

**EVERTON RESOURCES INC.**  
**(An exploration stage Company)**

**Consolidated Financial Statements**

**For the three and six months ended April 30, 2010**

---

<b>Management's Responsibility for Financial Statements</b>	2
<b>Consolidated Financial Statements</b>	
Consolidated Balance Sheets	3
Consolidated Operations	4
Consolidated Deferred Exploration Expenses	5
Consolidated Deficit	6
Consolidated Comprehensive Loss	7
Consolidated Cash Flows	8
Notes to Consolidated Financial Statements	9 to 24

## Management's Responsibility for Financial Statements

To the Shareholders and Directors of Everton Resources Inc.

The accompanying unaudited interim consolidated financial statements and the notes thereto for the three and six months ended April 30, 2010 are the responsibility of the management of Everton Resources Inc. These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, using management's best estimates and judgements where appropriate.

Management has developed and maintained a system of internal controls to provide reasonable assurance that all assets are safeguarded and to facilitate the preparation of relevant, reliable and timely financial information.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the period end unaudited interim consolidated financial statements together with other financial information. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process and the period end unaudited interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the period end unaudited interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

The auditors of Everton Resources Inc. have not performed a review of the interim consolidated financial statements for the three and six months ended April 30, 2010.

(signed) André Audet  
André Audet, CEO

(signed) Khadija Abounaim  
Khadija Abounaim, CFO

June 28, 2010

**Everton Resources Inc.**  
 (An exploration stage Company)  
 Consolidated Balance Sheets  
 As at

	April 30, 2010 (Unaudited) \$	October 31, 2009 (Audited) \$
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents (Note 6)	675,880	1,681,786
Marketable securities (Note 7)	93,661	34,821
Accounts receivable	125,461	57,310
Amount due from related party (Note 11)	2,963	50,057
Tax credit and mining duties receivable	102,112	248,668
Prepaid expenses	47,685	119,777
	<u>1,047,762</u>	<u>2,192,419</u>
Long-term investment (Note 8)	82,889	195,889
Property, plant and equipment (Note 9)	24,790	28,258
Mineral exploration properties (Note 10)	5,573,443	5,171,724
Deferred exploration expenses (Note 10)	13,326,592	10,847,065
	<u>20,055,476</u>	<u>18,435,355</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	<u>679,009</u>	<u>165,497</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 12)	29,962,281	28,419,889
Warrants (Note 12)	804,158	233,861
Contributed surplus (Note 13)	6,748,487	6,438,177
	<u>37,514,926</u>	<u>35,091,927</u>
Accumulated other comprehensive income	10,825	3,886
Deficit	(18,149,284)	(16,825,955)
	<u>(18,138,459)</u>	<u>(16,822,069)</u>
	<u>19,376,467</u>	<u>18,269,858</u>
	<u>20,055,476</u>	<u>18,435,355</u>

Going concern (Note 2)

*The accompanying notes are an integral part of these unaudited interim consolidated financial statements.*

On behalf of the Board,  
(signed) "André Audet"  
 André Audet, Director

On behalf of the Board,  
(signed) "Michael Farrant"  
 Michael Farrant, Director

**Everton Resources Inc.**

(An exploration stage Company)

Consolidated Operations (unaudited)

	Three months Ended April 30, 2010	Three months Ended April 30, 2009	Six months Ended April 30, 2010	Six months Ended April 30, 2009
	\$	\$	\$	\$
Operating expenses				
Management and consulting fees	23,000	10,647	82,163	21,537
Salaries and benefits	105,382	117,013	232,370	226,218
Stock-based compensation (Note 13)	52,436	19,872	285,861	154,191
Travel and promotion	117,158	23,260	183,005	52,910
Report to shareholders	17,598	2,278	18,466	2,816
Professional fees	35,346	25,230	85,937	71,409
Insurance	7,618	6,175	13,627	10,954
Rent	12,499	15,884	24,998	27,937
General expenses	30,041	39,310	80,297	62,600
Foreign exchange loss	(11,854)	8,042	(9,952)	45,452
Amortization of property, plant and equipment	1,734	3,196	3,468	6,340
Write-down of mineral properties and deferred exploration expenses (Note 10)	256,630	247,661	256,630	309,380
	<u>647,588</u>	<u>518,568</u>	<u>1,256,870</u>	<u>991,744</u>
Other expenses (income)				
Interest and other income (Note 5)	(1,086)	(54,960)	(18,398)	(70,760)
Loss on sale of property, plant and equipment	-	2,615	-	2,615
Gain on sale of long term investment	(10,752)	-	(26,895)	-
Impairment of available-for-sale marketable securities	-	15,625	-	15,625
Share of net loss of company subject to significant influence (Note 8)	100,720	(117,606)	111,752	69,507
	<u>88,882</u>	<u>(154,326)</u>	<u>66,459</u>	<u>16,987</u>
Net loss	<u>736,470</u>	<u>364,242</u>	<u>1,323,329</u>	<u>1,008,731</u>
Basic and diluted net loss per common share	<u>0.01</u>	<u>0.01</u>	<u>0.02</u>	<u>0.02</u>
Basic and diluted weighted average number of common shares outstanding	<u>78,683,057</u>	<u>58,358,874</u>	<u>77,896,182</u>	<u>58,324,037</u>

The accompanying notes are an integral part of these unaudited interim consolidated financial statements.

**Everton Resources Inc.**

(An exploration stage Company)

Consolidated Deferred Exploration Expenses (unaudited)

	Three months Ended April 30, 2010	Three months Ended April 30, 2009	Six months Ended April 30, 2010	Six months Ended April 30, 2009
	\$	\$	\$	\$
Balance, beginning of period	11,526,525	10,205,631	10,847,065	9,756,154
Additions				
Drilling	1,190,033	1,301	1,490,561	110,669
Project consulting	157,930	3,811	260,033	10,575
Geophysical survey	62,864	-	62,864	-
Geological survey	219,132	228,041	371,052	488,903
Geochemical survey	12,529	5,997	31,178	33,960
Report preparation	2,738	11,641	9,027	37,706
Renewal of licenses and permits	23,480	3,858	45,030	64,457
General field expenses	148,702	54,357	232,003	82,151
	<u>1,817,408</u>	<u>309,006</u>	<u>2,501,748</u>	<u>828,421</u>
Write-down of deferred exploration expenses	(3,410)	(187,997)	(3,410)	(230,636)
Tax credits and mining duties	(13,931)	(47,206)	(18,811)	(74,505)
	<u>(17,341)</u>	<u>(235,203)</u>	<u>(22,221)</u>	<u>(305,141)</u>
Balance, end of period	<u>13,326,592</u>	<u>10,279,434</u>	<u>13,326,592</u>	<u>10,279,434</u>

*The accompanying notes are an integral part of these unaudited interim consolidated financial statements.*

**Everton Resources Inc.**  
 (An exploration stage Company)  
 Consolidated Deficit (unaudited)

	Three months Ended April 30, 2010	Three months Ended April 30, 2009	Six months Ended April 30, 2010	Six months Ended April 30, 2009
	\$	\$	\$	\$
Deficit, beginning of the period	17,412,814	15,041,058	16,825,955	14,396,569
Net loss	<u>736,470</u>	<u>364,242</u>	<u>1,323,329</u>	<u>1,008,731</u>
Deficit, end of the period	<u><u>18,149,284</u></u>	<u><u>15,405,300</u></u>	<u><u>18,149,284</u></u>	<u><u>15,405,300</u></u>

*The accompanying notes are an integral part of these unaudited interim consolidated financial statements.*

**Everton Resources Inc.**

(An exploration stage Company)

Consolidated Comprehensive Loss (unaudited)

	Three months Ended April 30, 2010	Three months Ended April 30, 2009	Six months Ended April 30, 2010	Six months Ended April 30, 2009
	\$	\$	\$	\$
Net loss for the period	736,470	364,242	1,323,329	1,008,731
Other comprehensive (income) loss				
Realized gain on sale of available-for-sale investments transferred to the statement of operations	-	-	16,143	-
Unrealized gain on available-for-sale investments	(174)	(15,625)	(23,082)	(13,500)
Comprehensive loss for the period	<u>736,296</u>	<u>348,617</u>	<u>1,316,390</u>	<u>995,231</u>

*The accompanying notes are an integral part of these unaudited interim consolidated financial statements.*

## Everton Resources Inc.

(An exploration stage Company)

Consolidated Cash Flows (unaudited)

	Three months Ended April 30, 2010	Three months Ended April 30, 2009	Six months Ended April 30, 2010	Six months Ended April 30, 2009
	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Net loss	(736,470)	(364,242)	(1,323,329)	(1,008,731)
Non-cash items				
Amortization of property, plant and equipment	1,734	3,196	3,468	6,340
Stock-based compensation	52,436	19,872	285,861	154,191
Unrealized foreign exchange (gain) loss	(4,128)	(616)	1,240	27,758
Write-down of deferred exploration expenses	3,410	187,997	3,410	230,636
Write-down of mineral properties	253,220	59,664	253,220	78,744
Loss on sale of property, plant and equipment	-	2,615	-	2,615
Impairment of marketable securities	-	15,625	-	15,625
Unrecoverable mining duties	-	740	-	740
Gain on sale of long term investment	(10,752)	-	(26,895)	-
Gain on fair value of embedded derivative	-	-	(14,521)	-
Share of net loss (gain) of company subject to significant influence	100,720	(117,606)	111,752	69,507
Changes in non-cash working capital items (Note 14)	36,944	(147)	47,070	(23,692)
Cash flows used in operating activities	<u>(302,886)</u>	<u>(192,902)</u>	<u>(658,724)</u>	<u>(446,267)</u>
<b>INVESTING ACTIVITIES</b>				
Proceeds from sale of long term investment	12,000	-	57,453	-
Proceeds from disposal of property, plant and equipment	-	266	-	266
Mineral exploration property costs	(308,000)	(394,429)	(514,939)	(454,429)
Deferred exploration expenses	(1,611,763)	(398,509)	(2,052,201)	(919,726)
Tax credits and mining duties received	-	275,154	165,367	275,154
Cash flows used in investing activities	<u>(1,907,763)</u>	<u>(517,518)</u>	<u>(2,344,320)</u>	<u>(1,098,735)</u>
<b>FINANCING ACTIVITIES</b>				
Common shares issued	2,225,000	-	2,225,000	-
Warrants exercised	19,980	-	38,850	-
Share issuance costs	(266,712)	-	(266,712)	-
Cash flows from financing activities	<u>1,978,268</u>	<u>-</u>	<u>1,997,138</u>	<u>-</u>
Decrease in cash and cash equivalents	(232,381)	(710,420)	(1,005,906)	(1,545,002)
Cash and cash equivalents, beginning of period	908,261	3,117,633	1,681,786	3,952,215
Cash and cash equivalents, end of period	<u>675,880</u>	<u>2,407,213</u>	<u>675,880</u>	<u>2,407,213</u>
<i>Cash and cash equivalents:</i>				
Cash	675,880	637,712	675,880	637,712
Cash equivalents	-	1,769,501	-	1,769,501
	<u>675,880</u>	<u>2,407,213</u>	<u>675,880</u>	<u>2,407,213</u>
Non-cash supplemental information:				
Deferred exploration expenses included in accounts payable	467,743	23,110	467,743	23,110
Fair value of exercised warrants	2,328	-	9,278	-
Common shares received in exchange for mineral properties	-	360,000	-	360,000
Common shares issued to increase interest in mineral properties	140,000	52,500	140,000	52,500
Common shares received as payment from related party	-	-	81,211	-
Warrants issued in payment of private placement finders fees	119,580	-	119,580	-
Warrants issued in private placement	484,444	-	484,444	-
Share subscriptions receivable	842,500	-	842,500	-

The accompanying notes are an integral part of these unaudited interim consolidated financial statements.

## **Everton Resources Inc.**

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and six months ended April 30, 2010

### **1. Governing statutes and nature of operations**

Everton Resources Inc. (the "Company" or "Everton") was incorporated under the Business Corporations Act (Alberta) on November 7, 1996 and commenced operations on December 19, 1996. Until June 2002, the Company was involved in an internet related business. In November 2002, the Company commenced its current nature of operations which involves acquisition, exploration and development of mineral resource properties. The Company is in the exploration stage and does not derive any revenue from the development of its properties.

Until it is determined that the Company's properties contain mineral reserves or resources that can be economically mined, they are classified as mineral exploration properties. The recoverability of mineral exploration property costs and deferred exploration expenses is dependent upon: the discovery of economically recoverable reserves and resources; securing and maintaining title and beneficial interest in the properties; the ability to obtain necessary financing to complete exploration, development and construction of processing facilities; obtaining certain government approvals; and attaining profitable production.

### **2. Going concern assumption**

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and on the basis of a going concern assumption meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, as explained in the following paragraph.

As at April 30, 2010, the Company had a working capital of \$368,753, including \$675,880 in cash. Together with the \$842,500 in share subscriptions receivable that were received subsequent to quarter-end (Note 12) and \$275,000 in proceeds from the private placement completed subsequent to quarter-end (Note 17), the Company anticipates having sufficient cash to meet its current option payment obligations, undertake a portion of exploration work on its properties and meet its corporate administrative expenses for several months. However, the Company will require additional financing, through various means including but not limited to equity financing, to continue the exploration program on its properties and to meet all of its payment obligations and its general and administrative costs. There is no assurance that the Company will be successful in raising the additional required funds.

These unaudited interim consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. If management is unsuccessful in securing capital, the Company's assets may not be realized or its liabilities discharged at their carrying amounts and these differences could be material.

### **3. Accounting changes**

#### Future accounting standards

Business Combinations, Consolidated Financial Statements and Non-controlling Interests

In October 2008, the CICA issued Handbook Sections 1582, "Business Combinations", 1601 "Consolidated Financial Statements", and 1602 "Non-controlling Interests". CICA 1582 establishes standards for the measurement of a business combination and the recognition and measurement of assets acquired and liabilities assumed, CICA 1601 carries forward the existing Canadian guidance on aspects of the preparation of consolidated financial statements subsequent to acquisition other than non-controlling

## **Everton Resources Inc.**

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and six months ended April 30, 2010

### **3. Accounting changes (continued)**

interests, and CICA 1602 establishes guidance for the treatment of non-controlling interests subsequent to acquisition through a business combination. These new standards are effective for the Company on November 1, 2011. The Company is currently evaluating the impact of the adoption of these new standards.

### **4. Financial instruments, risk management and capital management**

#### ***Financial instruments***

The Company's financial instruments at April 30, 2010 consist of cash and cash equivalents, marketable securities, share subscriptions receivable, accounts receivable, amount due from a related party and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value. It is management's opinion that the Company is not exposed to significant credit risks arising from these financial instruments.

In accordance with the amendments to Section 3862, "Financial Instruments – Disclosures", fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value of marketable securities and long term investments over which the Company does not exercise significant influence are based on unadjusted quoted prices in active markets, and therefore classified in level 1.

#### ***Risk management***

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk, liquidity risk, currency risk, interest rate risk and political risk. Where material, these risks are reviewed and monitored by the Board of Directors.

#### ***Credit risk***

Credit risk is the risk of an unexpected loss if a party to its financial instruments fails to meet its contractual obligations. The Company's financial assets exposed to credit risk are primarily composed of cash and cash equivalents, share subscriptions receivable, accounts receivable and amount due from a related party. To mitigate exposure to credit risk, the Company has revised its policy to limit the concentration of credit risk, to ensure counterparties demonstrate minimum acceptable worthiness, and to ensure liquidity of available funds. The Company's cash is held at several large financial institutions.

#### ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. The Company had a working capital of \$368,753 at April 30, 2010, including cash of \$675,880 and current liabilities totalling \$679,009, due within the next 30 days. Together with the \$842,500 in share subscriptions receivable that were received subsequent to quarter-end (Note 12) and \$275,000 in proceeds from the private placement completed subsequent to quarter end (Note 17), the Company anticipates having sufficient cash to meet its current option payment obligations, undertake a portion of exploration work on its properties and meet its corporate administrative expenses for several months. The Company's ability to continue its exploration programs on its properties (Note 10), to meet its payment obligations and to meet its corporate and administrative obligations on a continuous basis is dependent on its obtaining additional financing, through various means including but not limited to equity financing (Note 2). The amount and timing of additional funding will be impacted by, among others, the strength of the capital markets.

## Everton Resources Inc.

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and six months ended April 30, 2010

### 4. Financial instruments, risk management and capital management (continued)

#### *Currency risk*

The Company has exposure to financial risk arising from fluctuations in exchange rates (US dollars and Dominican Peso "DOP") and the degree of volatility of these rates. Although the Company has significant future commitments denominated in foreign currencies, the Company does not use forward exchange contracts to reduce exchange risk exposure to foreign currency risk.

#### *Interest rate risk*

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has not entered into any derivative contracts to manage this risk.

The Company's policy as it relates to its cash balances is to invest excess cash in highly liquid, low-risk, short-term interest-bearing investments (such as investment savings accounts, banker's acceptances, term deposits, guaranteed investment certificates or treasury bills), primarily with variable interest rates, with maturities of 90 days or less from the original date of acquisition.

The Company has limited exposure to financial risk arising from fluctuations in interest rates earned on cash equivalents and the volatility of these rates.

#### *Political risk*

The Company carries out some of its exploration activities in the Dominican Republic. These activities may be subject to political, economical or other risks that could influence the Company's exploration activities and future financial situation.

#### *Capital management*

The Company manages its capital to ensure its ability to continue as a going concern and to provide an adequate return to its shareholders. In the management of capital, the Company includes the components of shareholders' equity. As long as the Company is in the exploration stage of its mining properties, it is not the intention of the Company to contract debt obligations to finance its work programs. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets. The Company is not subject to any externally imposed capital requirements. In order to facilitate the management of its capital requirements, the Company prepares annual budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

### 5. Information included in consolidated operations

	Three months Ended April 30, 2010	Three months Ended April 30, 2009	Six months Ended April 30, 2010	Six months Ended April 30, 2009
	\$	\$	\$	\$
Interest from held-for-trading financial assets	1,086	4,960	3,877	20,760
Realized gain on fair value of embedded derivative	-	-	14,521	-
Other income	-	50,000	-	50,000
	<u>1,086</u>	<u>54,960</u>	<u>18,398</u>	<u>70,760</u>

## Everton Resources Inc.

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and six months ended April 30, 2010

### 6. Cash and cash equivalents

As at April 30, 2010, cash and cash equivalents total \$675,880 (\$1,681,786 as at October 31, 2009) and include investment savings account balances totalling \$Nil (\$1,510,303 in cash equivalents as at October 31, 2009). These have interest rates ranging from 0.75% to 0.80% (0.75% to 0.85% as at October 31, 2009).

### 7. Marketable securities

	April 30, 2010			October 31, 2009		
	Cost	Impairment	Unrealized (loss) gain	Fair value	Cost	Fair value
	\$	\$	\$	\$	\$	\$
25,000 (25,000 at Oct 31, 2009) common shares of Augyva Inc.	17,250	(15,625)	5,750	7,375	17,250	1,625
507,569 (255,352 at Oct 31, 2009) common shares of Adventure Gold Inc. (1)	81,211	-	5,075	86,286	29,310	33,196
	<u>98,461</u>	<u>(15,625)</u>	<u>10,825</u>	<u>93,661</u>	<u>46,560</u>	<u>34,821</u>

(1) As at April 30, 2010, the Company has a 1% ownership interest in Adventure

On January 14, 2010, Everton sold 255,352 shares of Adventure for net proceeds of \$45,453, realizing a gain of \$16,143.

On January 27, 2010, Adventure issued 507,569 common shares (valued at \$81,211) to the Company in payment of the outstanding balance of 2009 shared costs of \$66,690. Everton recorded a gain on fair value of the embedded derivative for \$14,521.

### 8. Long term investment

Further to a sale agreement dated November 22, 2007, and amended on December 5, 2007, the Company sold the following 18 properties located in the James Bay Area to NQ Exploration Inc. ("NQ"): Aylmer, Candlestick, Castle (including Castle South), Conviac, Corvet Sud, Eastmain, Eastmain Nord, Gauchet, Jobert, Le Moyne, Morand, Pine Hill, Pine Hill Nord, Pontax, Sakami, Duncan, Wapamisk and Star Lake in exchange for 12,000,000 common shares of NQ valued at a price of \$0.10 per share. On April 30, 2008, NQ completed its Initial Public Offering.

The Company has significant influence over NQ and therefore the equity method has been used as the basis of accounting for the investment from the date of acquisition. As at April 30, 2010, the Company has a 37% ownership interest in NQ (38% as at October 31, 2009). The cumulative share of net loss of NQ takes into consideration the changes in the holding interest over the period.

	April 30, 2010	October 31, 2009
	\$	\$
Cost	1,191,900	1,200,000
Cumulative share of net loss of NQ	(1,109,011)	(1,004,111)
	<u>82,889</u>	<u>195,889</u>

On April 1, 2010, Everton sold 81,000 shares of NQ for net proceeds of \$12,000, realizing a gain of \$10,752.

The market value of the Company's investment in NQ Exploration Inc. as at April 30, 2010 is \$1,191,900 (\$1,920,000 at October 31, 2009).

**Everton Resources Inc.**

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and six months ended April 30, 2010

**8. Long term investment (continued)**

The common shares are held in escrow, and will be released according to the following schedule:

	<u>Number of shares</u>	<u>Date released/to be released</u>
Shares issued under escrow	12,000,000	
	(1,200,000)	April 30, 2008
	(1,800,000)	October 27, 2008
	(1,800,000)	April 25, 2009
	(1,800,000)	October 30, 2009
	(1,800,000)	April 20, 2010
Shares escrowed as at April 30, 2010	<u>3,600,000</u>	
Shares still to be released	1,800,000	October 17, 2010
	1,800,000	April 15, 2011
	<u>3,600,000</u>	

**9. Property, plant and equipment**

	<u>April 30, 2010</u>		<u>October 31, 2009</u>	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Computer equipment	40,259	29,334	10,925	12,853
Furniture and equipment	31,952	18,087	13,865	15,405
	<u>72,211</u>	<u>47,421</u>	<u>24,790</u>	<u>28,258</u>

The cost and accumulated amortization is \$103,765 and \$75,507 respectively as at October 31, 2009.

**Everton Resources Inc.**

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and six months ended April 30, 2010

**10. Mineral exploration properties and deferred exploration expenses**

	April 30, 2010		October 31, 2009	
	Mineral Properties	Deferred Exploration Expenses	Mineral Properties	Deferred Exploration Expenses
	\$	\$	\$	\$
<u>Canada</u>				
<u>Ontario</u>				
a) Shoal Lake West (Duport)	1,344,243	1,570,472	1,224,243	64,808
b) Shoal Lake East (Machin)	288,544	211,101	252,544	105,212
c) Shoal Lake East (KPM)	806,012	62,719	756,012	15,010
d) Hays Lake	555,562	47,618	525,562	45,199
e) Porcupine & Destor	-	-	253,220	-
f) Other	6,650	-	6,650	-
<u>Quebec</u>				
g) Opinaca	550,452	2,746,767	290,452	2,734,965
h) Wildcat	176,465	1,134,860	176,465	1,121,141
i) James Bay Area	16,805	45,400	16,805	44,984
j) Fosse du Labrador	145,883	206,861	145,883	206,861
k) Sirmac Lithium	240	20,109	240	17,582
<u>British Columbia</u>				
l) Hot Springs	1,000	33,298	1,000	32,133
	<u>3,891,856</u>	<u>6,079,205</u>	<u>3,649,076</u>	<u>4,387,895</u>
<u>Dominican Republic</u>				
m) Cuance	-	1,015,634	-	1,012,353
m) Los Hojanchos	-	319,027	-	316,342
n) La Cueva (Loma El Mate)	183,836	927,245	183,836	922,748
o) Jobo Claro	302,280	528,422	302,280	518,053
p) Maimon Copper	-	981,346	-	969,718
q) La Mireya	5,635	46,913	5,635	43,383
r) Ampliacion Pueblo Viejo	945,530	2,665,069	833,530	2,004,887
r) Ponton (Loma Hueca)	171,119	172,168	143,119	112,370
s) Fresso	73,187	508,704	54,248	506,715
t) Other	-	82,859	-	52,601
	<u>1,681,587</u>	<u>7,247,387</u>	<u>1,522,648</u>	<u>6,459,170</u>
<b>TOTAL</b>	<u><u>5,573,443</u></u>	<u><u>13,326,592</u></u>	<u><u>5,171,724</u></u>	<u><u>10,847,065</u></u>

## Everton Resources Inc.

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and six months ended April 30, 2010

### 10. Mineral exploration properties and deferred exploration expenses (continued)

#### a) Shoal Lake West (Duport), Ontario

Under an option agreement, dated October 7, 2008, between the Company and Halo Resources Ltd. ("Halo"), the Company can acquire a 51% interest in mining claims located in Glass Township, Shoal Lake Ontario, by issuing 5,438,400 HLG common shares (converted to 2,012,208 Everton shares on September 17, 2009), making cash payments totalling \$770,000 over 4 years and incurring \$1,500,000 in exploration work by May 1, 2010.

As at April 30, 2010, the Company has met the exploration work commitment of \$1,500,000 and the only remaining commitments are quarterly cash payments as follows:

	Cash payments
	\$
10 quarterly payments of \$60,000, ending October 31, 2012	600,000
	<u>600,000</u>

Under the same agreement, the Company has the option to increase its interest in the property from 51% to 75% by incurring an additional \$3,500,000 in exploration work and making a cash payment of \$6,000,000, by October 31, 2012.

	Cash payments	Exploration expenses
	\$	\$
On or before October 31, 2012	6,000,000	3,500,000

Halo retains a 1.5% NSR on the first 1,000,000 ounces of gold produced and 5% on all gold produced in excess of 1,000,000 ounces. The Company has the right to buy back 1% NSR at any time prior to commercial production for \$2,500,000.

#### b) Shoal Lake East (Machin), Ontario

Under an option agreement, dated September 19, 2008, between the Company and Machin Mines Ltd. ("Machin"), the Company can acquire a 100% interest in 15 patents and 8 claims located in Glass Township, Shoal Lake Ontario, for cash consideration of \$1,517,000 over 4 years and the issuance of 500,000 HLG common shares (converted to 185,000 Everton shares on September 17, 2009).

As at April 30, 2010, the remaining commitments are as follows:

	Cash payments
	\$
10 quarterly payments of \$27,000 ending September 30, 2012	270,000
On or before September 30, 2012	1,114,000
	<u>1,384,000</u>

Machin retains a 1.5% NSR on the first 500,000 ounces of gold produced and 2% on all gold produced in excess of 500,000 ounces. The Company has the right to purchase one-third of the NSR at any time prior to commercial production for \$1,000,000.

**Everton Resources Inc.**

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and six months ended April 30, 2010

**10. Mineral exploration properties and deferred exploration expenses (continued)****c) Shoal Lake East (KPM), Ontario**

On December 19, 2008, the Company signed an agreement with Kenora Prospectors & Miners Ltd ("KPM") to acquire a 100% interest in the Kenora property, located in Glass Township, Ontario, for cash consideration of \$3,260,000 over 4 years.

As at April 30, 2010, the remaining commitments are as follows:

	<u>Cash payments</u>
	\$
11 quarterly payments of \$30,000, ending December 31, 2012	330,000
On or before December 31, 2012	<u>2,242,684</u>
	<u><u>2,572,684</u></u>

KPM retains a 1.5% NSR on the first 500,000 ounces of gold and silver produced and 2% on all gold and silver produced in excess of 500,000 ounces. The Company has the right to purchase one-third of the NSR at any time prior to commercial production for \$1,000,000.

**d) Hays Lake, Ontario**

Under an option agreement with five individuals ("the optioners"), dated December 19, 2007 and an assignment, dated April 7, 2008, by which the Company became bound to the option agreement, the Company can acquire a 100% interest in 3 mining claims located in the Priske Township, Ontario, by incurring \$100,000 in exploration work, making cash payments totaling \$100,000 and issuing 5,300,000 HLG common shares (converted to 1,961,000 Everton shares on September 17, 2009) to the optioners and the assignor.

As at April 30, 2010, the remaining commitments are as follows:

	<u>Cash payments</u>	<u>Exploration expenses</u>
	\$	\$
On or before June 30, 2010	-	30,000 (1)
On or before December 31, 2010	40,000	30,000
On or before December 31, 2011	-	40,000
	<u>40,000</u>	<u>100,000</u>

(1) By an extension letter from the optioners, these exploration expenses were deferred to June 30, 2010.

The optioners retain a 3% NSR on the mining claims and HLG has the right to purchase up to 1.5% NSR for cash consideration of \$1,500,000. Such purchase can be made in increments of \$500,000 per each 0.5% NSR. Commencing on the 4<sup>th</sup> anniversary of the agreement the Company will be required to pay to the optioner a pre-production advance royalty of \$10,000 per annum.

## **Everton Resources Inc.**

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and six months ended April 30, 2010

### **10. Mineral exploration properties and deferred exploration expenses (continued)**

#### **e) Porcupine & Destor, Ontario**

Under an option agreement with an individual ("the optioner"), dated April 3, 2008, and an assignment, dated April 4, 2008, by which the Company became bound to the option agreement, the Company acquired a 2 year option to acquire a 100% interest in any one or more of 16 blocks of claims, located in various townships near Timmins, Ontario, by issuing 3,000,000 HLG common shares (converted to 1,110,000 Everton shares on September 17, 2009) to the optioner and the assignor.

During the period, the Company wrote down the cost of the property to Nil further to the expiry of the option (\$253,220 in acquisition costs and \$3,410 in deferred exploration expenses).

#### **f) Other**

Other properties consist of 70 claims adjacent to Shoal Lake East properties, that the Company staked in October 2009 for \$6,650.

#### **g) Opinaca, Quebec**

On December 13, 2004, Everton signed an option agreement with Azimut Exploration ("Azimut") to earn a 50% undivided interest in 546 claims by spending \$4,800,000 in exploration work and by making cash payments of \$340,000 over 5 years. All of these conditions were met and the Company acquired its 50% undivided interest in the property. In addition, during the period the Company made a final cash payment of \$200,000 as the Company elected not to increase its interest in the property from 50% to 65%.

#### **h) Wildcat, Quebec**

On January 25, 2005, Everton acquired a 100% interest in 579 claims grouped in 7 different blocks. These claims were acquired from an independent prospector for cash consideration of \$100,000 and the issuance of 300,000 shares of Everton for a value of \$120,000. Since the acquisition date, the Company increased its land package by staking an additional 302 claims. These claims are also adjacent to the Eleonore gold discovery.

#### **i) James Bay Area, Quebec**

The mineral properties and deferred exploration expenses in James Bay Area as at April 30, 2010 relate to expenditures incurred on the Coulon property acquired by map-staking.

#### **j) Fosse du Labrador, Quebec**

In 2008, the Company acquired by map-staking 1,447 designated claims in 13 new projects covering 668 km<sup>2</sup> in the Labrador Trough region of Quebec: Goose, Fox, Lac Aulneau, Colombet, Leopard, Diana, Lemming, Jack Rabbit, Lac Ribero, Otelnuck, Minowean, Canyon and Romer.

On March 24, 2009, and as amended on May 22, 2009, December 11, 2009, March 25, 2010 and April 30, 2010, the Company signed an agreement with Focus Metals Inc. ("Focus") for the sale of the mineral rights on these properties in consideration for 6 million common shares of Focus at a price of \$0.06 per share, for an aggregate consideration of \$360,000. The completion of the transaction is subject to the listing of Focus' common shares on a public Exchange by no later than May 31, 2010.

Due to the condition listed above, the properties and the shares issued are being held in escrow by a third party until the listing of Focus' common shares on the TSX-V, which occurred subsequent to quarter-end (Note 17).

## **Everton Resources Inc.**

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and six months ended April 30, 2010

### **10. Mineral exploration properties and deferred exploration expenses (continued)**

#### **k) Sirmac Lithium, Quebec**

Sirmac Lithium property consists of 15 designated claims acquired by map-staking.

#### **l) Hot Springs, British Columbia**

Hot Springs property is located in the New Westminster Mining Division in British Columbia, Canada. The property consists of 8 contiguous mineral claims made of 92 units owned 100% by the Company.

#### **m) Cuance and Los Hojanchos, Dominican Republic**

On August 26, 2003, Everton entered into an option agreement with Globestar Mining Corporation ("Globestar") to earn up to a 70% interest in three gold and base metals concessions, namely Cuance, Los Hojanchos and Loma de Payabo concessions. The concessions, collectively known as the Everton Concession Group, are located in the Central Cordillera of the Dominican Republic within the Maimon Copper and Los Ranchos Formations. The above agreement has been amended on August 17, 2007 and again on September 29, 2008, and September 3, 2009. The nature of the amendment was to extend the exploration commitment date.

Everton agreed to incur exploration expenditures totalling US \$1,170,000 (CAD \$1,184,000) by July 31, 2010 to earn a 50% interest in two of these properties, Cuance and Los Hojanchos (a minimum of US \$585,000 (CAD\$592,000) per concession). These concessions are subject to a 1.5% net smelter royalty, which can be acquired for CAD \$750,000. Upon earning the 50% interest, the Company can increase its interest to 70% by completing a bankable feasibility study within two years.

In March, 2010, the Company earned its 50% interest in the two properties, further to an amendment to the agreement.

#### **n) La Cueva (Loma El Mate), Dominican Republic**

On December 8, 2003, the Company entered into an earn-in agreement with Linear Gold Corp. ("Linear") for the La Cueva (Loma El Mate) Project, located in the Dominican Republic, which is contiguous to the southeast corner of the Pueblo Viejo Gold Mine concession. The Company had the option to acquire a 50% interest in the property by incurring cumulative expenditures of US \$500,000 (CAD \$567,000) over a two year period, issuing 200,000 common shares and paying an option fee of US \$70,000 (CAD \$79,000). All of the above conditions were met and the Company has acquired its 50% interest. In April 2007, the Company signed an option agreement with Linear to increase its interest in the concession to 65%, by incurring all additional expenditures on the concession to the completion of a bankable feasibility study.

#### **o) Jobo Claro, Dominican Republic**

The Company holds a 100% interest in the Jobo Claro concession which it had acquired from a local concession holder in 2007. The property is adjacent to the Pueblo Viejo Mine in the Dominican Republic.

## Everton Resources Inc.

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and six months ended April 30, 2010

### 10. Mineral exploration properties and deferred exploration expenses (continued)

#### p) Maimon Copper, Dominican Republic

The Maimon Copper projects are comprised of 5 polymetallic concessions: Miranda, Tocoa, La Sidra, El Llano and La Yautia. These concessions are located within the Maimon formation in the Dominican Republic and are held 100% by the Company.

#### q) La Mireya, Dominican Republic

In May 2006, the Company executed an agreement with Globestar to acquire a 100% interest in La Mireya gold concession in the eastern cordillera of the Dominican Republic.

Under the terms of the agreement with Globestar, Everton exchanged its 50% joint venture interest in the Corozal and Cercadillo nickel laterite concessions in return for Globestar's La Mireya gold concession. Everton retains a 1% NSR on Corozal and Cercadillo while Globestar retains a 2% NSR on La Mireya. Globestar and Everton also have the right to purchase half of the other's NSR at any time for US\$500,000 (CAD \$506,000).

#### r) Ampliacion and Ponton (Loma Hueca), Dominican Republic

In April 2007, the Company obtained an option to acquire from Linear Gold Corp. ("Linear") an undivided 50% interest in the Ampliacion Pueblo Viejo and Ponton (Loma Hueca) Concessions.

The Company can earn its interest in the Ampliacion Pueblo Viejo Concession by making cash payments totaling US\$700,000 (CAD \$708,000), work commitments of US\$2,500,000 (CAD \$2,529,000) and issuing 1,200,000 common shares over a three-year period.

As at April 30, 2010, the remaining commitment is as follows:

	Cash Payments USD\$
On or before May 10, 2010	<u>300,000 (1)</u>

(1) This cash payment was made subsequent to quarter-end (Note 17), in accordance with an extension letter from Linear by which this payment was deferred to May 10, 2010.

The Company can increase its interest in the concession to 65% by incurring all additional expenditures on the concession to the completion of a bankable feasibility study and by paying Linear US\$2,000,000 (CAD \$2,023,000) and issuing 1,000,000 additional common shares.

The Company can earn its interest in the Ponton (Loma Hueca) Concession by making cash payments totaling US\$100,000 (CAD \$101,000), work commitments of US\$600,000 (CAD \$607,000) and issuing 200,000 common shares over a three-year period.

## Everton Resources Inc.

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and six months ended April 30, 2010

### 10. Mineral exploration properties and deferred exploration expenses (continued)

As at April 30, 2010, the remaining commitments are as follows:

	Cash Payment USD\$	Work Commitment USD\$
On or before April 10, 2010		500,000 (2)
On or before May 10, 2010	25,000 (1)	

(1) This cash payment was made subsequent to quarter-end (Note 17), in accordance with an extension letter from Linear by which this payment was deferred to May 10, 2010.

(2) The Company has applied for an extension to complete the work commitment

The Company can increase its interest in the concession to 65% by incurring all additional expenditures on the concession to the completion of a bankable feasibility study and by paying Linear US\$250,000 (CAD \$253,000) and issuing 300,000 additional common shares.

#### s) Fresso, Dominican Republic

On May 28, 2008, the Company signed an option agreement with Asesores Internacionales Especializados, S.A. ("Asesores") to acquire a 100% interest in the Fresso concession located in the north-western Dominican Republic for a cash consideration of US \$35,000 (CAD \$34,591) to the concession owner for a one-year evaluation period. As at April 30, 2010, the Company had paid US\$60,000 (CAD \$73,187) to Asesores for the initial one-year period and two additional six-month extension periods. The Company has until May 28, 2010 to make a final cash payment of US\$140,000 (CAD \$142,000) to acquire 100% interest in the property. The concession owner is entitled to a 0.50% NSR. The Company will have the option to acquire 50% of this NSR at any time for US\$250,000 (CAD \$253,000).

#### t) Other

Other properties consist of several eastern Dominican Republic concessions.

### 11. Related party transactions

Related party transactions not disclosed elsewhere in these consolidated financial statements are as follows:

Under an agreement between the Company and Majescor Resources Inc. ("Majescor") (which shares common management), the Company charges Majescor for shared salaries and benefits, rent and office expenses. During the three and six months ended April 30, 2010, the cost of shared salaries and benefits was \$14,250 and \$28,500 respectively (\$15,790 and \$37,666 in 2009) and rent and office expenses were \$714 and \$1,428 respectively (\$4,247 and \$14,847 in 2009). Included in amounts due from related party is \$Nil (\$Nil as at October 31, 2009) due from Majescor.

Under an agreement between the Company and Adventure Gold Inc. ("Adventure") (which shares common management), the Company charges Adventure for shared salaries and benefits, rent and office expenses. During the three and six months ended April 30, 2010, the cost of shared salaries and benefits was \$22,500 and \$45,000 respectively (\$22,500 and \$45,328 in 2009) and rent and office expenses were \$1,500 and \$3,000 respectively (\$1,500 and \$4,184 in 2009). Included in amount due from related party is \$2,963 (\$50,057 as at October 31, 2009) due from Adventure.

On January 27, 2010, Adventure issued 507,569 common shares (valued at \$81,211) to the Company in payment of the outstanding balance of 2009 shared costs of \$66,690. Everton recorded a gain on fair value of the embedded derivative for \$14,521.

## Everton Resources Inc.

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and six months ended April 30, 2010

### 11. Related party transactions (continued)

These transactions were measured at the exchange amount, that is the amount established and accepted by the parties and were conducted in the normal course of business.

The amounts due from related party are without interest.

### 12. Share capital

#### a) Authorized

Unlimited number of common shares without par value.

#### Issued

	Number of shares	\$
Balance, October 31, 2009	77,128,933	28,419,889
Shares issued for cash (net of issue costs of \$386,292) (1)	12,270,000	2,196,764
Share subscriptions receivable (1)	-	(842,500)
Shares issued on the exercise of warrants	185,000	48,128
Shares issued for property payments	500,000	140,000
Balance, April 30, 2010	90,083,933	29,962,281

- (1) In April, 2010, the Company completed a non-brokered private placement for gross proceeds of \$3,067,500. The private placement was comprised of 12,270,000 Units at a price of \$0.25 per Unit. Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.40 for a period of twenty-four months following the closing date. The Company paid finders' fees of \$233,000 and issued 932,000 warrants, each warrant entitling the holder to purchase one common share of the Company at a price of \$0.25 for a period of twenty-four months following the closing date. Other share issuance costs total \$33,712. The warrants issued in connection to the private placement have been recorded at a value of \$484,444 based on the proportional method and warrants issued as finders' fees have been recorded at a value of \$119,580 based on the Black-Scholes option pricing model, using the following assumptions: weighted average risk-free interest rate of 1.91%, expected life of warrants of 2 years, annualized volatility of 91% and dividend rate of 0%. At April 30, 2010, the Company received all of the proceeds from the private placement except for an amount of \$842,500, which was received in May 2010.

#### b) Warrants

	Number of warrants	Weighted average exercise price	\$
Balance, October 31, 2009	4,743,319	0.27	233,861
Granted	7,067,000	0.38	604,024
Exercised	(185,000)	0.21	(9,278)
Expired	(777,000)	0.27	(24,449)
Balance, April 30, 2010	10,848,319	0.34	804,158

**Everton Resources Inc.**

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and six months ended April 30, 2010

**12. Share capital (continued)**

As at April 30, 2010, the following stock purchase warrants were outstanding and exercisable:

Number	Exercise Price		Expiry Date
	\$	\$	
255,697	0.59	2,790	July 10, 2010
46,490	0.43	948	July 10, 2010
74,000	0.20	6,293	April 30, 2011
3,071,799	0.25	175,024	September 17, 2011
333,333	0.25	15,079	October 6, 2011
480,000	0.40	35,935	April 1, 2012
28,800	0.25	3,201	April 1, 2012
940,000	0.40	77,108	April 9, 2012
150,400	0.25	21,270	April 9, 2012
4,715,000	0.40	371,401	April 26, 2012
752,800	0.25	95,109	April 26, 2012
<u>10,848,319</u>		<u>804,158</u>	

**c) Stock option plan**

On December 3, 2009, the Company increased the maximum number of its options from 5,680,698 to 7,712,893.

The following table reflects the continuity of stock options for the period ended April 30, 2010:

	Number of options	Weighted average exercise price
		\$
Balance, October 31, 2009	4,190,000	0.47
Granted to employees (1)	730,000	0.22
Granted to non-employees (1) (2) (3)	1,600,000	0.24
Forfeited	(325,000)	0.16
Expired	(200,000)	0.37
Balance, April 30, 2010	<u>5,995,000</u>	<u>0.40</u>

The stock options granted in items (1) (2) and (3) have an exercise price that is greater than or equal to the market price at the date of grant and a weighted average fair value of \$0.12

- (1) On November 20, 2009, 1,230,000 stock options were granted to Directors, Officers, employees and consultants of the Company at an exercise price of \$0.22 per share, expiring on November 20, 2014.
- (2) On November 20, 2009, 600,000 stock options were granted to investor relations consultants at an exercise price of \$0.22 per share, expiring on November 20, 2010.
- (3) On February 22, 2010, 500,000 stock options were granted to consultants of the Company at an exercise price of \$0.28 per share, expiring on February 22, 2015.

**Everton Resources Inc.**

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and six months ended April 30, 2010

**12. Share capital (continued)**

As at April 30, 2010, the following options were outstanding and exercisable:

Range of exercise prices	Number outstanding	Weighted average remaining Contractual life	Weighted average exercise price	Number exercisable
\$0.10-\$0.15	1,905,000	3.89	\$0.10	1,538,750
\$0.22-\$0.28	2,305,000	0.21	\$0.23	1,630,000
\$0.40-\$0.45	450,000	1.98	\$0.43	450,000
\$0.78-\$1.10	1,000,000	2.19	\$0.86	1,000,000
\$1.30-\$1.38	335,000	1.83	\$1.30	335,000
	<u>5,995,000</u>			<u>4,953,750</u>

**13. Contributed surplus**

Contributed surplus consists of the following components:

	April 30, 2010	April 30, 2009
	\$	\$
Balance, beginning of period	6,438,177	6,243,342
Stock-based compensation to employees	153,161	154,191
Stock-based compensation to non-employees	132,700	-
Expiry of warrants	24,449	-
Balance, end of period	<u>6,748,487</u>	<u>6,397,533</u>

**14. Changes in non-cash working capital items**

Changes in the non-cash working capital consists of the following items:

	Three months Ended April 30, 2010	Three months Ended April 30, 2009	Six months Ended April 30, 2010	Six months Ended April 30, 2009
	\$	\$	\$	\$
Accounts receivable	(60,069)	14,290	(68,151)	5,530
Amounts due from related party	6,019	1,784	(19,596)	(49,487)
Prepaid expenses	4,591	18,709	68,804	8,618
Accounts payable and accrued liabilities	86,403	(34,930)	66,013	11,647
Total changes in non-cash working capital	<u>36,944</u>	<u>(147)</u>	<u>47,070</u>	<u>(23,692)</u>

## Everton Resources Inc.

(An exploration stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and six months ended April 30, 2010

### 15. Segmented information

The Company has determined that it only operates in one segment, being acquisition, exploration and development of mineral properties for economically recoverable reserves. Long term assets segmented by geographical area are as follows:

	April 30, 2010	October 31, 2009
	\$	\$
Canada	10,078,740	8,261,181
Dominican Republic	8,928,974	8,014,951
Total	<u>19,007,714</u>	<u>16,276,132</u>

### 16. Comparative figures

Certain of the comparative figures have been reclassified to conform with the current period's presentation.

### 17. Subsequent events

On May 11, 2010, the Company granted 420,000 stock options to an Officer, employees and consultants of the Company, at an exercise price of \$0.27 and expiring on May 11, 2015.

On May 17, 2010, 125,000 stock options at an exercise price of \$0.22 were forfeited.

On May 25, 2010, the shares of Focus Metals Inc. ("Focus") began trading on the TSX-V. Pursuant to the terms of the Agreement with Focus, Everton received 6 million common shares of Focus in exchange for the mineral rights on the Fosse du Labrador properties (Note 10), giving the Company a 16% ownership interest in Focus. Under a Surplus Security Escrow Agreement, these common shares are subject to a 36-month staged release escrow.

On May 7, 2010, the Company made a cash payment of US\$ 325,000 (CAD \$339,008) to Linear Gold, in accordance with the option agreement for the Ampliacion and Loma Hueca concessions (Note 10).

On June 17, 2010, 175,000 stock options were exercised at \$0.22 for gross proceeds of \$38,500.

On June 28, 2010, the Company completed a non-brokered private placement for gross proceeds of \$275,000. The private placement was comprised of 1,100,000 Units at a price of \$0.25 per Unit. Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.40 for a period of twenty-four months following the closing date. All securities issued in connection with the private placement are subject to a four month hold period expiring on October 29, 2010. An insider of the Company participated in the private placement for \$25,000. The proceeds from the private placement will be used to fund the Company's general working capital.