

EVERTON RESOURCES INC.

(A development stage Company)

Interim Consolidated Financial Statements

April 30, 2007

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Management's Responsibility for Interim Financial Statements

To the Shareholders of Everton Resources Inc.

The interim consolidated financial statements and the notes thereto for the three-month period ended April 30, 2007 are the responsibility of the management of Everton Resources Inc. These interim 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 auditors of Everton Resources Inc. have not performed a review of the consolidated financial statements for the three months ended April 30, 2007.

(signed) André Audet
André Audet, CEO

(signed) Marc Carbonneau
Marc Carbonneau, CFO

Everton Resources Inc.

(A development stage Company)

Consolidated Balance Sheet

	April 30, 2007	October 31, 2006
	(Unaudited)	(Audited)
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	3,362,516	1,455,364
Short term investments (note 3)	6,828,480	-
Marketable securities	12,750	17,250
Accounts receivable	249,333	304,981
Amounts due from related parties (note 4)	54,040	58,812
Tax credits and mining duties receivable	1,729,625	1,390,365
Advances to operators	12,706	20,755
Prepaid expenses	129,421	100,226
	<u>12,378,871</u>	<u>3,347,753</u>
Property, plant and equipment (note 5)	48,790	54,569
Mineral exploration properties (note 6)	2,660,915	1,011,875
Deferred exploration expenses (note 6)	5,505,612	3,470,563
	<u>20,594,188</u>	<u>7,884,760</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	316,228	416,508
Current obligation under capital lease	-	1,772
	<u>316,228</u>	<u>418,280</u>
Long term liabilities		
Obligation under capital lease	-	8,366
	<u>316,228</u>	<u>426,646</u>
SHAREHOLDERS' EQUITY		
Share capital (note 7)	25,407,162	14,849,688
Warrants (note 7)	3,629,850	583,356
Contributed surplus (note 8)	1,371,489	1,218,909
Accumulated other comprehensive loss	(4,500)	-
Deficit	(10,126,041)	(9,193,839)
	<u>20,277,960</u>	<u>7,458,114</u>
	<u>20,594,188</u>	<u>7,884,760</u>

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

Everton Resources Inc.

(A development stage Company)
Consolidated Operations (unaudited)

	Three months Ended April 30, 2007	Three months Ended April 30, 2006	Six months Ended April 30, 2007	Six months Ended April 30, 2006
	\$	\$	\$	\$
Administrative expenses				
Management and consulting fees	82,337	112,882	168,022	154,790
Salaries and benefits	170,220	120,311	439,024	269,295
Travel and promotion	81,951	83,948	188,658	131,115
Report to shareholders	19,542	4,244	21,485	6,500
Conferences and subscription	29,280	7,372	39,480	14,918
Stationery and office supplies	6,242	9,419	13,005	16,695
Professional fees	30,570	36,363	63,256	55,767
Insurance	8,878	5,714	13,495	12,556
Bank charges and interest	2,816	995	3,737	2,315
General expenses	41,358	27,121	48,208	62,389
Amortization of property, plant and equipment	5,347	2,714	10,566	4,581
	<u>478,541</u>	<u>411,083</u>	<u>1,008,936</u>	<u>730,921</u>
Other expenses (income)				
Interest and other income	(78,233)	(662)	(88,612)	(1,574)
Gain on sale of marketable securities	-	(29,551)	-	(29,551)
Write-down of deferred exploration expenses	-	-	11,878	72,180
	<u>(78,233)</u>	<u>(30,213)</u>	<u>(76,734)</u>	<u>41,055</u>
Net loss	<u>400,308</u>	<u>380,870</u>	<u>932,202</u>	<u>771,976</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>54,900,285</u>	<u>36,630,987</u>	<u>50,332,062</u>	<u>35,241,242</u>

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

Everton Resources Inc.

(A development stage Company)

Consolidated Deferred Exploration Expenses (unaudited)

	Three months Ended April 30, 2007	Three months Ended April 30, 2006	Six months Ended April 30, 2007	Six months Ended April 30, 2006
	\$	\$	\$	\$
Balance, beginning of period	4,162,488	1,447,199	3,470,563	1,226,878
Additions				
Drilling	570,688	70,821	816,192	218,204
Project consulting	39,344	23,573	42,792	46,007
Geophysical survey	588,281	371,692	728,930	376,625
Geological survey	147,264	69,367	283,831	176,973
Geochemical survey	114,790	32,178	278,946	39,252
Report preparation	24,505	11,933	36,369	11,933
Renewal of licenses and permits	197,215	-	268,430	910
General field expenses	208,029	201,923	310,230	236,867
	1,890,116	781,487	2,765,720	1,106,771
Contribution of partners	(38,787)	(44,560)	(57,518)	(44,560)
	1,851,329	736,927	2,708,202	1,062,211
Write-down of deferred exploration expenses	-	-	(11,878)	(72,180)
Tax credits and mining duties	(508,205)	(302,293)	(661,275)	(335,076)
	(508,205)	(302,293)	(673,153)	(407,256)
Balance, end of period	5,505,612	1,881,833	5,505,612	1,881,833

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

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

	Three months Ended April 30, 2007	Three months Ended April 30, 2006	Six months Ended April 30, 2007	Six months Ended April 30, 2006
	\$	\$	\$	\$
Deficit, beginning of period	9,725,733	8,171,500	9,193,839	7,780,394
Net loss	400,308	380,870	932,202	771,976
Deficit, end of period	10,126,041	8,552,370	10,126,041	8,552,370

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

Everton Resources Inc.

(A development stage Company)

Consolidated Comprehensive Loss (unaudited)

	Three months Ended April 30, 2007	Three months Ended April 30, 2006	Six months Ended April 30, 2007	Six months Ended April 30, 2006
	\$	\$		
Net loss for the period	400,308	380,870	932,202	771,976
Other comprehensive loss				
Unrealized loss on available-for-sale investments	2,250	-	4,500	-
Comprehensive loss for the period	402,558	380,870	936,702	771,976

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

Everton Resources Inc.

(A development stage Company)

Consolidated Cash Flows (unaudited)

	Three months Ended April 30, 2007	Three months Ended April 30, 2006	Six months Ended April 30, 2007	Six months Ended April 30, 2006
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss	(400,308)	(380,870)	(932,202)	(771,976)
Non-cash items				
Amortization of property, plant and equipment	5,347	2,714	10,566	4,581
Stock based compensation	93,088	119,694	188,083	179,606
Write-down of deferred exploration expenses	-	-	11,878	72,180
Gain on sale of marketable securities	-	(29,551)	-	(29,551)
Changes in non-cash working capital items (note 9)	(86,041)	(59,826)	35,196	147,875
Cash flows used in operating activities	(387,914)	(347,839)	(686,479)	(397,285)
INVESTING ACTIVITIES				
Short-term investments	(6,828,480)	-	(6,828,480)	-
Acquisition of property, plant and equipment	(2,848)	(3,335)	(4,787)	(35,660)
Mineral exploration property costs	(697,248)	(115,317)	(798,240)	(230,167)
Deferred exploration expenses	(1,858,214)	(474,483)	(2,779,038)	(871,957)
Purchase of marketable securities	-	(292,055)	-	(292,055)
Proceeds from sale of marketable securities	-	321,606	-	321,606
Tax credits and mining duties received	47,014	-	294,877	-
Cash flows used in investing activities	(9,339,776)	(563,584)	(10,115,668)	(1,108,233)
FINANCING ACTIVITIES				
Payments on capital lease obligation	-	-	(8,366)	-
Issue of common shares, net of share issue costs	11,658,887	1,982,738	12,717,665	2,478,806
Cash flows from financing activities	11,658,887	1,982,738	12,709,299	2,478,806
decrease in cash and cash equivalents	1,931,197	1,071,316	1,907,152	973,289
Cash and cash equivalents, beginning of period	1,431,319	619,910	1,455,364	717,937
Cash and cash equivalents, end of period	3,362,516	1,691,226	3,362,516	1,691,226
Non-cash supplemental information:				
Change in accounts payable related to deferred exploration expenses	(6,884)	262,444	(70,836)	190,254
Change in fair value of warrants	(3,571,138)	272,579	(3,046,493)	514,123
Fair value of exercised options	-	17,909	35,502	58,236
Common shares issued to increase interest in mineral properties	850,800	-	850,800	-
Change in tax credits and mining duties related to deferred exploration expenses	414,176	302,293	661,275	335,076

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

Everton Resources Inc.

(A development stage Company)

Notes to Consolidated Financial Statements (unaudited)

April 30, 2007

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 the acquisition, exploration and development of mineral resource properties. The Company is in the exploration stage and does not derive any revenue from 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 on: 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.

Although the Company has taken steps to verify title to the mineral claims in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

2. Basis of presentation and accounting estimates

The accompanying unaudited 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 new standards described in the following paragraphs. These interim unaudited consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the years ended October 31, 2006 and 2005.

Effective November 1, 2006, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) under CICA Handbook Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments; Recognition and Measurement, Section 3861, Financial Instruments; Disclosure and Presentation and Section 3865, Hedges. These new Handbook sections, which apply to fiscal years beginning on or after October 1, 2006, provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting.

Under Section 3855, all financial instruments are to be classified into one of five categories and measured at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are to be measured at amortized cost. Held-for-trading financial assets are to be measured at fair value and changes in fair value are to be recognized in net income. Available-for-sale financial instruments are to be measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired. Section 1530 establishes standards for the reporting of comprehensive income, defined as the change in equity from transactions and other events from non-owner sources.

As a result of the adoption of these new standards, the Company has classified its marketable securities as available-for-sale on November 1, 2006. Since the fair value and the cost base of the Company's marketable securities was the same on November 1, 2006, there was no adjustment to the opening fair value of marketable securities.

Everton Resources Inc.

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Notes to Consolidated Financial Statements (unaudited)

April 30, 2007

The preparation of consolidated financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates and assumptions are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates. Significant areas where management judgement is applied are carrying value of exploration projects, asset retirement obligation and stock-based compensation.

3. Short-term investments

Money market investments with maturities from the date of acquisition of 4 to 6 months total \$6,828,480 at April 30, 2007 (nil at October 31, 2006) and yield average interest of 4%. Maturities under 90 days total \$2,690,913 and are included in cash and cash equivalents.

4. Related party transactions

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

Under an agreement between the Company and Majescor Resources Inc. (which shares common management), the Company pays the cost of shared salaries and benefits, rent and office expenses which are then reimbursed at cost by Majescor Resources Inc. During the three-month and six-month periods ended April 30, 2007, the cost of shared salaries and benefits was respectively \$52,052 and \$116,288 (\$43,572 and \$85,450 in 2006) and rent and office expenses were respectively \$8,280 and \$16,560 (nil in 2006). Included in amounts due from related parties is \$42,557 (October 31, 2006 - \$46,168) due from Majescor Resources Inc.

Under an agreement between the Company and Uranium World Energy Inc. (which shares common management), the Company receives a quarterly compensation of \$16,250 (2006 - Nil) from Uranium World Energy Inc. for administrative services provided by the Company's employees (bookkeeping, filings and other accounting services). Included in amounts due from related parties is \$11,483 (October 31, 2006 - \$12,644) due from Uranium World Energy Inc.

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.

5. Property, plant and equipment

	April 30, 2007		October 31, 2006	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Computer equipment	28,193	11,963	16,230	16,903
Computer software	20,199	15,149	5,050	10,100
Furniture and equipment	34,530	7,020	27,510	27,566
	<u>82,922</u>	<u>34,132</u>	<u>48,790</u>	<u>54,569</u>

Everton Resources Inc.

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Notes to Consolidated Financial Statements (unaudited)

April 30, 2007

6. Mineral properties and deferred exploration expenses

	April 30, 2007		October 31, 2006	
	Mineral properties \$	Deferred Exploration Expenses \$	Mineral properties \$	Deferred Exploration Expenses \$
a) Opinaca	194,646	1,651,210	154,646	1,081,537
b) Wildcat	250,028	576,262	250,028	431,410
c) Eastmain River Area	186,929	127,926	183,299	44,097
d) James Bay Area	813,420	303,607	54,495	129,475
e) Star Lake	12,653	27,958	12,652	11,839
f) Evans	16,368	24,219	16,368	23,664
g) Cuance	-	640,218	-	417,552
g) Los Hojanchos	-	304,785	-	214,902
h) Loma El Mate	183,836	817,163	183,836	785,091
i) Miches	187,021	297,833	57,845	153,044
j) Jobo Claro	296,807	234,638	92,081	53,548
k) Maimon Copper	-	276,952	-	71,824
l) La Mireya	5,635	19,806	5,635	1,519
m) Ampliacion	422,740	116,357		
m) Loma Hueca	67,940	5,540		
n) Hot Springs	-	-	-	11,878
o) Other	22,892	81,138	990	39,183
	2,660,915	5,505,612	1,011,875	3,470,563

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 April 30, 2007, the remaining commitments are as follows:

	Cash Payments \$	Exploration Expenses \$
On or before December 9, 2007	50,000	900,000
On or before December 9, 2008	60,000	1,200,000
On or before December 9, 2009	60,000	1,300,000
	170,000	3,400,000

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 same period. This increase can only be acquired once the initial payments and minimum exploration expenses have been made.

b) Wildcat, Quebec

On January 25, 2005, Everton acquired a 100% interest in 579 claims grouped in 7 different blocks for a cash consideration of \$100,000 and the issuance of 300,000 shares, valued at \$120,000. Since that date, the Company increased its land package known as Wildcat by staking an additional 207 claims.

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Notes to Consolidated Financial Statements (unaudited)

April 30, 2007

c) Eastmain River Area, Quebec

On May 4, 2005, Everton acquired 227 claims in the Otish Mountains for a cash consideration of \$75,000. On the same day, the company signed an agreement with an independent syndicate to acquire a 100% interest in 837 claims in exchange for the 227 claims it owned in the Otish Mountains, a cash consideration of \$25,000 and the issuance of 200,000 shares of the Company, valued at \$77,000. In May 2005, the Company acquired by map-staking another 441 claims in the Eastmain River area, bringing the whole Eastmain Project to a total of 1,278 claims.

d) James Bay Area, Quebec

In 2005, four projects were acquired by map-staking in the James Bay territory of Quebec, known as the Pine Hill, Sakami, Wapamisk and Conviac properties. In March 2007, the Company acquired a 100% interest in fourteen blocks of claims in the James Bay territory from an independent syndicate for a cash consideration of \$125,000 and the issuance of 380,000 common shares of the Company, valued at \$535,800. These properties are subject to a 2% NSR payable to the syndicate and the Company has the option to purchase up to one-half of the 2% royalty for \$1,000,000.

e) Star Lake, Quebec

In September 2005, Everton signed an agreement with Gestion IamGold-Québec Inc. to enable it to acquire from the Company a 50% interest in the Star Lake property by spending \$100,000 in exploration work and making cash payments totaling \$60,000. As at April 30, 2007, Gestion IamGold-Québec Inc. had acquired its 50% interest.

f) Evans, Quebec

In 2005, three projects were acquired by map-staking, known as Battleship, Sirmac and Scott Lake.

g) Cuance and Los Hojanchos, Dominican Republic

On August 26, 2003, Everton entered into an option agreement to earn up to 70% in three gold and base metals concessions, namely the Cuance, Los Hojanchos and Loma de Payabo concessions. On December 28, 2006, in an amendment to the initial agreement, Everton agreed to incur exploration expenditures totaling US \$1,170,000 by July 31, 2007 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 CDN \$750,000. Upon earning the 50% interest, the Company can increase its interest to 70% by completing a bankable feasibility study within two years.

h) Loma El Mate, Dominican Republic

On December 8, 2003, the Company entered into an earn-in agreement with Linear Resources Inc. to acquire a 50% interest in the Loma El Mate Project in exchange for incurring exploration expenditures, issuing shares and paying an option fee. The Company acquired its 50% interest in 2006. 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) Miches, Dominican Republic

In February 2006, Everton signed an agreement to acquire up to an 85% interest in the Miches Group of Concessions, which consist of four properties: La Guara, Leal, Las Cayas, and El Piquito. The Company has the option to acquire its interest in the four concessions from two independent Dominican companies by spending a total US \$1,800,000 in exploration work and by paying option fees of US \$175,000 over a period of 3 years.

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April 30, 2007

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

k) Maimon Copper, Dominican Republic

In January 2005, five polymetallic concessions were granted to the Company, known as Miranda, Loma Blanca, Caballero, Los Naranjos and Tocoa. These five concessions are held 100% by the Company. In November 2005, the Company was granted another three polymetallic concessions, known as La Sidra, El Lliano and La Yautia.

l) La Mireya, Dominican Republic

Under the terms of the agreement with GlobeStar Mining Corp., dated May 2006, 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% net smelter royalty on Corozal and Cercadillo while GlobeStar retains a 2% net smelter royalty on La Mireya. GlobeStar and Everton also have the right to purchase half of the other's net smelter royalty at any time for US\$500,000.

m) Ampliacion and Loma Hueca

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, work commitments of US\$2,500,000 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 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, work commitments of US\$600,000 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 and issuing 300,000 additional common shares. As at April 30, 2007, the Company had issued 225,000 shares (valued at \$315,000) and incurred \$121,897 of exploration expenses on both properties.

n) Hot Springs, British Columbia

During the six-month period ended April 30, 2007, the property was written down to nil.

o) Other

Other property costs relates to expenditures incurred on various concessions held in the Dominican Republic.

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Notes to Consolidated Financial Statements (unaudited)

April 30, 2007

7. Share capital**a) Authorized**

Unlimited number of common shares without par value.

Issued

	Three months Ended April 30, 2007		Six months Ended April 30, 2007	
	Number of shares	\$	Number of shares	\$
Balance - beginning of period	46,562,697	16,468,612	43,921,950	14,849,688
Shares issued for cash (1)	10,000,000	7,937,323	10,000,000	7,937,323
Shares issued on the exercise of warrants	214,286	144,427	2,751,033	1,686,519
Shares issued on the exercise of options	30,000	6,000	134,000	82,832
Shares issued to increase participation in mineral properties	605,000	850,800	605,000	850,800
Balance - end of period	<u>57,411,983</u>	<u>25,407,162</u>	<u>57,411,983</u>	<u>25,407,162</u>

(1) On February 20, 2007, the Company completed a brokered private placement for gross proceeds of \$12,500,000. The private placement was comprised of 10,000,000 Units at a price of \$1.25 per Unit. Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share of the Company at a price of \$1.65 until August 20, 2008, provided that if the weighted-average price of the common shares of the Company on the TSX-Venture Exchange is equal to or greater than \$2.50 for 20 consecutive trading days, the holder will have 30 days to exercise their warrants failing which the warrants will expire. The Company paid commissions totaling \$812,500 and issued 650,000 agents' units. Each unit is comprised of one common share exercisable at \$1.25 until August 20, 2008 and one half of one common share purchase warrant exercisable at \$1.65, each whole warrant entitling its holder to purchase one common share of the company until August 20, 2008. The warrants and the agents' warrants have been recorded at a fair value of \$3,616,176 based on the Black-Scholes option pricing model using the following assumptions: risk-free interest rate of 4.10%, expected life of warrants of 1.5 years, annualized volatility of 96% and dividend rate of 0%. The value of the warrants and the agents' warrants, the commissions paid to the brokers and other issue costs were presented as a reduction of share capital.

b) Warrants

	Three months ended April 30, 2007		Six months ended April 30, 2007	
	Number of warrants	Weighted average exercise price \$	Number of warrants	Weighted average exercise price \$
Balance – Beginning of period	214,286	0.40	2,751,033	0.41
Granted	5,975,000	1.61	5,975,000	1.61
Exercised	(214,286)	0.40	(2,751,033)	0.41
Balance – End of period	<u>5,975,000</u>	<u>1.61</u>	<u>5,975,000</u>	<u>1.61</u>

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April 30, 2007

As at April 30, 2007, the following share purchase warrants were outstanding and exercisable:

Number	Exercise Price	Expiry Date
	\$	
5,000,000	1.65	August 20, 2008
975,000	1.38	August 20, 2008

c) Stock option plan

Common shares reserved for issuance under the Company's stock option plan is based on a rolling maximum of 10% of the Company's outstanding common shares. At the 2006 annual general meeting, shareholders approved the resolution to increase the maximum number of options from 4,500,000 to 5,680,698. These options may be granted to the Company's employees, officers, directors, and non-employees, subject to regulatory approval. The exercise price of each option can be set equal to or greater than the closing market price, less allowable discounts, of the common shares on the TSX Venture Exchange on the day prior to the date of the grant of the option. Options have a maximum term of ten years and terminate 60 days following the termination of the optionee's employment, except in cases of retirement or death. Vesting of options is made at the discretion of the Board of Directors at the time the options are granted.

	Three months ended		Six months ended	
	April 30, 2007		April 30, 2007	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Balance – Beginning of period	3,965,850	0.59	3,629,850	0.50
Granted	-	-	440,000	1.31
Exercised	(30,000)	0.20	(134,000)	0.35
Balance – End of period	3,935,850	0.59	3,935,850	0.59

The fair value of each option granted is estimated at the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2007
Expected dividend yield	0.00%
Expected stock price volatility	97%
Risk-free interest rate	3.90%
Expected life of options	5 years
Weighted average fair value	\$1.01

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The Company has recorded the following amounts as stock based compensation:

	Three months Ended April 30, 2007 \$	Three months Ended April 30, 2006 \$	Six months Ended April 30, 2007 \$	Six months Ended April 30, 2006 \$
Salaries and benefits	39,986	20,650	81,879	49,713
Management and consulting fees	53,102	99,044	106,204	129,893
Total stock based compensation	93,088	119,694	188,083	179,606

8. Contributed surplus

Contributed surplus consists of the following components:

	Three months Ended April 30, 2007 \$	Three months Ended April 30, 2006 \$	Six months Ended April 30, 2007 \$	Six months Ended April 30, 2006 \$
Balance – beginning of period	1,278,401	957,352	1,218,909	937,767
Stock options granted (note 8)	93,088	119,694	188,083	179,606
Stock options exercised	-	(17,909)	(35,502)	(58,236)
Balance – end of period	1,371,489	1,059,137	1,371,489	1,059,137

9. Changes in non-cash working capital items

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

	Three months Ended April 30, 2007 \$	Three months Ended April 30, 2006 \$	Six months Ended April 30, 2007 \$	Six months Ended April 30, 2006 \$
Accounts receivable	(23,754)	(41,129)	55,648	179,679
Amounts due from related parties	2,016	32,398	4,772	(10,288)
Prepaid expenses	(28,705)	(30,253)	(2,057)	(71,959)
Advances to operators	11,269	-	8,049	-
Accounts payable and accrued liabilities	(46,867)	(20,842)	(31,216)	50,443
Total changes in non-cash working capital	(86,041)	(59,826)	35,196	147,875

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10. Segmented information

The Company has determined that it only operates in one segment, being the acquisition, exploration and development of mineral properties with the aim of discovering commercially exploitable deposits of minerals. Total assets segmented by geographical area are as follows:

	April 30, 2007	October 31, 2006
	\$	\$
Canada	16,611,499	5,754,719
Dominican Republic	3,982,689	2,130,041
Total	<u>20,594,188</u>	<u>7,884,760</u>

11. Comparative figures

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