EVERTON RESOURCES INC.

(An exploration stage Company)

Consolidated Financial Statements

For the three and nine months ended July 31, 2011

Management's Responsibility for Financial Statements

The accompanying unaudited interim consolidated financial statements and the notes thereto for the three and nine months ended July 31, 2011 are the responsibility of the management of Everton Resources Inc. These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, using management's best estimates and judgements where appropriate.

Management has developed and maintained a system of internal controls to provide reasonable assurance that all assets are safeguarded and to facilitate the preparation of relevant, reliable and timely financial information.

The Board of Directors is responsible for ensuring that management fulfills its financial reporting responsibilities and for reviewing and approving the period end unaudited interim consolidated financial statements together with other financial information. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process and the period end unaudited interim consolidated financial statements, together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the period end unaudited interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

The auditors of Everton Resources Inc. have not performed a review of the interim consolidated financial statements for the three and nine months ended July 31, 2011.

(signed) André Audet
André Audet, CEO

(signed) Judith Mazvihwa-MacLean
Judith Mazvihwa-MacLean, CFO

September 21, 2011

Everton Resources Inc.

(An exploration stage Company)
Consolidated Balance Sheets
As at

	July 31, 2011	October 31, 2010
	(Unaudited)	(Audited)
	$	$
ASSETS		
Current assets		
Cash and cash equivalents (Note 5)	840,536	1,983,410
Short-term investments (Note 5)	301,885	-
Marketable securities (Note 6)	256,614	5,500
Other assets (Note 7)	148,482	-
Accounts receivable	39,058	126,175
Amounts due from related parties (Note 11)	12,887	-
Tax credit and mining duties receivable	5,435	14,447
Prepaid expenses	390,909	39,108
	1,995,806	2,168,640
Deferred corporate transaction costs (Note 17)	3,448	-
Long-term investment (Note 8)	4,800,000	1,277,862
Property, plant and equipment (Note 9)	55,493	21,321
Mineral exploration properties (Note 10)	6,076,630	5,885,288
Deferred exploration expenses (Note 10)	16,274,193	13,751,411
	29,205,570	23,104,522
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	857,227	262,227
Other current liabilities (Note 10 & 17)	20,000	-
	877,227	262,227
SHAREHOLDERS' EQUITY		
Share capital (Note 12)	33,773,386	32,739,074
Warrants (Note 12)	1,218,535	1,315,022
Contributed surplus (Note 13)	7,646,914	7,129,679
	42,638,835	41,183,775
Accumulated other comprehensive income	4,480,275	903,875
Deficit	(18,790,767)	(19,245,355)
	(14,310,492)	(18,341,480)
	28,328,343	22,842,295
	29,205,570	23,104,522

Going concern (Note 2)

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

On behalf of the Board,
(signed) "André Audet"
André Audet, Director

On behalf of the Board,
(signed) "Michael Farrant"
Michael Farrant, Director

Everton Resources Inc.
(An exploration stage Company)
Consolidated Operations (unaudited)

	Three months Ended July 31, 2011	Three months Ended July 31, 2010	Nine months Ended July 31, 2011	Nine months Ended July 31, 2010
	$	$	$	$
Operating expenses				
Management and consulting fees	57,056	36,539	178,458	118,702
Salaries and benefits	94,063	82,455	375,285	314,825
Stock-based compensation (Note 13)	66,862	245,763	553,759	531,624
Travel and promotion	174,094	62,073	388,991	245,078
Report to shareholders	18,830	9,852	29,684	28,318
Professional fees	55,782	8,914	199,513	94,851
Insurance	4,112	5,697	16,101	19,324
Rent	4,580	10,769	18,733	35,767
General expenses	13,098	16,067	85,496	96,364
Foreign exchange (gain) loss	(3,130)	5,123	3,780	(4,829)
Amortization of property, plant and equipment	1,291	1,734	3,873	5,202
Write-down of mineral properties and deferred exploration expenses (Note 10)	66,276	-	119,731	256,630
	552,914	484,986	1,973,404	1,741,856
Other expenses (income)				
Interest and other income (Note 4)	(149,056)	-	(155,921)	(18,398)
Gain on sale of mineral property (Note 10)	-	(7,256)	(407,188)	(7,256)
Gain on sale of long term investment (Note 8)	(500,509)	-	(1,316,704)	(10,752)
Unrealized loss on held-for-trading investments (Note 6 & 7)	26,872	-	58,927	-
(Gain) loss on sale of marketable securities (Note 6)	(551,345)	13,374	(551,345)	(2,769)
Share of net (gain) loss of company subject to significant influence (Note 8)	-	(15,280)	(55,761)	96,472
	(1,174,038)	(9,162)	(2,427,992)	57,297
Net (earnings) loss	(621,124)	475,824	(454,588)	1,799,153
Net (earnings) loss per common share				
Basic	(0.006)	0.005	(0.004)	0.022
Diluted	(0.006)	0.005	(0.004)	0.022
Basic weighted average number of common shares outstanding	104,700,259	90,568,444	103,784,673	82,166,688
Diluted weighted average number of common shares outstanding	107,333,712	90,568,444	106,417,464	82,166,688

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

Everton Resources Inc.
(An exploration stage Company)
Consolidated Deferred Exploration Expenses (unaudited)

	Three months Ended July 31, 2011	Three months Ended July 31, 2010	Nine months Ended July 31, 2011	Nine months Ended July 31, 2010
	$	$	$	$
Balance, beginning of period	15,591,826	13,326,592	13,751,411	10,847,065
Additions				
Drilling	511,445	4,931	1,983,498	1,495,492
Project consulting	5,351	82,078	25,711	342,111
Geophysical survey	-	14,514	-	77,378
Geological survey	191,506	198,611	543,116	569,663
Geochemical survey	19,358	2,395	50,914	33,573
Report preparation	424	1,732	14,383	10,759
Renewal of licenses and permits	16,165	12,960	22,716	57,990
General field expenses	4,394	(12,311)	27,041	219,692
	748,643	304,910	2,667,379	2,806,658
Write-down of deferred exploration expenses	(66,276)	-	(119,731)	(3,410)
Cost of mineral properties sold (Note 10.o))	-	(206,861)	(20,597)	(206,861)
Tax credits and mining duties	-	5,517	(4,269)	(13,294)
	(66,276)	(201,344)	(144,597)	(223,565)
Balance, end of period	16,274,193	13,430,158	16,274,193	13,430,158

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

Everton Resources Inc.

(An exploration stage Company)

Consolidated Deficit (unaudited)

	Three months Ended July 31, 2011	Three months Ended July 31, 2010	Nine months Ended July 31, 2011	Nine months Ended July 31, 2010
	$	$	$	$
Deficit, beginning of period	19,411,891	18,149,284	19,245,355	16,825,955
Net (earnings) loss	(621,124)	475,824	(454,588)	1,799,153
Deficit, end of period	18,790,767	18,625,108	18,790,767	18,625,108

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

Everton Resources Inc.
(An exploration stage Company)
Consolidated Comprehensive (Income) Loss (unaudited)

	Three months Ended July 31, 2011	Three months Ended July 31, 2010	Nine months Ended July 31, 2011	Nine months Ended July 31, 2010
	$	$	$	$
Net (earnings) loss for the period	(621,124)	475,824	(454,588)	1,799,153
Other comprehensive (income) loss				
Realized gain (loss) on sale of available-for-sale investments transferred to the statement of operations	1,051,854	(13,374)	1,293,832	2,769
Unrealized gain on available-for-sale investments	(607,323)	(129,426)	(4,870,232)	(152,508)
Comprehensive (income) loss for the period	(176,593)	333,024	(4,030,988)	1,649,414

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

Everton Resources Inc.
(An exploration stage Company)
Consolidated Cash Flows (unaudited)

	Three months Ended July 31, 2011	Three months Ended July 31, 2010	Nine months Ended July 31, 2011	Nine months Ended July 31, 2010
	$	$	$	$
OPERATING ACTIVITIES				
Net earnings (loss)	621,124	(475,824)	454,588	(1,799,153)
Non-cash items				
Amortization of property, plant and equipment	1,291	1,734	3,873	5,202
Stock-based compensation	66,862	245,763	553,759	531,624
Write-down of deferred exploration expenses	66,276	-	119,731	3,410
Write-down of mineral properties	-	-	-	253,220
Accrued interest on short-term investments	(981)	-	(2,042)	-
Amount included in other income (Note 4 & 7)	(145,598)	-	(145,598)	-
Gain on sale of mineral property (Note 10)	-	(7,256)	(407,188)	(7,256)
Gain on sale of marketable securities (Note 6)	(551,345)	13,374	(551,345)	(2,769)
Gain on sale of long term investment (Note 8)	(500,509)	-	(1,316,704)	(10,752)
Unrealized loss on held-for-trading investments (Note 6 & 7)	26,872	-	58,927	-
Gain on settlement of transaction with related party	-	-	-	(14,521)
Share of net loss (gain) of company subject to significant influence (Note 8)	-	(15,280)	(55,761)	96,472
Changes in non-cash working capital items (Note 14)	27,956	(37,797)	(128,039)	9,273
Cash flows used in operating activities	(388,052)	(275,286)	(1,415,799)	(935,250)
INVESTING ACTIVITIES				
Proceeds from sale of marketable securities	636,789	67,837	636,789	113,290
Proceeds from maturity of short-term investment	36,565	-	36,565	-
Proceeds from sale of long term investment (Note 8)	536,509	-	1,426,383	12,000
Acquisition of short-term investments	-	-	(336,408)	-
Acquisition of property, plant and equipment	-	-	(44,759)	-
Proceeds from sale of mineral property (Note 10)	-	-	30,000	-
Mineral exploration property costs (Note 10)	(117,000)	(474,533)	(177,382)	(989,472)
Deferred exploration expenses	(440,680)	(729,644)	(2,081,268)	(2,781,845)
Tax credits and mining duties received	13,281	70,020	13,281	235,387
Cash flows from (used in) investing activities	665,464	(1,066,320)	(496,799)	(3,410,640)
FINANCING ACTIVITIES				
Common shares issued (Note 12)	-	1,117,500	220,000	3,342,500
Warrants exercised (Note 12)	10,200	-	513,882	38,850
Options exercised (Note 12)	17,000	38,500	65,000	38,500
Deferred corporate transaction costs (Note 17)	(3,448)	-	(3,448)	-
Share issuance costs	-	(8,889)	(23,381)	(275,601)
Cash flows from financing activities	23,752	1,147,111	772,053	3,144,249
Effect of exchange rate fluctuations on cash and cash equivalents	(6,191)	292	(2,329)	1,532
Increase (decrease) in cash and cash equivalents	294,973	(194,203)	(1,142,874)	(1,200,109)
Cash and cash equivalents, beginning of period	545,563	675,880	1,983,410	1,681,786
Cash and cash equivalents, end of period	840,536	481,677	840,536	481,677
Cash and cash equivalents:				
Cash	100,195	675,880	100,195	675,880
Cash equivalents	740,341	-	740,341	-
	840,536	675,880	840,536	675,880
Non-cash supplemental information:				
Deferred exploration expenses included in accounts payable	717,937	43,009	717,937	43,009
Fair value of exercised options	8,007	-	38,412	-
Fair value of exercised warrants	5,155	-	143,611	9,278
Common shares issued to increase interest in mineral properties	-	-	14,200	140,000
Warrants issued in payment of private placement finders fees	-	-	10,610	119,580
Warrants issued in private placement	-	43,093	38,402	527,537

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

1. Governing statutes and nature of operations

Everton Resources Inc. (the "Company" or ''Everton'') was incorporated under the Business Corporations Act (Alberta) on November 7, 1996 and commenced operations on December 19, 1996. Until June 2002, the Company was involved in an internet related business. In November 2002, the Company commenced its current nature of operations which involves acquisition, exploration and development of mineral resource properties. The Company is in the exploration stage and does not derive any revenue from the development of its properties.

Until it is determined that the Company's properties contain mineral reserves or resources that can be economically mined, they are classified as mineral exploration properties. The recoverability of mineral exploration property costs and deferred exploration expenses is dependent upon: the discovery of economically recoverable reserves and resources; securing and maintaining title and beneficial interest in the properties; the ability to obtain necessary financing to complete exploration, development and construction of processing facilities; obtaining certain government approvals; and attaining profitable production.

2. Going concern assumption

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and on the basis of a going concern assumption meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, as explained in the following paragraph.

As at July 31, 2011, the Company had a working capital surplus of $1,118,579, including $840,536 in cash and cash equivalents and $301,885 in short-term investments. Together with the $1,745,960 in gross proceeds from the private placement completed subsequent to quarter end (Note 17), 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 provide internal funding of approximately $6,300,000 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 unaudited interim consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. If management is unsuccessful in securing capital, the Company's assets may not be realized or its liabilities discharged at their carrying amounts and these differences could be material.

3. Financial instruments, risk management and capital management

Financial instruments

The Company's financial instruments at July 31, 2011 consist of cash and cash equivalents, short-term investments, marketable securities, other assets, accounts receivable, amounts due from related parties, long-term investment, accounts payable and accrued liabilities and other current 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, other assets and long term investment, other than those classified as held-for-trading, 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, short-term investments, accounts receivable and amounts due from related parties. 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 outlook periods. The Company had a working capital surplus of $1,118,579 at July 31, 2011, including cash and cash equivalents of $840,536, short-term investments of $301,885 and current liabilities totalling $877,227. Together with the $1,745,960 in gross proceeds from the private placement completed subsequent to quarter end (Note 17), 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 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 other things, the strength of the capital markets.

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

Currency risk

The Company has exposure to financial risk arising from fluctuations in exchange rates (US dollars and Dominican Peso "DOP") and the degree of volatility of these rates. Although the Company has significant future commitments denominated in foreign currencies, the Company does not use forward exchange contracts to reduce exposure to foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has not entered into any derivative contracts to manage this risk.

The Company's policy as it relates to its cash balances is to invest excess cash in highly liquid, low-risk, short-term interest-bearing investments (such as investment savings accounts, banker's acceptances, term deposits, guaranteed investment certificates or treasury bills), primarily with variable interest rates, with maturities of 90 days or less from the original date of acquisition.

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 July 31, 2011. At July 31, 2011, the value of these listed shares (including those held in escrow) is $5,102,900. At July 31, 2011, had the bid price for these publicly listed shares been 10% lower, the comprehensive income for the period would have been approximately $510,300 lower. Conversely, had the bid price been 10% higher, the comprehensive income for the period would have been approximately $510,300 higher.

Political risk

The Company carries out some of its exploration activities in the Dominican Republic. These activities may be subject to political, economic 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.

4. Information included in consolidated operations

	Three months Ended July 31, 2011	Three months Ended July 31, 2010	Nine months Ended July 31, 2011	Nine months Ended July 31, 2010
	$	$	$	$
Interest from held-for-trading financial assets	3,458	-	9,715	3,877
Realized gain on settlement of transaction with related party	-	-	-	14,521
Other income (Note 7)	145,598	-	146,206	-
	149,056	-	155,921	18,398

5. Cash and cash equivalents and short-term investments

As at July 31, 2011, cash and cash equivalents total $840,536 ($1,983,410 as at October 31, 2010) and include investment savings account balances totaling $740,341 ($Nil in cash equivalents as at October 31, 2010). These have interest rates ranging from 1.20% to 1.50%.

As at July 31, 2011, short-term investments total $301,885 ($Nil as at October 31, 2010) and consist of a guaranteed investment certificate with an interest rate of 1.30%, maturing 12 months from the date of acquisition.

6. Marketable securities

	July 31, 2011				October 31, 2010	
	Cost	Impairment	Unrealized gain (loss)	Fair value	Cost	Fair value
	$	$	$	$	$	$
25,000 common shares of Augyva Inc.	17,250	(15,625)	10,875	12,500	17,250	5,500
410,000 (Nil at Oct 31, 2010) common shares of Exploration Nemaska Inc. ("Nemaska") (1) (2)	225,500	-	(45,100)	180,400	-	-
500,000 (Nil at Oct 31, 2010) warrants of Nemaska (1)	123,025	-	(59,311)	63,714	-	-
Nil (11,919,000 at Oct 31, 2010) common shares of NQ Exploration Inc. ("NQ") (3) (4)	-	-	-	-	-	-
	365,775	(15,625)	(93,536)	256,614	17,250	5,500

(1) On January 7, 2011, the Company completed the sale of its Sirmac Lithium property (Note 10.o)) to Nemaska, in exchange for 500,000 common shares of Nemaska (valued at $275,000) and 500,000 warrants of Nemaska, each warrant entitling the Company to purchase one common share of Nemaska at a price of $0.60 until January 7, 2013. The warrants were recorded at a fair value of $123,025, based on the Black-Scholes option pricing model. The warrants are designated as held-for-trading, with changes in fair value recorded in the statement of operations.

(2) In July 2011, the Company sold 90,000 shares of Nemaska for net proceeds of $35,360, realizing a loss of $14,140.

(3) Up to January 2011, the Company’s interest in NQ was such that it was deemed to have exercised significant influence and therefore the equity method had been used as the basis of accounting for the investment from the date of acquisition. As a result of selling a significant number of shares in January 2011, the Company’s ownership interest was such that it no longer exercised significant influence over NQ and the remaining investment was re-classified from long term investment (Note 8) to marketable

6. Marketable securities (continued)

securities and is now measured in accordance with Section 3855, "Financial Instruments – Recognition and Measurement", of the CICA Handbook.

(4) In May 2011, the Company sold 5,819,000 shares of NQ for net proceeds of $601,429, realizing a gain of $565,485, and no longer holds any NQ shares.

During the quarter, the Company realized a net gain of $551,345 on the sale of marketable securities and recorded an unrealized loss of $27,256 on held-for-trading investments included in marketable securities.

7. Other assets

	July 31, 2011				October 31, 2010	
	Cost	Impairment	Unrealized gain	Fair value	Cost	Fair value
	$	$	$	$	$	$
250,000 (Nil at Oct 31, 2010) common shares of Exploration Nemaska Inc. ("Nemaska") (1)	107,500	-	2,500	110,000	-	-
250,000 (Nil at Oct 31, 2010) warrants of Nemaska (1)	38,098	-	384	38,482	-	-
	145,598	-	2,884	148,482	-	-

(1) In accordance with an adjustment clause in the sale agreement with Nemaska (Note 10.o)), whereby the Company sold its interest in its Sirmac Lithium property, Nemaska was required to separate its lithium related assets and its non-lithium related assets into two separate companies on or before June 30, 2011. Given that this did not occur, Nemaska was required to issue to Everton on July 1, 2011, an additional 250,000 common shares (valued at $107,500) and 250,000 warrants, each warrant entitling the Company to purchase one common share of Nemaska at a price of $0.60 until June 30, 2013. The warrants were recorded at a value of $38,098, based on the Black-Scholes option pricing model. The warrants are designated as held-for-trading, with changes in fair value recorded in the statement of operations. Given that the Company did not receive the shares and warrants until subsequent to quarter end, in August 2011, they have been presented as other assets rather than marketable securities.

During the quarter, the Company recorded an unrealized loss of $384 on held-for-trading investments included other assets.

8. Long term investment

Investment in Focus Metals Inc. ("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 July 31, 2011, the Company had a 5.80% ownership interest in Focus.

	July 31, 2011			October 31, 2010	
	Cost	Unrealized gain	Fair value	Cost	Fair value
	$	$	$	$	$
4,800,000 (6,000,000 at Oct 31, 2010) common shares of Focus (1) (2)	288,000	4,512,000	4,800,000	360,000	1,260,000

8. Long term investment (continued)

(1) In January, 2011, the Company sold 600,000 shares of Focus for net proceeds of $277,977, realizing a gain of $241,977.
(2) In June, 2011, the Company sold 600,000 shares of Focus for net proceeds of $536,509, realizing a gain of $500,509.

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
	(300,000)	November 21, 2010
	(600,000)	May 21, 2011
Shares escrowed as at July 31, 2011	4,800,000	
Shares still to be released	600,000	November 21, 2011
	900,000	May 21, 2012
	900,000	November 21, 2012
	2,400,000	May 21, 2013
	4,800,000	

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Investment in NQ Exploration Inc. (“NQ”)

The Company had significant influence over NQ and therefore the equity method had been used as the basis of accounting for the investment from the date of acquisition. In January 2011, Everton sold 6,100,000 shares of NQ for net proceeds of $611,897, realizing a gain of $574,218. As a result of selling these shares, the Company’s ownership interest was such that it no longer exercised significant influence over NQ and the remaining investment was re-classified from long term investment to marketable securities.

	July 31, 2011	October 31, 2010
	$	$
Cost	581,900	1,191,900
Cumulative share of net loss of NQ (i)	(545,956)	(1,174,038)
Re-classification to marketable securities	(35,944)	-
	-	17,862

(i) The cumulative share of net loss of NQ takes into account the Company’s share of NQ’s losses up to January 2011, when the Company ceased to exercise significant influence over NQ, including $55,761 for the current year.

9. Property, plant and equipment

	July 31, 2011			October 31, 2010
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	$	$	$	$
Computer equipment	40,259	33,287	6,972	8,997
Furniture and equipment	31,952	21,476	10,476	12,324
Exploration equipment	44,759	6,714	38,045	-
	116,970	61,477	55,493	21,321

Property, plant and equipment is recorded at cost less accumulated amortization. Amortization of computer equipment and furniture and equipment is calculated on a declining balance basis, while amortization of exploration equipment is on a straight-line basis.

The cost and accumulated amortization was $72,211 and $50,890 respectively as at October 31, 2010.

10. Mineral exploration properties and deferred exploration expenses

	July 31, 2011		October 31, 2010	
	Mineral Properties	Deferred Exploration Expenses	Mineral Properties	Deferred Exploration Expenses
	$	$	$	$
Dominican Republic				
a) Cuance	-	1,021,392	-	1,020,792
a) Los Hojanchos	-	324,674	-	324,185
b) La Cueva (Loma El Mate)	183,836	940,402	183,836	936,104
c) Jobo Claro	302,280	536,457	302,280	536,139
d) Maimon Copper	-	869,827	-	988,556
e) La Mireya	5,635	47,665	5,635	47,195
f) Ampliacion Pueblo Viejo	1,258,460	4,441,594	1,258,460	2,976,907
f) La Lechoza	-	859,508	-	6,506
f) Ponton (Loma Hueca)	197,197	240,042	197,197	177,149
g) Fresso	112,094	780,359	91,712	562,721
h) Other	-	141,686	-	106,736
	2,059,502	10,203,606	2,039,120	7,682,990
Canada				
Ontario				
i) Shoal Lake West (Duport)	1,470,893	1,598,224	1,410,893	1,588,868
j) Shoal Lake East (Machin)	342,544	278,421	315,544	278,421
k) Shoal Lake East (KPM)	866,012	125,485	836,012	125,485
l) Hays Lake	609,762	70,216	555,562	70,216
Quebec				
m) Opinaca	550,452	2,754,706	550,452	2,750,051
n) Wildcat	176,465	1,125,390	176,465	1,125,390
o) Sirmac Lithium	-	-	240	20,597
British Columbia				
p) Hot Springs	1,000	118,145	1,000	109,393
	4,017,128	6,070,587	3,846,168	6,068,421
TOTAL	6,076,630	16,274,193	5,885,288	13,751,411

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

<u>Dominican Republic</u>

On May 25, 2011, the Company announced the signing of a Letter of Intent ("LOI") with Brigus Gold Corp. ("Brigus") whereby Everton will acquire Brigus' remaining interest in the Ampliacion Peublo Viejo ("APV") (Note 10.f)), Ponton (Note 10.f)) and La Cueva (Note 10.b)) concessions in the Dominican Republic ("the Concessions").

Under the terms of the LOI, Everton must complete a minimum $5 million financing, pay Brigus $1 million cash and issue Brigus 15 million common shares in the Company. Brigus will also receive a sliding scale net smelter return ("NSR") royalty on the Concessions equal to 1.0% when the price of gold is less than US$1,000 per ounce, 1.5% when the price of gold is between US$1,000 and US$1,400 per ounce, and 2% when the price of gold is above US$1,400 per ounce.

In addition, Everton is required to incur a minimum $5 million in exploration expenditures on the Concessions over the next two years, $4 million on APV and $500,000 on each of Ponton and La Cueva. Upon completion of a National Instrument 43-101 compliant measured and indicated resource estimate on the Concessions of a minimum 1 million ounces of gold equivalent ("AuEq") (at an average grade of 2.5 g/t AuEq or higher for APV and 1.5 g/t AuEq for Ponton and La Cueva), Everton will pay Brigus an additional $5 million or issue 5 million common shares, whichever has the greater value.

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, March 31, 2009 and September 3, 2009.

Everton agreed to incur exploration expenditures totaling 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). The Company has earned its undivided 50% interest in the two properties, and a joint venture has been formed with Globestar, with Everton acting as the operator.

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

On December 8, 2003, the Company entered into an earn-in agreement with 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$948,600) in exploration work by April 10, 2012.

In May 2011, the Company signed an LOI with Brigus whereby Everton will acquire Brigus' remaining interest in the property. The terms of the LOI are described above.

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

c) Jobo Claro, Dominican Republic

The Company holds a 100% interest in the Jobo Claro concession which it acquired from a local concession holder in 2007. The property is adjacent to the Pueblo Viejo Mine in the Dominican Republic.

d) Maimon Copper, Dominican Republic

The Maimon Copper projects are comprised of three polymetallic concessions: La Sidra, El Llano and La Yautia. These concessions are located within the Maimon formation and are held 100% by the Company.

During the three month period ended January 31, 2011, the Company wrote down the cost of the Tocoa concession to $Nil ($52,891 in deferred exploration expenses) as the project no longer fits the Company's strategy.

During the three month period ended July 31, 2011, the Company wrote down the cost of the Miranda concession to $Nil ($66,276 in deferred exploration expenses) as the project no longer fits the Company's strategy.

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$477,000).

f) Ampliacion Pueblo Viejo, La Lechoza 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 ("APV") (which includes the La Lechoza prospect) and Ponton (Loma Hueca) Concessions.

<u>APV and La Lechoza</u>

To earn its 50% interest in the APV Concession, which includes the La Lechoza prospect, 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 ended 31, 2010, 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$2,371,500) in exploration work by April 10, 2012.

In May 2011, the Company signed an LOI with Brigus whereby Everton will acquire Brigus' remaining interest in the property. The terms of the LOI are described above.

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

<u>Ponton (Loma Hueca)</u>

Under the initial option agreement, the Company could earn a 50% interest in the Ponton (Loma Hueca) Concession by making cash payments totaling US$100,000 (CAD$94,900), completing work commitments of US$600,000 (CAD$572,000) and issuing 200,000 common shares over a three-year period. The Company issued the 200,000 common shares in accordance with the agreement.

Furthermore, the Company could 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$238,000) and issuing 300,000 additional common shares.

In May 2011, the Company signed an LOI with Brigus whereby Everton will acquire Brigus' remaining interest in the property. The terms of the LOI are described above.

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. The Company paid cash consideration of US$35,000 (CAD$34,591) to Asesores for a one-year evaluation period. Asesores 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$238,000).

As at July 31, 2011, the Company had paid US$97,500 (CAD$112,095) to Asesores for the initial one-year period and four additional six-month extension periods

On May 27, 2011, the Company was granted a two month extension, to July 28, 2011, to make a final cash payment ofUS$150,000 (CAD$143,000) to acquire a 100% interest in the property. The Company was granted a further extension, to November 28, 2011, whereby Everton was given a right of first refusal and is not required to make any payments, but must give all information collected to date to Asesores and allow them to seek an interested purchaser. If they are successful in finding another purchaser, Everton would first be given the option to purchase the property prior to the execution of another agreement.

h) Other

Other properties consist of several eastern Dominican Republic concessions.

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

Canada

On September 1, 2010, and as amended by a formal agreement in February 2011, and June 2011, 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 $6,000,000. HLG holds the Shoal Lake Gold properties comprised of two significant high-grade gold deposits: Duport and Cedar Island, on 81.3 km^2, 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 (Note 10.i), Note 10.j) and Note 10.k) below) will be assumed by Kaskattama, once the sale transaction is finalized. The $6,000,000 consideration is allocated as follows:

- $1,000,000 in cash to be paid upon execution of a final Sale and Purchase Agreement
- $500,000 in cash to be paid by December 31, 2012
- $500,000 in cash to be paid by December 31, 2013
- 10,000,000 common shares of Kaskattama at a minimum price of $0.40 per common share

In addition, non-refundable amounts totalling $291,000 have been paid by Kaskattama to the Company in respect of option payment obligations on the properties.

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 $2,000,000 in cash payments to Everton. Kaskattama had until March 31, 2011 to confirm to the reasonable satisfaction of Everton that Kaskattama is able to make such payments

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

The deadline to meet conditions (ii) and (iii) was further extended, to September 30, 2011, from the previously extended deadline of August 31, 2011. A further extension is currently being negotiated.

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.

As at July 31, 2011, the Company has met the exploration work commitment of $1,500,000 and the only remaining commitments are quarterly cash payments as follows:

	Cash payments
	$
6 quarterly payments of $60,000, ending October 31, 2012 (1)	360,000
	360,000

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

(1) The Company was granted a two month extension, to September 30, 2011, to make the $60,000 payment that was due July 31, 2011.

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% of the NSR at any time prior to commercial production for $2,500,000.

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).

As at July 31, 2011, the remaining commitments are as follows:

	Cash payments
	$
5 quarterly payments of $27,000 ending September 30, 2012	135,000
On or before September 30, 2012	1,114,000
	1,249,000

Machin retains a 1.5% NSR on the first 500,000 ounces of gold produced and 2% on all gold produced in excess of 500,000 ounces. The Company has the right to purchase one-third of the NSR at any time prior to commercial production for $1,000,000.
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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.

As at July 31, 2011, the remaining commitments are as follows:

	Cash payments
	$
6 quarterly payments of $30,000, ending December 31, 2012	180,000
On or before December 31, 2012	2,242,684
	2,422,684

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

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.

As at July 31, 2011, the remaining commitments are as follows:

	Exploration expenses	
	$	
On or before May 19, 2011	30,000	(1)
On or before December 31, 2011	40,000	
	70,000	

(2) 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.

On December 8, 2010, the Company announced the execution of a Memorandum of Understanding ("MOU") to sell or transfer ownership of options to give Strike Minerals Inc. ("Strike") a 100% undivided interest in the property. 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 $100,000 in cash is payable as follows: $20,000 on signing of the MOU, $30,000 on closing of the transaction, and $50,000 on the 1st anniversary of the closing of the transaction. The Company retains a 0.5% NSR on the property that can be purchased by Strike for $500,000 at any time. In accordance with the MOU, the Company received a refundable deposit in the amount of $20,000, which has been included in other current liabilities.

On May 17, 2011, the transaction was completed with the execution of a purchase and sale agreement with Strike. Due to the fact that the transaction did not receive approval from the TSX Venture Exchange until August 30, 2011, and that the Company did not receive the 5,700,000 common shares of Strike and $30,000 in cash, that was due upon closing, until subsequent to quarter end (Note 17), the transaction was not considered to have been completed as of quarter end, for financial statement purposes.

m) Opinaca, Quebec

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 Exploration (''Azimut") each hold an undivided 50% interest, by making total cash payments of $880,000 and incurring expenditures of $9,000,000.

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

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 meters of drilling by the second anniversary.

- 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.

n) Wildcat, Quebec

On October 15, 2010, the Company executed 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 $550,000 (of which $250,000 was paid through a subscription to the October 15, 2010 private placement) 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 meters 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.

o) Sirmac Lithium, Quebec

On January 7, 2011, the Company signed an agreement with Exploration Nemaska ("Nemaska") whereby Nemaska acquired a 100% interest in the property for $30,000 cash, 500,000 shares, valued at $275,000, and 500,000 share purchase warrants, each warrant entitling the Company to purchase one common share of Nemaska at a price of $0.60 until January 7, 2013. The warrants were recorded at a fair value of $123,025, based on the Black-Scholes option pricing model. The Company recorded a gain on the sale of the property of $407,188. The Company retains a 1% NSR which can be purchased by Nemaska at any time for $1,000,000.

In accordance with an adjustment clause in the sale agreement with Nemaska, Nemaska was required to separate its lithium related assets and its non-lithium related assets into two separate companies on or

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

before June 30, 2011. Given that this did not occur, Nemaska was required to issue to Everton on July 1, 2011, an additional 250,000 common shares (valued at $107,500) and 250,000 warrants, each warrant entitling the Company to purchase one common share of Nemaska at a price of $0.60 until June 30, 2013. The warrants were recorded at a value of $38,098, based on the Black-Scholes option pricing model. Given that the Company did not receive the shares and warrants until subsequent to quarter end, in August 2011, they have been presented as other assets rather than marketable securities (Note 7).

p) 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.

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 shared common management), which was terminated effective June 1, 2011, the Company charged Majescor for shared salaries and benefits, rent and office expenses. During the three and nine months ended July 31, 2011, the cost of shared salaries and benefits was $4,750 and $33,250 respectively ($19,250 and $47,750 in 2010) and rent and office expenses were $238 and $1,666 respectively ($714 and $2,142 in 2010). Included in amounts due from related parties is $Nil ($Nil as at October 31, 2010) due from Majescor.

Under an agreement between the Company and Adventure Gold Inc. (“Adventure”) (which shared common management), which was terminated effective December 1, 2010, the Company charged Adventure for shared salaries and benefits, rent and office expenses. During the three and nine months ended July 31, 2011, the cost of shared salaries and benefits was $Nil and $7,500 respectively ($22,500 and $67,500 in 2010) and rent and office expenses were $Nil and $500 respectively ($1,500 and $4,500 in 2010). Included in amounts due from related parties is $Nil ($Nil as at October 31, 2010) due from Adventure.

Under an agreement between the Company and Focus Metals Inc. (“Focus”) (which shares common management), the Company charges Focus for shared salaries and benefits, rent and office expenses. During the three and nine months ended July 31, 2011, the cost of shared salaries and benefits was $31,730 and $65,750 respectively ($11,340 and $11,340 in 2010) and rent and office expenses were $16,734 and $30,714 respectively ($4,660 and $4,660 in 2010). Included in amounts due from related parties is $12,887 ($Nil as at October 31, 2010) due from Focus. The full amount was received in full subsequent to quarter end.

These transactions were measured at the exchange amount that is the amount established and accepted by the parties and were conducted in the normal course of business.

The amounts due from related parties are without interest 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, 2010	100,844,233	32,739,074
Shares issued for cash (net of issue costs of $33,991) (1)	880,000	147,607
Shares issued on the exercise of warrants	2,055,527	657,493
Shares issued on the exercise of stock options	402,500	103,412
Shares issued for services rendered	485,625	111,600
Shares issued for property payments (Note 10.l))	40,000	14,200
Balance, July 31, 2011	104,707,885	33,773,386

(1) On November 12, 2010, the Company completed 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 finders' fees of $16,000 and issued 64,000 warrants, each warrant entitling the holder to purchase one common share of the Company at a price of $0.25 until November 12, 2012. Other share issuance costs total $7,381. The warrants issued in connection to the private placement have been recorded at a fair value of $38,402 based on the proportional method and finders' fees have been recorded at a value of $10,610 based on the Black-Scholes option pricing model, using the following assumptions: risk-free interest rate of 1.59%, expected life of warrants of 2 years, annualized volatility of 92% and dividend rate of 0%.

In June 2011, the Company filed a preliminary short form prospectus dated June 7, 2011 in connection with a proposed marketed public offering of Units in the provinces of British Columbia, Alberta and Ontario on a fully-marketed best efforts agency basis for minimum gross proceeds to Everton of $5 million and maximum gross proceeds to be determined.

On June 22, 2011, the Company announced that it had cancelled the above mentioned financing, as a result of unfavourable market conditions.

b) Warrants

	Number of warrants	Weighted average exercise price	
		$	$
Balance, October 31, 2010	16,983,932	0.35	1,315,022
Granted	504,000	0.38	49,012
Exercised	(2,055,527)	0.25	(143,611)
Expired	(22,200)	0.20	(1,888)
Balance, July 31, 2011	15,410,205	0.37	1,218,535

12. Share capital (continued)

As at July 31, 2011, the following stock purchase warrants were outstanding and exercisable:

Number	Exercise Price		Expiry Date
	$	$	
1,378,932	0.25	76,586	September 17, 2011
333,333	0.25	15,079	October 6, 2011
480,000	0.40	35,935	April 1, 2012
24,000	0.25	2,667	April 1, 2012
940,000	0.40	77,108	April 9, 2012
148,800	0.25	21,044	April 9, 2012
4,715,000	0.40	371,401	April 26, 2012
469,200	0.25	59,279	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
653,940	0.25	77,245	October 29, 2012
440,000	0.40	38,402	November 12, 2012
64,000	0.25	10,610	November 12, 2012
15,410,205		1,218,535	

c) Stock option plan

On January 24, 2011, the Company increased the maximum number of common shares reserved for issuance under its stock option plan from 7,712,893 to 10,277,629.

The following table reflects the continuity of stock options for the period ended July 31, 2011:

	Number of options	Weighted average exercise price
		$
Balance, October 31, 2010	7,369,500	0.38
Granted to employees (1) (2) (3)	1,750,000	0.33
Granted to non-employees (1) (2) (3)	950,000	0.33
Expired	(1,090,000)	0.70
Forfeited	(705,000)	0.34
Exercised	(402,500)	0.16
Balance, July 31, 2011	7,872,000	0.33

12. Share capital (continued)

The stock options granted in items (1) and (2) 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 $0.24

(1) On February 15, 2011, 1,740,000 stock options were granted to Directors, Officers, employees and consultants of the Company at an exercise price of $0.32 per share, expiring on February 15, 2016.

(2) On April 4, 2011, 410,000 stock options were granted to an Officer, an employee and consultants at an exercise price of $0.335 per share, expiring on April 4, 2016.

(3) On May 24, 2011, 550,000 stock options were granted to a Director and certain consultants at an exercise price of $0.35 per share, expiring on May 24, 2016.

The weighted average fair value of each stock option granted of $0.24 is estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

Expected dividend yield	0.00%
Expected stock price volatility	91%
Risk-free interest rate	2.72%
Expected life of options	5.00 years

As at July 31, 2011, the following stock 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	1,370,000	2.39	$0.10	1,370,000
$0.22-$0.32	4,657,000	3.79	$0.27	4,432,000
$0.335-$0.40	1,160,000	4.26	$0.35	810,000
$0.82	550,000	0.96	$0.82	550,000
$1.30-$1.38	135,000	0.33	$1.31	135,000
	7,872,000			7,297,000

13. Contributed surplus

Contributed surplus consists of the following components:

	July 31, 2011	July 31, 2010
	$	$
Balance, beginning of period	7,129,679	6,438,177
Stock-based compensation to employees	379,378	304,445
Stock-based compensation to non-employees	174,381	227,179
Black-Scholes value of exercised stock options	(38,412)	(13,652)
Expiry of warrants	1,888	28,187
Balance, end of period	7,646,914	6,984,336

14. Changes in non-cash working capital items

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

	Three months Ended July 31, 2011	Three months Ended July 31, 2010	Nine months Ended July 31, 2011	Nine months Ended July 31, 2010
	$	$	$	$
Accounts receivable	34,530	97,162	87,117	29,011
Amounts due from related parties	10,372	(2,713)	(12,887)	(22,309)
Prepaid expenses	(68,529)	(20,362)	(349,472)	48,442
Accounts payable and accrued liabilities	61,783	(111,884)	127,203	(45,871)
Other current liabilities	(10,200)	-	20,000	-
Total changes in non-cash working capital	27,956	(37,797)	(128,039)	9,273

15. Segmented information

The Company has determined that it only operates in one segment, being acquisition, exploration and development of mineral properties for economically recoverable reserves. Long term assets segmented by geographical area are as follows:

	July 31, 2011	October 31, 2010
	$	$
Canada	14,946,656	11,213,772
Dominican Republic	12,263,108	9,722,110
Total	27,209,764	20,935,882

16. Comparative figures

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

17. Subsequent events

Closing of private placement

On August 25, 2011, the Company completed a non-brokered private placement for gross proceeds of $1,745,960. The private placement was comprised of 6,983,840 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 thereof to purchase one common share of the Company at a price of $0.35 until August 25, 2013. In connection with the financing, the Company paid finders' fees totalling $100,200 and issued 400,800 non-transferable warrants, each warrant entitling the holder thereof to purchase one common share of the Company at a price of $0.25 until August 25, 2013. All securities issued in connection with the financing are subject to a four month hold period expiring on December 26, 2011. The proceeds of the private placement will be used for exploration expenditures on the Company's APV property in the Dominican Republic and for general corporate and administrative purposes. Insiders participated in the private placement for total gross proceeds of $25,000.

As at July 31, 2011, the Company had incurred $3,448 in share issuance costs associated with the financing, which has been included in deferred corporate transaction costs.

17. Subsequent events (continued)

Receipt of 5,700,000 common shares of Strike Minerals Inc ("Strike")

In September 2011, the Company received 5,700,000 common shares of Strike and $30,000 in cash, further to the sale of the Company's Hays Lake property in May 2011 (Note 10).