonnes (metric)	Grade g/t Au	Oz Gold	Tonnes (metric)	Grade g/t Au	Oz Gold	Tonnes (metric)	Grade g/t Au	Oz Gold
Brookbank	1,325,000	7.4	314,000	931,000	7.0	209,000	2,256,000	7.2	523,000
Cherboug	153,000	6.6	32300	288,000	6.1	56,900	441,000	6.3	89,200
Irwin Contact	45,000	5.1	7,400	53,000	4.3	7,300	98,000	4.7	14,700
Irwin Breccia				77,000	5.1	13,000	77,000	5.1	13,000
Foxear	143,000	4.2	19,200	273,000	4.0	35,600	416,000	4.1	54,800
Total	**1,625,000**	**7.1**	**372,900**	**1,622,000**	**6.2**	**321,800**	**3,247,000**	**6.6**	**694,700**

Source: Company reports

Table 3: March 2009 Resource at 2.0 g/t cut off

Summary of Mineral Resources at 2.0 g/t Au Cut-Off High Assays Un-Cut									
Zone	Indicated			Inferred			Combined		
	Tonnes	Au g/t	Au oz	Tonnes	Au g/t	Au oz	Tonnes	Au g/t	Au oz
Brookbank Gold Deposit	1,517,000	8.0	390,800	1,817,400	5.3	307,400	3,334,400	6.5	698,200
Cherbourg Zone	88,600	5.7	16,200	322,800	5.7	59,400	411,400	5.7	75,600
Foxear Zone	189,700	2.9	17,900	385,400	2.8	34,300	575,100	2.8	52,200
Irwin Zone	45,000	5.1	7,400	130,000	4.9	20,300	175,000	4.9	27,700
Total Resources	**1,840,300**	**7.3**	**432,300**	**2,655,600**	**4.9**	**421,400**	**4,495,900**	**5.9**	**853,700**

Source: Company reports

Drilling increased resources and dimensions of the deposits

A new 43-101 compliant resource estimated by Scott Wilson Roscoe Postle Associates Inc. was received recently on the Brookbank Gold Deposit, Cherbourg Zone and Foxear Zone. The Irwin Zone resources remain estimated in the 2006 NI 43-101 report. The total property mineral resources stand at 432,300 ounces of indicated and 421,400 ounces of inferred resources at a 2 g/t gold cut-off grade. The new NI 43-101 compliant technical report is to be completed and filed soon.

Three recent diamond drilling programs comprising 35 drill holes totaling 10,510 meters have increased the total mineral inventory by 23% over the equivalent 2006 resource estimate. The 2009 Brookbank Gold Deposit property total gold resource at a 2.0 gram per tonne cut-off grade with high values not cut are provided in Table 3 for comparative purposes with the 2006 resource in Table 2.

For Brookbank, Cherbourg, and Foxear Deposits, Scott Wilson RPA has estimated both the uncut and cut gold Indicated and Inferred Resources for 2.0, 3.0 and 3.4 grams per gold cut-off grade. The new Scott Wilson RPA NI 43-101 compliant Indicated and Inferred mineral resources at a 3.4 g/t cut-off grade, conforming to the CIM Definition Standards for Mineral Resources dated March 25, 2009 are presented in Table 4.

The recent drilling has expanded the mineral resources along strike by 200 meters towards the east. The main Brookbank Gold Deposit model now has gold mineralization over a strike length of 800 meters and to a depth of over 800 meters. Scott Wilson RPA has recommended 43 strategically designed holes be drilled on the Brookbank Property to add gold resources to inventory and to upgrade Inferred resources to the Indicated category. Drill and camp mobilization for a $2.3 million diamond drilling program designed to further increase the gold resources on the property and bring the project closer to a potential production decision is now mobilizing. Ontex continues to hold the largest gold resource in the Beardmore-Geraldton Gold Belt and with the new NI 43-101 proving the potential of their excellent land position.

Table 4: March 2009 Resource at 3.4 g/t economic cut off

Summary of Mineral Resources at 3.4 g/t Au Cut-Off High Assays Un-Cut									
Zone	Indicated			Inferred			Combined		
	Tonnes	Au g/t	Au oz	Tonnes	Au g/t	Au oz	Tonnes	Au g/t	Au oz
Brookbank Gold Deposit	1,217,400	9.9	387,000	813,100	7.9	205,600	2,030,500	9.1	592,600
Cherbourg Zone	79,900	10.4	26,800	141,200	10.5	47,900	221,100	10.5	74,700
Foxear Zone	34,500	4.3	4,700	54,200	3.7	6,500	88,700	3.9	11,200
Irwin Zone	32,000	5.5	5,700	83,000	6.2	16,600	115,000	6.0	22,300
Total Resources	**1,363,800**	**9.7**	**424,200**	**1091500**	**7.9**	**276,600**	**2,455,300**	**8.9**	**700,800**

Source: Company reports

Ontex holds the main Brookbank deposit 100% on its 18 leased claims. The remaining land package is held in joint venture with Metalore Resources with Ontex currently holding 74% (see Table 5). During the last exploration program in 2008, Metalore only funded its portion for the work conducted on the Cherbourg deposit, and this is expected again for the 2009 program. This will see Ontex increase its ownership in the remaining package. Ontex gains 1% for every $20,000 spent on the properties. Thus a modest expenditure on the remaining lands will see Ontex get to a 90% interest where Metalore will be reduced to a 1.5% NSR on the claims in Walters, Leduc and Legault Townships and 1.0% NSR on the Sandra and Irwin Township claims. This is an effective and inexpensive proposition to secure 100% interest in the large land package, the known resources at Foxear and Irwin and the potential of this belt. We may also expect Ontex to increase its ownership in the Cherbourg deposit as the markets remain soft for Metalore to finance is portion of the exploration in 2009 and beyond. These factors are included in our estimates for resource growth.

TABLE 5: Summary of Claim Status, Brookbank Property

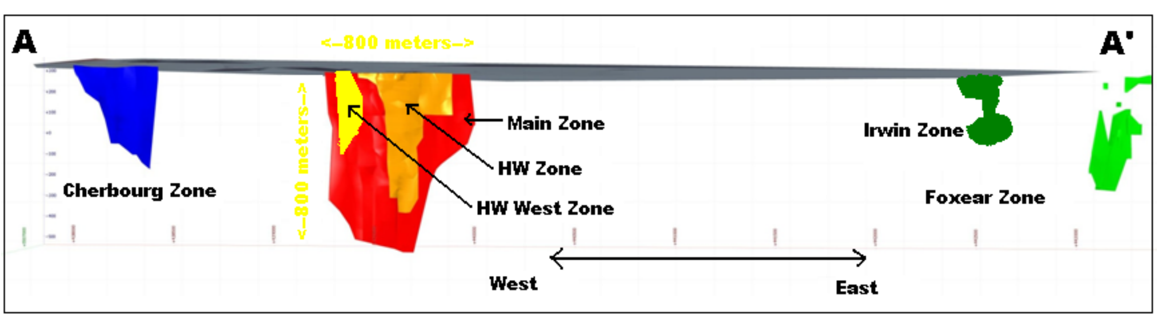
Property	Township	# of claims	Ontex Interest before vesting	Ontex Interest after vesting
Brookbank Leases	Irwin	18	100% [1]	100% [1]
Cherbourg Leases	Irwin	15	10% [2]	74% & 10%NPI [2]
Cherbourg – Foxear Option Mining lease Staked claims	Irwin & Sandra	 44 178	-	74% [3]
Walters – Leduc Option Staked claims	Walters, Leduc & Legault	427	-	74% [4]
Paint Lake Leases	Walters	6	-	Right of first refusal
	TOTAL	688	claims	

Source: Company reports

Increasing ownership of resources through exploration, spending and dilution of the JV partner

Notes
1: Subject to a 1% net smelter return royalty to Metalore Resources Ltd.
2: The 10% net profits interest royalty is held through 85.7% controlled Cherbourg Gold Inc.
3: Option exercisable from Metalore Resources by expenditure of $1.0 million over 4 years. Completed.
4: Option exercisable from Metalore Resources by expenditure of $500,000 over 4 years. Completed

Figure 4: Longitudinal Section, Known Mineralized Zones



Source: Company Reports. See figure 2 for location and selection.

Exploration

Exploration results from the entire project continue to return gold grades higher than average resource grades – expect an increase in total resources

The entire Brookbank drill hole database contains approximately 550 holes completed between 1982 and 2008 by a succession of different operators of which about 325 holes fall within the main deposit area. The Brookbank Deposit has been tested over a strike length of about 700 meters and generally to a depth of 600 meters but also by one drill hole to a depth of 850 meters below surface. The mineralization occurs over a strike length of about 800 meters in highly altered mafic volcanic rocks adjacent to a metaconglomerate contact. The dip of the gold mineralized structure varies from -80^0 south to vertical and perhaps even swings back to a northerly dip at depth.

The deposit remains open along strike and to depth. With the current higher gold price we expect this deposit to yield more ounces through drilling on the flanks of the resource. This is the main focus for the first half of 2009 (see Figure 4). The company is also planning to conduct an IP survey over the Brookbank deposit in order to get its "signature" for continuing IP surveys across the property in hopes of finding another such deposit. The Brookbank shear zone remains open for several km to the east where no drilling exists. This zone provides a high priority target for drilling and discovery of near surface ounces. A gold occurrence is mapped with in a km north of the Brookbank deposit near the Paint Lake Fault. This all provides a target within close proximity.

Deposits to expand

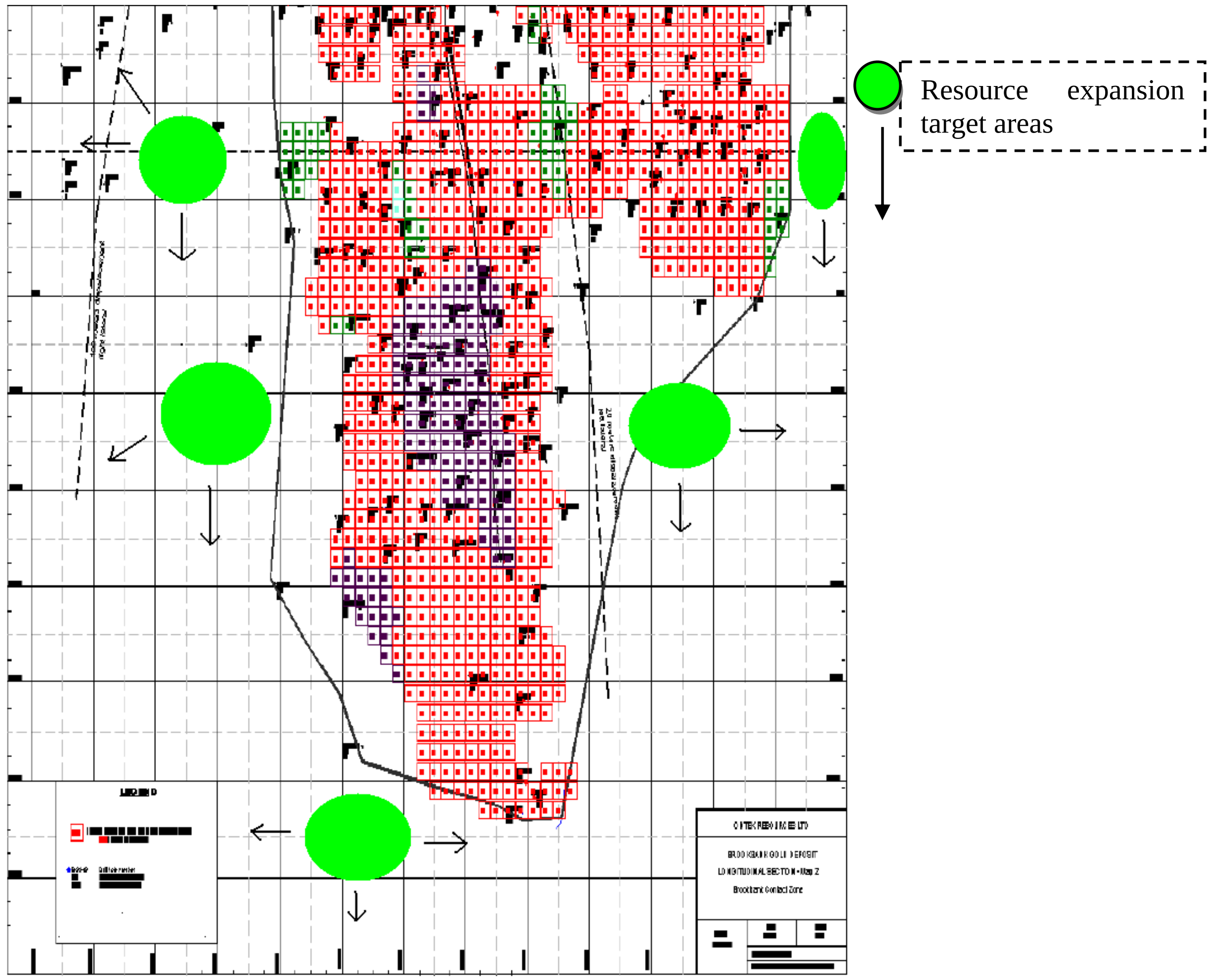
The Cherbourg Showing occurs about 1 kilometre to the west of the Brookbank Deposit. The Cherbourg Zone is tested over a strike length of about 700 meters and generally to a depth of 300 meters but also by one drill hole to a depth of 450 meters below surface. The mineralization occurs over a strike length of about 500 meters in highly altered and sheared mafic volcanic rocks, stratigraphically situated above the metaconglomerate suite of rocks. The dip of the gold mineralized structure varies from -75^0 south to nearly vertical (Figure 4). The plunge of the mineralization is still unclear, but may be steep to the west.

Diamond drilling has intersected three separate structurally controlled mineralized zones within the Cherbourg stratigraphic sequence; the Cherbourg vein, the North Vein and the Contact vein. Only the Cherbourg vein appears to possess sufficient continuity to potentially host significant mineralization in the area drilled off. Only drill hole C-99-06 intersected mineralization above 3.0 g/t over 1.5 meters in the North vein and Contact Zone. This deposit remains open to depth and this will be tested in 2009.

The Foxear Zone comprises the Foxear and Irwin areas and is located about 3.5 kilometres east of the Brookbank Deposit on the same structural break. The mineralization has been tested over a strike length of about 300 meters and generally to a depth of 400 meters but also by one drill hole to a depth of 650 meters below surface. The mineralization occurs over a strike length of about 200 meters in highly altered mafic volcanic rocks adjacent to a metaconglomerate contact. The dip of the gold mineralized structure varies from -80^0 north to vertical and appears to plunge steeply to the west.

Brookbank deposit remains open on strike and to depth

Figure 5: Brookbank Deposit Resource and Expansion Target Areas



Source: Company reports

Exploration Projects

The Company holds two gold exploration projects outside of the Beardmore camp. One is located in the Timmins camp – Deloro, the other in the Val d'Or camp – Bartec. The Company does not plan to conduct any exploration on these projects in 2009 and could look to divest these non-core assets.

Oil and Gas Investment

The Company owns a 7,037,346 common shares in a public oil and gas company Echo Energy Canada Inc. (EEI.TSX) operating in Ontario. This direct interest gives Ontex a modest revenue stream of approximately $2000 per month. This does help to cover yearly operation expenses of $700,000 million. The market value of the public Company is at a multi-year low and it would not bring a significant cash influx if the investment is sold, if this were possible in the current market. A recent change in management may encourage Ontex to look for a buyer of its stake.

Several exploration programs are underway in the region and should attract market interest with good results.

Regional Exploration

There are several other exploration programs for gold underway in the Beardmore – Geraldton gold camp. The area attracted significant attention with the discovery of the Golden Mile and Hercules projects by Kodiak Exploration. The market is awaiting the first resource estimate for this new high grade gold discovery located to the north of the main mineralized trends in a different geological setting. Along the trend of these discoveries and to the NW, Sage Gold also discovered high grade surface showings within quartz veins and is currently extending the known veins through basic prospecting and mapping. Results from this sampling program are getting market attention. To the east in the Geraldton Camp a recent entrant into the camp, Premier Gold is working the Hardrock mine project and reporting excellent grades and widths in their near surface drilling program. This project is a joint venture with Roxmark Mines, another significant land and resource holder in the camp. Roxmark is also working on its 100% held Northern Empire mine project with the hopes of restarting production in this camp in the near term. We expect that over $20 million will be spent by these other groups in the camp over the next year and this should bring additional attention in the market to the companies exploring in this gold camp.

Directors and Management

Management is focused on creating value from the Brookbank Gold project through exploration and leveraging their position in the Beardmore gold camp

Management and related parties hold close to 10% of the outstanding shares of Ontex – a substantial commitment to the Company

Gary Conn- Chairman, CEO, and Treasurer

- mining executive with over 30 years of experience in project and company management
- CEO since 1998 solved the legal issues with Metalore in 1997 to allow for the advancement of the Beardmore projects.
- Significant shareholder with in excess of 5 million shares held

John Thompson – President and COO

- Geologist and Engineer with over 30 years of varied experience
- Over 15 years in executive management positions in public companies includes more than three years as President and CEO of a TSX listed company.

Robert Monemarano – Director

- Vice President of Lakeview Homes Inc., Director of Armada Data Corp. ARD – TSX.V
- Significant shareholding in family with over 4 million shares held.

Jason Evdoxiadis - Director

- Broker of Record for Ashlar Doxa Realty Inc.
- Significant shareholder and representative of shareholding group of close to 5 million shares.

Denis Crane – Director

- President of Country Heritage Forest Products Ltd. Director of Strike Minerals STK-TSX.V, a gold company active in the Wawa camp.
- Significant shareholder with close to 5 million shares held.

Share Structure and Financial Position

Strong cash position with $3 million in hard

The Company's shares outstanding total approximately 103 million with 114.3 million fully diluted. At the current share price of 20c this equates to a market capitalization of $21.1 million. This share structure includes two sets of warrants: 3.6 million at 60c expiring November 2009 *dollars and over 2.3 million in exploration funds.*

and 1.25 million at 65c expiring September 2001 and about 6.5 million options at an average price of 31.5c. Cash on dilution totals approximately $4.5 million.

Their cash position stands at over $2 million in hard funds, a very good position for a junior in the current market. They also hold $2.345 in flow through funds for the 2009 exploration program.

Valuation

Ontex is a junior gold exploration company with projects in Ontario. In order to value the company we look at the value the market is paying for resources in the ground in the current market. Our analysis of this market includes 85 juniors with gold resources as shown on Figure 6 with a focus on Canadian gold plays. This group yields and average enterprise value (EV) to total resource base of US$29.33 per ounce in the ground. In this same chart we can see that Ontex is trading at US$17.56 per ounce [ONT] and is about in the middle of the group for its current resource. These initial values suggest that based on current resources Ontex is trading at a discount to the group average and could appreciate by 40% to reach market average prices. The Company reported a new resource values for both the Brookbank and Cherbourg deposit recently that saw a 23% increase in total resources. The Company is expected to complete over $2.3 million in exploration on these deposits in 2009 producing new results for the new resource reports expected next year.

Our in the ground valuation analysis also looks at quality of the resource. The adjusted resource base discounts the total resources of a company based on the whether the resources are known as reserves, measured and indicated resources or inferred and historic resources. Higher value is ascribed to higher quality or certainty of the resources. The group average on an adjusted total resources basis is US$ 49.15/oz (See Figure 7). Ontex is trading on this basis at US$ 28.17/oz, again in the middle of the pack but below the group average. We could expect an appreciation of 48% in Ontex's valuation to be at the group average.

Drilling to expand resources in 2009 finding cost basis

Table 6: Resources and Expansion Potential

	Existing Ont Resource	Projected Ont Resource A[1]	Projected Ont Resource B[2]	Projected Ont Resource C[3]
Existing Resource	853,700	853,700	853,700	853,700
2009 Additions		117,650	250,000	355,000
% Change		13.80%	29.30%	41.60%
Total Resource	**853,700**	**971,350**	**1,103,700**	**1,208,700**

Source: Company Reports and FCS estimates

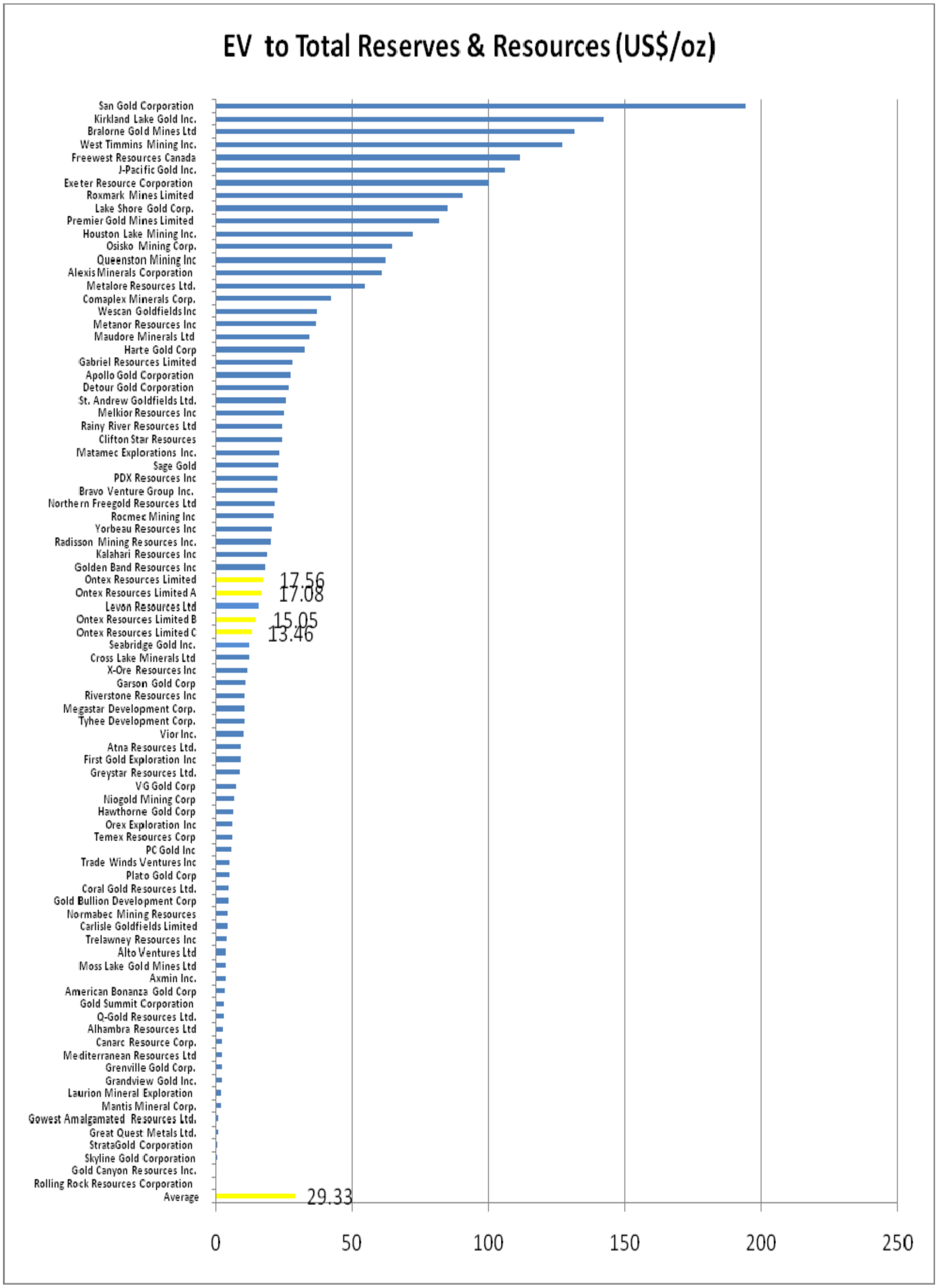
[1]ONT_A – Expected H1/10 total resources based on 2009 $2million budget and $17/oz historic estimated finding costs.

[2]ONT_B – Expected H1/10 total resources based on 2009 drilling expenditures and $18/oz finding costs

[3]ONT_C – Expected H1/10 total resources based on 2009 expenditure of $2M and FCS estimated $5.65/oz finding costs

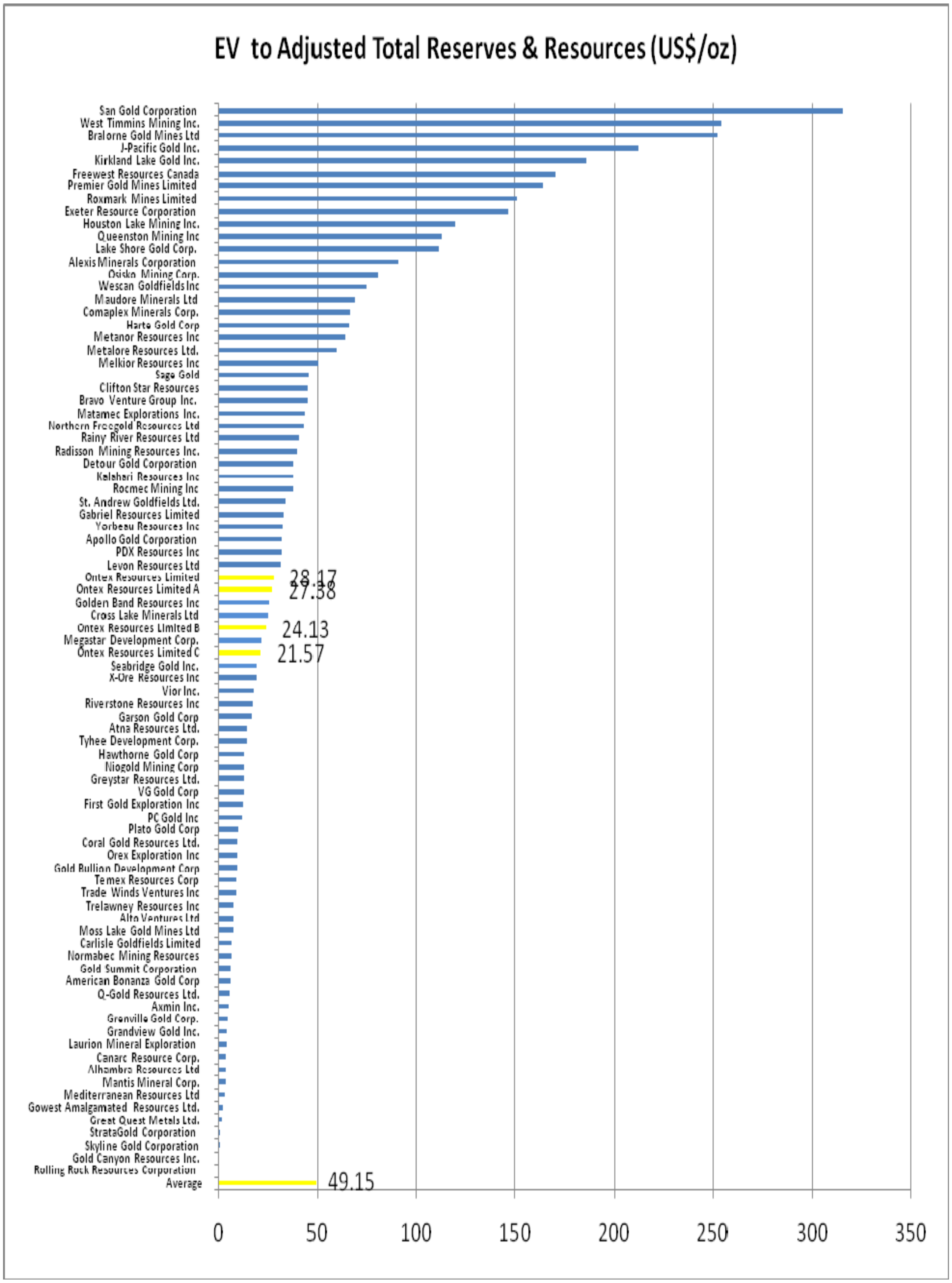
Figure 7: Junior Comparables on a Total Resource Basis

Some project in the region are garnering valuations twice the regional average



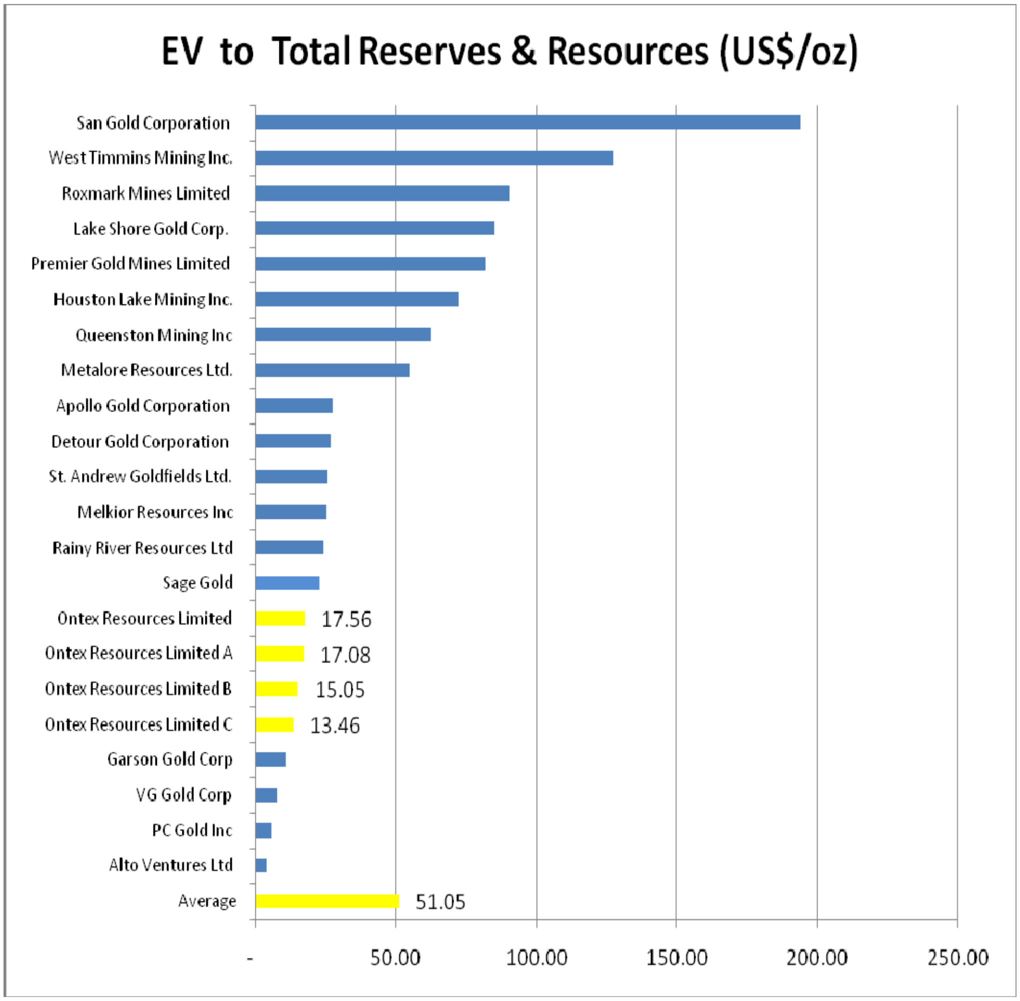
Note: See table 6 for explanation of ONT_A, ONT_B, and ONT_C
Source: FCS estimates

Figure 6: Junior Comparables on an Adjusted Resource Basis



Note: See table 6 for explanation of ONT_A, ONT_B, and ONT_C
Source: FCS estimates.

Figure 8: Regional Comparables on a Total Resource Basis



Note: See table 6 for explanation of ONT$_A$, ONT$_B$, and ONT$_C$
Source: FCS estimates

Ontex holds the potential to significantly increase gold resources from the existing 853,700 ounces to 1 million plus ounces with the 2009 diamond drill program.

If one Assumes: a drill interval of 50 meters between centers, which is close enough to put the gold mineral resources intersected into the Inferred category, and a 3.5 meter true width average mineralization thickness. This develops about 24,000 tonnes of ore per drill hole. Also assume a 40 drill hole, 15,000 meter drill program in 2009.

Resource expansion with drill block basis

1) At a 2.0 g/t gold cut-off the average grade at Brookbank is 6.5 g/t gold and each hole at 3.5 meters true width develops 24,000 tonnes of ore containing about 5,000 ounces of gold. In a 40 hole program about 200,000 ounces of gold could be delineated.
2) At 3.4 g/t gold cut-off the average grade is 9.1 g/t gold. Each hole at 3.5 meters true width develops 24,000 tonnes of ore containing about 7,000 ounces of gold. In a 40 hole program about 280,000 ounces of gold could be delineated.

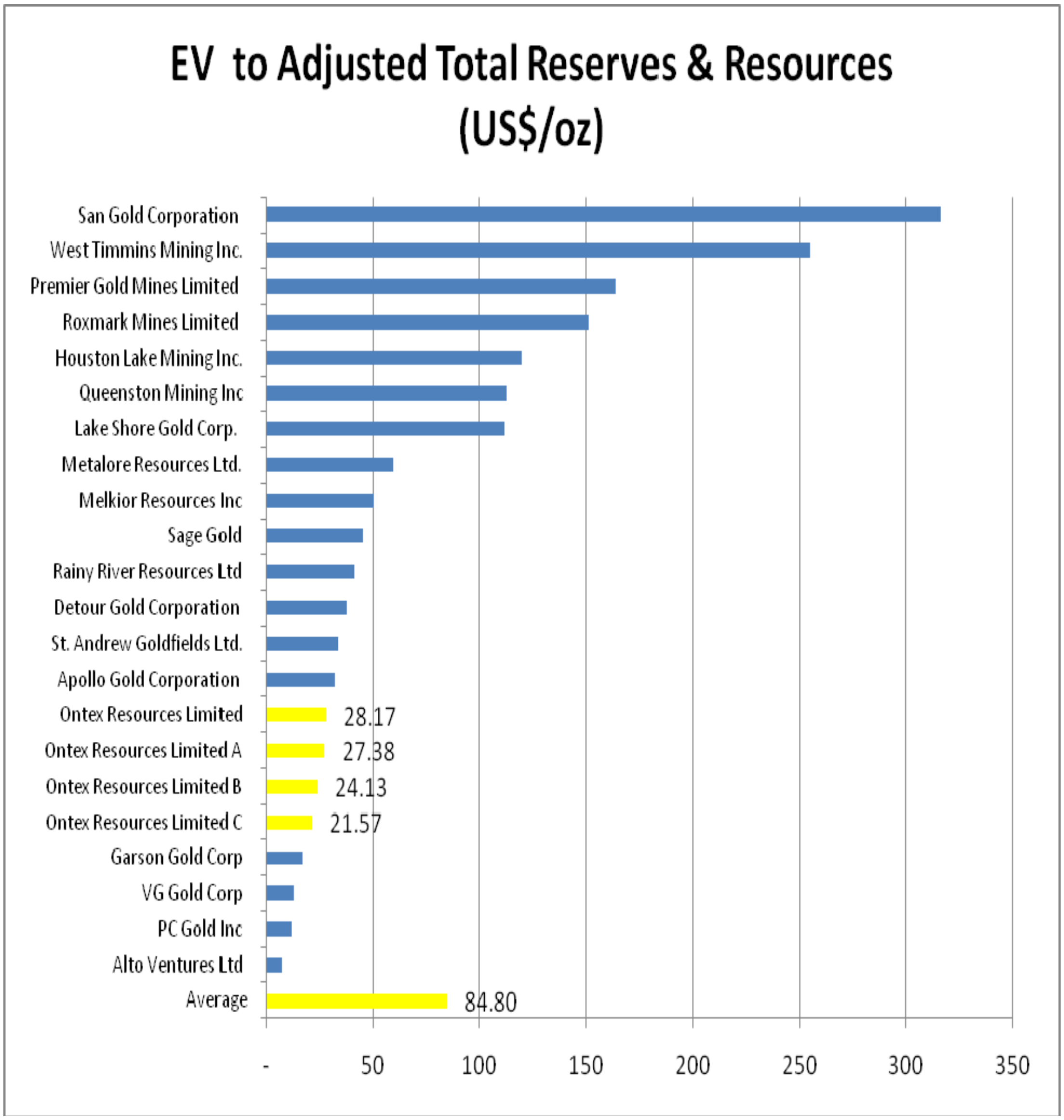
3) Also at 3.4 g/t gold cut-off and a true width doubled to 7 meters, each hole develops about 14,000 ounces of gold. This is not unreasonable as there are a number of holes at

this true width. In a 40 hole program about 560,000 ounces of gold could be delineated.

4) The best hole on Brookbank in 2008 assayed 17.4 g/t gold over 10.7 meters true width (B-08-01). If the step out drilling intersected this grade and width of hole, it would develop about 74,000 tonnes containing about 41,000 ounces of gold in 1 hole. Another high grade hole like B-08-10 that assayed 36.7 g/t gold over 4.8 meters would develop almost as many ounces of gold. In a 40 hole program about 1,640,000 ounces of gold could be delineated.

This type of analysis shows the potential of this gold project. We believe the first two scenarios in this group are most likely to occur on the project.

Figure 9: Regional Comparables on an Adjusted Resource Basis



Note: See table 6 for explanation of ONT_A, ONT_B, and ONT_C
Source: FCS estimates

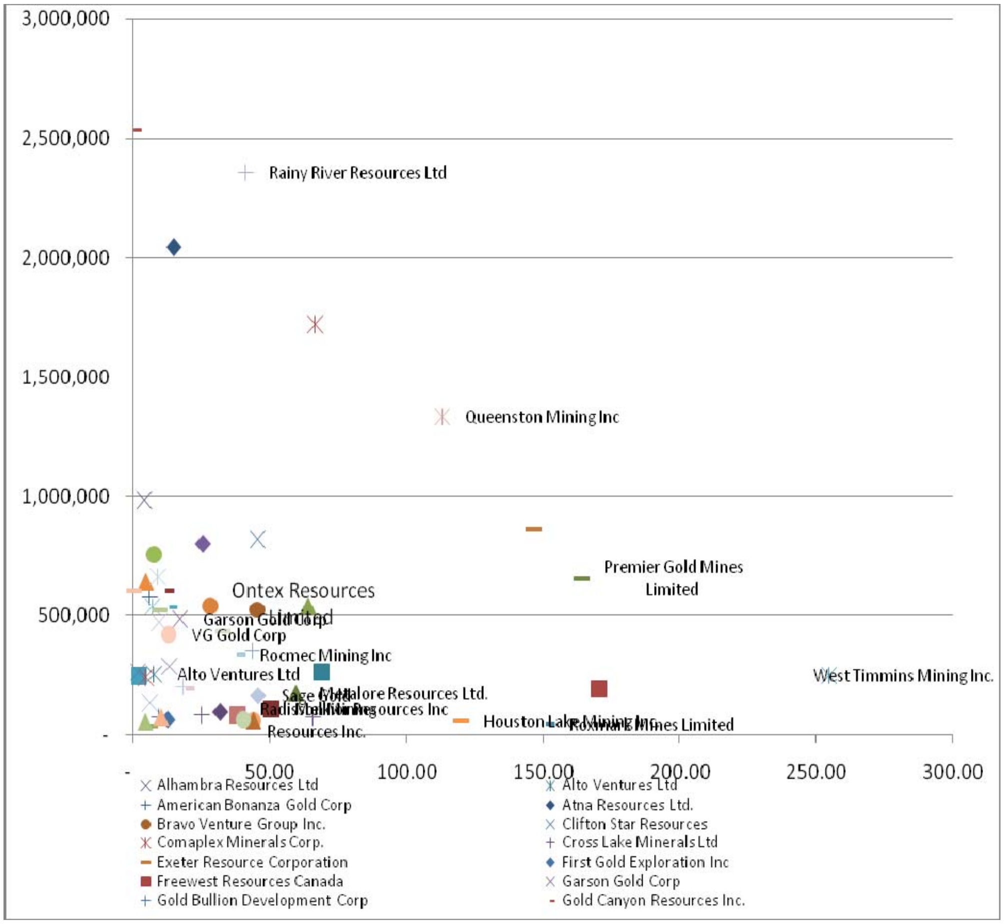
Improved drilling contract prices will allow Ontex to drill more holes with its 2009 budget

Historic finding costs per ounce on the projects were estimated at $17. This could equate to an additional 117,650 ounces on the projects in the 2010 resource estimate. These potential additional ounces on the projects should add significant market value to the stock based on the ounces in the ground analysis. Based on improved finding cost of $8 per ounce our expectations for the reported total resource come in at 1,103,700 ounces. Looking further ahead into 2010 we estimate the 2009 $2.3 million budget could add a further 355,000 ounces in all categories at our estimated $5.65/oz finding costs.

We also look at comparables in the junior gold in the direct region to see where Ontex stands as an investment alternative. From this analysis we can see that ONT is trading at an enterprise value [EV] of US$17.56/oz based on a total resource base. This compares to the regional group average of US$51.05/oz. Ontex continues to looks inexpensive on this basis for its current resource base (See Figures 8 and 9). We expect this metric to be improved in 2010 as the Company publishes its updated resource values for the projects as outlined above. As well we expect the current drilling to continue to add ounces at the four deposits along the Paint Lake fault zone.

On a resource basis we also look at what the market is paying for in terms of size of resource to see if there is a trend. From this we can see that the market is paying a bit more for some of Ontex's closest comparables, Premier Gold, Rainy River Resources and West Timmins Mining. It may be the market is starting to prefer ounces in stable counties like Canada. (see Figure 10)

Figure 10: Canadian Junior Gold Comparables– Resource Size Basis



Note: See table 6 for explanation of ONT_A, ONT_B, and ONT_C
Source: FCS estimates

Ontex does not own all of its exploration projects at this time as explained above and in the Risks section below.

Share price appreciation expect just to reach average valuation, a premium valuation may be justified.

On a regional group comparison these companies are trading at an average EV/ total adjusted resource ounce of US$84.80. This smaller group is showing that the market is paying significantly more for resources in this region. If we value ONT at the regional average per adjusted resource ounce on a 100% fully diluted and ownership basis we can estimate a share price potential of $0.79 (see Table 8) Several of the regional comparison companies are further advanced on their projects, these facts could push up the value of their resource ounces. But we believe that any resources discovered by Ontex should receive a premium over the total Canadian group (Figures 8 and 9) due to the proximity to infrastructure, Ontario's attractive fiscal and operating regime, and the potential for near term production. Our valuation price for the stock based on this analysis is $0.75.

Table 7: Summary of Average EV/Resource Ounce for Canadian Junior Gold Comparables

	EV /Total Resource [$/oz]	EV/Adjusted Resources [$/oz]
Canadian Exploration Companies	29.33	49.15
Companies exploring the same region as Ontex Resources	51.05	84.80
ONT	17.56	28.17
ONT A*	17.08	27.38
ONT B*	15.05	24.13
ONT C*	13.46	21.57

** See table 6 for explanation of the various resource estimates*

Source: FCS estimates

Table 8: Resource Expansion and Company Valuation.

Potential Share Valuation Based on Average Market Trading Multiples	Total Resource ($/share)	Adjusted Resources ($/Share)
ONT vs. Canadian Junior Exploration Group	0.33	0.35
ONT vs. Regional Junior Exploration Group	0.58	0.60
ONT A* vs. Canadian Junior Exploration Group	0.34	0.30
ONT A* Regional Junior Exploration Group	0.60	0.62
ONT B* vs. Canadian Junior Exploration Group	0.39	0.41
ONT B* vs. Regional Junior Exploration Group	0.68	0.70
ONT C* vs. Canadian Junior Exploration Group	0.44	0.46
ONT C* vs. Regional Junior Exploration Group	0.76	0.79

* *See table 6 for explanation of the various resource estimates*

Source: FCS estimates at ONT trading @ 20c

We see additional up side for the stock based on exploration success outside of the known deposits. We are equating a value of 5c/share for this potential, the cumulative value and 12 month target for Ontex is therefore $0.80.

RISK FACTORS

Exploration is a risky business

Ontex Resources is a junior exploration and development company and it is subject to several risks associated with this business and the market within it operates. Its Brookbank project recently advanced with a new 43-101 resource estimate. These resources when recovered could show variation in grade and tonnage. Mining costs and the time to commercial production could vary from our estimates. A longer time to commercial production levels would reduce the projects current value. As well, metallurgical recovery work is at an early stage and published results are for a limited sampling population. The valuation is based on commodity prices that could be different at the time of production than those used at this time for the valuation.

The Company looks to transform itself from and explorer to a producer and changing its risk profile from that of a company looking to find a deposit to one that is looking to extract it profitably and create value for its shareholders. Discovering a mineral resource and realizing its value in production takes significant capital and time and is subject to many risks during this process.

CONCLUSION

Resource growth should drive share price to increase

Ontex Resources is a Canadian junior gold exploration company with a growing resource base. The current resource base totals over 850,000 ounces on four deposits in NW Ontario. The Company holds the Brookbank project 100% with the potential to acquire 100% of the remaining projects. Since obtaining the projects the Company expended over $20 million in exploration and completed close to 10,510m in drilling. The work should translate into an expanded gold resource base. **Our estimates suggest the total resource base could grow more than 40% to 1.1 million ounces based on conservative finding costs of $8 per ounce.** Using improved finding costs resources could expand to over 1.2 million ounces. New 43-101 reports covering the bulk of these resource zones are expected during H1 2010.

We expect the market value of the Company to increase proportionately with these new resource values. As well, exploration continues on the projects in 2009 with a budget of $2.3 million. This exploration should also add substantially to the resource over the next year.

The Company's extensive land position in the Beardmore gold camp covering 35km of the prospective geology is also expected to yield more discoveries of gold deposits.

We believe Ontex represents an excellent investment for those looking for market exposure to a gold exploration company with a rapidly expanding resource base in a stable jurisdiction. This expanding and significant resource base could also attract the major gold producers. Based on our analysis Ontex is trading at a discount to the Canadian and regional gold exploration company comparables.

We are recommending Ontex as a Speculative Buy with a 12-month target of $0.80 based solely on reaching the regional group average: a premium value may be justified for their high quality ounces.

Investment Opinion Definition

STRONG BUY:	The share price is expected to appreciate 30% or more over the next 12 months.
BUY:	The share price is expected to appreciate 10% to 30% over the next 12 months.
HOLD:	The share price is expected to appreciate substantially over the next 12 months, but with a high level of inherent risk
SELL:	The share price is expected to have a negative rate of return over the next 12 months.
SPECULATIVE BUY:	The share price is expected to appreciate substantially over the next 12 months, but with a high level of inherent risk
NOT RATED:	Insufficient work completed so far to make an investment recommendation.

Note: Percentages are approximate and ratings are at the analyst's discretion.

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Material Disclosures

The analyst responsible for preparing this research report received compensation that is based upon various factors, including financing revenues of First Canadian Securities ®

Within the past 12 months, First Canadian Securities ® received compensation associated with financing Ontex Resources Limited.

The analyst responsible for preparation of this report, Ron Wortel, visited the Beardmore-Geraldton assets of Ontex Resources Limited in February 2009.

First Canadian Securities ® and its affiliates collectively beneficially own 7 % or more of the equity securities of Ontex.