EVERTON RESOURCES INC.
(An exploration stage Company)

Consolidated Financial Statements

October 31, 2010 and 2009

Management's Responsibility for Financial Statements

The accompanying consolidated financial statements and the notes thereto for the years ended October 31, 2010 and 2009 are the responsibility of the management of Everton Resources Inc. These 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 responsibilities for financial reporting and internal controls. The Audit Committee, which is comprised of Directors, the majority of whom are not employees or officers of the Company, meets with management as well as the external auditors to satisfy itself that management is properly discharging its financial reporting responsibilities to the Directors who approve the consolidated financial statements..

The consolidated financial statements have been audited by Raymond Chabot Grant Thornton LLP, the independent auditors, in accordance with Canadian generally accepted auditing standards, on behalf of the shareholders.

The auditors have full and unrestricted access to the Audit Committee.

(signed) André Audet
André Audet, CEO

(signed) Khadija Abounaim
Khadija Abounaim, CFO

February 28, 2011

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Auditors' Report

To the Shareholders of
Everton Resources Inc.

We have audited the consolidated balance sheets of Everton Resources Inc. as at October 31, 2010 and 2009 and the consolidated statements of operations, deferred exploration expenses, deficit, comprehensive loss, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Raymond Chabot Grant Thornton LLP

Chartered Accountants,
Licensed Public Accountants

Ottawa, Canada
February 28, 2011

Everton Resources Inc.
(An exploration stage Company)
Consolidated Balance Sheets
As at October 31

	2010	2009
	$	$
ASSETS		
Current assets		
Cash and cash equivalents (Note 6)	1,983,410	1,681,786
Marketable securities (Note 7)	5,500	34,821
Accounts receivable	126,175	57,310
Amount due from related party (Note 11)	-	50,057
Tax credit and mining duties receivable	14,447	248,668
Prepaid expenses	39,108	119,777
	2,168,640	2,192,419
Long-term investment (Note 8)	1,277,862	195,889
Property, plant and equipment (Note 9)	21,321	28,258
Mineral exploration properties (Note 10)	5,885,288	5,171,724
Deferred exploration expenses (Note 10)	13,751,411	10,847,065
	23,104,522	18,435,355
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	262,227	165,497
SHAREHOLDERS' EQUITY		
Share capital (Note 12)	32,739,074	28,419,889
Warrants (Note 12)	1,315,022	233,861
Contributed surplus (Note 13)	7,129,679	6,438,177
	41,183,775	35,091,927
Accumulated other comprehensive income	903,875	3,886
Deficit	(19,245,355)	(16,825,955)
	(18,341,480)	(16,822,069)
	22,842,295	18,269,858
	23,104,522	18,435,355

Going concern (Note 2)

The accompanying notes are an integral part of these 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
For the years ended October 31

	2010	2009
	$	$
Operating expenses		
Management and consulting fees	165,569	96,939
Salaries and benefits	437,854	423,010
Stock-based compensation (Note 13)	684,907	195,297
Travel and promotion	332,815	83,005
Report to shareholders	38,840	19,498
Professional fees	114,392	105,946
Insurance	24,968	22,971
Rent	45,020	68,171
General expenses	116,454	92,936
Foreign exchange (gain) loss	(3,349)	57,909
Amortization of property, plant and equipment	6,937	11,599
Write-down of mineral properties and deferred exploration expenses (Note 10)	319,340	887,533
	2,283,747	2,064,814
Other expenses (income)		
Interest and other income (Note 5)	(20,349)	(79,754)
Loss on sale of property, plant and equipment	-	2,615
Gain on sale of mineral properties	(7,256)	-
Gain on sale of long term investment	(10,752)	-
Gain on sale of marketable securities (Note 7)	(2,769)	-
Impairment of available-for-sale marketable securities	-	15,625
Share of net loss of company subject to significant influence (Note 8)	176,779	426,086
	135,653	364,572
Net loss	2,419,400	2,429,386
Basic and diluted net loss per common share	0.03	0.04
Basic and diluted weighted average number of common shares outstanding	84,740,437	60,832,584

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

Everton Resources Inc.
(An exploration stage Company)
Consolidated Deferred Exploration Expenses
For the years ended October 31

	2010	2009
	$	$
Balance, beginning of year	10,847,065	9,756,154
Additions		
Drilling	1,567,624	604,462
Project consulting	485,811	191,478
Geophysical survey	77,388	-
Geological survey	692,576	785,569
Geochemical survey	69,884	60,403
Report preparation	10,759	72,756
Renewal of licenses and permits	60,467	83,772
General field expenses	197,179	123,307
	3,161,688	1,921,747
Write-down of deferred exploration expenses	(49,315)	(747,534)
Cost of mineral properties sold (Note 10-q)	(206,861)	-
Tax credits and mining duties	(1,166)	(83,302)
	(257,342)	(830,836)
Balance, end of year	13,751,411	10,847,065

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

Everton Resources Inc.
(An exploration stage Company)
Consolidated Deficit
For the years ended October 31

	2010	2009
	$	$
Deficit, beginning of the year	16,825,955	14,396,569
Net loss	2,419,400	2,429,386
Deficit, end of the year	19,245,355	16,825,955

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

Everton Resources Inc.
(An exploration stage Company)
Consolidated Comprehensive Loss
For the years ended October 31

	2010	2009
	$	$
Net loss for the year	2,419,400	2,429,386
Other comprehensive (income) loss		
Reclassification of impairment charge on available-for-sale marketable securities to the statement of operations	-	(15,625)
Realized gain on sale of available-for-sale investments transferred to the statement of operations	2,769	-
Unrealized gain on available-for-sale investments	(902,758)	(1,761)
Comprehensive loss for the year	1,519,411	2,412,000

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

Everton Resources Inc.
(An exploration stage Company)
Consolidated Cash Flows
For the years ended October 31

	2010	2009
	$	$
OPERATING ACTIVITIES		
Net loss	(2,419,400)	(2,429,386)
Non-cash items		
Amortization of property, plant and equipment	6,937	11,599
Stock-based compensation	684,907	195,297
Write-down of deferred exploration expenses	49,315	747,534
Write-down of mineral properties	270,025	139,999
Loss on sale of property, plant and equipment	-	2,615
Gain on sale of mineral properties	(7,256)	-
Gain on sale of marketable securities (Note 7)	(2,769)	-
Impairment of marketable securities	-	15,625
Unrecoverable mining duties	-	740
Gain on sale of long term investment	(10,752)	-
Gain on settlement of transaction with related party (Note 11)	(14,521)	-
Share of net loss of company subject to significant influence	176,779	426,086
Changes in non-cash working capital items (Note 14)	(28,878)	(167,887)
Cash flows used in operating activities	(1,295,613)	(1,057,778)
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	113,290	-
Proceeds from sale of long term investment	12,000	-
Proceeds from disposal of property, plant and equipment	-	266
Mineral exploration property costs	(989,472)	(1,093,778)
Deferred exploration expenses	(3,041,344)	(1,831,115)
Tax credits and mining duties received	235,387	1,146,986
Acquisition of subsidiary (net of cash acquired)	-	(270,105)
Cash flows used in investing activities	(3,670,139)	(2,047,746)
FINANCING ACTIVITIES		
Common shares issued	5,659,000	877,200
Warrants exercised	49,210	-
Options exercised	55,250	1,125
Share issuance costs	(496,520)	(82,250)
Cash flows from financing activities	5,266,940	796,075
Effect of exchange rate fluctuations on cash and cash equivalents	436	39,020
Increase (decrease) in cash and cash equivalents	301,624	(2,270,429)
Cash and cash equivalents, beginning of the year	1,681,786	3,952,215
Cash and cash equivalents, end of the year	1,983,410	1,681,786
Cash and cash equivalents:		
Cash	1,983,410	171,483
Cash equivalents	-	1,510,303
	1,983,410	1,681,786
Non-cash supplemental information:		
Deferred exploration expenses included in accounts payable	138,540	18,196
Fair value of exercised options	21,593	462
Fair value of exercised warrants	13,683	-
Common shares received in exchange for mineral properties	360,000	-
Common shares issued to increase interest in mineral properties	140,000	52,500
Common shares received as payment from related party	-	29,310
Common shares issued to acquire Hays Lake Gold	-	2,095,989
Warrants issued to acquire Hays Lake Gold	-	43,758
Warrants issued in payment of private placement finders fees	213,694	39,596
Warrants issued in private placement	909,337	150,507

The accompanying notes are an integral part of these 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 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 October 31, 2010, the Company had a working capital surplus of $1,906,413, including $1,983,410 in cash and cash equivalents. Together with the $1.5 million proceeds realized subsequent to year end (Note 18), through a private placement ($220,000), the exercise of warrants and options ($369,535) and the sale of long-term investments ($889,874), the Company anticipates having sufficient cash to meet its current option payment obligations (the Company entered into a sale agreement with a third party whereby the option payments and exploration expenditure obligations on the Shoal Lake properties will be assumed by the third party – Note 10) and meet its corporate general and administrative expenses for several months. The planned divestiture of the Company’s 100%-owned subsidiary Hays Lake Gold Inc. (‘’HLG’’) containing the Shoal Lake properties is expected to close on March 31, 2011 and provide internal funding of approximately $7.9 million to the Company. However, should this transaction not be successful, the Company will be required to find other financing alternatives, through various means including but not limited to divesting HLG to another Company and/or through equity financing, to meet its option payments and exploration expenditures obligations, to continue its exploration program on its Dominican properties and to meet all of its payment obligations and its general and administrative costs. There is no assurance that the Company will be successful in raising the additional required funds.

These 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 policies

a) Basis of presentation

These consolidated financial statements, which are expressed in Canadian dollars, have been prepared by management in accordance with accounting principles generally accepted in Canada and include all of the assets, liabilities and expenses of the Company, its 100% owned Dominican Republic subsidiaries: Everton Minera Dominicana and Tropical Resources, its 100% owned subsidiaries in British Virgin Islands: Pan Caribbean Metals Inc. and Dominican Metals Inc, and its 100% owned Canadian subsidiary: Hays Lake Gold Inc. All inter-company balances and transactions have been eliminated upon consolidation. Everton Resources Inc. and its subsidiaries are collectively referred to herein as the “Company” or “Everton”.

b) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the notes thereto.

The most significant items requiring the use of management estimates and valuation assumptions are related to the recoverable value of mining assets (mineral exploration properties and deferred exploration expenses), the ability to continue as a going concern and the valuation of stock-based compensation, warrants and tax credits and mining duties receivable. The estimates and valuation assumptions related to the recoverable value of mining assets were made by management using careful judgment, based on the most current geological information available and its planned course of action, as well as on assumptions about future business, economic and capital market conditions. The estimates that are inherent in the calculation of stock-based compensation (Note 12c) and warrants (Note 12b) are based on management’s current judgment of future dividend disbursements, the volatility of the Company’s stock price, interest rates and the expected life of the options and warrants. Actual results could differ from estimates used in preparing these consolidated financial statements and such differences could be material.

c) Financial assets and liabilities

On initial recognition, all financial assets and liabilities are measured and recognized at their fair value, except for financial assets and liabilities resulting from certain related party transactions. Transaction costs from loans and receivables increase the carrying amount of the related financial assets. Transaction costs from other financial liabilities reduce carrying amount of the related financial liabilities. Transaction costs from held for trading and available for sale financial assets and liabilities are recorded in earnings. Subsequently, financial assets and liabilities are measured and recognized as follows:

Cash and cash equivalents are classified as held for trading and are measured at fair value with changes in the fair value recognized in operations in the periods in which they arise.

Marketable securities and long-term investments over which the Company does not exercise significant influence are classified as available-for-sale financial assets and are measured at fair value with changes in fair value recorded in other comprehensive income until the financial asset is derecognized or impaired.

Accounts receivable and amount due from related party are classified as loans and receivables. They are measured at amortized cost, which is generally the initially recognized amount, less any allowance for doubtful accounts.

Accounts payable and accrued liabilities are classified as other financial liabilities. They are measured at amortized cost using the effective interest rate method.

3. Accounting policies (continued)

d) Cash and cash equivalents

Cash and cash equivalents include investments with maturities at the date of acquisition of three months or less and which are readily convertible into cash.

e) Marketable securities

Marketable securities consist of shares in public companies.

f) Long-term investment

The Company uses the equity method to account for investments in companies over which it exercises significant influence. Other investments in publicly traded companies are recorded at fair values based on quoted closing bid prices at the balance sheet date.

g) Property, plant and equipment

Property, plant and equipment are tested for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. The carrying amount of a long-lived asset is not recoverable when it exceeds the sum of the undiscounted cash flows expected from its use and eventual disposal. In such a case, an impairment loss must be recognized and is equivalent to the excess of the carrying amount of a long-lived asset over its fair value.

The Company provides for amortization on property, plant and equipment at the following rates:

- Computer equipment – 30% declining balance
- Computer software – 100% declining balance
- Furniture and equipment – 20% declining balance

h) Mineral exploration properties and deferred exploration expenses

The Company records its interest in mining properties and areas of geological interest at cost less option payments and other recoveries.

Exploration costs relating to the Company’s interests and projects are capitalized on the basis of specific claim blocks or areas of geological interest until the mining properties to which they are related are placed into production, sold, allowed to lapse or abandoned. Management reviews the carrying values of mining properties on a regular basis to determine whether any write downs are necessary. These costs will be amortized over the estimated useful life of mining properties following commencement of production or written off if the mining properties or projects are sold, allowed to lapse or abandoned. General exploration expenditures not related to specific mining properties are expensed as incurred.

Mineral exploration properties are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that their carrying value may not be recoverable. The Company performs a recoverability test when estimates of future cash flows are available. In the event that management has insufficient information about its mineral exploration properties to estimate future cash flows to test for recoverability of the capitalized costs, the Company will test for impairment by comparing the fair value to the carrying amount without performing a test for recoverability. To test for impairment, management, directors and technical advisors constantly review the merits of each mineral property interest to assess whether the property merits further exploration and development expenditures. Empirical evidence such as geochemical analysis, drilling results, assays, mapping and field observation are the primary sources of evidence that are then assessed against other factors such as commodity markets, exchange rates and closeness to other known operations when making decisions on whether impairment exists.

3. Accounting policies (continued)

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.

i) Environmental and reclamation costs

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company vary greatly from country to country and are not predictable. The Company's policy is to meet or, if possible, surpass standards set by relevant legislation by the application of technically proven and economically feasible measures.

An estimate for the future costs of site restoration is made based upon estimates that consider the anticipated method and extent of site reclamation required to meet legal standards. If required, a provision for the estimated costs is recognized by increasing the carrying amount of the related long-lived asset by the same amount as the liability. Since the Company is not at the production stage yet, no such provision is to be estimated.

Reclamation costs incurred are charged against this provision. The effects of changes in regulations and cost assumptions are recognized when determined.

j) Loss per share

Basic loss per share is computed by dividing the net loss for the year available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted loss per share assumes the conversion or exercise of securities only when such conversion or exercise would have a dilutive effect on earnings per share. The diluted loss per share is equal to the basic loss per share because the effect of dilutive stock options and warrants described in Note 12 is antidilutive, by application of the treasury stock method.

k) Share capital

The proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company.

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value based upon the trading price of those shares on the TSX.V the day before the transaction date.

Share issue expenses are recorded as a reduction of share capital when the related shares are issued.

Proceeds from unit placements are allocated between shares and warrants issued according to their fair value using the proportional method.

l) Stock-based compensation

The Company measures the compensation cost of stock options issued under employee and non-employee compensation plans using a fair value-based method. Under the fair value method, stock-based payments to employees are measured at fair value and amortized over the vesting period and stock-based payments to non-employees are measured at either the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable, and are recognized over the related service period as an expense or an asset, with a corresponding increase to contributed surplus. If

3. Accounting policies (continued)

the stock options or agent options are exercised, the proceeds are credited to share capital and the fair value of the options or agent options exercised is reclassified from contributed surplus to share capital.

m) Foreign currency translation

The functional currency of the Company is the Canadian dollar. Monetary assets and liabilities denominated in currencies other than the Canadian dollar and integrated foreign operations are translated using the exchange rate in effect at the balance sheet date, whereas other assets and liabilities are translated at the exchange rate in effect at the transaction date. Expenses are translated at exchange rates in effect during the period with the exception of expenses relating to non-monetary assets and liabilities which are translated at the historical rate. Translation gains or losses are included in the determination of income or loss in the statement of operations in the period in which they arise.

n) Income taxes

The Company accounts for income taxes under the asset and liability method that requires the recognition of future income tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and tax basis of assets and liabilities. The Company provides a valuation allowance on net future tax assets when it is more likely than not, that such assets will not be realized.

o) Tax credits and mining duties

The Government of Québec provides a non-taxable refundable credit for losses to help operators meet exploration, mineral deposit evaluation and mine development costs by refunding part of eligible expenditures incurred. The credit is equal to 12% of the lesser of:

- the amount of the annual loss; and
- the exploration, mineral deposit evaluation and mine development expenses.

The Government of Québec also offers businesses, having establishments and that carry on activities in Québec, a refundable tax credit for mineral exploration activities, covering up to 45% of exploration expenses.

Tax credits and mining duties which are earned as a result of qualifying mineral exploration expenses, are recognized when the exploration expenses are incurred. They are applied to reduce related mineral exploration expenses in the period recognized.

4. Financial instruments, risk management and capital management

Financial instruments

The Company's financial instruments at October 31, 2010 consist of cash and cash equivalents, marketable securities, accounts receivable, long-term investments over which the Company does not exercise significant influence 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

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

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, market 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 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 surplus of $1,906,413 at October 31, 2010, including cash and cash equivalents of $1,983,410 and current liabilities totalling $262,227. Together with the $1.5 million proceeds realized subsequent to year end (Note 18), through a private placement ($220,000), the exercise of warrants and options ($369,535) and the sale of long-term investments ($889,874), the Company anticipates having sufficient cash to meet its current option payment obligations (the Company entered into an agreement with a third party whereby the option payments and exploration expenditure obligations on the Shoal Lake properties will be assumed by the third party – Note 10) and meet its corporate general and administrative expenses for several months. The Company's ability to carry out its exploration program on its Dominican properties (Note 10), to meet its option payments and exploration expenditures obligations on the Shoal Lake properties (Note 10) and to meet its corporate and administrative obligations on a continuous basis is dependent on the successful closing of the HLG transaction and/or 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. As at October 31, 2010, financial assets and liabilities in foreign currency represent cash and accounts receivable totalling DOP 439,272 (CAD$12,141) (DOP 871,403 (CAD$26,099) as at October 31, 2009) and US$Nil (CAD$Nil) (US$70,000 (CAD$75,418) as at October 31, 2009); accounts payable and accrued liabilities in foreign currency totalling DOP 513,779 (CAD$14,201) (DOP 456,847 (CAD$13,683) as at October 31, 2009) and US$17,776 (CAD$18,110) (US$9,134 (CAD$9,841) as at October 31, 2009). 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)

At October 31, 2010, if the CAD had weakened 10 percent against the US dollar and the Dominican Peso with all other variables held constant, net loss for the year would have been CAD$2,000 higher.

Conversely, if the CAD had strengthened 10 percent against the US dollar and the Dominican Peso with all other variables held constant, net loss would have been CAD$2,000 lower.

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 October 31, 2010, cash equivalents total $Nil ($1,510,303 – 2009) and the interest income derived from these investments during the year was $4,028 ($29,592 – 2009).

Market risk

The Company holds publicly listed shares of companies in the mineral exploration industry. The Company is exposed to market risk in trading these shares and unfavourable market conditions could result in the disposal at less than their value at October 31, 2010. At October 31, 2010, the value of these listed shares is $1,263,875 ($34,821 at October 31, 2009). At October 31, 2010, had the bid price for these publicly listed shares been 10% lower, the comprehensive loss for the year would have been approximately $126,000 higher. Conversely, had the bid price been 10% higher, the comprehensive loss for the year would have been approximately $126,000 lower.

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

	2010	2009
	$	$
Interest from held-for-trading financial assets	4,028	29,592
Realized gain on settlement of transaction with related party (Note 11)	14,521	-
Other income	1,800	50,162
	20,349	79,754

6. Cash and cash equivalents

As at October 31, 2010, cash and cash equivalents total $1,983,410 ($1,681,786 as at October 31, 2009) and include investment savings account balances totalling $Nil ($1,510,303 in cash equivalents as at October 31, 2009). In 2009, these had interest rates ranging from 0.75% to 0.85%.

7. Marketable securities

	October 31, 2010				October 31, 2009	
	Cost	Impairment	Unrealized gain	Fair value	Cost	Fair value
	$	$	$	$	$	$
25,000 (25,000 at Oct 31, 2009) common shares of Augyva Inc.	17,250	(15,625)	3,875	5,500	17,250	1,625
Nil (255,352 at Oct 31, 2009) common shares of Adventure Gold Inc. ("Adventure") (1) (2) (3)	-	-	-	-	29,310	33,196
	17,250	(15,625)	3,875	5,500	46,560	34,821

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

(2) On January 27, 2010, Everton received 507,569 shares of Adventure (valued at $81,211) in payment of the outstanding balance of 2009 shared costs of $66,690. Everton recorded a gain on settlement of a transaction with a related party for $14,521.

(3) On July 14, 2010, Everton sold 507,569 shares of Adventure for net proceeds of $67,837, realizing a loss of $13,374.

8. 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 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 October 31, 2010, the Company has a 34% 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.

8. Long term investment (continued)

	October 31, 2010	October 31, 2009
	$	$
Cost	1,191,900	1,200,000
Cumulative share of net loss of NQ	(1,174,038)	(1,004,111)
	17,862	195,889

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

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

The market value of the Company's investment in NQ as at October 31, 2010 is $1,430,000 ($1,920,000 at October 31, 2009).

Subsequent to year-end, the Company sold 6,100,000 shares of NQ for net proceeds of $611,897.

<u>Investment in Focus Metals Inc. ("Focus")</u>

On March 24, 2009, and as amended on May 22, 2009, December 11, 2009, March 25, 2010 and April 30, 2010, the Company signed an agreement with Focus to sell its 100% interest in the Labrador Trough properties, located in the Labrador Trough region of Quebec, in consideration for 6,000,000 common shares of Focus valued at a price of $0.06 per share.

As the completion of the transaction was subject to the listing of Focus' common shares on the TSX-V, the Company did not record the sale until this condition could be satisfied. On May 21, 2010, concurrent with the listing of Focus' securities on the TSX-V, the Company completed the sale of the Labrador Trough properties and received 6,000,000 common shares of Focus.

The Company does not have significant influence over Focus and therefore the cost method has been used as the basis of accounting for the investment from the date of acquisition. As at October 31, 2010, the Company has a 13% ownership interest in Focus.

8. Long term investment (continued)

	October 31, 2010			October 31, 2009	
	Cost	Unrealized gain	Fair value	Cost	Fair value
	$	$	$	$	$
6,000,000 common shares of Focus	360,000	900,000	1,260,000	-	-

Under a Surplus Security Escrow Agreement, the common shares are subject to a 36-month staged release escrow, and will be released according to the following schedule:

	Number of shares	Date released/to be released
Shares issued under escrow	6,000,000	
	(300,000)	May 21, 2010
Shares escrowed as at Oct 31, 2010	5,700,000	
Shares still to be released	300,000	November 21, 2010
	600,000	May 21, 2011
	600,000	November 21, 2011
	900,000	May 21, 2012
	900,000	November 21, 2012
	2,400,000	May 21, 2013
	5,700,000	

Subsequent to year-end, the Company sold 600,000 shares of Focus for net proceeds of $277.977.

9. Property, plant and equipment

	October 31, 2010			October 31, 2009
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	$	$	$	$
Computer equipment	40,259	31,262	8,997	12,853
Furniture and equipment	31,952	19,628	12,324	15,405
	72,211	50,890	21,321	28,258

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

10. Mineral exploration properties and deferred exploration expenses

	October 31, 2010		October 31, 2009	
	Mineral Properties	Deferred Exploration Expenses	Mineral Properties	Deferred Exploration Expenses
	$	$	$	$
Dominican Republic				
a) Cuance	-	1,020,792	-	1,012,353
a) Los Hojanchos	-	324,185	-	316,342
b) La Cueva (Loma El Mate)	183,836	936,104	183,836	922,748
c) Jobo Claro	302,280	536,139	302,280	518,053
d) Maimon Copper	-	988,556	-	969,718
e) La Mireya	5,635	47,195	5,635	43,383
f) Ampliacion Pueblo Viejo	1,258,460	2,983,413	833,530	2,004,887
f) Ponton (Loma Hueca)	197,197	177,149	143,119	112,370
g) Fresso	91,712	562,721	54,248	506,715
h) Other	-	106,736	-	52,601
	2,039,120	7,682,990	1,522,648	6,459,170
Canada				
Ontario				
i) Shoal Lake West (Duport)	1,410,893	1,588,868	1,230,893	64,808
j) Shoal Lake East (Machin)	315,544	278,421	252,544	105,212
k) Shoal Lake East (KPM)	836,012	125,485	756,012	15,010
l) Hays Lake	555,562	70,216	525,562	45,199
m) Porcupine & Destor	-	-	253,220	-
Quebec				
n) Opinaca	550,452	2,750,051	290,452	2,734,965
o) Wildcat	176,465	1,125,390	176,465	1,121,141
p) James Bay Area	-	-	16,805	44,984
q) Labrador Trough	-	-	145,883	206,861
r) Sirmac Lithium	240	20,597	240	17,582
British Columbia				
s) Hot Springs	1,000	109,393	1,000	32,133
	3,846,168	6,068,421	3,649,076	4,387,895
TOTAL	5,885,288	13,751,411	5,171,724	10,847,065

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

Dominican Republic

a) 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 was amended on August 17, 2007 and again on September 29, 2008, and September 3, 2009. The nature of the amendments was to extend the exploration commitment date.

Everton agreed to incur exploration expenditures totalling US $1,170,000 (CAD $1,184,000) by July 31, 2010 to earn a 50% interest in two of these properties, Cuance and Los Hojanchos (a minimum of US $585,000 (CAD$592,000) per concession). In March, 2010, the Company earned its 50% interest in the two properties, further to an amendment to the agreement.

The Company can increase its interest to 70% by completing a bankable feasibility study within two years.

These concessions are subject to a 1.5% net smelter royalty, which can be acquired for CAD $750,000.

b) La Cueva (Loma El Mate), Dominican Republic

On December 8, 2003, the Company entered into an earn-in agreement with Brigus Gold Corp. (“Brigus”) (Linear merged with Apollo Gold Corp. to form Brigus) 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, and as amended in August 2010, the Company signed an option agreement with Brigus whereby Everton can earn an additional 20% interest in the concession by incurring an additional US $1,000,000 (CAD $1,018,800) in exploration work

c) Jobo Claro, Dominican Republic

In September 2005, and as amended in March 2006 and September 2006, the Company 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, in consideration for three cash payments totalling US$80,000 (CAD 95,650) during the 1.5 year evaluation period of the project, and a final cash payment of US$180,000 on March 10, 2007. All of the above conditions were met and the Company acquired 100% interest in the property.

d) 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 Lliano and La Yautia.

During the year ended October 31, 2009, the Company wrote down the cost of the Loma Blanca, Caballero and Los Naranjos concessions to Nil ($120,318 in deferred exploration expenses) as these projects no longer fit the Company’s strategy.

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

e) 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 $509,400).

f) Ampliacion and Ponton (Loma Hueca), Dominican Republic

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

Ampliacion

To earn its 50% interest in the Ampliacion Pueblo Viejo Concession, the Company was required to make cash payments totaling US $700,000 (CAD $818,460), incur US $2,500,000 (CAD $2,660,000) in exploration work and issue 1,200,000 common shares over a three-year period. During the year, all remaining conditions were met and the Company earned its initial 50% interest in the property.

In August 2010, the Company signed an amended agreement with Brigus whereby Everton can earn an additional 20% interest in the concession by incurring an additional US $2,500,000 (CAD $2,547,000) in exploration work by April 10, 2012.

Ponton (Loma Hueca)

The Company can earn its 50% interest in the Ponton (Loma Hueca) Concession by making cash payments totaling US $100,000 (CAD $102,000), work commitments of US $600,000 (CAD $611,000) and issuing 200,000 common shares over a three-year period.

	Cash Payments USD$		Work Commitments USD$		Common Shares	
On or before March 6, 2007	25,000	(1)			25,000	(1)
March 6, 2008	25,000	(1)	100,000	(2)	25,000	(1)
March 6, 2009	25,000	(1)	-		50,000	(1)
March 6, 2010	25,000	(1)	-		100,000	(1)
April 10, 2011	-		500,000	(3)	-	
	100,000		600,000		200,000	

(1) These amounts were paid and shares were issued to Brigus on or before the dates noted in the agreement.
(2) These expenditures were incurred on or before the dates noted in the agreement.
(3) The Company was granted a one year extension to fulfill its work commitment on the concession.

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 Brigus US $250,000 (CAD $255,000) and issuing 300,000 additional common shares.

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

g) 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 cash consideration of US $35,000 (CAD $34,591) to the concession owner for a one-year evaluation period. As at October 31, 2010, the Company had paid US $77,500 (CAD $91,713) to Asesores for the initial one-year period and three additional six-month extension periods. Subsequent to year-end, the Company made a US $20,000 (CAD $20,400) payment to extend the evaluation payment by 6 months to May 28, 2011, and also agreed to increase the final cash payment to acquire a 100% interest in the property by US $10,000 (CAD $10,200) to US $150,000 (CAD $152,800). 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 $255,000).

h) Other

Other properties consist of several eastern Dominican Republic concessions. During the year ended October 31, 2009, the Company wrote down the cost of Cacique de Piedra, Los Mosquitos, and Altas Misas for to $Nil ($26,665 in exploration expenses) as these projects no longer fit the Company's strategy

Canada

On September 1, 2010, as amended by a formal agreement subsequent to year-end, the Company entered into a binding letter agreement to sell all of the issued and outstanding shares of its wholly-owned subsidiary Hays Lake Gold Inc. (''HLG'') to Kaskattama Inc ("Kaskattama") for a total consideration of approximately $7.9 million. HLG holds the Shoal Lake Gold properties comprised of two significant high grade gold deposits: Duport and Cedar Island, on 81.3 km2, located in the Shoal Lake area, near Kenora, Ontario. Consequently, all of the cash payments and exploration expenditure commitments on the Shoal Lake West and East (Machin and KPM) properties (i, j and k below) will be assumed by Kaskattama, once the sale transaction is finalized. The $7.9 million consideration is allocated as follows:

- a non-refundable amount of $234,000 which was paid to the Company;
- a non-refundable amount of $57,000 payable to the Company on or before March 31, 2011;
- $2 million in cash to be paid upon execution of a final Sale and Purchase Agreement
- 14 million shares of Kaskattama at a minimum price of $0.40 per common share

The transaction is subject to various conditions customary to this type of transaction, including:

(i) Completion by Kaskattama of a legal, technical, and environmental due diligence investigation on HLG and its business with the results of such investigation being acceptable to Kaskattama in its sole and absolute discretion, which has been completed

(ii) Successful financing to allow Kaskattama to make the $2 million cash payment to Everton. Kaskattama has until March 1, 2011 to confirm to the reasonable satisfaction of Everton that Kaskattama is able to make such payment

(iii) Listing of Kaskattama's common shares on the TSX or TSX-V by no later than March 31, 2011

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

i) 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.

To earn its 51% interest, the Company must make cash payments and incur exploration expenses in the following timelines:

	Cash payments		Exploration expenses	
	$		$	
On or before January 31, 2009	12,500	(1)	-	
On or before April 30, 2009	12,500	(1)	-	
On or before May 1, 2010	-		1,500,000	(2)
On or before July 31, 2009	12,500	(1)	-	
On or before October 31, 2009	12,500	(1)	-	
On or before January 31, 2010	60,000	(1)	-	
On or before April 30, 2010	60,000	(1)	-	
On or before July 31, 2010	60,000	(1)	-	
On or before October 31, 2010	60,000	(3)	-	
On or before January 31, 2011	60,000	(3)	-	
On or before April 30, 2011	60,000		-	
On or before July 31, 2011	60,000		-	
On or before October 31, 2011	60,000		-	
On or before January 31, 2012	60,000		-	
On or before April 30, 2012	60,000		-	
On or before July 31, 2012	60,000		-	
On or before October 31, 2012	60,000		-	
	770,000		1,500,000	

(1) These cash payments were made on or before the dates noted in the agreement.
(2) These exploration expenses were incurred on or before the date noted in the agreement.
(3) These cash payments were made on or before the dates noted in the agreement and re-imbursed to the Company by Kaskattama in accordance with the letter agreement.

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.

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

j) 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).

To acquire its 100% interest, the Company must make cash payments in the following timelines:

	Cash payments	
	$	
On September 19, 2008	25,000	(1)
On or before December 31, 2008	18,000	(1)
On or before March 31, 2009	18,000	(1)
On or before June 30, 2009	18,000	(1)
On or before September 30, 2009	18,000	(1)
On or before December 31, 2009	18,000	(1)
On or before March 31, 2010	18,000	(1)
On or before June 30, 2010	27,000	(1)
On or before September 30, 2010	27,000	(2)
On or before December 31, 2010	27,000	(2)
On or before March 31, 2011	27,000	
On or before June 30, 2011	27,000	
On or before September 30, 2011	27,000	
On or before December 31, 2011	27,000	
On or before March 31, 2012	27,000	
On or before June 30, 2012	27,000	
On or before September 30, 2012	1,141,000	
	1,517,000	

(1) Cash payments were made on or before the dates noted in the option agreement.
(2) These cash payments were made on or before the dates noted in the agreement and re-imbursed to the Company by Kaskattama in accordance with the letter agreement.

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.

k) 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.

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

To acquire its 100% interest, the Company must make cash payments in the following timelines:

	Cash payments	
	$	
On December 19, 2008	10,000	(1)
On September 23, 2009	547,316	(2)
10 monthly payments of $10,000, ending December 31, 2009	100,000	(3)
12 quarterly payments of $30,000, ending December 31, 2012	360,000	(4)
On or before December 31, 2012	2,242,684	
	3,260,000	

(1) Cash payment was made on the date noted in the agreement.
(2) Further to an option agreement dated March 27, 2009, with lien holders to the property, to purchase from them all of their rights, title and interest in all the mechanics liens and judgements which they held against KPM, the Company made an option payment of $10,000 in addition to a $5,000 extension fee to the lien holders during the year ended October 31, 2009. Also, on September 23, 2009, the Company made a cash payment of $547,316 to lien holders on the property.
(3) All cash payments were made on or before the dates noted in the option agreement.
(4) Cash payments totaling $90,000 were made as at October 31, 2010. $60,000 of these payments were re-imbursed to the Company by Kaskattama in accordance with the letter agreement.

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.

l) 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.

To acquire its 100% interest, the Company must incur exploration expenses and make cash payments in the following timelines:

	Cash payments		Exploration expenses	
	$		$	
On May 1, 2008	10,000	(1)		
On or before June 30, 2009	20,000	(2)		
On or before December 31, 2009	30,000	(4)		
On or before June 30, 2010	-		30,000	(3)
On or before December 31, 2010	40,000	(4)	30,000	(5)
On or before December 31, 2011	-		40,000	
	100,000		100,000	

(1) Cash payment was made on May 1, 2008.
(2) Cash payment was made on October 23, 2009, and an extension fee of $5,000 was paid on September 8, 2008.

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

(3) By an extension letter from the optioners, these exploration expenses were deferred to June 30, 2010. The exploration expenses were incurred by the extended date.
(4) Cash payments were made on or before the dates noted in the agreement
(5) Subsequent to year end, the Company was granted a six-month extension, to May 19, 2011, to incur these exploration expenses in exchange for the issuance of 40,000 common shares

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.

Subsequent to year-end (Note 18), the Company announced the signing of a Memorandum of Understanding whereby Strike Minerals Inc. (“Strike”) can acquire a 100% undivided interest in the property by making cash payments totaling $100,000 and issuing 5,700,000 common shares of Strike.

m) Porcupine & Destor, Ontario

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

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

n) Opinaca, Quebec

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

During the year ended October 31, 2009, the Company wrote down the cost of the property by $254,593 ($14,194 in acquisition costs and $240,399 in deferred exploration expenses) further to the abandonment of 15% of the claims of the area know as Opinaca A, as these projects no longer fit the Company’s strategy.

On September 13, 2010, the Company signed of a letter of intent with Aurizon Mines Ltd. (“Aurizon”) whereby Aurizon can acquire up to an undivided 60% ownership interest in the Opinaca property, in which Everton and Azimut each hold an undivided 50% interest, by making total cash payments of $880,000 and incurring expenditures of $9.0 million.

The key terms of the letter of intent are as follows:

- Aurizon can earn a 50% interest in the property by making cash payments totalling $580,000 and incurring expenditures of $6,000,000 over four years, including 5,000 metres of drilling by the second anniversary.

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

- Aurizon will be the operator during the earn-in period for the initial 50% interest in the property, after which a joint venture will be formed.

- After earning its initial 50% interest in the property, Aurizon may then elect to earn an additional interest of 10%, for a total interest of 60%, by making cash payments totalling $300,000 over three years from the election date, incurring expenditures totalling $3,000,000 over three years from the election date, and delivering an independent pre-feasibility study on or before the fourth anniversary.

- In addition, in the event that prior to the end of the eighth year of the initial option agreement, mineral resources of at least 2,000,000 ounces of gold, at an average grade of at least 6 grams of gold per tonne, are estimated, Aurizon shall make a payment of $1,500,000, payable in Aurizon common shares, subject to regulatory approval.

o) 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 year ended October 31, 2009, the Company wrote down the cost of the property by $347,603 ($84,488 in acquisition costs and $263,115 in deferred exploration expenses) further to the abandonment of 38% of the claims of the area know as Wildcat 4 and 100% of the claims of the areas known as Wildcat 7 and Wildcat 8, as these projects no longer fit the Company’s strategy.

In October 2010, the Company signed an option agreement with Aurizon whereby Aurizon can acquire up to an undivided 65% interest in Everton’s wholly-owned Wildcat property, by making total cash payments of $300,000 and incurring expenditures of $3,250,000.

Aurizon can earn an initial 50% interest in the property by incurring expenditures of $3,250,000 over four years, including 3,000 metres of drilling within two years. Aurizon will be the operator during the earn-in period for the initial 50% interest in the property, after which a joint venture will be formed.

After earning its initial 50% interest in the property, Aurizon may then elect to earn an additional interest of 15%, for a total interest of 65%, by making cash payments totalling $300,000 over three years from the election date, and delivering an independent pre-feasibility study by the end of the fourth anniversary of the election date.

In addition, in the event that prior to the end of the eighth year of the initial option agreement, mineral resources of at least 2,000,000 ounces of gold, at an average grade of at least 6 grams of gold per tonne, are estimated, Aurizon shall make a payment of $1,500,000 payable in Aurizon common shares, subject to regulatory approval.

p) James Bay Area, Quebec

The mineral properties and deferred exploration expenses in James Bay Area as at October 31, 2010 relate to expenditures incurred on the Coulon property acquired by map-staking.

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

During the year ended October 31, 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.

During the year ended October 31, 2010, the Company wrote down the cost of the Coulon property to $Nil ($16,805 in acquisition costs and $45,905 in deferred exploration expenses) further to the abandonment of all remaining claims.

q) Labrador Trough, 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, and as amended on May 22, 2009, December 11, 2009, March 25, 2010 and April 30, 2010, 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.

On May 21, 2010, concurrent with the listing of Focus' securities on the TSX-V, the Company completed the sale of the Labrador Trough properties and received 6,000,000 common shares of Focus.

r) Sirmac Lithium, Quebec

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

Subsequent to year-end (Note 18), the Company announced the signing of a sale agreement with Exploration Nemaska ("Nemaska") whereby Nemaska acquired a 100% interest in the property for $30,000 cash, 500,000 shares and 500,000 share purchase warrants. Each share purchase warrant entitles the Company to purchase one common share of Nemaska at a price of $0.60 until January 7, 2013.

s) 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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11. Related party transactions

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

Under an agreement between the Company and Majescor Resources Inc. ("Majescor") (which shares common management), the Company charges Majescor for shared salaries and benefits, rent and office expenses. During the year, the cost of shared salaries and benefits was $62,000 ($66,166 in 2009) and rent and office expenses were $2,856 ($16,038 in 2009). Included in amount 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 year, the cost of shared salaries and benefits was $90,000 ($90,616 in 2009) and rent and office expenses were $6,000 ($7,184 in 2009). Included in amount due from related party is $Nil ($50,057 as at October 31, 2009) due from Adventure.

Under an agreement between the Company and Focus (which shares common management), the Company charges Focus for shared salaries and benefits, rent and office expenses. During the year, the cost of shared salaries and benefits was $28,350 ($Nil 2009) and rent and office expenses were $11,650 ($Nil in 2009). Included in amount due from related party is $Nil ($Nil as at October 31, 2009) due from Focus.

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 or specific terms of repayment.

12. Share capital

a) Authorized

Unlimited number of common shares without par value.

Issued

	Number of shares	$
Balance, October 31, 2008	58,290,335	25,664,965
Shares issued for property payments (Note 10)	650,000	52,500
Shares issued on the exercise of options	11,250	1,587
Shares issued on acquisition of Hays Lake Gold Inc. (net of issue costs of $9,313)	12,329,350	2,086,676
Shares issued for cash (net of issue costs of $112,532) (1) (2)	5,847,998	614,161
Balance, October 31, 2009	77,128,933	28,419,889
Shares issued for cash (net of issue costs of $710,214) (3) to (7)	22,636,000	4,039,449
Shares issued on the exercise of warrants	236,800	62,893
Shares issued on the exercise of options	342,500	76,843
Shares issued for property payments (Note 10)	500,000	140,000
Balance, October 31, 2010	100,844,233	32,739,074

12. Share capital (continued)

(1) On September 17, 2009, the Company completed a non-brokered private placement for gross proceeds of $777,200. The private placement was comprised of 5,181,332 Units at a price of $0.15 per Unit. Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.25 until September 17, 2011. These share purchase warrants are subject to an accelerated expiry if, at any time after September 17, 2009, the closing price of the common shares on the TSX Venture Exchange is greater than or equal to $0.40 for any 10 consecutive trading days, in which event the Company may give the holder a written notice and the share purchase warrants will automatically expire, if not exercised, 30 days after receipt of such notice. The Company paid finders' fees of $58,216 and issued 481,133 warrants, each warrant entitling the holder to purchase one common share of the Company at a price of $0.25 until September 17, 2011. Other share issuance costs total $8,315. The warrants issued in connection to the private placement have been recorded at a value of $135,428 based on the proportional method and finders' fees have been recorded at a value of $39,596 based on the Black-Scholes option pricing model, using the following assumptions: risk-free interest rate of 1.26%, expected life of warrants of 2 years, annualized volatility of 91% and dividend rate of 0%.

(2) On October 6, 2009, the Company completed a non-brokered private placement for gross proceeds of $100,000. The private placement was comprised of 666,666 Units at a price of $0.15 per Unit. Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.25 until October 6, 2011. These share purchase warrants are subject to an accelerated expiry if, at any time after October 6, 2009, the closing price of the common shares on the TSX Venture Exchange is greater than or equal to $0.40 for any 10 consecutive trading days, in which event the Company may give the holder a written notice and the share purchase warrants will automatically expire, if not exercised, 30 days after receipt of such notice. Other share issuance costs total $6,405. The warrants have been recorded at a value of $15,079 based on the proportional method using the following assumptions: risk-free interest rate of 1.25%, expected life of warrants of 2 years, annualized volatility of 91% and dividend rate of 0%.

(3) In April, 2010, the Company completed a non-brokered private placement for gross proceeds of $3,067,500. The private placement was comprised of 12,270,000 Units at a price of $0.25 per Unit. Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.40 for a period of twenty-four months following the closing date. The Company paid finders' fees of $233,000 and issued 932,000 warrants, each warrant entitling the holder to purchase one common share of the Company at a price of $0.25 for a period of twenty-four months following the closing date. Other share issuance costs total $36,968. The warrants issued in connection to the private placement have been recorded at a value of $484,444 based on the proportional method and warrants issued as finders' fees have been recorded at a value of $119,580 based on the Black-Scholes option pricing model, using the following assumptions: weighted average risk-free interest rate of 1.91%, expected life of warrants of 2 years, annualized volatility of 91% and dividend rate of 0%.

(4) On June 28, 2010, the Company completed a non-brokered private placement for gross proceeds of $275,000. The private placement was comprised of 1,100,000 Units at a price of $0.25 per Unit. Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.40 until June 28, 2012. The warrants issued in connection to the private placement have been recorded at a value of $43,093 based on the proportional method using the following Black-Scholes option pricing model assumptions: weighted average risk-free interest rate of 1.51%, expected life of warrants

12. Share capital (continued)

of 2 years, annualized volatility of 91% and dividend rate of 0%. Other share issuance costs total $6,570.

(5) On September 9, 2010, the Company completed a non-brokered private placement for gross proceeds of $250,000. The private placement was comprised of 1,000,000 Units at a price of $0.25 per Unit. Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.40 until September 9, 2012. The Company paid finders' fees of $20,000 and issued 80,000 warrants, each warrant entitling the holder to purchase one common share of the Company at a price of $0.25 until September 9, 2012. Other share issuance costs total $5,093. The warrants ssued in connection to the private placement have been recorded at a value of $36,346 based on the proportional method and finders' fees have been recorded at a value of $8,286 based on the Black-Scholes option pricing model, using the following assumptions: risk-free interest rate of 1.48%, expected life of warrants of 2 years, annualized volatility of 91% and dividend rate of 0%.

(6) On October 15, 2010, the Company completed a non-brokered private placement for gross proceeds of $250,000. The private placement was comprised of 1,000,000 Units at a price of $0.25 per Unit. Each Unit is comprised of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.40 until October 15, 2012. The warrants issued in connection to the private placement have been recorded at a value of $67,664 based on the proportional method based on the Black-Scholes option pricing model, using the following assumptions: risk-free interest rate of 1.40%, expected life of warrants of 2 years, annualized volatility of 91% and dividend rate of 0%.

(7) On October 29, 2010, the Company completed a non-brokered private placement for gross proceeds of $1,816,500. The private placement was comprised of 7,266,000 Units at a price of $0.25 per Unit. Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.40 until October 29, 2012. The Company paid finders' fees of $181,950 and issued 726,600 warrants, each warrant entitling the holder to purchase one common share of the Company at a price of $0.25 until October 29, 2012. Other share issuance costs total $12,939. The warrants issued in connection to the private placement have been recorded at a value of $277,790 based on the proportional method and finders' fees have been recorded at a value of $85,828 based on the Black-Scholes option pricing model, using the following assumptions: risk-free interest rate of 1.41%, expected life of warrants of 2 years, annualized volatility of 91% and dividend rate of 0%.

b) Warrants

	October 31, 2010			October 31, 2009		
	Number of warrants	Weighted average exercise price		Number of warrants	Weighted average exercise price	
		$	$		$	$
Balance, beginning of year	4,743,319	0.27	233,861	-	-	-
Granted	13,556,600	0.38	1,123,031	4,743,319	0.27	233,861
Exercised	(236,800)	0.21	(13,683)	-	-	-
Expired	(1,079,187)	0.35	(28,187)	-	-	-
Balance, end of year	16,983,932	0.35	1,315,022	4,743,319	0.27	233,861

12. Share capital (continued)

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

Number	Exercise Price		Expiry Date
	$	$	
22,200	0.20	1,888	April 30, 2011
3,071,799	0.25	175,024	September 17, 2011
333,333	0.25	15,079	October 6, 2011
480,000	0.40	35,935	April 1, 2012
28,800	0.25	3,201	April 1, 2012
940,000	0.40	77,108	April 9, 2012
150,400	0.25	21,270	April 9, 2012
4,715,000	0.40	371,401	April 26, 2012
752,800	0.25	95,109	April 26, 2012
550,000	0.40	43,093	June 28, 2012
500,000	0.40	36,346	September 9, 2012
80,000	0.25	8,286	September 9, 2012
1,000,000	0.40	67,664	October 15, 2012
3,633,000	0.40	277,790	October 29, 2012
726,600	0.25	85,828	October 29, 2012
16,983,932		1,315,022	

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

The following table reflects the continuity of stock options:

	October 31, 2010		October 31, 2009	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		$		$
Balance, beginning of year	4,190,000	0.47	4,382,500	0.56
Granted to employees (1) (4) (5) (6)	2,225,000	0.24	955,000	0.10
Granted to non-employees (1) to (6)	1,957,000	0.24	350,000	0.15
Forfeited	(460,000)	0.17	(723,750)	0.45
Expired	(200,000)	0.37	(762,500)	0.40
Exercised	(342,500)	0.16	(11,250)	0.10
Balance, end of year	7,369,500	0.38	4,190,000	0.47

12. Share capital (continued)

The stock options granted in items (1) through (6) have an exercise price that is greater than or equal to the market price at the date of grant and a weighted average fair value of $0.16

(1) On November 20, 2009, 1,230,000 stock options were granted to Directors, Officers, employees and consultants of the Company at an exercise price of $0.22 per share, expiring on November 20, 2014.

(2) On November 20, 2009, 600,000 stock options were granted to investor relations consultants at an exercise price of $0.22 per share, expiring on November 20, 2010.

(3) On February 22, 2010, 500,000 stock options were granted to consultants of the Company at an exercise price of $0.28 per share, expiring on February 22, 2015.

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

(5) On July 9, 2010, 825,000 stock options were granted to Directors, an Officer, employees and a consultant of the Company at an exercise price of $0.25 per share, expiring on July 9, 2015.

(6) On October 27, 2010, 607,000 stock options were granted to an Officer, Director and a consultant of the Company at an exercise price of $0.25 per share, expiring on October 27, 2015.

As at October 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-$0.15	1,737,500	3.14	$0.10	1,702,500
$0.22-$0.28	3,847,000	4.11	$0.24	3,722,000
$0.40-$0.45	450,000	1.23	$0.43	450,000
$0.78-$1.10	1,000,000	1.44	$0.86	1,000,000
$1.30-$1.38	335,000	1.08	$1.30	335,000
	7,369,500			7,209,500

As at October 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
$0.10-$0.15	2,205,000	3.79	$0.11	887,500
$0.37-$0.45	650,000	1.58	$0.41	600,000
$0.78-$1.10	1,000,000	2.44	$0.86	1,000,000
$1.30-$1.38	335,000	2.08	$1.30	335,000
	4,190,000			2,822,500

12. Share capital (continued)

The weighted average fair value of each option granted of $0.16 (2009 - $0.06) is estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2010	2009
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	91%	90%
Risk-free interest rate	2.33%	1.87%
Expected life of options	4.43 years	4.31 years

13. Contributed surplus

Contributed surplus consists of the following components:

	October 31, 2010	October 31, 2009
	$	$
Balance, beginning of year	6,438,177	6,243,342
Stock-based compensation to employees	420,951	188,492
Stock-based compensation to non-employees	263,957	6,805
Black-Scholes value of exercised options	(21,593)	(462)
Expiry of warrants	28,187	-
Balance, end of year	7,129,679	6,438,177

14. Changes in non-cash working capital items

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

	2010	2009
	$	$
Accounts receivable	(68,865)	2,410
Amounts due from related party	(16,633)	(70,412)
Prepaid expenses	80,233	168
Accounts payable and accrued liabilities	(23,613)	(100,053)
Total changes in non-cash working capital	(28,878)	(167,887)

15. Income taxes

A reconciliation of the combined Canadian federal and provincial income tax with the Company's effective tax rate is as follows:

	2010	2009
	$	$
Net loss	(2,419,400)	(2,429,386)
Statutory rate	31.04%	30.90%
Expected recovery of income tax	(750,982)	(750,680)
Effect of stock based compensation	212,595	60,347
Share issue costs	(139,308)	(143,863)
Other permanent differences	7,128	4,838
Effect of future tax rate change on opening balances	116,557	184,268
Effect of future tax rate change	107,405	229,394
Difference between effective and future tax rate	79,683	77,821
Effect of changes in the valuation allowance	678,572	548,177
Foreign income tax loss carryforward	(191,519)	(177,324)
Other	(120,131)	(32,978)
Provision for income taxes	-	-

The Canadian statutory Income tax rate of 31.04% (30.90% in 2009) is comprised of federal income tax at approximately 18.17% (19.08% in 2009) and provincial tax at approximately 12.87% (11.82% in 2009).

The primary temporary differences which gave rise to future income taxes (recovery) at October 31, 2010 and 2009 are as follows:

	2010	2009
	$	$
Future tax assets		
Income tax loss carryforwards	2,575,103	2,104,809
Long-term investment	327,204	272,616
Fixed and intangible assets	24,858	22,332
Resource properties	1,117,925	966,761
Resource properties	4,045,090	3,366,518
Less: valuation allowance	(4,045,090)	(3,366,518)
Net future tax assets	-	-

15. Income taxes (continued)

As at October 31, 2010, the Company has income tax loss carryforwards of approximately $8,553,000 in Canada and approximately $767,000 in foreign jurisdictions. These losses expire as follows:

	Federal	Foreign
	$	$
2011	-	120,000
2012	-	120,000
2013	-	120,000
2014	755,000	229,000
2015	811,000	178,000
2026	1,022,000	-
2027	1,504,000	-
2028	1,308,000	-
2029	1,475,000	-
2030	1,678,000	-
	8,553,000	767,000

16. 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:

	October 31, 2010	October 31, 2009
	$	$
Canada	11,213,772	8,227,985
Dominican Republic	9,722,110	8,014,951
Total	20,935,882	16,242,936

17. Comparative figures

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

18. Subsequent events

Closing of a private placement

On November 12, 2010, the Company completed the second tranche of a non-brokered private placement for gross proceeds of $220,000. The private placement was comprised of 880,000 units at a price of $0.25 per unit. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.40 until November 12, 2012. The Company paid finder's fees totalling $16,000 and issued 64,000 non-transferable finder's fee warrants, each warrant entitling the holder to acquire one common share of the Company at a price of $0.25 until November 12, 2012. All securities issued in connection with the private placement are subject to a four month and one day hold period from the closing date. Two insiders participated in the private placement for an amount of $20,000. The proceeds from the placement are being used to continue drilling several gold-copper targets on the APV project in the Dominican Republic.

18. Subsequent events (continued)

Memorandum of Understanding with Strike Minerals

On December 8, 2010, the Company announced the execution of a Memorandum of Understanding to sell or transfer ownership of options to give Strike Minerals Inc. ("Strike") a 100% undivided interest in a package of gold exploration properties at Hays Lake near Schreiber, Ontario.

Subject to regulatory approval, necessary corporate approvals and closing, Strike can acquire a 100% interest in the property for $100,000 in cash and the issuance of 5,700,000 common shares of Strike. The Company retains a 0.5% NSR on the property that can be purchased by Strike for $500,000 at any time.

Sale Agreement with Nemaska

On November 5, 2010, the Company signed an agreement with Exploration Nemaska ("Nemaska") to sell its 100% interest in the Sirmac Lithium property to Nemaska. On January 7, 2011, the agreement was executed and the Company received $30,000 in cash, 500,000 shares and 500,000 share purchase warrants of Nemaska. Each share purchase warrant entitles the Company to purchase one common share of Nemaska at a price of $0.60 until January 7, 2013.

Stock options

Subsequent to year end, 232,500 stock options were exercised at an average price of $0.21 for proceeds of $48,000.

On February 15, 2011, 1,740,000 stock options were granted to directors, employees and consultants at an exercise price of $0.32, expiring on February 15, 2016.

Exercise of warrants

Subsequent to year end, 1,286,100 warrants were exercised at $0.25 for proceeds of $321,535.

Sale of long-term investments

In January, 2011, Everton sold 6,100,000 shares of NQ Exploration for net proceeds of $611,897.

In January, 2011, Everton sold 600,000 shares of Focus Metals for net proceeds of $277,977.

Other

In November, 2010, pursuant to a one-year service agreement between the Company and a consultant, whereby the consultant's services were rendered in consideration for $111,600 payable in common shares, the Company issued 485,625 common shares to the consultant at a deemed price of $0.23.

On December 20, 2010, the Company announced the issuance of 40,000 common shares of the Company to the Optionors of the Hays Lake property in exchange for a six-month extension, until May 19, 2011, to incur the $30,000 exploration work commitment on the property.