

Hudson Bay

Eleonore Gold Discovery Area



Quebec

Quebec

Lake Ontario



HAITI

Dominican Republic

Everton Resources 2005 Annual Report

Directors and Officers

André Audet – Director, Chairman of the Board, CEO
Alain Krushnisky – Director
Ronald Little – Director
Ian MacLean – Director
John Paterson – Director
Marc L’Heureux – Vice President of Exploration
Marc Carbonneau – CFO, Corporate Secretary
Brooke Macdonald – Legal Advisor

Issued and Outstanding

TSX Venture Exchange – EVR
34,915,126 Outstanding Shares
43,472,835 Fully Diluted

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REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, I am pleased to report on the activities and accomplishments of EVERTON RESOURCES INC. during the past fiscal year and to present the audited financial statements for the year ending October 31, 2005.

During the reporting period, Everton continued to strengthen its geology and exploration team. Hugo Dominguez was hired as country manager for the Dominican Republic. Gilles Lanthier was hired as exploration manager for our Quebec projects. And Elisabeth Tremblay as database manager and geologist supporting our Montreal based exploration office.

Everton continued to advance its projects in the Dominican Republic and in James Bay, province of Quebec and to secure new option agreements and acquisitions. Everton completed a \$3.8 million financing during fiscal 2005. A \$3.0 million placement closed with Canaccord in December 2004, and a \$800,000 financing with four Quebec based institutions closed on March 11, 2005. These financings allowed the Company to aggressively evaluate new gold exploration targets in the Pueblo Viejo, in the Dominican Republic concessions and in the Opinaca new emerging gold district, in James Bay, Quebec.

Here are some of the highlights and developments on Everton's key projects:

Quebec

In 2005, Everton became the second largest mineral rights owner in the emerging Opinaca gold camp. The Company proceeded with a series of acquisitions in and around the discovery of the Roberto zone on Virginia's Eleonore property. Everton completed agreements with Azimut, an

independent staking syndicate and acquired many new claims through map-staking. Everton now holds mineral rights to 1,661 km² in the James Bay area.

The 2005 field program permitted the discovery of many clusters of gold anomalies in lake bottom sediments on the Opinaca and Wildcat properties.

Also the Company and its partner Azimut jointly announced the discovery of a 1.7 km-long gold bearing trend on the A Block of the Opinaca property. Gold values of up to 29.0 g/t were reported along the trend.

These financings allowed the Company to aggressively evaluate new gold exploration targets.

With the recent acquisition of the Eleonore gold deposit by Goldcorp for over \$450 million, the James Bay area is becoming one of the hottest new gold districts in Canada.

Dominican Republic

The Company acquired 11 new concessions:

- (100%) Jobo Claro concession adjacent to Pueblo Viejo Mine
- (100%) Eight polymetallic concessions
- (50%-50% Everton/GlobeStar) Two nickel concessions adjacent to Falcondo Nickel Mine

On the Loma El Mate project (50%-50% Everton/Linear Gold) the Joint Venture partners identified a massive sulfide and gossan related gold mineralization. This target has the potential to develop into a new gold and polymetallic discovery. A second round of drilling for 1,000 metres is planned in the first quarter of 2006.

The upcoming year should be an exciting year for the Company and for the gold juniors in general as



gold prices continue to increase and new emerging gold districts develop and new ones are discovered.

Also recently Everton announced a private placement of \$1.5 million by Rob McEwen. Mr McEwen is one of Canada's most successful gold mining entrepreneurs. We are excited to have his support as a major shareholder of the Company.

I wish to thank our shareholders for their loyal support and confidence. To our partners, I wish to extend our appreciation for their commitment and efficient collaboration. Finally, I wish to convey my personal gratitude to Everton's technical and administrative staff. Without their dedication and enthusiasm, Everton's accomplishments would not have been possible.

A handwritten signature in black ink that reads 'André Audet'.

André Audet
Chairman and CEO

February 3, 2006





EXPLORATION PROJECTS

During the year, Everton entered into an agreement to acquire 100% of the Jobo Claro concession adjacent to the Pueblo Viejo Mine, in the Dominican Republic. Eight polymetallic concessions, totalling 63 km², were granted to the Company, while two nickel concessions covering 60 km² were granted to the Company on a 50%-50% basis with joint venture partner GlobeStar Mining Corp.

In December 2004, the Company entered into an agreement for several land acquisitions in the James Bay area of the province of Quebec. This change in focus was due to the level of activity generated by the discovery of the Roberto zone on the Virginia's Eleonore property. This discovery went on to become one of the major gold plays in Canada in 2005. During the year, the Company entered into earn-in agreements for four claims blocks totalling 285 km² with Azimut Exploration Inc. Everton can acquire up to 65% interest in this project. The blocks are located in key position near the Eleonore gold discovery. In the months that followed the signing of the Azimut

**In November 2005
Everton announced
the discovery of a
1.7 km-long gold
bearing trend on part
of the Opinaca
property.**

agreements the Company increased its land position in the Eleonore and Eastmain River areas by acquiring seven blocks of claims covering 302 km², and two blocks of claims covering 443 km², respectively, from an independent staking syndicate. More claims were acquired throughout the year bringing the total James Bay land holdings to 1,661 km². Finally, the Company signed a strategic alliance with Cambior, in which

Cambior is entitled to earn an interest of 50% in a property held 100% by Everton.

Quebec

Opinaca

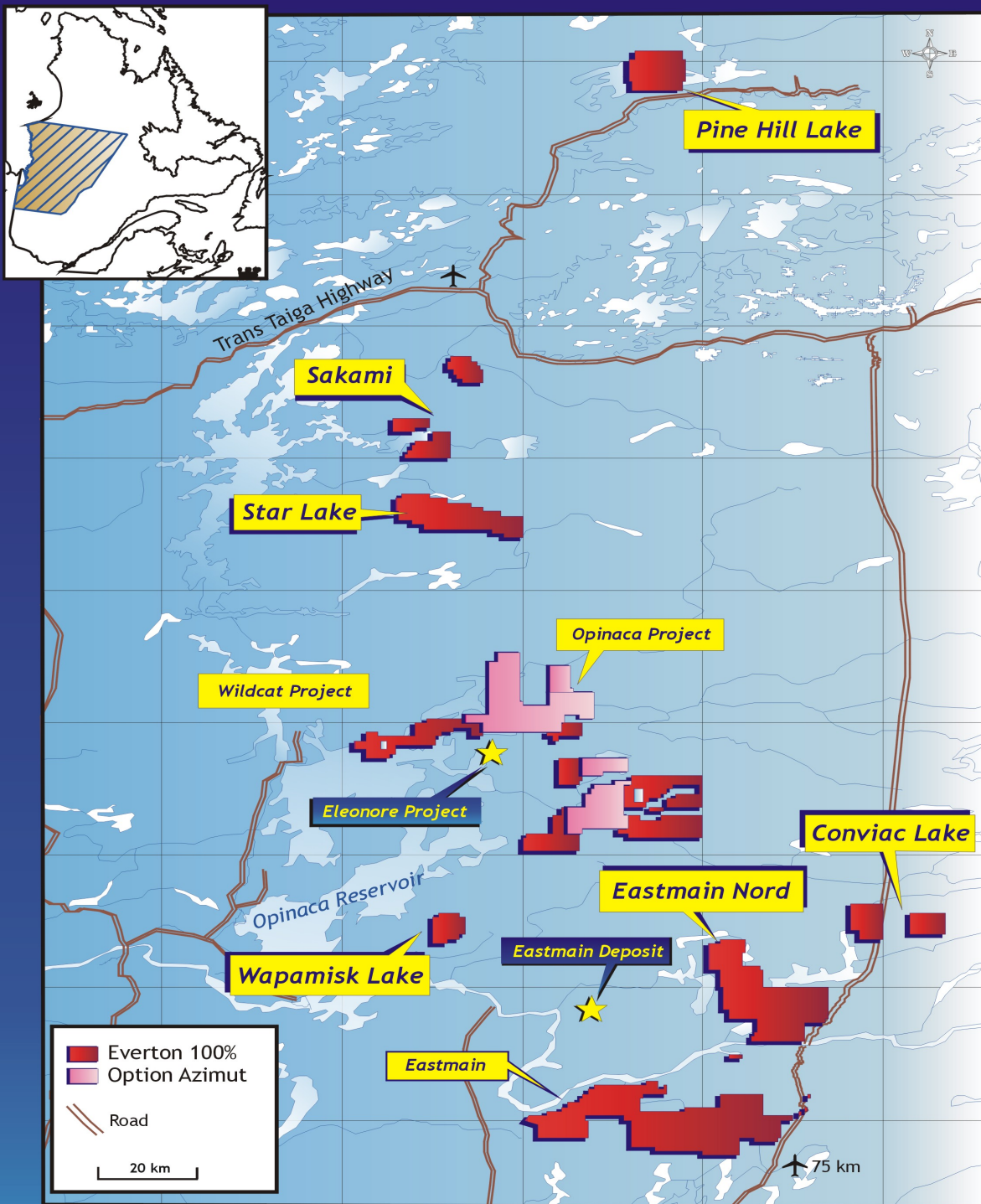
On December 9, 2005, Everton signed an option agreement with Azimut Exploration to earn up to 65% interest in two blocks covering 284 km² by spending \$4.8 million in

exploration work, and cash payment of \$340,000 over 5 years. These claims are adjacent to Virginia Gold Mine Inc.'s Eleonore gold deposit in James Bay, Quebec, which was recently acquired by Goldcorp. Everton is the manager of the Opinaca project.



Opinaca Camp, James Bay

EVERTON'S PROPERTIES - JAMES BAY AREA





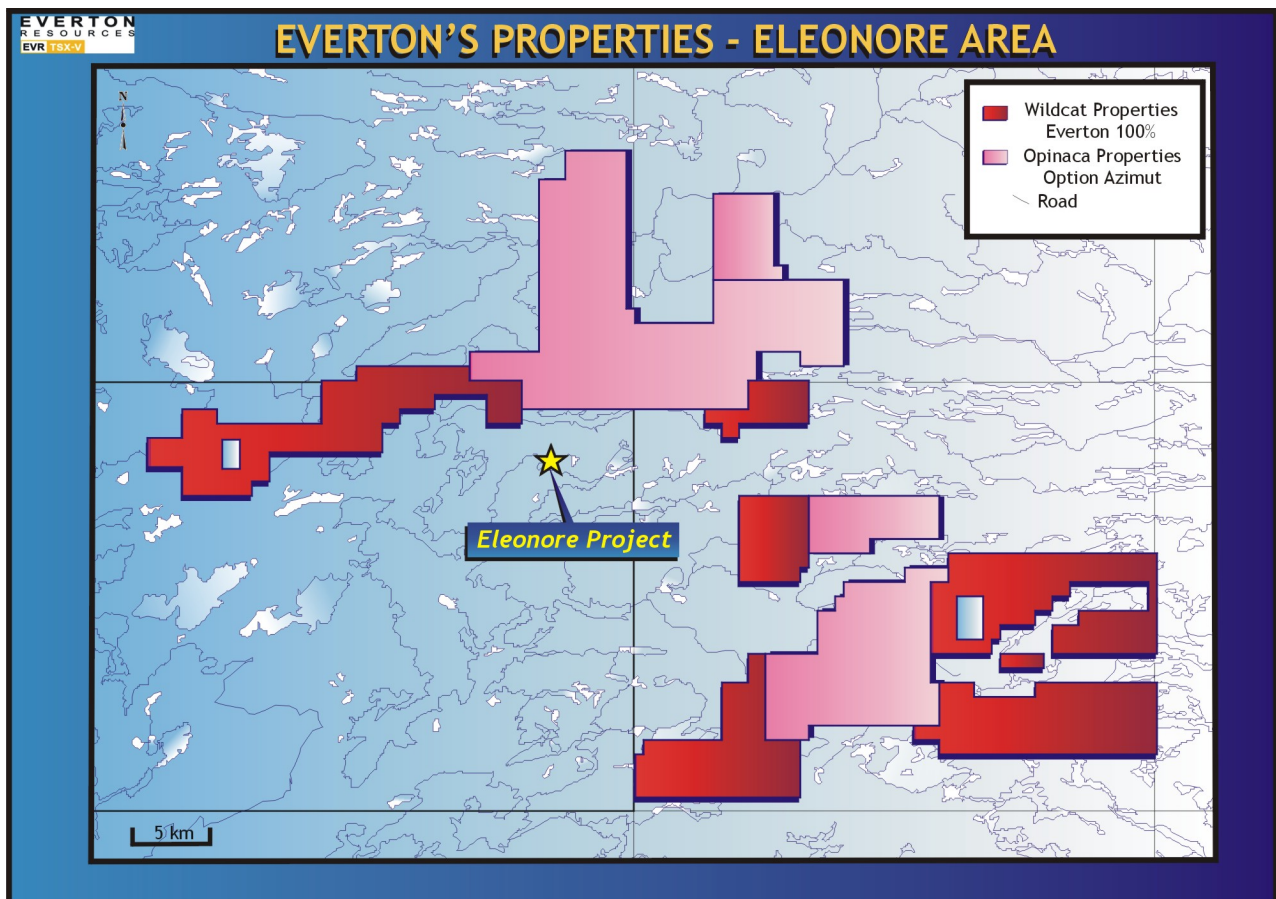
During the year, the Company incurred exploration expenditures totalling \$619,545, including acquisition costs of \$95,836. The first year program consisted in a helicopter-supported field reconnaissance mapping and sampling, including a systematic lake-bottom sediment survey over the whole surface of the property, and some test lines of soil and till sampling. A total of 262 lake-bottom sediment samples, 1,172 rock samples, 56 till samples, and 94 soil samples were collected. The 2005 field program began in mid-June and ended in mid-October.

In November 2005, Everton and Azimut jointly announced the discovery of a 1.7 km-long gold bearing trend on the Block A of the Opinaca property. Surface prospecting results received during fall 2005 for 22 grab samples from outcrops delineate a gold bearing trend with values ranging from 0.1 g/t Au to

29.0 g/t Au along a 1.7 km strike length. Values higher than 0.5 g/t Au are as follows: 2.85 g/t Au (western most grab sample), 29.07 g/t Au, 10.92 g/t Au, 6.58 g/t Au, 6.73 g/t Au, 1.61 g/t Au, 0.76 g/t Au, 3.56 g/t Au, 0.62 g/t Au, 0.52 g/t Au, 0.78 g/t Au, 1.23 g/t Au (eastern most grab sample).

The host rock is a metasedimentary gneiss containing trace to 3% sulphides. The mineralized gneissic horizon has an apparent lateral continuity and is open in all directions. Its western most limit is located 12 km northeast of Virginia's discovery.

Follow-up work will be performed in winter 2006 to further define the trend's geometry and the continuity of the gold grades. Interpretation of the 2005 summer campaign results is still in progress and may lead to define other targets on the property.



Wildcat

In January 2005, the Company acquired 100% interest in seven blocks of claims, totaling 302 km² in the immediate area of the Eleonore gold discovery. The claims were acquired from an independent staking syndicate for a cash payment \$100,000 and 300,000 shares of the Company.

During the year, a field program was carried out on the Wildcat Project in conjunction with the Opinaca program. A systematic coverage of lake-bottom sediment sampling was completed on the project, while reconnaissance and rock sampling was done partially on some of the blocks. A total of \$86,704 in exploration work and \$226,210 in acquisition costs were spent on the project.

A 270-sample lake-bottom sediment survey completed in summer 2005 over the seven blocks of the 302 km² Wildcat Project, outlined at least three clustered gold and other isolated anomalies. Most of the anomalies are situated within the four blocks of properties adjacent to the Virginia's Eleonore gold discovery property. One of the blocks is 4 km away from the discovery. Other chemical elements like antimony and tellurium show a correlation with the gold anomalies. Preliminary interpretation of the data helped to define anomalous trends and new areas to follow up during the next exploration program.

The next phase of exploration work on the Wildcat Project will consist of a reconnaissance and a soil sampling survey over anomalous sectors outlined by the lake-bottom sediment program.

Star Lake

The Star Lake Project, which is comprised of 241 designated claims for 125 km², is located in the James Bay region. The property is 100% held by the Company. In October 2005, the Company announced

the signing of a strategic alliance with Cambior. Cambior is entitled to earn an interest of 50% by spending \$100,000 in exploration work and making cash payments of \$60,000 within the year.

The budget for 2005 was \$65,000 and comprised of systematic lake-bottom sampling coverage within the project and a brief reconnaissance program. Results are pending. Next year's program will include systematic reconnaissance, soil and till sampling.

Eastmain and other properties in James Bay

In May 2005, the Company had acquired a 100% interest in two large blocks of claims in the Eastmain River region, 17 km south of the Eastmain Resources' Clearwater project (990,000 ounces of gold; i.e. indicated resources of 1,029,332 tonnes at 9.46 grams gold per tonne containing 310,000 ounces and inferred resources of 3,049,660 tonnes at 6.9 grams gold per tonne containing 680,000 ounces.- *Eastmain Resources press release of March 5, 2005*). The Company has signed an

A survey outlined at least three clustered gold and other isolated anomalies.

agreement with an independent staking syndicate to acquire 100% interest in 837 claims divided into two large blocks covering a total 443 km². Under the terms of the agreement, the Company acquired 100% interest in 837 claims (Eastmain Property) in exchange for 227 claims it owns in the Otish Mountains of the province of Quebec, and by paying the Syndicate \$5,000 upon signing of the agreement. An additional \$5,000 was to be paid within five days after receipt of the exchange approval. Another payment of \$15,000 was to be made upon confirmation of titles to all of the claims as well as issuing 200,000 Everton shares.

The Eastmain project is covered by mafic volcanics, metasediments and intrusive rocks of the Eastmain Greenstone Volcanic Band. The two blocks are



characterized by the presence of multi-element anomalies within lake-bottom sediment samples, where gold and arsenic appear in high concentration. Quebec's Ministry of Natural Resources' files report historical values up to 80.7g/t gold from a selected sample on the Eastmain property.

A brief reconnaissance program was carried out in October 2005 on one of the blocks for a total exploration expenditure of \$18,345. Cost of acquisition for the project was \$177,000. Next year's program on Eastmain will consist of a reconnaissance survey with systematic soil and till sampling lines.

The Company also acquired by map-staking another 441 claims in the Eastmain River region, bringing the whole Eastmain Project to a total surface of 675 km² in five different blocks.

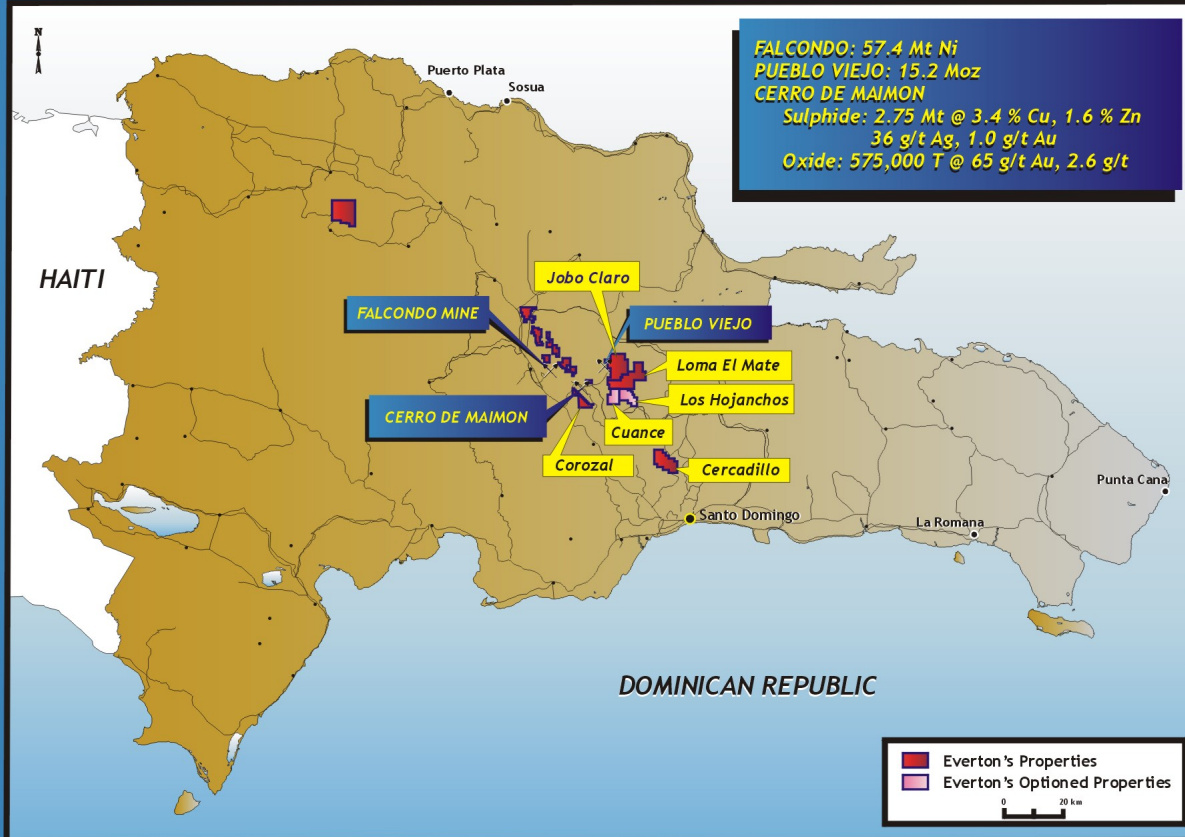
Seven other blocks of properties were acquired by map staking in the James Bay territory of the province Quebec for an acquisition cost of \$69,542. Those properties were selected under the basis of lake-bottom sediment anomalies, favourable geology and geophysical interpretation. A work program for 2006 will be proposed as soon as the compilation and the interpretation are completed on those blocks.



Star Lake project, James Bay



EVERTON'S PROPERTIES - DOMINICAN REPUBLIC



Dominican Republic

In the Dominican Republic, the Company incurred exploration expenditures of \$691,046 during the year, with 72% of the expenditures spent on the Linear Gold option Loma El Mate project, and 21% spent on the GlobeStar Mining options Central DR (Cuance, Los Hojanchos and Loma de Payabo properties). Acquisition costs in the Dominican Republic totalled \$94,793, of which 62% of this amount was spent on the Loma El Mate project, and the remaining portion on the new Jobo Claro acquisition.

Loma el Mate

Under an agreement with Linear Gold, the Company has the option to earn a 50% interest in the Loma El Mate property, which is contiguous to the southeast

corner of the world class Pueblo Viejo Gold Mine concession. Everton can earn its interest in the Loma El Mate concession in return for exploration expenditures of US\$500,000 over a two-year period, of which US\$200,000 was paid during the first year. The agreement also requires Everton to issue 200,000 shares and US\$70,000 in cash payments over a two-year period. Linear is the manager for the project. The above conditions were met and the Company has acquired its 50% interest.

A drill program was completed in November on the Las Tres Bocas target, located at the boundary of the Loma el Mate and the GlobeStar Mining's Cuance project. The Las Tres Bocas target was first discovered in April 2005. Regional exploration of the Loma El Mate property carried out in early 2005 led to the discovery of a north west-trending zone containing gossan boulders and strongly leached meta-volcanic



rocks over nearly one kilometre of strike length. Thirteen float samples were initially collected over the area, and all but two yielded anomalous gold values. Values from this first set of samples range as high as 19.8 grams per ton gold, and anomalous values of copper, silver and molybdenum are also present with values ranging up to 0.38% copper, and 11.3 grams per ton silver. Re-sampling of the 19.8 grams per ton gold gossan boulder and nearby boulders produced values of 29.4 and 17.4 grams per ton gold.

Three Hundred and eighty one soil samples and fifty six rock samples collected over the zone in April of 2005 have identified gold and copper mineralization over north west trending zone. Results from the soil program defined a 900 metre by 200 metre area of detectable gold and anomalous copper values that range up to 1.8 grams per ton gold and 0.11% copper. Of the rock samples collected, 33 contained anomalous gold values with six samples greater than 0.1 gram per ton gold with a high of 0.6 gram per ton, and ten samples of strongly oxidized meta-volcanic rocks graded better than 0.1% copper with a high value of 0.23% copper. The Las Tres Bocas anomalous zone extends from Loma el Mate onto the Cuance to the southeast where similar range of copper-in-soil anomalies are observed, bringing the zone to a strike length of 1.5 km.

A 30 km induced polarization (IP) program was conducted in September 2005 over Las Tres Bocas to follow-up the soil geochemical anomaly. In October and November 2005, a 10-hole drill program was undertaken to test coinciding IP and geochemical anomalies. Three of the holes were drilled on the Loma el Mate concession and the other seven holes were drilled on the Cuance concession to the south. Most of the drill holes intersected sulphide mineralization. Highlights of the program include a 2-metre intercept grading 3.05 g/t gold within a 6-metre zone containing 1.67 g/t Au. A 0.4 metre massive sulphide intercept from another drill hole contained 1.3 g/t Au, 106 g/t Ag, 2.47% Cu and 1.35% Zn. Based on the results, follow-up exploration at Las Tres Bocas will include, in 2006, another round of drilling with some geological mapping.

Cuance, Los Hojanchos and Loma de Payabo

In August 2003, Everton entered into an option agreement with GlobeStar Mining to earn up to 70% in three gold and base metals concessions covering 70.4 km², namely Cuance, Los Hojanchos and Loma de Payabo concessions. The first 50% interest can be earned by incurring exploration expenditures of US\$1,170,000 over a three-year period. All of the



Drill Program on Cuance project

concessions, known as the Everton Concession Group, are located in the Central Cordillera of the Dominican Republic within the Maimon and Los Ranchos Formations. Both are well established hosts for base and precious metal mineralization.

Most of the field work conducted on the Cuanze concession is related to the Las Tres Bocas target (see the Loma el Mate section), where mapping, soil sampling, ground geophysics and drilling were carried out in 2005. Exploration expenditures on Los Hojanchos consisted mainly of mapping and stream sediment sampling in the southern part of the concession where some copper anomalies were outlined. Reconnaissance mapping and sampling conducted in 2005 on the Loma de Payabo concession did not return any significant value. This concession was abandoned.

Next year's program will consist mainly of follow-up drilling on the Las Tres Bocas target on the Cuanze concession and some follow-up mapping and sampling of the copper targets on Los Hojanchos.

Cercadillo and Corozal (laterite nickel)

In June 2005, Everton and its partner GlobeStar were granted the 18 km² Corozal nickel laterite concession. The project is held in a 50%-50% joint venture between the companies, as well as the 42 km² Cercadillo nickel concession, granted in January 2005. This combined 60 km² package is only exceeded in size by the Falcondo Mine (Falconbridge), located 5 km away from the Corozal concession. The Falcondo operation produces ferro-nickel for export since 1972.

Nickel laterite occurrences are typically found in the overlying peridotite rocks to a depth of 30 m. Mineral exploration will be carried out systematically using pits and shallow drilling.

Portable drill testing was completed in late 2005. A follow up shallow drilling program is planned for the first half of 2006.

Jobo Claro

In September 2005, Everton signed an agreement with an independent owner to acquire 100% interest in the 53 km² Jobo Claro concession adjacent to the Pueblo Viejo Mine. It is only 1.5 km east of the mine pits.

The Jobo Claro concession is covered by the volcanic and sedimentary rocks of the Los Ranchos Formation,

the same rock unit that hosts the Pueblo Viejo Mine. A regional stream sediment sampling program carried out between 1997 and 2000 by Sysmin for the Mining Office (Dirección General de Minería) of Dominican Republic, covered the Jobo Claro concession. From the 17 stream sediment samples collected on the concession, three of them returned anomalous gold values ranging from 11 to 75 ppb.

Two others, yielded values of 83 and 93 ppm, for a respective background of 10 ppb gold and 65 ppm copper.

Everton has the exclusive option to evaluate the Jobo Claro project for a period of 180 days from the effective date of September 10, 2005, by paying US\$30,000. After that period, Everton can acquire 100% interest in the project from the actual independent concession holder by paying US\$150,000.

A first phase of exploration work comprising a systematic stream sediment sampling and a geological reconnaissance program was undertaken in October 2005. A follow-up program on high potential zones was completed in early December 2005. Results are expected in the first quarter of 2006.

Regional exploration of Loma El Mate property led to the discovery of a NW-trending zone nearly 1 km of strike length.



Bayaguana

Everton has decided not to continue its option on the Bayaguana group of concessions. Based on results obtained over the last two years from trenching, drilling and metallurgical testing, these concessions were no longer meeting Everton's corporate objectives.

Uruguay

In September 2004, Everton signed an agreement to acquire the option to purchase up to 100% of the shares of DelcoSur S.A., a privately held Uruguayan-based company dedicated to the exploration and development of gold deposits in the 250-kilometre long Florida Greenstone Belt, in Uruguay

During the year, the Company incurred exploration expenses in Uruguay of \$621,863, including \$119,010 in acquisition costs. Most of the costs covered regional stream and rock sampling throughout the Florida Greenstone Belt, with follow-up soil sampling on the Nueva Helvecia, the Tabarez Shear and the Colla permits. Some ground geophysical survey and trenching work was done on Nueva Helvecia and Tabarez Shear.

After compiling and re-evaluating all geological information, Everton decided not to pursue its second year option as the project no longer met the Company's requirements. The project reverts back to DelcoSur and Everton has no further commitment related to the property.



Everton Representatives at the Vancouver Resource Investment Conference



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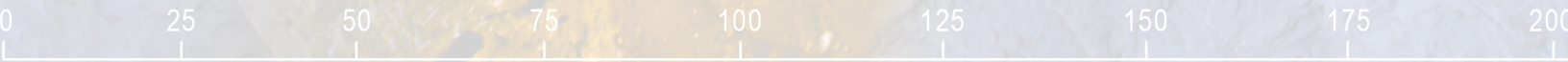
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