

September 1st, 2010

Everton Resources
103-5420 Canotek Road
Ottawa, Ontario K1J 1E9

Attention: André Audet, Chairman & CEO

Kaskattama Inc. ("**Kaskattama**") is pleased to submit this binding letter agreement to purchase from Everton Resources ("**Everton**") all of the issued and outstanding shares of Hays Lake Gold Inc. ("**HLG**"), a corporation existing under the laws of the Province of Ontario and a wholly-owned subsidiary of Everton, and thereby acquire the Shoal Lake area properties owned or leased by Everton (the "**Properties**") as described in Everton's public records and information (the "**Transaction**") subject to our satisfactory due diligence review and meeting the other conditions and approvals discussed in this letter agreement. Notwithstanding the foregoing, the parties agree that the Transaction shall be completed by way of share acquisition or any other tax efficient structure acceptable to Everton in consultation with its legal counsel and tax advisors.

We believe Kaskattama is well positioned to offer Everton an attractive market value and upside for its Properties. Please let us know if you have any questions regarding the content of our proposal or about Kaskattama. We look forward to working with you on the Transaction and to continuing our review of the project as part of the next stage of the sale process.

Details of the Purchaser

Kaskattama is a Canadian controlled private corporation based in Toronto, Ontario. It was incorporated under the *Business Corporations Act* (Ontario) on July 11, 2007. Kaskattama has a mining business development plan targeting undeveloped assets for near term resource development. It has a Canadian focus with preference given to partnerships with First Nations. Kaskattama has leveraged its relationships with multiple First Nations in Canada to create strategic partnerships with First Nations, particularly those First Nations who have realized the commercial value of renewable energy resources and mineral/mining opportunities on their traditional lands as well as on Crown lands.

Purchase Price

An aggregate cash purchase price of CAD\$2 million and 14 million common shares of Kaskattama at a minimum price of \$0.40/share. In addition, Kaskattama will make the option payments of \$57,000 at the end of September and \$60,000 at the end of October, 2010. Our valuation and indicative purchase price are based on the following assumptions:

- the resource base, mine plans and cost assumptions for the Properties;
- none of the assets comprising the Properties is subject to any royalties, rights of first refusal or other pre-emptive rights, other than as disclosed in writing to Kaskattama;
- Everton owns 100% of the issued and outstanding shares of HLG; and

- all information pertaining to the Properties, as disclosed to Kaskattama, is true and correct.

Financing the Acquisition

Kaskattama would finance the purchase price for Properties through a combination of shares, cash-on-hand and equity financings. Kaskattama has retained Jennings Capital Inc. as its financial advisor for the Transaction as well as in respect of any equity financings relating to the funding of its proposal. We expect that any required financing activities could be completed and closed within forty-five (45) days from execution of this letter agreement.

Level of Review

This letter agreement has been reviewed and approved by our board of directors. We would also seek the approval of our board of directors in respect of the final Purchase Agreement. However, we would expect that the board review and approval process could take place as quickly as necessary to meet the timetable for the Transaction.

Timing

We are confident that Kaskattama would be able to complete the Transaction on a timeline satisfactory to Everton. Kaskattama has assembled an experienced team consisting of management, consultants and advisors to conduct Kaskattama's due diligence review of the Properties and to negotiate the sale with Everton's advisors as quickly and efficiently as possible. The parties agree that the Transaction shall be completed by no later than November 15, 2010, or such other earlier or later date as may be agreed between the parties.

Due Diligence

It is recognized by Everton that Kaskattama has been furnished with limited information to date and that Kaskattama's willingness to enter into a definitive Share Purchase Agreement is conditioned upon the completion of a due diligence investigation by Kaskattama and acceptable to Kaskattama in its sole discretion. For the purpose of completing due diligence, Everton will permit Kaskattama and its representatives, legal counsel and advisors, for a period of forty-five (45) calendar days from execution of this letter agreement, to have full access to all corporate, financial and operating records, financial information, financial statements, shareholder records, technical information and documentation regarding HLG and the Properties, and access to Everton's and HLG's senior management, facilities, employees, consultants, auditors and legal counsel, as is reasonably necessary and sufficient to allow Kaskattama to perform its due diligence review of HLG and the Properties.

Required Approvals

Kaskattama would require the following approvals in order to complete the Transaction:

- Approval of the board of directors of each of Kaskattama and Everton. As such, this matter has been discussed with the directors of Kaskattama and they are supportive; and
- The Transaction will be subject to obtaining all regulatory approvals, which Kaskattama, in its sole discretion, considers necessary or advisable.



Closing Conditions

The Transaction will be conditional upon Kaskattama and Everton negotiating and entering into a mutually acceptable definitive Share Purchase Agreement, containing such terms, conditions, representations and warranties as are reflected in this agreement and as are customary in transactions of this nature.

The following are conditions of closing:

- Confirmation by no later than October 30, 2010 that Kaskattama is able to make the CAD\$2 million cash payment;
- Kaskattama shall have successfully completed the listing of its common shares on the TSX (or TSX Venture Exchange) by no later than November 30, 2010;
- By October 30, 2010, the former shareholders of HLG shall have consented to the assignment by Everton to Kaskattama of Everton's obligation to issue within a period of 3 years from September 17, 2009 to such former HLG shareholders, on a pro rata basis, additional treasury common shares of Everton (the "Bonus Shares") having a total value of \$1.5 million, subject to a maximum of 7,000,000 Bonus Shares, should Everton announce, within such 3 year period, the completion of a NI 43-101 compliant report for the Properties (property that falls within 100 km of Shoal Lake) that includes 2,000,000 Oz Au having a grade of no less than 6.0 g/t Au, of which at least 1,000,000 Oz Au shall be in the indicated mineral resource category or better;
- By October 30, 2010, Everton (through HLG) shall have obtained all the required third party consents and approvals, as applicable, to complete the Transaction;
- Confirmation that Everton (through HLG) owns 51% of the Shoal Lake West Halo Resources option and that Kaskattama (through HLG) will acquire 75% by making certain future payments;
- Confirmation that all necessary licenses, permits, authorizations and filings have been made or obtained with respect to the Properties and each of the Properties is in good standing under applicable legislation with a minimum expiry date of six (6) months from the closing date;
- All past payments on the Properties have been made by Everton (through HLG);
- Kaskattama is satisfied, in its sole discretion, with its due diligence review of HLG and the Properties;
- Kaskattama is satisfied with the environmental condition of the Properties after conducting such environmental investigations as it considers necessary or advisable; and
- Additional technical information regarding the Properties and their mine plans has been provided to Kaskattama.

Additional Information Required

The following is a list of the additional information and topics that we would like addressed in the due diligence materials:

- an update on status of all permits, licenses and related applications pertaining to the Properties; and

7111 Main Street, Suite 100, Toronto, Ontario M2H 1S2



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- additional technical information regarding the Properties and their mine plans.

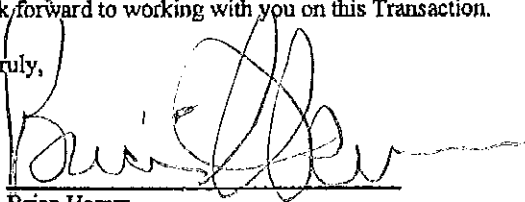
Authorized Officers and Advisors

If you have any questions for Kaskattama regarding this binding letter agreement or in respect of any matter pertaining to the process, please contact David Goldsmith (647-985-6230) or Brian Hamm (416-567-0370) of Kaskattama, or Daryl Hodges of Jennings Capital Inc. at 647-271-3817.

We look forward to working with you on this Transaction.

Yours truly,

By:



Name: Brian Hamm
Title: President
Kaskattama Inc.

The undersigned acknowledges and agrees to be bound by the terms and conditions set out above.

Dated this ____ day of September, 2010.

EVERTON RESOURCES

By:


Name: André Audet
Title: Chief Executive Officer