EVERTON RESOURCES INC.

(An exploration stage Company)

Consolidated Financial Statements

For the three months ended January 31, 2010

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 months ended January 31, 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 months ended January 31, 2010.

(signed) André Audet
André Audet, CEO

(signed) Khadija Abounaim
Khadija Abounaim, CFO

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

	January 31, 2010	October 31, 2009
	(Unaudited)	(Audited)
	$	$
ASSETS		
Current assets		
Cash and cash equivalents (Note 6)	908,261	1,681,786
Marketable securities	2,125	1,625
Accounts receivable	65,392	57,310
Amount due from related party (Note 10)	8,982	50,057
Tax credit and mining duties receivable	88,181	248,668
Prepaid expenses	50,196	119,777
	1,123,137	2,159,223
Long-term investment (Note 7)	276,219	229,085
Property, plant and equipment (Note 8)	26,524	28,258
Mineral exploration properties (Note 9)	5,378,663	5,171,724
Deferred exploration expenses (Note 9)	11,526,525	10,847,065
	18,331,068	18,435,355
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	389,009	165,497
SHAREHOLDERS' EQUITY		
Share capital (Note 11)	28,445,709	28,419,889
Warrants (Note 11)	226,911	233,861
Contributed surplus (Note 12)	6,671,602	6,438,177
	35,344,222	35,091,927
Accumulated other comprehensive income	10,651	3,886
Deficit	(17,412,814)	(16,825,955)
	(17,402,163)	(16,822,069)
	17,942,059	18,269,858
	18,331,068	18,435,355

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 January 31, 2010	Three months Ended January 31, 2009
	$	$
Operating expenses		
Management and consulting fees	59,163	10,890
Salaries and benefits	126,988	109,205
Stock-based compensation (Note 12)	233,425	134,319
Travel and promotion	65,847	29,650
Report to shareholders	868	538
Professional fees	50,591	46,179
Insurance	6,009	4,779
Rent	12,499	12,053
General expenses	50,256	23,290
Foreign exchange loss	1,902	37,410
Amortization of property, plant and equipment	1,734	3,144
Write-down of mineral properties and deferred exploration expenses	-	61,719
	609,282	473,176
Other expenses (income)		
Interest and other income (Note 5)	(17,312)	(15,800)
Gain on sale of long term investment	(16,143)	-
Share of net loss of company subject to significant influence (Note 7)	11,032	187,113
	(22,423)	171,313
Net loss	586,859	644,489
Basic and diluted net loss per common share	0.01	0.01
Basic and diluted weighted average number of common shares outstanding	77,134,966	58,290,333

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 January 31, 2010	Three months Ended January 31, 2009
	$	$
Balance, beginning of period	10,847,065	9,756,154
Additions		
Drilling	300,528	109,368
Project consulting	102,103	6,764
Geological survey	151,920	260,861
Geochemical survey	18,649	27,963
Report preparation	6,289	26,065
Renewal of licenses and permits	21,550	60,599
General field expenses	83,301	27,795
	684,340	519,415
Write-down of deferred exploration expenses	-	(42,639)
Tax credits and mining duties	(4,880)	(27,299)
	(4,880)	(69,938)
Balance, end of period	11,526,525	10,205,631

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 January 31, 2010	Three months Ended January 31, 2009
	$	$
Deficit, beginning of the period	16,825,955	14,396,569
Net loss	586,859	644,489
Deficit, end of the period	17,412,814	15,041,058

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 January 31, 2010	Three months Ended January 31, 2009
	$	$
Net loss for the period	586,859	644,489
Other comprehensive (income) loss		
Realized gain on sale of available-for-sale investments transferred to the statement of operations	16,143	-
Unrealized (gain) loss on available-for-sale investments	(22,908)	2,125
Comprehensive loss for the period	580,094	646,614

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 January 31, 2010	Three months Ended January 31, 2009
	$	$
OPERATING ACTIVITIES		
Net loss	(586,859)	(644,489)
Non-cash items		
Amortization of property, plant and equipment	1,734	3,144
Stock-based compensation	233,424	134,319
Unrealized foreign exchange loss	5,368	28,374
Write-down of deferred exploration expenses	-	42,639
Write-down of mineral properties	-	19,080
Gain on sale of long term investment	(16,143)	-
Gain on fair value of embedded derivative	(14,521)	-
Share of net loss of company subject to significant influence	11,032	187,113
Changes in non-cash working capital items (Note 13)	10,127	(23,545)
Cash flows used in operating activities	(355,838)	(253,365)
INVESTING ACTIVITIES		
Proceeds from sale of long term investment	45,453	-
Mineral exploration property costs	(206,939)	(60,000)
Deferred exploration expenses	(440,438)	(521,217)
Tax credits and mining duties received	165,367	-
Cash flows used in investing activities	(436,557)	(581,217)
FINANCING ACTIVITIES		
Warrants exercised	18,870	-
Cash flows from financing activities	18,870	-
Decrease in cash and cash equivalents	(773,525)	(834,582)
Cash and cash equivalents, beginning of period	1,681,786	3,952,215
Cash and cash equivalents, end of period	908,261	3,117,633
Cash and cash equivalents:		
Cash	145,285	104,290
Cash equivalents	762,976	3,013,343
	908,261	3,117,633
Non-cash supplemental information:		
Deferred exploration expenses included in accounts payable	262,098	112,613
Fair value of exercised warrants	6,950	-
Common shares received as payment from related party	81,211	-

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

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 January 31, 2010, the Company had a working capital of $734,128, including $908,261 in cash. Given its limited financial resources, the Company requires additional financing, through various means including, but not limited to, equity financing, to secure sufficient funding for its existing commitments for exploration programs and cash payments on its properties (Note 9) and meet all of its general and administrative costs for the next twelve months. Management is actively seeking additional financing through various means (Note 16). However, 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

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 January 31, 2010 consist of cash and cash equivalents, 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.

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, 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 $734,128 at January 31, 2010, including cash of $908,261 and current liabilities totalling $389,009, due within the next 30 days. The Company’s ability to continue its exploration programs on its properties (Note 9), 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.

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.

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

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. As at January 31, 2010, cash equivalents total $762,976 and the interest income derived from these investments during the period was $2,791.

During the three months ended January 31, 2010, had the interest rate on cash equivalents been 1% higher with all other variables held constant, the net loss and comprehensive loss for the period would have been approximately $2,500 lower as a result of higher interest income. Conversely, had the interest rate on cash equivalents been 1% lower with all other variables held constant, net loss and comprehensive loss for the period would have been approximately $2,500 higher.

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 January 31, 2010	Three months ended January 31, 2009
	$	$
Interest from held-for-trading financial assets	2,791	15,800
Realized gain on fair value of embedded derivative	14,521	-
	17,312	15,800

6. Cash and cash equivalents

As at January 31, 2010, cash and cash equivalents total $908,261 ($1,681,786 as at October 31, 2009) and include investment savings account balances totalling $762,976 ($1,510,303 in cash equivalents as at October 31, 2009). These have interest rates ranging from 0.70% to 0.75% (0.75% to 0.85% as at October 31, 2009).

7. Long term investment

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.

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 January 31, 2010, the Company has a 38% 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.

	January 31, 2010	October 31, 2009
	$	$
Balance, at acquisition	1,200,000	1,200,000
Cumulative share of net loss of NQ	(1,015,143)	(1,004,111)
Balance, end of period	184,857	195,889

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
	(1,800,000)	October 30, 2009
Shares escrowed as at October 31, 2009	5,400,000	
Shares still to be released	1,800,000	April 20, 2010
	1,800,000	October 17, 2010
	1,800,000	April 15, 2011
	5,400,000	

The market value of the Company's investment in NQ Exploration Inc. as at January 31, 2010 is $1,980,000 ($1,920,000 at October 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, a related party with common management, 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. Adventure's common shares are publicly traded on the TSX Venture Exchange

As at January 31, 2010, the Company has a 1% ownership interest in Adventure.

	January 31, 2010			October 31, 2009	
	Cost	Unrealized gain	Fair value	Cost	Fair value
	$	$	$	$	$
507,569 common shares of Adventure (255,352 as at October 31, 2009)	81,211	10,151	91,362	29,310	33,196

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. Property, plant and equipment

	January 31, 2010			October 31, 2009
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	$	$	$	$
Computer equipment	40,259	28,370	11,889	12,853
Furniture and equipment	31,952	17,317	14,635	15,405
	72,211	45,687	26,524	28,258

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

9. Mineral exploration properties and deferred exploration expenses

	January 31, 2010		October 31, 2009	
	Mineral Properties	Deferred Exploration Expenses	Mineral Properties	Deferred Exploration Expenses
	$	$	$	$
Canada				
Ontario				
a) Shoal Lake West (Duport)	1,284,243	182,534	1,224,243	64,808
b) Shoal Lake East (Machin)	270,544	128,510	252,544	105,212
c) Shoal Lake East (KPM)	776,012	44,326	756,012	15,010
d) Hays Lake	555,562	47,362	525,562	45,199
e) Porcupine & Destor	253,220	3,410	253,220	-
f) Other	6,650	-	6,650	-
Quebec				
g) Opinaca	350,452	2,737,293	290,452	2,734,965
h) Wildcat	176,465	1,124,834	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	19,960	240	17,582
British Columbia				
l) Hot Springs	1,000	32,133	1,000	32,133
	3,837,076	4,572,623	3,649,076	4,387,895
Dominican Republic				
m) Cuance	-	1,012,353	-	1,012,353
m) Los Hojanchos	-	316,675	-	316,342
n) La Cueva (Loma El Mate)	183,836	927,245	183,836	922,748
o) Jobo Claro	302,280	523,544	302,280	518,053
p) Maimon Copper	-	981,278	-	969,718
q) La Mireya	5,635	43,739	5,635	43,383
r) Ampliacion Pueblo Viejo	833,530	2,415,790	833,530	2,004,887
r) Ponton (Loma Hueca)	143,119	150,815	143,119	112,370
s) Fresso	73,187	507,847	54,248	506,715
t) Other	-	74,616	-	52,601
	1,541,587	6,953,902	1,522,648	6,459,170
TOTAL	5,378,663	11,526,525	5,171,724	10,847,065

9. 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 January 31, 2010, the remaining commitments are as follows:

	Cash payments	Exploration expenses	
	$	$	
11 quarterly payments of $60,000, ending October 31, 2012	660,000	-	
On or before May 1, 2010	-	1,500,000	(1)
	660,000	1,500,000	

(1) As at January 31, 2010, the Company incurred $182,534 of these expenditures.

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 January 31, 2010, the remaining commitments are as follows:

	Cash payments
	$
On or before March 31, 2010	18,000
10 quarterly payments of $27,000 ending September 30, 2012	270,000
On or before September 30, 2012	1,114,000
	1,402,000

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.

9. 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 January 31, 2010, the remaining commitments are as follows:

	Cash payments
	$
12 quarterly payments of $30,000, ending December 31, 2012	360,000
On or before December 31, 2012	2,242,684
	2,602,684

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 January 31, 2010, the remaining commitments are as follows:

	Cash payments	Exploration expenses	
	$	$	
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	
	40,000	100,000	

(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 4th anniversary of the agreement the Company will be required to pay to the optioner a pre-production advance royalty of $10,000 per annum.

9. 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.

To acquire its 100% interest in any block of claims, the Company must issue 100,000 HLG common shares, which will be converted to Everton shares, and pay the optioner's staking costs and the amount of any assessment work incurred by the optioner on the block.

The optioner retains a 2% NSR and the Company has the right to purchase up to half of the 2% NSR for cash consideration of $1,000,000.

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 only a cash payment of $200,000 remains due by March 25, 2010 (Note 16), in order for the Company to acquire its 50% interest, as the Company elected not to increase its interest from 50% to 65% in the property..

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 January 31, 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^2 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 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 March 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.

9. 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 $1,246,000) 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$623,000) 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.

	Cuance	Los Hojanchos
On or before July 31, 2010 (1)	US $585,000 (CAD $623,000)	US $585,000 (CAD $623,000)

(1) Subsequent to quarter end, and further to an amendment to the agreement, the Company earned its 50% interest in the two properties (Note 16).

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.

9. 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 $540,000).

r) 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 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 $746,000), work commitments of US$2,500,000 (CAD $2,663,000) and issuing 1,200,000 common shares over a three-year period.

As at January 31, 2010, the remaining commitments are as follows:

	Cash Payments USD$	Work Commitments USD$	Common Shares
On or before April 10, 2010	300,000	1,200,000 (1)	400,000

(1) As at January 31, 2010, the Company incurred approximately USD$ 970,000 (CAD$ 1,031,000) of these expenditures.

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 $2,130,000) 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 $108,000), work commitments of US$600,000 (CAD $646,000) and issuing 200,000 common shares over a three-year period.

As at January 31, 2010, the remaining commitments are as follows:

	Cash Payments USD$	Work Commitments USD$	Common Shares
On or before April 10, 2010	25,000	500,000	100,000

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

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 $266,000) and issuing 300,000 additional common shares.

s) Fresso, Dominican Republic

On May 28, 2008, the Company signed an option agreement with Asesores Internacionales Expecializados, 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 January 31, 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 $149,000) 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 $266,000).

t) Other

Other properties consist of several eastern Dominican Republic concessions.

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 shared salaries and benefits, rent and office expenses. During the period, the cost of shared salaries and benefits was $14,250 ($21,876 in 2009) and rent and office expenses were $714 ($10,600 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 period, the cost of shared salaries and benefits was $22,500 ($22,972 in 2009) and rent and office expenses were $1,500 ($2,797 in 2009). Included in amount due from related party is $8,982 ($50,057 as at October 31, 2009) due from Adventure.

On June 1, 2009, the Company signed a cost sharing agreement (effective for the 2009 calendar year) with Adventure which 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, as defined in Policy 1.1 of the TSX Venture Exchange Corporate Finance Manual, on the last day of each quarter. As for the payment of Insider Management Costs (management costs related to any Everton employee who is also an insider of Adventure) in common shares in lieu of cash, Adventure obtained disinterested shareholder approval for that payment on December 18, 2009.

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.

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.

11. 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 on the exercise of warrants	111,000	25,820
Balance, January 31, 2010	77,239,933	28,445,709

b) Warrants

	Number of warrants	Weighted average exercise price	
		$	$
Balance, October 31, 2009	4,743,319	0.27	233,861
Exercised	(111,000)	0.17	(6,950)
Balance, January 31, 2010	4,632,319	0.27	226,911

As at January 31, 2010, the following stock purchase warrants were outstanding and exercisable:

Number	Exercise Price		Expiry Date
	$	$	
851,000	0.27	26,777	April 8, 2010
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
4,632,319		226,911	

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.

11. Share capital (continued)

The following table reflects the continuity of stock options for the three-month period ended January 31, 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)	1,100,000	0.22
Expired	(200,000)	0.37
Balance, January 31, 2010	5,820,000	0.40

The stock options granted in items (1) and (2) have an exercise price equal to the market price at the date of grant and a weighted average fair value of $0.13

(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.

As at January 31, 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-$0.45	4,485,000	2.05	$0.19	3,165,000
$0.78-$1.38	1,335,000	2.10	$0.97	1,335,000
	5,820,000			4,500,000

12. Contributed surplus

Contributed surplus consists of the following components:

	January 31, 2010	January 31, 2009
	$	$
Balance, beginning of period	6,438,177	6,243,342
Stock-based compensation to employees	143,565	49,036
Stock-based compensation to non-employees	89,860	85,283
Balance, end of period	6,671,602	6,377,661

13. Changes in non-cash working capital items

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

	Three months Ended January 31, 2010	Three months Ended January 31, 2009
	$	$
Accounts receivable	(8,082)	(8,760)
Amounts due from related party	(25,615)	(51,271)
Prepaid expenses	64,214	(10,091)
Accounts payable and accrued liabilities	(20,390)	46,577
Total changes in non-cash working capital	10,127	(23,545)

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:

	January 31, 2010	October 31, 2009
	$	$
Canada	8,712,441	8,261,181
Dominican Republic	8,495,490	8,014,951
Total	17,207,931	16,276,132

15. Comparative figures

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

16. Subsequent events

On February 22, 2010, the Company granted 500,000 stock options to Consultants, at an exercise price of $0.28 and expiring on February 22, 2015.

In February, 2010, the Company elected not to exercise the second option under the agreement with Azimut Exploration, to increase its interest in the Opinaca property from in 50% to 65%. As a result, Everton is committed to make a cash payment of $200,000 to Azimut by March 25, 2010 to earn its 50% interest in the property.

In February, 2010, 25,000 stock options at an exercise price of $0.22 and 150,000 stock options at an exercise price of $0.15 were forfeited.

In March 2010, further to an amendment of the option agreement between the Company and Globestar, the Company earned its 50% interest in the Cuance and Los Hojanchos properties.

16. Subsequent events (continued)

On March 11, 2010, the Company announced a non-brokered private placement offering (the "Offering") of up to 12,000,000 units at a price of $0.25 each for gross proceeds of up to $3,000,000. Each unit will consist of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant will entitle the holder to acquire one additional common share of Everton at a price of $0.40 for a period of twenty-four months following the closing of the Offering. The net proceeds of the Offering will be used to fund the Company's exploration activities and to continue to drill several gold-copper targets on the Dominican Republic projects and to continue to define the gold resources on its Shoal Lake projects in North-Western Ontario. In connection with the Offering, Everton may pay up to 8% commission of the gross proceeds of the Offering and a maximum of 8% of non-transferable warrants entitling the holder to acquire the same number of common shares of the Company at a price of $0.25 per common share for a period of twenty-four months following the closing date. 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.