

EVERTON RESOURCES INC.
(A development stage Company)

Consolidated Financial Statements

For the three and nine months ended July 31, 2009

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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 nine months ended July 31, 2009 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 nine months ended July 31, 2009.

(signed) André Audet
André Audet, CEO

(signed) Khadija Abounaim
Khadija Abounaim, CFO

September 24, 2009

Everton Resources Inc.

(A development stage Company)

Consolidated Balance Sheets

As at

	July 31, 2009	October 31, 2008
	(Unaudited)	(Audited)
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	2,787,279	3,952,215
Marketable securities	2,125	3,750
Accounts receivable	27,808	42,524
Amounts due from related party (Note 10)	26,715	8,955
Tax credit and mining duties receivable	246,521	1,313,092
Prepaid expenses	117,241	166,800
	<u>3,207,689</u>	<u>5,487,336</u>
Deferred corporate transaction costs (Note 6)	112,897	-
Long-term investments (Note 7)	765,180	621,975
Property, plant and equipment (Note 8)	30,887	42,738
Mineral exploration properties (Note 9)	2,021,804	1,766,905
Deferred exploration expenses (Note 9)	10,338,398	9,756,154
	<u>16,476,855</u>	<u>17,675,108</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	328,682	176,870
SHAREHOLDERS' EQUITY		
Share capital (Note 11)	25,719,052	25,664,965
Contributed surplus (Note 12)	6,414,887	6,243,342
Accumulated other comprehensive gain (loss)	9,493	(13,500)
Deficit	(15,995,259)	(14,396,569)
	<u>16,148,173</u>	<u>17,498,238</u>
	<u>16,476,855</u>	<u>17,675,108</u>

Going concern (Note 2)

Contingency (Note 15)

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.
(A development stage Company)
Consolidated Operations (unaudited)

	Three months Ended July 31, 2009	Three months Ended July 31, 2008	Nine Months Ended July 31, 2009	Nine Months Ended July 31, 2008
	\$	\$	\$	\$
Operating expenses				
Management and consulting fees	29,092	21,268	50,629	80,647
Stock-based compensation (Note 12)	17,816	202,976	172,007	583,774
Salaries and benefits	81,353	121,088	307,571	354,952
Travel and promotion	3,420	24,961	56,330	96,639
Report to shareholders	15,609	2,466	18,425	21,520
Professional fees	29,842	10,051	101,251	76,707
General expenses	34,407	55,809	135,898	148,768
Foreign exchange loss	12,872	2,534	58,324	11,019
Amortization of property, plant and equipment	2,630	4,585	8,970	13,521
Write-down of mineral properties and deferred exploration expenses	187,859	-	497,239	5,256
	<u>414,900</u>	<u>445,738</u>	<u>1,406,644</u>	<u>1,392,803</u>
Other (income) expenses				
Interest and other income	(3,276)	(39,707)	(74,036)	(177,412)
Loss on sale of property, plant and equipment	-	-	2,615	-
Gain on sale of mineral properties	-	-	(7,256)	-
Share of net loss of Investee companies (Note 7)	184,935	-	255,098	-
Impairment of marketable securities	-	-	15,625	-
	<u>596,559</u>	<u>406,031</u>	<u>1,598,690</u>	<u>1,215,391</u>
Net loss				
	<u>0.01</u>	<u>0.01</u>	<u>0.03</u>	<u>0.02</u>
Basic and diluted net loss per common share				
	<u>58,945,593</u>	<u>57,798,869</u>	<u>58,533,499</u>	<u>57,653,029</u>
Basic and diluted weighted average number of common shares outstanding				

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

Everton Resources Inc.

(A development stage Company)

Consolidated Deferred Exploration Expenses (unaudited)

	Three months Ended July 31, 2009	Three months Ended July 31, 2008	Nine Months Ended July 31, 2009	Nine Months Ended July 31, 2008
	\$	\$	\$	\$
Balance, beginning of the period	10,072,573	8,188,545	9,756,154	6,669,196
Additions				
Drilling	206,787	277,816	317,456	1,343,744
Project consulting	6,611	59,978	17,186	185,469
Geophysical survey	-	44,539	-	309,709
Geological survey	156,035	385,303	644,938	865,095
Geochemical survey	11,941	43,117	45,901	147,933
Report preparation	3,111	68,278	40,817	327,089
Renewal of licenses and permits	4,385	20,384	68,842	26,447
General field expenses	24,402	80,672	106,553	522,282
	<u>413,272</u>	<u>980,087</u>	<u>1,241,693</u>	<u>3,727,768</u>
Contribution of partners	-	(99,174)	-	(99,174)
Write-down of deferred exploration expenses	(140,798)	-	(371,434)	(5,256)
Cost of mineral properties sold	-	-	(206,861)	(467,908)
Tax credits and mining duties	(6,649)	(160,293)	(81,154)	(915,461)
	<u>(147,447)</u>	<u>(259,467)</u>	<u>(659,449)</u>	<u>(1,487,799)</u>
Balance, end of the period	<u>10,338,398</u>	<u>8,909,165</u>	<u>10,338,398</u>	<u>8,909,165</u>

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

Everton Resources Inc.
(A development stage Company)
Consolidated Deficit (unaudited)

	Three months Ended July 31, 2009	Three months Ended July 31, 2008	Nine Months Ended July 31, 2009	Nine Months Ended July 31, 2008
	\$	\$	\$	\$
Deficit, beginning of the period	15,398,700	13,028,735	14,396,569	12,219,375
Net loss	596,559	406,031	1,598,690	1,215,391
Deficit, end of the period	15,995,259	13,434,766	15,995,259	13,434,766

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

Everton Resources Inc.

(A development stage Company)

Consolidated Comprehensive loss (unaudited)

	Three months Ended July 31, 2009	Three months Ended July 31, 2008	Nine Months Ended July 31, 2009	Nine Months Ended July 31, 2008
	\$	\$	\$	\$
Net loss for the period	(596,559)	(406,031)	(1,598,690)	(1,215,391)
Other comprehensive income (loss)				
Unrealized gain (loss) on available-for-sale investments	9,493	(180,750)	22,993	1,016,750
Comprehensive loss for the period	<u>(587,066)</u>	<u>(586,781)</u>	<u>(1,575,697)</u>	<u>(198,641)</u>

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

Everton Resources Inc.
(A development stage Company)
Consolidated Cash Flows (unaudited)

	Three months Ended July 31, 2009 \$	Three months Ended July 31, 2008 \$	Nine Months Ended July 31, 2009 \$	Nine Months Ended July 31, 2008 \$
OPERATING ACTIVITIES				
Net loss	(596,559)	(406,031)	(1,598,690)	(1,215,391)
Non-cash items				
Amortization of property, plant and equipment	2,630	4,585	8,970	13,521
Stock-based compensation	17,816	202,976	172,007	583,774
Unrealized foreign exchange loss	12,826	854	40,584	12,483
Write-down of deferred exploration expenses	140,798	-	371,434	5,256
Write-down of mineral properties	47,061	-	125,805	-
Loss on sale of property, plant and equipment	-	-	2,615	-
Gain on sale of mineral properties	-	-	(7,256)	-
Share of net loss of investee companies	184,935	-	255,098	-
Impairment of marketable securities	-	-	15,625	-
Unrecoverable Mining duties	-	-	740	-
Changes in non-cash working capital items (Note 13)	56,795	(75,851)	33,103	(212,910)
Cash flows used in operating activities	<u>(133,698)</u>	<u>(273,467)</u>	<u>(579,965)</u>	<u>(813,267)</u>
INVESTING ACTIVITIES				
Short-term investments	-	-	-	5,468,851
Deferred corporate transaction costs	(112,897)	-	(112,897)	-
Sale (acquisition) of property, plant and equipment	-	(1,550)	266	(9,892)
Mineral exploration property costs	(19,658)	(184,554)	(474,087)	(298,849)
Deferred exploration expenses	(226,637)	(855,790)	(1,146,363)	(3,303,262)
Tax credits and mining duties received	871,831	1,629,076	1,146,985	1,629,076
Cash flows from (used in) investing activities	<u>512,639</u>	<u>587,182</u>	<u>(586,096)</u>	<u>3,485,924</u>
FINANCING ACTIVITIES				
Common shares issued	1,125	100,500	1,125	142,270
Share issue costs	-	-	-	4,711
Cash flows from financing activities	<u>1,125</u>	<u>100,500</u>	<u>1,125</u>	<u>146,981</u>
Increase (decrease) in cash and cash equivalents	380,066	414,215	(1,164,936)	2,819,638
Cash and cash equivalents, beginning of period	<u>2,407,213</u>	<u>4,942,662</u>	<u>3,952,215</u>	<u>2,537,239</u>
Cash and cash equivalents, end of period	<u><u>2,787,279</u></u>	<u><u>5,356,877</u></u>	<u><u>2,787,279</u></u>	<u><u>5,356,877</u></u>
<i>Cash and cash equivalents:</i>				
Cash	2,787,279	825,426	2,787,279	825,426
Cash equivalents	-	4,531,451	-	4,531,451
	<u>2,787,279</u>	<u>5,356,877</u>	<u>2,787,279</u>	<u>5,356,877</u>
Non-cash supplemental information:				
Deferred exploration expenses included in accounts payable	209,745	614,647	209,745	614,647
Common shares received in exchange of mineral properties	-	-	360,000	1,200,000
Common shares received from related party	29,310	-	29,310	-
Common shares issued for property payments	-	-	52,500	15,250
Common shares issued in payment of deferred exploration	-	40,000	-	40,000

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

Everton Resources Inc.

(A development stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and nine months ended July 31, 2009

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 related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. The 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.

As at July 31, 2009, the Company had a working capital of approximately \$2.9 million, including approximately \$2.8 in cash. Together with the proceeds from the private placement completed subsequent to quarter-end for an amount of \$777,500 (note 17), the Company anticipates having sufficient cash to meet its current option payment obligations, undertake a portion of exploration work on the Shoal Lake property (note 17) 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 the Shoal Lake property, to undertake exploration programs on its other properties and to meet its payment obligations and all of its general and administrative costs. There is no assurance that the Company will be successful in raising the additional required funds.

Everton Resources Inc.

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Notes to Consolidated Financial Statements (unaudited)

Three and nine months ended July 31, 2009

3. Accounting changes

The accompanying unaudited interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). They are consistent with the policies and practices used in the preparation of the Company's audited annual consolidated financial statements, except for the adoption of the new standard and abstracts described in the following paragraphs. These unaudited interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the years ended October 31, 2008 and 2007.

Effective November 1, 2008, the Company adopted the new recommendation of the Canadian Institute of Chartered Accountants under Section 1400, "General Standards of Financial Statement Presentation", which requires that management make an assessment of the Company's ability to continue as a going concern over a period which is at least, but not limited to, twelve months from the balance sheet date. The new requirement only addresses disclosures, and has no impact on the Company's financial results.

On January 20, 2009, the Emerging Issues Committee ("EIC") issued Abstract EIC-173, Credit Risk and the Fair Value of Financial Assets and Liabilities. This abstract is to be applied retrospectively, without restatement, to all financial assets and liabilities measured at fair value in interim and annual financial statements for periods ending on or after January 20, 2009. The Company has taken into account the consensus reached in this abstract in preparing its unaudited interim financial statements.

On March 27, 2009, the Emerging Issues Committee ("EIC") issued Abstract EIC-174 ("mining exploration costs regarding the capitalization and impairment of exploration costs"). This abstract is to be applied to all financial statements issued after March 27, 2009. The company has taken into account the consensus reached in this abstract in preparing its unaudited interim consolidated financial statements.

Recently issued accounting pronouncement

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 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.

International Financial Reporting Standards

The Canadian Accounting Standards Board requires all public companies to adopt International Financial Reporting Standards ("IFRS") for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal period. The transition from Canadian GAAP to IFRS will be applicable for the Company's first quarter of fiscal 2012.

The adoption of IFRS will impact the consolidated financial statements of the Company. The Company is assessing the impact of implementing IFRS and is developing plans to facilitate a timely conversion.

Everton Resources Inc.

(A development stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and nine months ended July 31, 2009

4. Financial instruments, risk management and capital management

Financial instruments

The Company's financial instruments at July 31, 2009 consist of cash, marketable securities, 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.

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, 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's working capital approximates \$2.9 million at July 31, 2009, including cash of approximately \$2.8 million and current liabilities totalling \$327,716, due within the next 30 days. The Company's ability to start its exploration program on the Shoal Lake property (note 17), to meet its payment obligations, to fund exploration programs on its other exploration properties 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.

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) with maturities of 180 days or less from the original date of acquisition.

Everton Resources Inc.

(A development stage Company)

Notes to Consolidated Financial Statements (unaudited)

Three and nine months ended July 31, 2009

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

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. Cash and cash equivalents

As at July 31, 2009, cash totals \$2,787,279 and includes investment savings accounts' balance for \$2,602,744 (Cash equivalent for \$3,460,777 as at October 31, 2008). These have interest rates ranging from 0.75% to 1.05% (2.51% to 2.68% as at October 31, 2008),

6. Deferred corporate transaction costs

On July 9, 2009, the Company signed a Letter of Intent (the "LOI") with Hays Lake Gold Inc. ("HLG") whereby the Company proposed to acquire all of the issued and outstanding shares of HLG, a private mining company. Under the terms of the LOI, the Company agreed to make a non-refundable payment for a total of \$55,000 in order to obtain a thirty-day extension and an exclusivity period to complete a transaction by September 30, 2009 and perform a legal, technical and environmental due diligence investigation on HLG and its business.

All these costs, which have been incurred before the completion of the HLG acquisition subsequent to period-end (Note 17), have been recognized as deferred corporate transaction costs for a total of \$112,897.

7. Long-term investments

Investment in NQ Exploration Inc. ("NQ")

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: 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.

Everton Resources Inc.

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Notes to Consolidated Financial Statements (unaudited)

Three and nine months ended July 31, 2009

7. Long-term investment (continued)

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 July 31, 2009, the Company has a 41% ownership interest in NQ. The share of net loss of NQ recognized reflects the change of the holding interest since the acquisition date of the shares.

	July 31, 2009	October 31, 2008
	\$	\$
Balance, at acquisition	1,200,000	1,200,000
Share of net loss of NQ	(785,609)	(578,025)
Balance, end of period	<u>414,391</u>	<u>621,975</u>

The market value of the Company's investment in NQ Exploration Inc. as at July 31, 2009 is \$1,920,000.

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

	Number of shares	Date released/to be released
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
Shares escrowed as at July 31, 2009	<u>7,200,000</u>	
Shares still to be released	1,800,000	October 22, 2009
	1,800,000	April 20, 2010
	1,800,000	October 17, 2010
	1,800,000	April 15, 2011
	<u>7,200,000</u>	

Investment in Focus Metals Inc ("Focus")

Further to a sale agreement dated March 24, 2009, the Company sold the following 13 properties located in the Labrador Trough region of Quebec to Focus: Goose, Fox, Lac Aulneau, Colombet, Leopard, Diana, Lemming, Jack Rabbit, Lac Ribero, Otelnuck, Minowean, Canyon and Romer in exchange for 6,000,000 common shares of Focus valued at a price of \$0.06 per share. The completion of the transaction is subject to the listing of Focus Metals' common shares on the publicly Exchange by no later than December 31, 2009. The common shares are held in escrow, and will be released to the Company at the completion of the transaction.

The Company has significant influence over Focus and therefore the equity method has been used as the basis of accounting for the investment from the date of acquisition. As at July 31, 2009, the Company has a 31% ownership interest in Focus.

	July 31, 2009	October 31, 2008
	\$	\$
Balance, at acquisition	360,000	-
Share of net loss of Focus	(47,514)	-
Balance, end of period	<u>312,486</u>	<u>-</u>

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Notes to Consolidated Financial Statements (unaudited)

Three and nine months ended July 31, 2009

7. Long-term investment (continued)

Investment in Adventure Gold Inc. ("Adventure")

On June 1, 2009, the company signed a cost sharing agreement (effective January 1, 2009) with Adventure, which includes the sharing of administrative and management costs related to their day-to-day operations and provides Adventure with the option to pay the Company, on a quarterly basis, in common shares in lieu of cash, at a price equal to the greater of \$0.11 per share or the Discounted Market Price on the last day of each quarter. As for the payment of Insider Management Costs in common shares in lieu of cash, Adventure needs to obtain disinterested shareholder approval for such payment, no later than December 31, 2009 and the price per share is equal to the greater of \$0.11 per share or the Discounted Market Price on December 31, 2009.

On July 2, 2009, Adventure issued 255,352 common shares to the Company in payment of shared costs for the first half of 2009 (excluding Insider management costs which are pending Adventure shareholders' approval).

The Company does not have significant influence over Adventure and therefore the cost method has been used as the basis of accounting for the investment from the date of acquisition. As at July 31, 2009, the Company has a 1% ownership interest in Adventure.

	July 31, 2009			October 31, 2009	
	Cost	Unrealized gain	Fair value	Cost	Fair value
	\$	\$	\$	\$	\$
255,352 common shares of Adventure	29,310	8,993	38,303	-	-

8. Property, plant and equipment

	July 31, 2009		October 31, 2008	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Computer equipment	40,259	26,272	13,987	18,956
Computer software	31,554	30,888	666	2,663
Furniture and equipment	31,952	15,718	16,234	21,119
	103,765	72,878	30,887	42,738

The cost and accumulated amortization are \$110,304 and \$67,566 respectively as at October 31, 2008.

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9. Mineral exploration properties and deferred exploration expenses

	July 31, 2009		October 31, 2008	
	Mineral Properties	Deferred Exploration Expenses	Mineral Properties	Deferred Exploration Expenses
	\$	\$	\$	\$
<u>Canada</u>				
<u>Quebec</u>				
a) Opinaca	304,646	2,974,950	244,646	2,942,074
b) Wildcat	176,465	1,119,385	260,953	1,294,707
c) James Bay Area	16,805	44,984	39,042	81,848
d) Fosse du Labrador	-	-	164,963	230,221
e) Other	240	5,735	240	4,614
<u>British Columbia</u>				
f) Hot springs	1,000	31,580	-	27,423
	<u>499,156</u>	<u>4,176,634</u>	<u>709,844</u>	<u>4,580,887</u>
<u>Dominican Republic</u>				
g) Cuance	-	1,012,353	-	1,012,353
g) Los Hojanchos	-	316,342	-	316,342
h) La Cueva (Loma El Mate)	183,836	914,852	183,836	898,380
i) Jobo Claro	302,280	518,024	302,280	509,084
j) Maimon Copper	-	1,086,305	-	1,046,809
k) La Mireya	5,635	43,383	5,635	28,483
l) Ampliacion Pueblo Viejo	833,530	1,621,188	422,740	1,076,406
l) Ponton (Loma Hueca)	143,119	104,055	107,980	54,777
m) Fresso	54,248	486,260	34,590	206,319
n) Other	-	59,002	-	26,314
	<u>1,522,648</u>	<u>6,161,764</u>	<u>1,057,061</u>	<u>5,175,267</u>
TOTAL	<u>2,021,804</u>	<u>10,338,398</u>	<u>1,766,905</u>	<u>9,756,154</u>

a) Opinaca, Quebec

On December 13, 2004, Everton signed an option agreement with Azimut Exploration ("Azimut") to earn up to 50% in 546 claims by spending \$4,800,000 in exploration work and by making cash payments of \$340,000 over 5 years. As at July 31, 2009, all the exploration work commitments were met and the only a cash payment commitment of \$60,000 is due on or before December 9, 2009.

Under the same agreement, the Company has the option to increase its interest from 50% to 65% by paying an amount of \$40,000 a year to Azimut for the next five years and by incurring minimum work expenditures of \$200,000 a year for the same period. This increase can only be acquired once the initial payments and minimum exploration expenses have been made. In case the Company elects not to exercise this second option, it has to make a cash payment of \$200,000 to Azimut.

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9. Mineral exploration properties and deferred exploration expenses (continued)

b) 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. In 2006, the Company increased its land package known as Wildcat by staking an additional 207 claims. These claims are also adjacent to the Eleonore gold discovery. In 2008, the Company acquired by staking an additional 95 claims on the area known as Wildcat 8.

During the period, the Company wrote-down the cost of the property by \$187,859 (\$47,061 in acquisition costs and \$140,798 in deferred exploration expenses) further to the abandonment of 100% of the claims of the areas known as Wildcat 7 and Wildcat 8, as these projects no longer fit the Company's strategy.

c) James Bay Area, Quebec

The mineral properties and deferred exploration expenses in James Bay Area as at July 31, 2009 relate to expenditures incurred on the Coulon property acquired by map-staking.

During the period ended April 30, 2009, the Company wrote down the cost of the Coulon property by \$30,456 (\$8,657 in acquisition costs and \$21,799 in deferred exploration expenses) further to the abandonment of 34% of the property's claims.

Also, during the period ended April 30, 2009, the Company wrote down the cost of the Nouveau Quebec and Gold Strait Properties to Nil (\$13,580 in acquisition costs and \$37,178 in deferred exploration expenses) as these projects no longer fit the Company's strategy.

d) Fosse du Labrador, Quebec

On February 11, 2008, the Company signed an agreement with Ressources Tectonic Inc. to acquire a 100% interest in the Kan and Ferricrete properties for cash consideration of \$70,000 over three years and by incurring \$310,000 in exploration expenses.

On February 9, 2009, the Company terminated the option agreement as these two projects no longer fit the Company's strategy. Consequently, the Company wrote down the cost of the properties to \$Nil (\$19,080 in acquisition costs and \$38,059 in exploration expenses).

In addition, in 2008, the Company acquired by map-staking 1,447 designated claims in 13 new projects covering 668 km² 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, the Company signed an agreement with 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 Metals' common shares on a public Exchange by no later than December 31, 2009.

e) Other, Quebec

Other properties relate to the Sirmac lithium property which consists of 15 designated claims acquired by map-staking.

f) 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.

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9. Mineral exploration properties and deferred exploration expenses (continued)

g) 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 70% in three gold and base metals concessions, namely the Cuance, Los Hojanchos and Loma de Payabo concessions. On February 20, 2008, in an amendment to the initial agreement, Everton agreed to incur exploration expenditures totaling US \$1,170,000 (CAD \$ 1,263,000) by July 31, 2010 to earn a 50% interest in two of these properties, Cuance and Los Hojanchos (a minimum of US \$585,000 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.

Globestar is the operator on these projects and is responsible for cash calling the Company sufficient amounts, in working programs, to complete the committed expenditures and to keep the joint venture in good standing. As at July 31, 2009, the remaining expenditure to be incurred to earn 50% interest in the properties amounts to US\$47,200 (CAD \$51,000).

h) 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 (including the issuance of 100,000 common shares in 2004 valued at \$40,000, 50,000 common shares in 2005 valued at \$20,000 and 50,000 common shares in 2006 valued at \$38,500) 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.

i) Jobo Claro, Dominican Republic

In September 2005, Everton signed an agreement with a local concession holder to acquire a 100% interest in the Jobo Claro concession adjacent to the Pueblo Viejo Mine, in the Dominican Republic.

Everton had the exclusive option to evaluate the Jobo Claro project for an initial period of 180 days from the effective date of September 10, 2005, by paying US\$30,000 (CAD \$39,650). Further to an amendment to this agreement dated March 2006, Everton paid an additional amount of US\$30,000 (CAD \$34,000) to maintain its option to evaluate the Jobo Claro project, for up to 360 days from the effective date of September 10, 2005. Further to a second amendment dated September 10, 2006, Everton paid an additional amount of US\$20,000 (CAD \$22,000) to maintain its option to evaluate the Jobo Claro project until March 10, 2007. On March 10, 2007, the Company paid US\$180,000 (CAD \$210,000) to the local concession holder and acquired a 100% interest in the project.

j) Maimon Copper, Dominican Republic

In January 2005, five polymetallic concessions were granted to the Company: Miranda, Loma Blanca, Caballero, Los Naranjos and Tocoa. These five concessions which are located within the Maimon Formation in Dominican Republic are held 100% by the Company. In November 2005, the Company was granted another three polymetallic concessions in the same area: La Sidra, El Llano and La Yautia.

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Notes to Consolidated Financial Statements (unaudited)

Three and nine months ended July 31, 2009

9. Mineral exploration properties and deferred exploration expenses (continued)

k) 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 \$540,000).

l) Ampliacion and 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 and Loma Hueca Concessions. The Company can earn its interest in the Ampliacion Concession by making cash payments totaling US\$700,000 (CAD\$755,000), work commitments of US\$2,500,000 (CAD\$2,700,000) and issuing 1,200,000 common shares over a three-year period. 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\$2,158,000) and issuing 1,000,000 additional common shares. The Company can earn its interest in the Loma Hueca Concession by making cash payments totaling US\$100,000 (CAD\$108,000), work commitments of US\$600,000 (CAD\$647,000) and issuing 200,000 common shares over a three-year period. 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\$270,000) and issuing 300,000 additional common shares.

As at July 31, 2009, the remaining commitments are as follows:

	Cash payments US\$	Work commitments US\$	Common shares
<u>Ampliacion</u>			
April 10, 2010	300,000	2,000,000 (1)	400,000
<u>Loma Hueca</u>			
April 10, 2010	25,000	500,000	100,000

(1) US\$1,000,000 of these exploration expenses were incurred as at July 31, 2009

m) 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. At the Company's request, this evaluation period can be extended for two additional six-month periods for a payment of US\$17,500 (CAD \$20,100) per period. Upon conclusion of the evaluation period, the Company can acquire 100% interest in the property for a final cash payment of US\$140,000 (CAD \$151,000). 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 \$270,000). The first payment of US\$35,000 (CAD \$34,591) was made on May 28, 2008. On May 28, 2009, the Company paid US\$ 17,500 (CAD \$19,658) to Asesores for a six months extension.

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Three and nine months ended July 31, 2009

9. Mineral exploration properties and deferred exploration expenses (continued)

n) Other

Other properties consist of eastern Dominican Republic concessions. During the period ended January 31, 2009, the Company further wrote down the cost of Cacique de Piedra for \$8,727 in exploration expenses. Also, during the period ended April 30, 2009, the Company wrote down to \$Nil the cost of the Los mosquitos and Loma Ceiba de Agua properties for \$2,554 in exploration expenses, as these projects no longer fit the Company's strategy.

10. 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 combined shared salaries and benefits, rent and office expenses. During the three and nine months ended July 31, 2009, the cost of shared salaries and benefits was \$ 14,250 and \$51,916 respectively (\$27,888 and \$83,577 in 2008) and rent and office expenses were \$714 and \$15,561 respectively (\$10,599 and \$31,797 in 2008). Included in amounts due from related parties is \$Nil (\$Nil as at October 31, 2008) 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 nine months ended July 31, 2009, the cost of shared salaries and benefits was \$22,500 and \$67,828 respectively (\$23,424 and \$70,272 in 2008) and rent and office expenses was \$1,500 and \$5,684 respectively (\$4,326 and \$9,978 in 2008). Included in amounts due from related parties is \$26,715 (\$8,955 as at October 31, 2008) due from Adventure.

On June 1, 2009, the Company signed a cost sharing agreement (effective January 1, 2009) with Adventure which provides Adventure with the option to pay the Company in common shares in lieu of cash. On July 2, 2009, Adventure issued 255,352 common shares to the Company (valued at \$29,310) in payment of shared costs for the first half of 2009 (excluding Insider management costs which are pending Adventure shareholders' approval).

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 parties are without interest.

11. Share capital

a) Authorized

Unlimited number of common shares without par value.

Issued

	Number of shares	\$
Balance, October 31, 2008	58,290,333	25,664,965
Shares issued for property payments	650,000	52,500
Shares issued on the exercise of options	11,250	1,587
Balance, July 31, 2009	<u>58,951,583</u>	<u>25,719,052</u>

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Three and nine months ended July 31, 2009

11. Share capital (continued)

b) Stock option plan

The following table reflects the continuity of stock options for the period ended July 31, 2009:

	Number of options	Weighted average exercise price
		\$
Balance, October 31, 2008	4,382,500	0.56
Granted (1) (2) (3) (4)	1,305,000	0.11
Forfeited	(723,750)	0.45
Expired	(762,500)	0.40
Exercised	(11,250)	0.10
Balance, July 31, 2009	<u>4,190,000</u>	<u>0.47</u>

(1) On November 10, 2008, 150,000 stock options were granted to an Officer of the Company at an exercise price of \$0.10 per share expiring November 10, 2013. The fair value of these options which amounts to \$6,831 was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 90%; risk-free interest rate of 2.79% and an expected average life of 5 years.

(2) On March 9, 2009, 690,000 stock options were granted to Directors, Officers and an employee of the Company at an exercise price of \$0.10 per share expiring on March 9, 2014. The fair value of these options which amounts to \$36,705 was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 90%; risk-free interest rate of 1.87% and an expected average life of 5 years.

(3) On May 5, 2009, 115,000 stock options were granted to an Officer and employees of the Company at an exercise price of \$0.10 per share expiring on May 5, 2014. The fair value of these options which amounts to \$8,123 was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 91%; risk-free interest rate of 2.02% and an expected average life of 5 years.

(4) On June 1, 2009, 350,000 stock options were granted to an investor relations consultant (300,000) and a consultant (50,000) at an exercise price of \$0.15 per share, expiring on June 1, 2011 and June 1, 2014 respectively. The fair values of these options, which amount to \$21,897 and \$5,325 respectively, were estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%; expected volatility of 91%; risk-free interest rate of 1.26% and 2.51% respectively and an expected average life of 2 and 5 years respectively.

As at July 31, 2009, the following options were outstanding and exercisable:

Range of exercise prices	Number outstanding	Weighted average remaining Contractual life	Weighted average exercise price	Number exercisable	Weighted average exercise price
\$0.10-\$0.45	2,855,000	3.54	\$0.18	1,283,750	\$0.24
\$0.78-\$1.38	<u>1,335,000</u>	2.60	\$0.97	<u>1,335,000</u>	\$0.97
	<u>4,190,000</u>			<u>2,618,750</u>	

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12. Contributed surplus

Contributed surplus consists of the following components:

	July 31, 2009	October 31, 2008
	\$	\$
Balance, beginning of period	6,243,342	1,946,319
Stock-based compensation	172,007	680,847
Black-Scholes value of exercised options	(462)	-
Expiry of warrants	-	3,616,176
	<u>6,414,887</u>	<u>6,243,342</u>

13. Changes in non-cash working capital items

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

	Three months Ended July 31, 2009	Three months Ended July 31, 2008	Nine Months Ended July 31, 2009	Nine Months Ended July 31, 2008
	\$	\$	\$	\$
Accounts receivable	9,186	33,721	14,716	(150,320)
Amounts due from related party	2,417	(30,810)	(47,070)	(2,542)
Prepaid expenses	(7,487)	(52,803)	1,131	(62,343)
Advances to operators	-	-	-	12,706
Accounts payable and accrued liabilities	52,679	(25,959)	64,326	(10,411)
Total changes in non-cash working capital	<u>56,795</u>	<u>(75,851)</u>	<u>33,103</u>	<u>(212,910)</u>

14. 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:

	July 31, 2009	October 31, 2008
	\$	\$
Canada	5,584,754	5,955,445
Dominican Republic	7,684,412	6,232,327
Total	<u>13,269,166</u>	<u>12,187,772</u>

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15. Contingent liability

In 2008, the Company received a notice from the optionor under the Miches option agreement disputing the Company's termination of that agreement on September 21, 2007 after incurring approximately US\$340,000 (CAD\$325,000) of a proposed second year work program of US\$600,000 and claiming damages in the amount of US\$600,000 (CAD\$647,000). On July 3, 2008, the Company's Dominican Republic subsidiary, Everton Minera Dominicana, S.A., was served with a notice of arbitration in respect of this claim, and has agreed to proceed to arbitration. At present, the Company is awaiting formal constitution of the arbitral panel and the fixing of a date by it for a first hearing; the resolution of this claim is not yet reasonably determinable. In management's opinion, this notice is unwarranted, accordingly, no provision has been recorded in the consolidated financial statements.

16. Comparative figures

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

17. Subsequent events

Acquisition of Hays Lake Gold Inc.

On September 17, 2009, the Company completed the acquisition of Hays Lake Gold Inc. ("HLG"), a private mining exploration company. HLG has various options to acquire a consolidated land package located in the Shoal Lake West and Shoal Lake East gold projects ("Shoal Lake Project") near Kenora, Ontario, initially announced on July 9, 2009. The most significant option was granted by Halo Resources Ltd. ("Halo") in October 2008, pursuant to which Halo granted HLG the right to earn a 51% undivided interest in the Shoal Lake West property ("SLW") by incurring exploration expenditures of \$1,500,000 by May 1st, 2010. The agreement is also subject to HLG making quarterly property payments of \$60,000 for a three year period starting on November 1, 2009 and ending on October 31, 2012. HLG also has the right to earn an additional 24% undivided interest in the SLW property by incurring additional exploration expenditures of \$3,500,000 by October 31, 2012, and by making a final payment to Halo of \$6,000,000 before such date. Other options granted to HLG in the Shoal Lake East area call for payments totalling approximately \$4,750,000 over the next three years in exchange for a 100% interest in the projects.

Everton has signed share purchase agreements with all of the shareholders of HLG thereby acquiring 100% of HLG's issued and outstanding shares. In total, Everton has acquired 32,432,400 HLG shares (the "HLG Shares") in exchange for 12,000,000 common shares of Everton (the "Everton Shares"), based on an exchange ratio of 0.37 of an Everton Share for 1 HLG Share (the "Exchange Ratio"). Furthermore, the 3,916,725 share purchase warrants of HLG presently outstanding (the "HLG Warrants") have been exchanged for share purchase warrants of Everton (the "Everton Warrants") in accordance with the Exchange Ratio and the exercise price of such warrants has been adjusted accordingly, the whole in compliance with the policies of the TSX Venture Exchange (the "TSXV").

Within a period of three (3) years from the date hereof, should Everton announce the completion of a NI 43-101 compliant report for the combined Shoal Lake Project (property that falls within 100 km of Shoal Lake) that includes a total estimated mineral resource of 2,000,000 ounces of gold having an average grade of no less than 6.0 g/t Au, of which at least 1,000,000 ounces of gold shall be in the indicated mineral resource estimate category or better, Everton will issue to the shareholders of HLG on a pro-rata basis, within a period of five (5) business days following the announcement, additional Everton Shares having a total value of \$1.5 million at a price per share equal to the closing price of the Everton's shares on the TSXV on the day prior to the date of such announcement, subject to a maximum of 7,000,000 Everton Shares.

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17. Subsequent events (continued)

Everton has agreed to pay a finders' fee totalling \$112,000 in connection with the transaction, half of which is payable in cash and the other half in common shares of Everton. In total, Everton will issue 329,412 common shares as partial payment of the finders' fee. In compliance with applicable securities legislation, these securities will be subject to a 4 month hold period. Payment of the finders' fee is subject to TSXV approval.

Closing of a Private Placement

On September 17, 2009, the Company completed a private placement offering (the "Offering") of 5,181,332 units at a price of \$0.15 each for gross proceeds of \$777,200. Each unit consists of one common share in the capital of the Company and one-half of one share purchase warrant. Each warrant will entitle the holder to acquire one additional common share of Everton at a price of \$0.25 per warrant share until the earlier of: a) on the 30th calendar day following receipt by the holder of a written notice from the Issuer advising that the trading price of the common shares on the TSXV has been equal to or greater than \$0.40 for a period of 10 consecutive trading days commencing on the day following the expiry of the Hold period and b) on the date which is twenty-four (24) months following the closing date. The funds raised pursuant to the Offering will be used to fund the Company's general working capital. Directors and officers of the Company have participated in the private placement for a total amount of \$55,500.

In connection with the Offering, Everton has agreed to pay finders' fees of (i) \$58,216 in cash and (ii) 72,700 non-transferable warrants, each warrant entitling the holder to purchase one common share of Everton at a price of \$0.25 per share. All securities issued in connection with the Offering, including the non-transferable warrants issued as partial payment of the finders' fee, are subject to a four month hold period from the closing of the Offering.