

EVERTON CAPITAL CORP  
Form 10-Q  
January 12, 2010

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED NOVEMBER 30, 2009  
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)

98-0516425  
(IRS Employer Identification No.)

603, Unit 3, DongFeng South Road, NaShiLiJu 34,  
ChaoYang District, Beijing, China  
(Address of principal executive offices)

100016  
(Zip Code)

01 391 146 5973 (PRC)  
(631) 458-0540 (USA)  
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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.

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Large accelerated filer

Non-accelerated filer

(do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES  NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 5,501,000 shares as of January 8, 2010.

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

EVERTON CAPITAL CORPORATION  
(An Exploration Stage Company)  
BALANCE SHEETS

|   | November 30,<br>2009<br>(Unaudited) | August 31,<br>2009 |
|---|-------------------------------------|--------------------|
| <b>ASSETS</b>   |                                     |                    |
| <b>CURRENT ASSETS</b>   |                                     |                    |
| Cash & cash equivalents   | \$ -                                | \$ -               |
| <b>TOTAL ASSETS</b>   | <b>\$ -</b>                         | <b>\$ -</b>        |
| <b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>  |                                     |                    |
| <b>CURRENT LIABILITIES</b>  |                                     |                    |
| Accounts payable & accrued liabilities  | \$ 9,500                            | \$ 4,750           |
| <b>Total current liabilities</b>  | <b>\$ 9,500</b>                     | <b>\$ 4,750</b>    |
| <b>COMMITMENT</b>   |                                     |                    |
| <b>STOCKHOLDERS' DEFICIT</b>  |                                     |                    |
| Preferred stock, \$.00001 par value; 100,000,000 shares<br>authorized; none issued and outstanding          | -                                   | -                  |
| Common stock, \$.00001 par value; 100,000,000 shares<br>authorized; 5,501,000 shares issued and outstanding | 55                                  | 55                 |
| Additional paid in capital  | 105,111                             | 105,111            |
| Deficit accumulated during the exploration stage  | (114,666)                           | (109,916)          |
| <b>Total stockholders' deficit</b>  | <b>(9,500)</b>                      | <b>(4,750)</b>     |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>  | <b>\$ -</b>                         | <b>\$ -</b>        |

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

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

|   | Three months ended |             | Period from May 10,                         |
|---|--------------------|-------------|---|
|   | November 30,       |             | 2006  |
|   | 2009               | 2008        | (inception) through<br>November 30,<br>2009 |
| <b>Expenses</b>                               |                    |             |   |
| General and administrative expenses           | \$ 4,750           | \$ 10,406   | \$ 109,624                                  |
| Interest expense                              | -                  | 89          | 5,042                                       |
| Operating loss                                | (4,750)            | (10,495)    | (114,666)                                   |
| Net loss                                      | \$ (4,750)         | \$ (10,495) | \$ (114,666)                                |
| Weighted average number of shares outstanding | 5,501,000          | 5,297,553   | N/A   |
| Basic and diluted net loss per share          | \$ (0.00)          | \$ (0.00)   | N/A   |

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

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

|   | Three months ended<br>November 30, |             | Period from May 10,<br>2006<br>(inception) through<br>November 30,<br>2009 |
|---|------------------------------------|-------------|--|
|   | 2009                               | 2008        |  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                |                                    |             |  |
| Net loss for the period   | \$ (4,750)                         | \$ (10,495) | \$ (114,666)   |
| Adjustments to reconcile net loss to net cash used in operating activities: |                                    |             |  |
| Amortization of deferred offering costs                                     | -                                  | -           | 12,500   |
| Imputed consulting expense  | -                                  | 750         | 8,750  |
| Imputed rent expense  | -                                  | -           | 7,000  |
| Imputed interest  | -                                  | -           | 4,912  |
| Changes in  |                                    |             |  |
| Accounts payable and accrued liabilities                                    | 4,750                              | (7,673)     | 200  |
| Net cash used in operating activities                                       | -                                  | (17,418)    | (81,304)   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                |                                    |             |  |
| Proceeds from issuance of common stock                                      | -                                  | -           | 50,150   |
| Payment of deferred offering costs  | -                                  | -           | (12,500)   |
| Increase in related party loan  | -                                  | -           | 43,654   |
| Net cash provided by financing activities                                   | -                                  | -           | 81,304   |
| (DECREASE) INCREASE IN CASH & CASH EQUIVALENTS                              | -                                  | (17,418)    | -  |
| CASH & CASH EQUIVALENTS, BEGINNING OF PERIOD                                | -                                  | 27,180      | -  |
| CASH & CASH EQUIVALENTS, END OF PERIOD                                      | \$ -                               | \$ 9,762    | \$ -   |
| Supplemental Cash flow data:  |                                    |             |  |
| Income tax paid   | \$ -                               | \$ -        | \$ -   |
| Interest paid   | \$ -                               | \$ -        | \$ -   |
| Non-cash investing and financing activities:                                |                                    |             |  |
| Contribution by former officer  | \$ -                               | \$ -        | \$ 15,750  |
| Liabilities assumed by former officer                                       | \$ -                               | \$ -        | \$ 51,766  |

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



EVERTON CAPITAL CORPORATION  
(An Exploration Stage Company)  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
November 30, 2009 (Unaudited) and August 31, 2009

NOTE 1. ORGANIZATION AND DESCRIPTION OF BUSINESS

Everton Capital Corporation (“Everton” or “Company”) was incorporated in Nevada on May 10, 2006 and is in the exploration stage. Currently, the Company’s management is evaluating options, including looking for new business opportunities which may include a change of control in the Company. Everton acquired a mineral property in British Columbia and determined the property contained reserves that were economically recoverable. The recoverability of amounts from the property depended upon the discovery of economically recoverable reserves, confirmation of Everton’s interest in the underlying property, ability to obtain necessary financing to satisfy the expenditure requirements under the property agreement and to complete the development of the property and upon future profitable production or proceeds for the sale thereof.

Pursuant to a Majority Stock Purchase Agreement (MSPA) dated April 23, 2009, the Company’s former majority stockholder and officer sold an individual 5,000,000 shares of the Company’s common stock for \$25,000; the former majority stockholder assumed any and all liabilities and obligations of Everton that existed prior to closing of the stock purchase. Pursuant to the terms of the MSPA and effective as of the closing of the transactions contemplated by the MSPA, the new shareholder owns 5,000,000 shares of the Company’s common stock out of 5,501,000 shares issued and outstanding, or 90.89%.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of these financial statements in conformity with United States Generally Accepted Accounting Principles 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.

Income Taxes

The Company utilizes SFAS No. 109, “Accounting for Income Taxes,” codified in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 740, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that were included in the financial statements or tax returns. Under this method, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, (codified in FASB ASC Topic 740) on January 1, 2007. As a result of the implementation of FIN 48, the Company made a comprehensive review of its portfolio of tax positions in accordance with recognition standards established by FIN 48. As a result of implementing Interpretation 48, the Company recognized no material adjustments to liabilities or stockholders’ equity. When tax returns are filed, it is likely that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or

the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheets along with any associated interest and penalties that would be payable to the taxing authorities upon examination. Interest associated with unrecognized tax benefits is classified as interest expense and penalties are classified in selling, general and administrative expenses in the statements of expenses. At November 30, 2009, the Company did not take any uncertain positions that would necessitate recording of tax related liability.

#### Statement of Cash Flows

In accordance with SFAS No. 95, "Statement of Cash Flows," (codified in FASB ASC Topic 230), cash flows from the Company's operations are calculated based upon local currencies. As a result, amounts related to assets and liabilities reported on the statement of cash flows may not necessarily agree with changes in the corresponding balances on the balance sheet.

### Basic and Diluted Earnings (Loss) per Share (EPS)

Basic EPS (Loss) is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted EPS is computed similarly to basic net income (loss) per share except the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. Diluted EPS is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. For the three months ended November 30, 2009 and 2008, the Company had no dilutive securities.

### Fair Value of Financial Instruments

SFAS No. 107, "Disclosures about Fair Value of Financial Instruments," codified in FASB ASC Financial Instruments, Topic 825, requires the Company disclose estimated fair values of financial instruments. The carrying amounts reported in the statements of financial position for current assets and current liabilities qualifying as financial instruments are a reasonable estimate of fair value.

### Fair Value Measurements

On January 1, 2008, the Company adopted SFAS No. 157, "Fair Value Measurements," codified in FASB ASC Financial Instruments, Topic 820. SFAS 157 defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosures requirements for fair value measures. The three levels are defined as follow:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As of November 30, 2009, the Company did not identify any assets and liabilities that are required to be presented on the balance sheet at fair value.

### New Accounting Pronouncements

On July 1, 2009, the Company adopted Accounting Standards Update ("ASU") No. 2009-01, "Topic 105 - Generally Accepted Accounting Principles - amendments based on Statement of Financial Accounting Standards No. 168, "The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles" ("ASU No. 2009-01"). ASU No. 2009-01 re-defines authoritative GAAP for nongovernmental entities to be only comprised of the FASB Accounting Standards Codification™ ("Codification") and, for SEC registrants, guidance issued by the SEC. The Codification is a reorganization and compilation of all then-existing authoritative GAAP for nongovernmental entities, except for guidance issued by the SEC. The Codification is amended to effect non-SEC changes to authoritative GAAP. Adoption of ASU No. 2009-01 only changed the referencing convention of GAAP in Notes to the Consolidated Financial Statements.

In June 2009, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 167, “Amendments to FASB Interpretation No. 46(R)” (“SFAS 167”), codified as FASB ASC Topic 810-10, which modifies how a company determines when an entity that is insufficiently capitalized or is not controlled through voting (or similar rights) should be consolidated. SFAS 167 clarifies the determination of whether a company is required to consolidate an entity is based on, among other things, an entity’s purpose and design and a company’s ability to direct the activities of the entity that most significantly impact the entity’s economic performance. SFAS 167 requires an ongoing reassessment of whether a company is the primary beneficiary of a variable interest entity. SFAS 167 also requires additional disclosures about a company’s involvement in variable interest entities and any significant changes in risk exposure due to that involvement. SFAS 167 is effective for fiscal years beginning after November 15, 2009. The Company does not believe the adoption of SFAS 167 will have an impact on its financial condition, results of operations or cash flows.

In June 2009, the FASB issued SFAS No. 166, “Accounting for Transfers of Financial Assets — an amendment of FASB Statement No. 140” (“SFAS 166”), codified as FASB Topic ASC 860, which requires entities to provide more information regarding sales of securitized financial assets and similar transactions, particularly if the entity has continuing exposure to the risks related to transferred financial assets. SFAS 166 eliminates the concept of a “qualifying special-purpose entity,” changes the requirements for derecognizing financial assets and requires additional disclosures. SFAS 166 is effective for fiscal years beginning after November 15, 2009. The Company does not believe the adoption of SFAS 166 will have an impact on its financial condition, results of operations or cash flows.

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events" ("SFAS 165") codified in FASB ASC Topic 855-10-05, which provides guidance to establish general standards of accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. SFAS 165 also requires entities to disclose the date through which subsequent events were evaluated as well as the rationale for why that date was selected. SFAS 165 is effective for interim and annual periods ending after June 15, 2009, and accordingly, the Company adopted this pronouncement during the year ended August 31, 2009. SFAS 165 requires that public entities evaluate subsequent events through the date that the financial statements are issued. The Company has evaluated subsequent events through January 7, 2010.

In April 2009, the FASB issued FSP No. SFAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments," which is codified in FASB ASC Topic 825-10-50. This FSP essentially expands the disclosure about fair value of financial instruments that were previously required only annually to also be required for interim period reporting. In addition, the FSP requires certain additional disclosures regarding the methods and significant assumptions used to estimate the fair value of financial instruments. These additional disclosures are required beginning with the quarter ending June 30, 2009. The adoption of this FSP had no impact on its financial condition, results of operations or cash flows.

In April 2009, the FASB issued FSP No. FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments," which is codified in FASB ASC Topic 320-10. This FSP modifies the requirements for recognizing other-than-temporarily impaired debt securities and changes the existing impairment model for such securities. The FSP also requires additional disclosures for both annual and interim periods with respect to both debt and equity securities. Under the FSP, impairment of debt securities will be considered other-than-temporary if an entity (1) intends to sell the security, (2) more likely than not will be required to sell the security before recovering its cost, or (3) does not expect to recover the security's entire amortized cost basis (even if the entity does not intend to sell). The FSP further indicates that, depending on which of the above factor(s) causes the impairment to be considered other-than-temporary, (1) the entire shortfall of the security's fair value versus its amortized cost basis or (2) only the credit loss portion would be recognized in earnings while the remaining shortfall (if any) would be recorded in other comprehensive income. FSP 115-2 requires entities to initially apply the provisions of the standard to previously other-than-temporarily impaired debt securities existing as of the date of initial adoption by making a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The cumulative-effect adjustment potentially reclassifies the noncredit portion of a previously other-than-temporarily impaired debt security held as of the date of initial adoption from retained earnings to accumulate other comprehensive income. The Company adopted FSP No. SFAS 115-2 and SFAS 124-2 beginning April 1, 2009. This FSP had no material impact on the Company's financial position, results of operations or cash flows.

In April 2009, FASB issued FSP No. SFAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" ("FSP No. SFAS 157-4"). FSP No. SFAS 157-4, which is codified in FASB ASC Topics 820-10-35-51 and 820-10-50-2, provides additional guidance for estimating fair value and emphasizes that even if there has been a significant decrease in the volume and level of activity for the asset or liability and regardless of the valuation technique(s) used, the objective of a fair value measurement remains the same. The Company adopted FSP No. SFAS 157-4 beginning April 1, 2009. This FSP had no material impact on the Company's financial position, results of operations or cash flows.

### NOTE 3. GOING CONCERN

These financial statements were prepared on a going concern basis, which implies Everton will continue to meet its obligations and continue its operations for the next fiscal year. 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, 2009, Everton has not generated revenues and has accumulated losses since inception. The continuation of Everton as a going concern depends 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.

#### NOTE 4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Pursuant to the MSPA dated April 23, 2009, the former majority shareholder is liable for accounts payable and accrued liabilities of \$8,236 that occurred prior to closing of the stock purchase. This was recorded as a contribution to capital.

At November 30, 2009 and August 31, 2009, accounts payable and accrued liabilities mainly consisted of payables for audit, accounting and accrued consulting expenses.

## NOTE 5. STOCKHOLDERS' EQUITY

On July 6, 2006, Everton issued 5,000,000 common founder shares to the President of Everton for \$50, or \$0.0001 per share.

During fiscal 2008, Everton issued 501,000 shares to 46 investors for \$50,100 at \$0.10 per share. Everton paid \$12,500 as part of the offering of common stock and going public. These costs were recorded as a reduction of proceeds from the fiscal 2008 capital raise.

On April 23, 2009, pursuant to the MSPA, the Company's former majority stockholder and officer sold an individual 5,000,000 shares of the Company's common stock for \$25,000; the former majority stockholder assumed any and all liabilities and obligations of Everton that occurred prior to closing of the stock purchase. Pursuant to the terms of the MSPA and effective as of the closing of the transactions contemplated by the MSPA, the new shareholder owns 5,000,000 shares of the Company's common stock out of 5,501,000 shares issued and outstanding, or 90.89%.

## NOTE 6. INCOME TAXES

The significant components of Everton's deferred tax assets are as follows:

|  | 2009     | 2008     |
|--|----------|----------|
| Deferred Tax Assets                              |          |          |
| Non-capital loss carry forward                   | \$ 1,615 | \$ 3,568 |
| Less: valuation allowance for deferred tax asset | (1,615)  | (3,568)  |
|  | \$ -     | \$ -     |

The amount taken into income as deferred tax assets reflects that portion of the income tax loss carry forwards that is more likely-than-not to be realized from future operations. Everton has a valuation allowance of 100% against all available income tax loss carry forwards.

No provision for income taxes was provided in these financial statements due to the net loss. At November 30, 2009, Everton has net operating loss carry forwards, which expire in 2026 through 2029, of approximately \$98,700, the benefit of which was not recorded in the financial statements.

## NOTE 7. COMMITMENT

## Consulting Agreement

In April 2009, the Company entered into a consulting agreement with the former officer to provide part time assistance and advice on business operations. The service hours, in no event, will exceed two per month. The Company in consideration of service will pay \$100 per hour to the consultant as compensation. The agreement will be in effect for six months after the acceptance by the Company. No consulting expense incurred since April 2009 through November 30, 2009.



MSPA, the new shareholder owns 5,000,000 shares of the Company's common stock out of 5,501,000 shares issued and outstanding, or approximately 90.89%.

#### 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.

#### Results of Operations

From Inception on May 10, 2006

The Shulaps jade project is located approximately 25 kilometers 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 of Hell Creek, the location of Jade project. Access to the project can also be reached by helicopter, a 20 minute 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 within 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, Madman recommended that no further exploration be conducted on this project and that the project should be dropped.

During the period of December 1, 2008 through November 30, 2009, no activity was conducted on the property.

Since inception, Maryna Bilynska, our former sole officer and director 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 through the date of selling her 5,000,000 shares of the Company's common stock pursuant to a MSPA was \$43,654.

#### Liquidity and Capital Resources

We do not have sufficient cash to operate for the next 12 months. The Company's management is currently evaluating options, including looking for new business opportunities, which may include a change of control of the Company.

Our former sole officer and director loaned us money for our operations as needed prior to consummation of the Majority Stock Purchase Agreement dated April 23, 2009. At the present time, we have not made any arrangements to raise additional cash. If we need additional cash and cannot 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 to 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.

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

On April 23, 2009, Ms. Bilynska sold her 5,000,000 shares to an individual for \$25,000. Ms. Bilynska assumed all the liabilities and obligation that occurred prior to the stock purchase transaction.

#### Recent Accounting Pronouncements

On July 1, 2009, the Company adopted Accounting Standards Update (“ASU”) No. 2009-01, “Topic 105 - Generally Accepted Accounting Principles - amendments based on Statement of Financial Accounting Standards No. 168 , “The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles” (“ASU No. 2009-01”). ASU No. 2009-01 re-defines authoritative GAAP for nongovernmental entities to be only comprised of the FASB Accounting Standards Codification™ (“Codification”) and, for SEC registrants, guidance issued by the SEC. The Codification is a reorganization and compilation of all then-existing authoritative GAAP for nongovernmental entities, except for guidance issued by the SEC. The Codification is amended to effect non-SEC changes to authoritative GAAP. Adoption of ASU No. 2009-01 only changed the referencing convention of GAAP in Notes to the Consolidated Financial Statements.

In June 2009, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 167, “Amendments to FASB Interpretation No. 46(R)” (“SFAS 167”), codified as FASB ASC Topic 810-10, which modifies how a company determines when an entity that is insufficiently capitalized or is not controlled through voting (or similar rights) should be consolidated. SFAS 167 clarifies the determination of whether a company is required to consolidate an entity is based on, among other things, an entity’s purpose and design and a company’s ability to direct the activities of the entity that most significantly impact the entity’s economic performance. SFAS 167 requires an ongoing reassessment of whether a company is the primary beneficiary of a variable interest entity. SFAS 167 also requires additional disclosures about a company’s involvement in variable interest entities and any significant changes in risk exposure due to that involvement. SFAS 167 is effective for fiscal years beginning after November 15, 2009. The Company does not believe the adoption of SFAS 167 will have an impact on its financial condition, results of operations or cash flows.

In June 2009, the FASB issued SFAS No. 166, “Accounting for Transfers of Financial Assets — an amendment of FASB Statement No. 140” (“SFAS 166”), codified as FASB Topic ASC 860, which requires entities to provide more information regarding sales of securitized financial assets and similar transactions, particularly if the entity has continuing exposure to the risks related to transferred financial assets. SFAS 166 eliminates the concept of a “qualifying special-purpose entity,” changes the requirements for derecognizing financial assets and requires additional disclosures. SFAS 166 is effective for fiscal years beginning after November 15, 2009. The Company does not believe the adoption of SFAS 166 will have an impact on its financial condition, results of operations or cash flows.

In May 2009, the FASB issued SFAS No. 165, “Subsequent Events” (“SFAS 165”) codified in FASB ASC Topic 855-10-05, which provides guidance to establish general standards of accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. SFAS 165 also requires entities to disclose the date through which subsequent events were evaluated as well as the rationale for why that date was selected. SFAS 165 is effective for interim and annual periods ending after June 15, 2009, and accordingly, the Company adopted this pronouncement during the year ended August 31, 2009. SFAS 165 requires that public entities evaluate subsequent events through the date that the financial statements are issued. The Company has evaluated subsequent events through January 7, 2010.

In April 2009, the FASB issued FSP No. SFAS 107-1 and APB 28-1, “Interim Disclosures about Fair Value of Financial Instruments,” which is codified in FASB ASC Topic 825-10-50. This FSP essentially expands the disclosure about fair value of financial instruments that were previously required only annually to also be required for interim period reporting. In addition, the FSP requires certain additional disclosures regarding the methods and significant assumptions used to estimate the fair value of financial instruments. These additional disclosures are required beginning with the quarter ending June 30, 2009. The adoption of this FSP had no impact on its financial condition, results of operations or cash flows.

In April 2009, the FASB issued FSP No. FAS 115-2 and FAS 124-2, “Recognition and Presentation of Other-Than-Temporary Impairments,” which is codified in FASB ASC Topic 320-10. This FSP modifies the requirements for recognizing other-than-temporarily impaired debt securities and changes the existing impairment model for such securities. The FSP also requires additional disclosures for both annual and interim periods with respect to both debt and equity securities. Under the FSP, impairment of debt securities will be considered other-than-temporary if an entity (1) intends to sell the security, (2) more likely than not will be required to sell the security before recovering its cost, or (3) does not expect to recover the security’s entire amortized cost basis (even if the entity does not intend to sell). The FSP further indicates that, depending on which of the above factor(s) causes the impairment to be considered other-than-temporary, (1) the entire shortfall of the security’s fair value versus its amortized cost basis or (2) only the credit loss portion would be recognized in earnings while the remaining shortfall (if any) would be recorded in other comprehensive income. FSP 115-2 requires entities to initially apply the provisions of the standard to previously other-than-temporarily impaired debt securities existing as of the date of

initial adoption by making a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The cumulative-effect adjustment potentially reclassifies the noncredit portion of a previously other-than-temporarily impaired debt security held as of the date of initial adoption from retained earnings to accumulate other comprehensive income. The Company adopted FSP No. SFAS 115-2 and SFAS 124-2 beginning April 1, 2009. This FSP had no material impact on the Company's financial position, results of operations or cash flows.

In April 2009, the FASB issued FSP No. SFAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" ("FSP No. SFAS 157-4"). FSP No. SFAS 157-4, which is codified in FASB ASC Topics 820-10-35-51 and 820-10-50-2, provides additional guidance for estimating fair value and emphasizes that even if there has been a significant decrease in the volume and level of activity for the asset or liability and regardless of the valuation technique(s) used, the objective of a fair value measurement remains the same. The Company adopted FSP No. SFAS 157-4 beginning April 1, 2009. This FSP had no material impact on the Company's financial position, results of operations or cash flows.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not required.

Item 4T. Controls and Procedures

Disclosure Controls and Procedures

An evaluation was conducted under the supervision and with the participation of the Company's management, including the Chief Executive Officer ("CEO"), its principal executive officer, and Chief Financial Officer ("CFO"), its principal financial officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act) as of November 30, 2009. Based on that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were effective as of such date to ensure that information required to be disclosed in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended November 30, 2009 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may have an adverse affect on our business, financial conditions, or operating results. We are currently not aware of any such legal proceedings or claims that will have, individually or in the aggregate, a material adverse affect on our business, financial condition or operating results.

Item 1A. Risk Factors

Not required.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In August 2008, we completed our public offering of shares of common stock under our Form SB-2 registration statement (SEC File No. 333-138995, effective December 18, 2007). There was no underwriter involved in our public offering. We sold 501,000 shares of common stock and raised \$50,100.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits

| 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.         |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EVERTON CAPITAL CORPORATION  
(Registrant)

Date: January 11, 2010

By:

/s/ Jonathan Woo  
Jonathan Woo  
President, Principal Executive Officer, Secretary,  
Treasurer,  
Principal Financial Officer, Principal Accounting  
Officer,  
and sole member of the Board of Directors

EXHIBIT INDEX

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