

EVERTON CAPITAL CORP
Form 10-Q
January 14, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

**QUARTERLY REPORT UNDER TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED NOVEMBER 30, 2008**

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

Commission file number 000-53511

EVERTON CAPITAL CORPORATION

(Exact name of registrant as specified in its charter)

NEVADA

(State or other jurisdiction of incorporation or organization)

**598-999 Canada Place
Vancouver, British Columbia
Canada V6C 3C1**

(Address of principal executive offices, including zip code.)

(604) 694-1600

(telephone number, including area code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the last 90 days.

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, non-accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

| | | | |
|--------------------------------|--------------------------|----------------------------------|-------------------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input checked="" type="checkbox"/> |

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 5,501,000 as of January 13, 2009

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

| | |
|-------------------------------|-----|
| Balance Sheets | F-1 |
| Statements of Expenses | F-2 |
| Statements of Cash Flows | F-3 |
| Notes to Financial Statements | F-4 |

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CAPITAL CORPORATION
(An Exploration Stage Company)
BALANCE SHEETS
(Unaudited)

| | November 30, 2008 | August 31, 2008 |
|----------------------|-------------------------|--------------------|
| <u>ASSETS</u> | | |

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| | | | |
|-----------------|----|--------|-----------|
| Current | | | |
| Cash | \$ | 9,762 | \$ 27,180 |
| Prepaid expense | | 7,500 | 7,500 |
| | | | |
| Total Assets | \$ | 17,262 | \$ 34,680 |

LIABILITIES

| | | | |
|--|----|--------|----------|
| Current | | | |
| Accounts payable and accrued liabilities | \$ | 1,858 | \$ 9,530 |
| Related party loan | | 43,194 | 43,194 |
| | | | |
| Total Liabilities | | 45,052 | 52,724 |

STOCKHOLDERS DEFICIT

| | | | |
|--|----|----------|-----------|
| Preferred stock, \$0.00001 par value | | | |
| 100,000,000 shares authorized, none issued and outstanding | | - | - |
| Common stock, \$0.00001 par value | | | |
| 100,000,000 shares authorized | | | |
| 5,501,000 shares issued and outstanding | | 55 | 55 |
| Additional paid-in capital | | 52,345 | 51,595 |
| Deficit accumulated during the pre-exploration stage | | (80,190) | (69,694) |
| | | | |
| Total Stockholders Deficit | | (27,790) | (18,044) |
| | | | |
| Total Liabilities and Stockholders Deficit | \$ | 17,262 | \$ 34,680 |

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See notes to financial statements

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EVERTON CAPITAL CORPORATION
(An Exploration Stage Company)
STATEMENTS OF EXPENSES
(Unaudited)

| | | | |
|--|--------------------|--------------------|--------------|
| | Three months ended | Three months ended | Period from |
| | November 30, | November 30, | May 10, 2006 |
| | 2008 | 2007 | through |
| | | | November 30, |
| | | | 2008 |

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| | | | | |
|--|----|-----------|------------|-------------|
| Expenses | | | | |
| General and administrative | \$ | 10,406 | \$ 8,117 | \$ 75,189 |
| Interest expense | | 89 | - | 5,001 |
| Net loss | \$ | (10,495) | \$ (8,117) | \$ (80,190) |
| Basic and diluted loss per share | \$ | (0.00) | \$ (0.00) | N/A |
| Weighted average number of shares outstanding basic and diluted | | 5,297,553 | 5,000,000 | N/A |

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EVERTON CAPITAL CORPORATION
(An Exploration Stage Company)
STATEMENTS OF CASH FLOWS
(Unaudited)

| | Three Months ended November 30, <u>2008</u> | Three Months ended November 30, <u>2007</u> | May 10, 2006 Through November 30, <u>2008</u> |
|--|--|--|--|
| Operating Activities | | | |
| Net loss for the period | \$ (10,495) | \$ (8,117) | \$ (80,190) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | | |
| Imputed consulting expense | 750 | 750 | 7,750 |
| Imputed rent expense | - | 750 | 7,000 |
| Changes in: | | | |
| Prepaid expense | - | - | (7,500) |
| Accounts payable and accrued liabilities | (7,673) | 3,559 | 1,858 |
| Cash used in operating activities | (17,418) | (3,058) | (71,082) |
| Financing Activities | | | |
| Proceeds from issuance of common stock | - | - | 50,150 |
| Payment of deferred offering costs | - | - | (12,500) |

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| | | | |
|---|----------|-------|----------|
| Increase in related party loan | - | 3,000 | 43,194 |
| Cash from financing activities | - | 3,000 | 80,844 |
| Increase (decrease) in cash during the period | (17,418) | (58) | 9,762 |
| Cash, beginning of the period | 27,180 | 58 | - |
| Cash, end of the period | \$ 9,762 | \$ - | \$ 9,762 |

Supplemental Disclosures:

Interest paid

Income taxes paid

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See notes to financial statements

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EVERTON CAPITAL CORPORATION
(A Pre-exploration Stage Company)
NOTES TO THE FINANCIAL STATEMENTS
November 30, 2008
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying audited interim financial statements of Everton have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission, and should be read in conjunction with Everton's audited 2008 annual financial statements and notes thereto. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements, which would substantially duplicate the disclosure required in Everton's 2008 annual financial statements have been omitted.

Use of Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - GOING CONCERN

These financial statements have been prepared on a going concern basis, which implies Everton will continue to meet its obligations and continue its operations for the next fiscal year. Realization values may be substantially different from carrying values as shown, and these financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should Everton be unable to continue as a going concern. As of November 30, 2008, Everton has a working capital deficiency, has not generated revenues and has accumulated losses since inception. The continuation of Everton as a going concern is dependent upon the continued financial support from its shareholders, the ability of Everton to obtain necessary equity financing to continue operations, and the attainment of profitable operations. Everton's management currently has no formal plan in place to address this concern but considers that Everton will be able to obtain additional funds by equity financing and/or related party advances. However there is no assurance of additional funding being available. These factors raise substantial doubt regarding Everton's ability to continue as a going concern.

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NOTE 3 RELATED PARTY TRANSACTIONS

Everton recorded \$250 per month for the fair value of management fees provided by a director of Everton.

The related party loan is comprised of \$43,194 due to a director of Everton, which is non-interest bearing, unsecured, and has no specific terms for repayment.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

This section of the report includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements, which apply only as of the date of this report. These forward-looking states are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or our predictions.

Plan of Operation

We are a start-up, exploration stage corporation and have not yet generated or realized any revenues from our business operations. An exploration stage corporation is one engaged in the search for mineral deposits or reserves which are not in either the development or production stage.

There is substantial doubt that we can continue as an on-going business for the next twelve months unless we obtain additional capital to pay our bills. This is because we have not generated any revenues and no revenues are anticipated until we begin removing and selling minerals. If we find mineralized material, we will proceed to create a development program. Development is defined as the preparation of a commercially minable deposit or reserve for extraction which is not already in production. If we do not find mineralized material, we will cease operations.

We will be conducting research in the form of exploration of the property. We are not going to buy or sell any plant or significant equipment during the next twelve months. We will not buy any equipment until we have located a body of ore and we have determined it is economical to extract the ore from the land.

We do not intend to interest other companies in the property if we find mineralized materials. We intend to try to develop the reserves through the use of mining engineers.

If we are unable to complete any phase of exploration because we don't have enough money, we will cease operations until we raise more money. If we can't or don't raise more money, we will cease operations.

We do not intend to hire additional employees at this time. All of the work on the property will be conducted by unaffiliated independent contractors that we will hire. The independent contractors will be responsible for surveying, geology, engineering, exploration, and excavation. The geologists will evaluate the information derived from the exploration and excavation and the engineers will advise us on the economic feasibility of removing the mineralized material.

In the event we complete our exploration program prior to the end of 2009, and it is anticipated we will do so as reflected in the milestones that follow, if we find mineralized material we will spend the balance of the year creating a program for development of the property. If we do not find mineralized material at the conclusion of our exploration program, we will cease operations.

Milestones

Everton completed Phase 1A exploration stage on the property in August 2008 and was advised by Madman Mining, its consultant, that "Due to the shattered nature of the jade/nephrite material present (due to previous blasting), and the numerous amount of inclusions (of talc) within the matrix of the jade itself, it is recommended that no further exploration be conducted on this project and that the project should be dropped."

Limited Operating History; Need for Additional Capital

There is no historical financial information about us upon which to base an evaluation of our performance. We are an exploration stage corporation and have not generated any revenues from operations. We cannot guarantee we will be successful in our business operations. Our business is subject to risks inherent in the establishment of a new business enterprise, including limited capital resources, possible delays in the exploration of the property, and possible cost overruns due to price and cost increases in services.

To become profitable and competitive, we must conduct the research and exploration of the property before we start production of any minerals we may find.

In the event we create a wholly owned subsidiary corporation, we estimate the costs to be approximately \$10,000. \$2,500 for incorporation; \$5,000 for an audit; \$100 to transfer title to the property; \$500 for the registered agent fee; and, up to \$1,900 for potential taxes. These expenses are predicated upon the discovery of mineralized material. There is no assurance mineralized material will ever be discovered.

Results of Operations

From Inception on May 10, 2006

The Shulaps jade project is located approximately 25 kilometres from Lillooet, southwestern British Columbia. The jade project is on the southeastern extension of the Shulaps Range just north of Carpenter Lake. Access to the property is reached by gravel road along the Yalakom River. A turn off just past La Rochelle Creek leads to the head waters Hell Creek, the location of Jade project. Access to the project can also be reached by helicopter, 20 min flight one way.

In August 2008 we obtained samples from the property and identified the location of Jade outcrops.

The landing site for the helicopter was beside an old cabin in a flat area at approximately 551390E 5630890N 2100 m zone 10. The afternoon of the 30th was spent walking southeast of the cabin along the road. A number of trenches were found along the road cut but no exposed outcrops of Jade were observed. The road however switch backed between the serpentine of the Permian and older Shulaps Ultramafic complex on the west and the metamorphosed argillaceous sediments of the Mississippian to Jurassic age Bridge River Complex on the east. The ultramafic complex is light green to black with variable degrees of hardness. The Bridge River complex is dark brown to rusty red with obvious sedimentary layering. The contact between the two units is typically buried by overburden but can be identified to with 5 m.

Three samples, obtained using a diamond bladed generated powered rock saw, were taken from boulders that contained talc, serpentine and variable amounts of Jade.

Due to the shattered nature of the jade/nephrite material present (due to previous blasting), and the numerous amount of inclusions (of talc) within the matrix of the jade itself, it is recommended that no further exploration be conducted on this project and that the project should be dropped.

During the period of September 1, 2008 through November 30, 2008, no activity was conducted on the property.

Since inception, Maryna Bilynska, our sole officer and director has paid all our expenses to stake the property, to incorporate us, and for legal and accounting expenses. Net cash provided by Ms. Bilynska from inception on May 10, 2006 to November 30, 2008 was \$43,194.

Liquidity and Capital Resources

We have sufficient cash to operate for the next 12 months. If we find mineralized material and it is economically feasible to remove the mineralized material, we will attempt to raise additional money through a subsequent private placement, public offering or through loans. If we do not raise all of the money we need from our public offering to complete our exploration of the property, we will have to find alternative sources, like a second public offering, a private placement of securities, or loans from our officers or others.

Our sole officer and director is willing to commit to loan us money for our operations as needed. At the present time, we have not made any arrangements to raise additional cash. If we need additional cash and can't raise it we will either have to suspend operations until we do raise the cash, or cease operations entirely.

As of the date of this report, we have yet to begin operations and therefore we have not generated any revenues from our business operations.

In July 2006, we issued 5,000,000 shares of common stock to Maryna Bilynska, our sole officer and director, pursuant the exemption from registration contained in Regulation S of the Securities Act of 1933. This was accounted for as a purchase of shares of common stock, in consideration of \$50.00 in cash.

In August, 2008, we completed our public offering by selling 501,000 shares of common stock and raising \$50,100.

As of November 30, 2008, our total assets were \$17,262 and our total liabilities were \$45,052.

Recent accounting pronouncements

In December 2007, the Financial Accounting Standards Board (FASB) issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements - An amendment of ARB No. 51 .SFAS 160 requires companies with noncontrolling interests to disclose such interests clearly as a portion of equity but separate from the parent 's equity. The noncontrolling interest 's portion of net income must also be clearly presented on the Income Statement. SFAS 160 is effective for financial statements issued for fiscal years beginning after December 15, 2008. The adoption of this statement is not expected to have a material effect on the Company's future financial position or results of operations.

In December 2007, the Financial Accounting Standards Board (FASB) issued SFAS No. 141,(revised 2007), Business Combinations . SFAS 141 (R) applies the acquisition method of accounting for business combinations established in SFAS 141 to all acquisitions where the acquirer gains a controlling interest, regardless of whether consideration was exchanged. Consistent with SFAS 141, SFAS 141 (R) requires the acquirer to fair value the assets and liabilities of the acquiree and record goodwill on bargain purchases, with main difference the application to all acquisitions where control is achieved. SFAS 141 (R) is effective for financial statements issued for fiscal years beginning after December 15, 2008. The adoption of this statement is not expected to have a material effect on the Company's future financial position or results of operations.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities . SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. SFAS No. 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007. The Company has not yet determined whether it will elect the fair value option for any of its financial instruments.

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ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the Exchange Act), that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. We conducted an evaluation under the supervision and with the participation of our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report pursuant to Rule 13a-15 of the Exchange Act. Based on this Evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our Disclosure Controls were effective as of the end of the period covered by this report.

Changes in Internal Controls

We have also evaluated our internal controls for financial reporting, and there have been no significant changes in our internal controls or in other factors that could significantly affect those controls subsequent to the date of their last evaluation.

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PART II. OTHER INFORMATION

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

On December 18, 2007 our Form SB-2 registration statement (SEC File no. 333-138995) was declared effective by the SEC. There is no underwriter involved in our public offering. As of July 10, 2008, investors have subscribed for 250,000 shares of common stock.

Use of Proceeds

On August, 2008, we completed our public offering of shares of common stock. SEC File No. 333-138995. There was no underwriter involved in our public offering. We sold 501,000 shares of common stock and raised \$50,100. Since completing our public offering, we spent the proceeds as follows:

| | | |
|---------------------|-----------|---------------|
| Bank service charge | \$ | 548 |
| Stock transfer | | 10,324 |
| Project advance | | 10,000 |
| Office | | 1,470 |
| Legal/Accounting | | 11,005 |
| Rent | | 3,332 |
| TOTAL | \$ | 36,679 |

ITEM 6. EXHIBITS.

The following documents are included herein:

| Exhibit No. | Document Description |
|--------------------|---|
| 31.1 | Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification of Chief Executive Officer and Chief Financial Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002. |

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following person on behalf of the Registrant and in the capacities on this 14th day of January, 2009.

**EVERTON CAPITAL CORPORATION
(Registrant)**

BY: MARYNA BILYNSKA
Maryna Bilynska
President, Principal Executive Officer,
Secretary, Treasurer, Principal Financial Officer,
Principal Accounting Officer, and sole member
of the Board of Directors.

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EXHIBIT INDEX

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