

EVERTON RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED JULY 31, 2010.

The following Management Discussion and Analysis ("MD&A") of the operating results, financial condition and future prospects of Everton Resources Inc. (the "Company" or "Everton"), current as of September 27, 2010, should be read in conjunction with the unaudited consolidated financial statements of the Company and notes thereto for the three and nine months ended July 31, 2010 as well as the Company's audited consolidated financial statements and notes thereto for the fiscal years ended October 31, 2009 and 2008. Said financial statements were prepared in accordance with Canadian generally accepted accounting principles. The reporting currency is in Canadian dollars. Unless specified as \$US, references in this MD&A to dollars are to Canadian dollars.

This MD&A contains certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address future exploration drilling activities and events or developments that the Company expects, are forward-looking statements. Such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, continued availability of capital and financing and general economic, market or business conditions.

Nature of Business

Everton Resources Inc. (the "Company" or "Everton") is a Canadian mineral exploration and development company engaged in the acquisition and exploration of mineral properties, primarily in the Dominican Republic, Ontario and Quebec, with the aim of discovering commercially exploitable deposits of minerals (primarily precious metals) which can be disposed of for a profit to companies that wish to place such deposits into commercial production. Common shares of the Company are listed for trading on the TSX-V under the symbol "EVR". The Company's head office is in Montréal, Québec.

Business development highlights

Completion of the sale of the Labrador Trough properties

On May 21, 2010, concurrent with the listing of Focus Metals Inc. ("Focus") securities on the TSX-V, the Company completed the sale of its 100% interest in the Labrador Trough properties, located in the Labrador Trough region of Quebec, to Focus and received 6,000,000 common shares of Focus, valued at \$360,000, which represents a 16% ownership interest in Focus.

Closing of two private placements

- (1) On June 28, 2010, the Company completed a non-brokered private placement for gross proceeds of \$275,000. The private placement was comprised of 1,100,000 Units at a price of \$0.25 per Unit. Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.40 until June 28, 2012. All securities issued in connection with the private placement are subject to a four month and one day hold period from the closing date.
- (2) On September 9, 2010 (see subsequent events), the Company completed another non-brokered private placement for gross proceeds of \$250,000.

Amendment to Dominican Republic option agreements

On August 12, 2010, the Company announced the amendment of its joint venture option agreements with Brigus Gold Corp. ("Brigus") (Linear Gold Corp., which merged with Apollo Gold Corp. to form Brigus), relating to three exploration projects in the Dominican Republic. Under the amended agreements, Everton can earn an additional 20% interest in the Ampliacion Pueblo Viejo ("APV") and the La Cueva (Loma El Mate) projects by incurring an additional US \$2.5 million in exploration related to APV and US \$1 million related to La Cueva. Everton was also granted a one year extension, until April 10, 2011, to meet the remaining exploration commitment in order to earn its initial 50% interest in the Ponton (Loma Hueca) project, the third joint venture between the two companies.

Signing of a letter of intent to Option the Opinaca property

On September 16, 2010 (Subsequent to quarter-end), the Company and Azimut Exploration (“Azimut”) announced the signing of a letter of intent with Aurizon Mines Ltd. (“Aurizon”) whereby Aurizon can acquire up to an undivided 60% ownership interest in the Opinaca property, in which Everton and Azimut each hold an undivided 50% interest, by making total cash payments of \$880,000 and incurring expenditures of \$9.0 million (see exploration activities section for more details).

Signing of a letter of intent to Option the Wildcat property

On September 16, 2010 (Subsequent to quarter-end), the Company announced the signing of a letter of intent 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 and incurring expenditures of \$3,250,000 (see exploration activities section for more details).

Signing of a binding letter agreement to sell the Shoal Lake properties

Subsequent to quarter-end, on September 27, 2010, the Company announced the signing of a binding letter agreement to sell all of the issued and outstanding shares of its wholly-owned subsidiary Hays Lake Gold Inc. (“HLG”) to Kaskattama Inc. (“Kaskattama”) for a total consideration of approximately \$7.6 million. HLG holds the Shoal Lake Gold properties comprised of two significant high grade gold deposits: Duport and Cedar Island, on 81.3 km², located in the Shoal Lake area, near Kenora, Ontario (see exploration activities section for more details).

Exploration Activities

Details of the Company’s Deferred Exploration Expenditures during the period ended July 31, 2010 is included in Mining Property Book Values. The Company incurred Deferred Exploration Expenditures of \$304,910 during the period, of which approximately 75% was spent in the Dominican Republic, 17% in Ontario and 7% in British Columbia. Also during the period, the Company incurred mineral property costs for \$474,533 which consisted of property option payments and issued shares.

Deferred Exploration Expenses - 2010

Dominican Republic

	Cuance	Los Hojanchos	La Cueva	Jobo Claro	Maimon Copper	Ampliacion	Fresso	Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance - beginning	1,012,353	316,342	922,748	518,053	969,718	2,004,887	506,715	208,354	6,459,170
Additions									
Drilling	213	203	1,256	1,531	3,034	377,526	1,400	12,534	397,697
Project consulting	5,093	4,993	4,292	3,376	67	58,631	1,739	17,851	96,042
Geophysical survey	-	-	80	132	-	5,201	991	288	6,692
Geological survey	1,883	1,426	4,620	11,112	9,892	343,400	22,564	65,651	460,548
Geochemical survey	76	45	204	1,023	538	27,822	424	3,441	33,573
Report preparation	-	-	-	-	-	-	-	-	-
Renewal of licenses	-	-	-	-	-	-	-	4,996	4,996
General field expenses	-	2	93	50	442	12,411	-	4,962	17,960
	<u>7,265</u>	<u>6,669</u>	<u>10,545</u>	<u>17,224</u>	<u>13,973</u>	<u>824,991</u>	<u>27,118</u>	<u>109,723</u>	<u>1,017,508</u>
Balance - end	<u>1,019,618</u>	<u>323,011</u>	<u>933,293</u>	<u>535,277</u>	<u>983,691</u>	<u>2,829,878</u>	<u>533,833</u>	<u>318,077</u>	<u>7,476,678</u>

Canada

	Shoal Lake West	Shoal Lake East (Machin)	Shoal Lake East (KPM)	Hays Lake	Opinaca	Wildcat	Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance - beginning	64,808	105,212	15,010	45,199	2,734,965	1,121,141	301,560	4,387,895
Additions								
Drilling	1,097,795	-	-	-	-	-	-	1,097,795
Project consulting	110,840	44,726	44,996	3,073	14,242	18,588	9,604	246,069
Geophysical survey	-	69,809	175	-	-	-	702	70,686
Geological survey	66,834	66	66	20,227	407	405	21,110	109,115
Geochemical survey	-	-	-	-	-	-	-	-
Report preparation	1,733	-	7,535	-	196	1,200	95	10,759
Renewal of licenses	30,029	2,808	-	1,145	17,974	1,003	35	52,994
General field expenses	211,240	-	244	32	(8,416)	(3,259)	1,891	201,732
	1,518,471	117,409	53,016	24,477	24,403	17,937	33,437	1,789,150
Deductions								
Tax credits	-	-	-	-	2,963	7,806	2,525	13,294
Mineral properties sold	-	-	-	-	-	-	206,861	206,861
Write-downs	-	-	-	-	-	-	3,410	3,410
	-	-	-	-	2,963	7,806	212,796	223,565
Balance - end	1,583,279	222,621	68,026	69,676	2,756,405	1,131,272	122,201	5,953,480

Deferred Exploration Expenses – 2009

Dominican Republic

	Cuance	Los Hojanchos	La Cueva	Jobo Claro	Maimon Copper	Ampliacion	Fresso	Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance - beginning	1,012,353	316,342	898,380	509,084	1,046,809	1,076,406	206,319	109,574	5,175,267
Additions									
Geological survey	-	-	12,803	7,483	31,639	281,011	152,950	86,463	572,349
Report preparation	-	-	-	-	-	-	488	-	488
Renewal of licenses	-	-	100	21	49	3,717	931	306	5,124
General field expenses	-	-	121	-	1,053	23,548	15,775	2,940	43,437
	-	-	16,472	8,940	39,496	544,782	279,941	112,310	1,001,941
Deductions									
Write-downs	-	-	-	-	-	-	-	15,444	15,444
	-	-	-	-	-	-	-	15,444	15,444
Balance - end	1,012,353	316,342	914,852	518,024	1,086,305	1,621,188	486,260	206,440	6,161,764

Canada

	Shoal Lake West	Shoal Lake East (Machin)	Shoal Lake East (KPM)	Hays Lake	Opinaca	Wildcat	Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance - beginning	-	-	-	-	2,942,074	1,294,707	344,106	4,580,887
Additions								
Geological survey	-	-	-	-	-	38,863	33,726	72,589
Report preparation	-	-	-	-	18,695	14,082	7,552	40,329
Renewal of licenses	-	-	-	-	22,701	27,253	13,764	63,718
General field expenses	-	-	-	-	180	59,377	3,559	63,116
	-	-	-	-	41,576	139,575	58,601	239,752
Deductions								
Tax credits	-	-	-	-	8,700	51,782	20,672	81,154
Write-downs	-	-	-	-	-	263,115	92,875	355,990
	-	-	-	-	8,700	314,897	113,547	437,144
Balance - end	-	-	-	-	2,974,950	1,119,385	289,160	4,383,495

Dominican Republic

In the Dominican Republic, the Company incurred most of its exploration expenditures during the quarter on the Brigus option Ampliacion Pueblo Viejo project with 72% of the expenses incurred by the Company in Dominican Republic. Option payments on Ampliacion Pueblo Viejo totaled USD\$ 300,000 (\$312,930) during the quarter. The other concessions were kept on care and maintenance with the minimum exploration work required to keep them in good standing. A NI 43-101 compliant report by Minera Camargo of Mazatlan, Mexico, was initiated during the quarter and completed in August 2010. This report covered the five central concessions, namely Ampliacion Pueblo Viejo, Jobo Claro, Loma El Mate (now La Cueva), Cuanze and Los Hojanchos.

Ampliacion Pueblo Viejo

The Ampliacion Concession consists of 4,045 hectares adjacent to the northern edge of Barrick/Goldcorp's 22.4 million ounce Pueblo Viejo mine. The Company incurred exploration expenses of \$164,809 on Ampliacion during the quarter, essentially in detailed follow-up mapping and rock sampling, and comprehensive Pima (portable infrared mineral analyzer) survey.

Based on an agreement with Brigus announced on April 12, 2007, the Company could earn an undivided 50% interest in the Ampliacion Concession by making cash payments totaling US\$700,000, work commitments of US\$2,500,000 and issuing 1,200,000 Everton common shares over a three-year period. All these conditions were met and the Company earned its initial 50% interest in the property.

Subsequent to quarter-end, on August 12, 2010, the Company and Brigus signed an amended agreement whereby Everton can earn an additional 20% interest in the concession by incurring an additional US \$2,500,000 in exploration work by April 10, 2012.

A drilling program conducted in 2006 by Barrick/Goldcorp at the Pueblo Viejo Mine has outlined new mineralized trends that define a NNW corridor. Drill intercepts of 2.98 g/t Au over 117.7 meters (hole DPV06-04), 10.18 g/t Au over 9.87 meters (hole DPV06-12), 3.0 g/t Au over 108.4 meters (hole DPV06-03), and 5.31 g/t Au over 23.5 meters (hole DPV06-06) were cut in the extensions of the pits at Pueblo Viejo (Barrick presentation, NRSA, April 2-3, 2007). Gold-in-soil anomalies from a test line located on the Ampliacion concession north of the Pueblo Viejo mine suggests that the new mineralized trend found by Barrick/Goldcorp may extend onto the Ampliacion concession.

Los Ranchos carbonaceous units show clear evidence of hydrothermal activity characterized by extensive advanced argillic alteration. The inference is that the Hatillo limestone may have acted as an impermeable lithocap and thus having a decisive factor in the creation and preservation of the Pueblo Viejo deposit.

To date, Everton and Brigus completed an integrated and aggressive exploration program on the Ampliacion Pueblo Viejo concession including a thorough 100-meter spaced line helicopter-borne electromagnetic and magnetic survey totaling 710 line-km, a comprehensive mapping survey including the collection of 1,760 rocks

samples, a 3,000-soil sample survey, a total of 31 line-km of induced polarization ("IP") survey and 15 line-km of horizontal loop electromagnetic ("HLEM") survey, 794 meters of trenching on the La Lechoza Target and two shallow diamond drill holes in the central part of the concession. This exploration program allowed at delineating at least 11 large-scale first priority drill targets, namely Silica Ridge, Colorado, Miguel de Pena, Finca Miniel and Montenegro North. Those targets are characterized by the coincidence of a strong dispersion of epithermal-related soil anomaly pathfinder elements, zones of strong gossan development and extensive zones of advanced argillic and massive silicification associated with N-S and NW-SE structures parallel to those of the mineralizing system at the Pueblo Viejo gold project.

During the previous quarter ending April 30, 2010, the Company and its partner Brigus have pursued the 8,000-meter diamond drilling program previously announced in June, 2009 with a third phase of drilling program. The partners also announced the discovery of the new gold-silver-copper Pon Hill Zone which is located at the western end of the main La Lechoza Prospects in the central part of the Ampliacion Pueblo Viejo concession.

The third phase of the 8,000-m drilling program started in mid-January 2010 was completed on February 14, 2010 with 10 holes for 957 meters. The drill program was designed to test mineralization previously drilled with AirTrack drilling in the 1980s and core drilling in 2003 and 2004. The drilling was targeted around the main La Lechoza Prospect in the sectors named North Hill (original surface showing), Spanish Pit, a gossan zone approximately 250 meters to the southwest, and the newly discovered sector Pon Hill is located a further 200 meters southwest of Spanish Pit. The total extension of the mineralization is estimated to be 450 meters by 200 meters. Unitary values up to 11.18 g/t Au, 764 g/t silver and 3.03% copper were returned from this drilling campaign.

Results released to date from the third drilling phase include:

- **APV10-01:** 1.08 g/t Au over 8.0 meters;
- **APV10-02:** 1.16% Cu over 11.5 meters; 0.8% Cu over 26.0 m, incl. 1.16% Cu over 11.5 m;
- **APV10-03:** 5.8 g/t Au, 59.4 g/t Ag and 1.19% Cu over 4.5 meters;
- **APV10-04:** 0.44 g/t Au over 26.6 m, incl. 2.23 g/t Au, 0.18% Cu over 3.5 m; 192.5 g/t Ag, 0.13% Cu over 6.0 m; 764 g/t Ag over 1.5 m;
- **APV10-05:** 0.55% Cu over 38.5 m, incl. 1.1% Cu over 6.0 m;
- **APV10-06:** 0.51 g/t Au over 16.15 m, incl. 1.77 g/t Au over 3.15 m; 90.5 g/t Ag over 2.15 m; 0.57% Cu over 24.2 m; 1.04 % Zn over 40.1 m;
- **APV10-07:** 0.6 g/t Au, 51.74 g/t Ag over 19.5 m, incl. 2.83 g/t Au over 1.5 m; 316.4 g/t Ag over 2.5 m; 410 g/t Ag over 1.5 m; 1.1% Cu over 16.5 m; 0.94% Zn over 16.5 m

These results are being processed and integrated in the dataset in preparation to the next phase of drilling slated to begin in fall 2010. The Company is also evaluating the potential to develop a gold-copper resource at the La Lechoza Prospect in the light of the recent significant results. The plan is to delineate a resource by systematic core and reverse circulation ("RC") drilling. A 10,000 to 15,000-meter RC program is being designed to test the near surface oxide potential resource as well as the potential of deeper primary hypogene and supergene secondary mineralization. In addition, approximately 600 samples were collected for infrared spectrometry PIMA (portable infrared mineral analyzer) reading along the La Lechoza trend that extends over a strike length of 2 km in a NW-SE direction between the Spanish Pit and the La Lechoza West targets. Processing of these samples is in progress.

Drill holes are also planned in the southwestern part of Ampliacion PV where a systematic PIMA survey is still ongoing on the field on alteration mineral related to epithermal system. To date, the comprehensive surface and drill core alteration mineral study using the PIMA was conducted over the alteration lithocap on the Ampliacion Pueblo Viejo concession. In the southern sector of the concession, a total of 2,149 samples were collected for PIMA readings from traverses along ridges and drainages where the advanced argillic and silicification alteration systems are best exposed. An additional 371 readings were made from soil samples collected in a regular 50 m x 50 m grid in a promising target area located NNW to the Monte Negro pit at Pueblo Viejo.

The areas covered include 17 targets delineated from geologic mapping, geochemical and geophysical anomalies. The results of the PIMA readings define a classic zoning pattern of alteration typical of high-sulphidation epithermal gold systems as found at Pueblo Viejo, including a broad envelope of quartz-pyrophyllite-kaolinite and concentric zones of quartz-alunite and quartz-dickite towards the core of the system.

Other properties

Minimum work to keep concessions in good standing was conducted during the quarter on Fresso, Cuance, Los Hojanchos, La Patilla, Corralitos, Piedra Blanca, Maimon Group of concessions, La Cueva (former Loma el Mate), Jobo Claro, Loma Ceiba de Agua and La Mireya. Those projects are all being reviewed and work programs should be proposed sometimes in 2010.

Subsequent to quarter-end, on August 12, 2010, the Company and Brigus signed an amended agreement whereby Everton can earn an additional 20% interest in the La Cueva concession by incurring an additional US \$1,000,000 in exploration work. The Company was also granted a one year extension, until April 10, 2011, to meet the remaining exploration commitment in order to earn its initial 50% interest in the Ponton (Loma Hueca) project.

Ontario

Shoal Lake

In Ontario, the Company incurred exploration expenditures of \$52,394 during the quarter with 24% on the Halo Resources option Shoal Lake West project to complete reports on the winter drill program, 22% on the Machin's option Shoal Lake East project on reporting for ground and airborne geophysical surveys and 10% on maintaining KPM's option Shoal Lake East property. Option payments in Ontario totaled \$117,000 during the quarter.

Subsequent to quarter-end, on September 27, 2010, the Company announced the signing of a binding letter agreement to sell all of the issued and outstanding shares of its wholly-owned subsidiary HLG to Kaskattama for a total consideration of approximately \$7.6 million. HLG holds the Shoal Lake Gold properties comprised of two significant high grade gold deposits: Duport and Cedar Island, on 81.3 km², located in the Shoal Lake area, near Kenora, Ontario. The \$7.6 million consideration is allocated as follows:

- \$2 million in cash to be paid upon execution of a final Sale and Purchase Agreement
- 14 million shares of Kaskattama at a minimum price of \$0.40 per common share

The transaction is expected to close by no later than November 15, 2010, or any other date agreed to in writing by the parties, and is subject to various conditions customary to this type of transaction, among which:

- (a) 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 no later than October 31st, 2010;
- (b) Successful financing to allow Kaskattama to make the \$2 million cash payment to Everton;
- (c) Listing of Kaskattama's common shares on the TSX or TSX-V by no later than November 30th, 2010.

Kaskattama is a Canadian controlled private corporation based in Toronto, Ontario. It was incorporated under the *Business Corporation Act* (Ontario) on July 11, 2007. Kaskattama has a mining business development plan targeting undeveloped assets for near term resource development. It has a Canadian focus with preference given to partnerships with First Nations.

Kaskattama currently has 39,697,500 shares outstanding. Following the issue of 14 million shares to Everton, but before financing, Everton will own 26% of Kaskattama. Kaskattama intends to raise approximately \$10 to \$15 million in its financing, of which \$2 million will be payable to Everton.

Everton purchased HLG one year ago on September 17, 2009 through the issuance of 11,999,938 common shares at a fair value of \$0.17 per share plus certain other costs for a total purchase price of \$2.4 million. Including the cost of the acquisition and all property related payments and exploration expenditures capitalized to date, the current carrying value of properties being sold to Kaskattama is approximately \$4.5 million. Based on the above purchase price, Everton expects to realize a minimum gain of \$3.1 million using a value of \$0.40 per Kaskattama common share.

During the previous quarter, the Company reported the results of the new NI-43-101 resource estimate for the Cedar Island deposit on its Shoal Lake East KPM option. The report was prepared for Everton by Gary Giroux, MASc., PEng of Giroux Consultants Ltd and Kevin Leonard, PGeo. in accordance with the CIM guidelines and the NI-43-101 requirements to update the results previously announced from a resource estimate completed in 2003 on the Cedar Island Deposit.

The update resource estimate integrates results of an additional 35 deep drill holes for 10,011 meters completed in 2004 by Amador Exploration on the Cedar Island deposit mineralized structures known as the 9 East Target. The integration of data from the 2004 drill program led to a new interpretation of the gold mineralized quartz vein system, in which 7 additional veins were adjoined to the model. Results are as follow:

	Undiluted Mineral Resources - Variable Cut-Off Grades					
	Indicated			Inferred		
Cut-off (g/t)	Tonnes	Grade (g/t Au)	Ozs	Tonnes	Grade (g/t Au)	Ozs
1	1,000,000	4.18	134,400	3,050,000	3.25	318,700
3	430,000	7.56	104,500	1,080,000	5.99	208,100
5	252,000	10.07	81,600	480,000	8.8	135,800

These estimates were based on 146 drill holes totalling 35,414 meters comprising 2,159 gold assays.

The new resource estimate of the Cedar Island deposit complements and provides strong support to Everton's option on the Duport deposit located 2.8 km away to the west from the main land. Current Indicated Mineral Resources at Duport were estimated at 424,000 tonnes grading 13.40 g/t Au for 182,000 contained ounces of gold. In addition, Inferred Mineral Resources were estimated at 387,000 tonnes grading 10.69 g/t Au for 131,000 contained ounces of gold (press release of July 9, 2009). The combined valuation of the Cedar Island and the Duport deposits is significant since they can share a synergy through a common road network, power grid, and milling complex.

Other properties from HLG

The HLG portfolio also includes another highly prospective projects located 70 km west of the Hemlo Camp where high-grade gold-bearing veins were identified. A reconnaissance field program was conducted at a cost of \$22,058 during the quarter. It consisted of geological mapping, rock and stream sediment sampling. The Property is adjoined by historic gold (silver) past producers of high-grade, narrow vein, shear zone hosted quartz veins to the south and east. During the April 2010 work program, a total of 52 rock samples and 31 stream sediment samples were collected. No significant values were returned.

Quebec

All properties in Quebec, including Opinaca, Wildcat, Coulon and Sirmac were maintained in care and maintenance during the quarter at minimum costs.

Opinaca

The Opinaca A property is adjacent to the northern boundary of Goldcorp's Eleonore property hosting the Roberto gold deposit containing an estimated 3.2 million ounces of indicated gold resources at an average grade of 11.92 g/t Au and 6.3 million ounces of inferred gold resources at an average grade of 12.93 g/t Au; (Source: Goldcorp - MD&A, for the year ended December 31, 2009). The Opinaca B property is located about 8 km southeast of the Eleonore property. The Opinaca A and B properties comprise 429 and 220 claims respectively covering 338 km². Everton earned its 50% interest after completing exploration programs totalling \$4,800,000 and cash payments totalling \$540,000 over a 5-year period.

Exploration work performed by the partners since 2005 led to the discovery of significant gold mineralization including the Charles, Smiley and Inex prospects at Opinaca A, as well as the Dominic and Claude prospects at Opinaca B, for which results have been previously reported. The Claude prospect is considered to be one of the most significant discoveries at Opinaca with a drill intercept of 0.21 g/t Au over 186.8 m, including 1.0 g/t Au over 21.5 m. Several attractive well-defined targets on the two properties have yet to be drilled.

Subsequent to quarter-end, on September 16, 2010, the Company and Azimut announced the signing of a letter of intent with Aurizon whereby Aurizon can acquire up to an undivided 60% ownership interest in the Opinaca property, in which Everton and Azimut each hold an undivided 50% interest.

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

- Aurizon can earn a 50% interest in the property by making cash payments totalling \$580,000 and incurring expenditures of \$6,000,000 over four years, including 5,000 metres of drilling by the second anniversary.
- 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 discovered, Aurizon shall make a payment of \$1,500,000, payable in Aurizon common shares, subject to regulatory approval.

Wildcat

Everton also hold 100% interest in the Wildcat project located adjacent to the Opinaca and Eleonore properties. The Wildcat project is comprised of eight different blocks totalling 755 claims for 395 km². Exploration work conducted to date by Everton led to the discovery of the Inex Extension gold zone, which is located on trend with the Inex prospect along a 2.8 km long gold corridor, and the Manuel gold prospect which returned 12.0 g/t Au over 4.6 m in a channel sampling.

Subsequent to quarter-end, on September 16, 2010, the Company announced the signing of a letter of intent with Aurizon whereby Aurizon can acquire up to an undivided 65% interest in Everton's Wildcat property. The Wildcat property is 100% owned by Everton.

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

- Aurizon can earn a 50% interest in the property by incurring expenditures of \$3,250,000 over four years, including 3,000 metres of drilling within two years.
- Aurizon will also subscribe for a private placement of 1,000,000 units of Everton at a price of \$0.25 per unit, each unit comprising one common share and one share purchase warrant exercisable to acquire one additional common share at \$0.40 per share for a term of 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 discovered, Aurizon shall make a payment of \$1,500,000 payable in Aurizon common shares, subject to regulatory approval.

British Columbia

Hot Springs

The Hot Spring property is located in the Sloquet Creek area of the south-western British Columbia, 95 kilometers northeast of Vancouver. The property is underlain by a sequence of pyritic, felsic tuff and coarse fragmental rocks capped by ferruginous chert which totals more than 400 meters thick.

Historical work reports the discovery of the Dan's Showing hosted in a very altered cherty tuffite. Hand trenching on the showing returned values up to 0.238 oz/ton Au over 1 meter and 0.174 oz/ton Au over 2 meters. In 1990, Aranlee/Noranda completed a drill program which intersected 0.58 g/t Au over 119 meters in hole NQ90-2 and 0.61 g/t Au over 66.0 meters in hole NQ90-07.

During the quarter, the Company completed a reconnaissance survey including a small geochemical and geological program to further assess the precious metal potential of the property. Soil samples assayed up to 837 ppb gold along a 300-m long stretch of line on the south end of a large low grade gold-bearing hydrothermal system. The exploration expenditures totaled \$22,233.

The Company is currently looking for a partner to move forward the Hot Spring property.

Qualified person

The above technical information was confirmed and/or reviewed by Marc L'Heureux, a qualified person under NI 43-101.

Selected Financial Data

The following selected financial data are derived from the unaudited interim consolidated financial statements of the Company, which were prepared in accordance with Canadian generally accepted accounting principles.

Selected Consolidated Financial Information (unaudited)

	Three months Ended July 31, 2010	Three months Ended July 31, 2009	Nine months Ended July 31, 2010	Nine months Ended July 31, 2009
	\$	\$	\$	\$
Statement of Operations and Deficit summary				
Total operating expenses	484,986	414,900	1,741,856	1,406,644
Write-down of deferred exploration expenses	-	187,859	256,630	497,239
Interest and other income	-	3,276	18,398	74,036
Net loss	475,824	549,701	1,799,153	1,558,432
Basic and diluted net loss per common share	0.01	0.01	0.02	0.03
Weighted average number of common shares outstanding	90,568,444	58,945,593	82,166,688	58,533,499
Statement of Deferred Exploration Expenses Summary				
Deferred exploration expenses before write-down, tax credits and mining duties	304,910	413,272	2,806,658	1,241,693
Statement of Cash Flows summary				
Cash flows used in operating activities	274,994	133,698	933,718	579,965
Cash flows (used in) from investing activities	(1,066,320)	512,639	(3,410,640)	(586,096)
Cash flows from financing activities	1,147,111	1,125	3,144,249	1,125
(Decrease) increase in cash and cash equivalents	(194,203)	380,066	(1,200,109)	(1,164,936)
			July 31, 2010	October 31, 2009
			\$	\$
Balance Sheet summary				
Cash and cash equivalents			481,677	1,681,786
Long-term investment			608,169	195,889
Mineral exploration properties			5,902,093	5,171,724
Deferred exploration expenses			13,430,158	10,847,065
Shareholders' equity			20,436,317	18,269,858
Total assets			20,579,000	18,435,355

Since its incorporation, the Company has not paid any cash dividends on its outstanding common shares. Any future dividend payment will depend on the Company's financial needs to fund its exploration programs and its future growth, and any other factor that the Board may deem necessary to consider. It is highly unlikely that any dividends will be paid in the near future.

Results of Operations for the three-month period ended July 31, 2010

Net loss for the three months ended July 31, 2010 was \$475,824, as compared to \$549,701 in 2009. This decrease results from the combination of the following main factors:

- The recognition during the period of a net gain of \$15,280 in the Company's share of net gain (loss) of company subject to significant influence; while in 2009, the Company recorded a net loss of \$138,077.
- Absence of Write-down of mineral properties and deferred exploration expenses during the period as compared to \$187,859 in 2009.
- A significant increase in travel and promotion costs during the period as the Company carried out an aggressive promotion campaign during the period for \$62,073 (\$3,420 in 2009).
- The recognition of a higher stock-based compensation during the period for \$245,763 (\$17,816 in 2009) further to the grant of 1,245,000 stock options to Officers, Directors, employees and consultants of the Company.

Results of Operations for the nine-month period ended July 31, 2010

Net loss for the nine months ended July 31, 2010 was \$1,799,153, as compared to \$1,558,432 in 2009. This increase results from the combination of the following main factors:

- The recognition of a higher stock-based compensation during the nine-month period for \$531,624 (\$172,007 in 2009) further to the grant of 3,575,000 stock options to Officers, Directors, employees and consultants of the Company.
- A significant increase in travel and promotion costs during the nine-month period as the Company carried out an aggressive promotion campaign for \$245,078 (\$56,330 in 2009).
- A decrease in Write-down of mineral properties and deferred exploration expenses during the nine-month period which amounts to \$256,630 as compared to \$497,239 in 2009.
- The recognition of lower net loss of \$96,472 (\$207,584 in 2009) in the Company's share of net loss of company subject to significant influence.

Interest and other income for the nine months ended July 31, 2010 was \$18,398 as compared to \$74,036 in 2009. Due to a decline in interest rates on short term investments, and to a decrease in the investments portfolio as the Company advances in its exploration program, interest income decreased from \$24,036 in 2009 to \$3,877 in 2010. Also, Other income was higher during the period ended July 31, 2009 as the Company recorded an amount of \$50,000 which relates to a credit received on its 2007 project generation expenses, while other income in 2010 was for \$14,521 only, which relates to a realized gain on settlement of transaction with a related party.

Quarterly information

The following selected financial data are derived from the unaudited interim financial statements of the Company, which were prepared in accordance with Canadian generally accepted accounting principles.

Quarter Ended	Other Income	Net Loss	Basic and diluted net Loss per common share
	\$	\$	\$
31/07/2010	-	475,824	0.01
30/04/2010	1,086	736,470	0.01
31/01/2010	17,312	586,859	0.01
31/10/2009	5,718	830,696	0.01
31/07/2009	3,276	596,559	0.01
30/04/2009	54,960	364,242	0.01
31/01/2009	15,800	644,489	0.01
31/10/2008	32,001	961,803	0.01
31/07/2008	39,707	406,031	0.01

Liquidity and capital resources

The Company's working capital stands at \$472,841 at July 31, 2010 (approximately \$2.0 million at October 31, 2009). This decrease is attributable to cash payments made on the Company's properties option agreements, the advancement in its exploration program during the period and also the incurring of operating expenses in the normal course of business. During the three and nine months ended July 31, 2010, the Company completed two non-brokered private placements for total net proceeds of approximately \$3.1 million, received refund of tax credits and mining duties for a total of \$235,387, and received proceeds from the exercise of warrants and options for total amount of \$77,350. Subsequent to period-end (see subsequent events), the Company completed another private placement for gross proceeds of \$250,000.

The Company's principal requirements for cash for the next twelve months will be administrative and general expenses for approximately \$800,000, option payments for US\$140,000 (CAD\$ 142,000) and deferred exploration expenditures for \$1 million. In addition, further to the acquisition of Hays Lake Gold Inc. on September 17, 2009, the Company has the remaining cash payments and exploration work commitments as follows (in \$ thousands):

	2010	2011	2012
	\$	\$	\$
Cash payments	274	468	9,788
Exploration expenses	30	40	3,500
Total	304	508	13,288

Subsequent to quarter-end, the Company signed a binding letter agreement to sale the Shoal Lake properties to Kaskattama (see exploration activities section), which will relieve the Company from the remaining cash payments and exploration work commitments included in the table above, once the sale transaction with Kaskattama is finalized.

As at July 31, 2010, the Company had a working capital of \$472,841, including \$481,677 in cash. Together with \$250,000 in proceeds from the private placement that the Company completed subsequent to quarter-end (see subsequent events), the Company anticipates having sufficient cash to meet its current option payment obligations and meet its corporate administrative expenses for several months. However, the Company will require additional financing, through various means including but not limited to equity financing, to undertake its exploration programs on its properties and to meet all of its payment obligations and general and administrative costs. There is no assurance that the Company will be successful in raising the additional required funds.

Off Balance Sheet Arrangements

As of July 31, 2010, the Company has no off balance sheet arrangements.

Related Party Transactions

Under an agreement between the Company and Majescor Resources Inc. ("Majescor") (which shares common management), the Company charges Majescor for shared salaries and benefits, rent and office expenses. During the three and nine months ended July 31, 2010, the cost of shared salaries and benefits was \$19,250 and \$47,750 respectively (\$14,250 and \$51,916 in 2009) and rent and office expenses were \$714 and \$2,142 respectively (\$714 and \$15,561 in 2009). Included in amount due from related party is \$5,000 (\$Nil as at October 31, 2009) due from Majescor.

Under an agreement between the Company and Adventure Gold Inc. ("Adventure") (which shares common management), the Company charges Adventure for shared salaries and benefits, rent and office expenses. During the three and nine months ended July 31, 2010, the cost of shared salaries and benefits was \$22,500 and \$67,500 respectively (\$22,500 and \$67,828 in 2009) and rent and office expenses were \$1,500 and \$4,500 respectively (\$1,500 and \$5,684 in 2009). Included in amount due from related party is \$Nil (\$50,057 as at October 31, 2009) due from Adventure.

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

Under an agreement between the Company and Focus (which shares common management), the Company charges Focus for shared salaries and benefits, rent and office expenses. During the three and nine months ended July 31, 2010, the cost of shared salaries and benefits was \$11,340 and \$11,340 respectively (\$Nil and \$Nil in 2009) and rent and office expenses were \$4,660 and \$4,660 respectively (\$Nil and \$Nil in 2009). Included in amount due from related party is \$Nil (\$Nil as at October 31, 2009) due from Focus.

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

The amounts due from related party are without interest.

Mineral Property Book Values

At the end of each quarter, management reviews the carrying values of its resource properties to determine whether any write-downs are necessary. Following this analysis, the Company recorded a write-down for \$256,630 during the nine-month period ended July 31, 2010 on its Porcupine and Destor property (\$247,661 and \$309,380 in 2009), further to the expiry of the option agreement on this property on April 4, 2010.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, marketable securities, accounts receivable, amount due from related party and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value. It is management's opinion that the Company is not exposed to significant credit risks arising from these financial instruments. The fair value of marketable securities and long-term investments over which the Company does not exercise significant influence are based on unadjusted quoted prices in active markets.

Critical Accounting Policies and Estimates

The preparation of the Company's consolidated financial statements in accordance with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. The Company's significant accounting policies and estimates are fully described in note 4 to the annual consolidated financial statements for the years ended October 31, 2009 and 2008.

Changes in Accounting Policies

Future accounting standards

Business Combinations, Consolidated Financial Statements and Non-controlling Interests

In October 2008, the CICA issued Handbook Sections 1582, "Business Combinations", 1601 "Consolidated Financial Statements", and 1602 "Non-controlling Interests". CICA 1582 establishes standards for the measurement of a business combination and the recognition and measurement of assets acquired and liabilities assumed, CICA 1601 carries forward the existing Canadian guidance on aspects of the preparation of consolidated financial statements subsequent to acquisition other than non-controlling interests, and CICA 1602 establishes guidance for the treatment of non-controlling interests subsequent to acquisition through a business combination. These new standards are effective for the Company on November 1, 2011. The Company is currently evaluating the impact of the adoption of these new standards.

International Financing Reporting Standards

The Accounting Standards Board of the CICA requires all public companies to adopt International Financial Reporting Standards ("IFRS") for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal period. The transition from Canadian Generally Accepted Accounting Principles to IFRS will be applicable for the Company's first quarter ended January 31, 2012. Although IFRS employs a conceptual framework that is similar to Canadian GAAP, there are some differences in recognition, measurement, and disclosure. It is anticipated however that the Company's financial results and financial position as disclosed in the Company's current Canadian GAAP financial statements will not be significantly different when presented in accordance with IFRS.

The Company has developed and implemented a project plan to ensure full compliance with this requirement by 2011. The following is a summary of the four primary phases of the plan and the expected timing of activities related to the Company's transition to IFRS.

- *Diagnostic impact assessment phase:* this phase consists in performing an Initial analysis of key areas for which changes to accounting policies may be required. While an analysis will be required for all current accounting policies, the Company has performed a review as to the most significant areas of difference to the Company which include:
 - IFRS 1 First-time adoption of International Financial Reporting Standards
 - IFRS 2 Share-based payment
 - IFRS 6 Exploration and evaluation
 - IAS 1 Presentation of financial statements
 - IAS 12 Accounting for income taxes
 - IAS 16 Property, plant and equipment
 - IAS 21 Effects of changes in foreign exchange rates
 - IAS 32 financial instruments presentation
 - IAS 36 Impairment of assets
- *Design, planning and solution development phase:* this phase involves the development of the detailed plan for convergence and implementation, analyses of policy alternatives allowed under IFRS, the specification of changes required to existing accounting policies, and the development of solutions for information systems and business processes. The Company is at the stage of completing its detailed analysis of the standards and expects to complete this phase by the end of the first period ending January 31, 2011. To date, the Company has identified a number of accounting differences and policy alternatives, including one-time accounting alternatives under IFRS. As part of its analysis of potential changes to significant accounting policies, the Company is assessing what changes may be required to its accounting systems and processes. The Company believes that the changes identified to date are minimal and the current systems and processes will be able to accommodate the necessary changes. The Company's staff which is involved in the preparation of financial statements is being trained on the relevant aspects of IFRS and the anticipated changes to accounting policies.
- *Implementation phase:* This phase includes the completion and formal authorization of recommended changes to accounting policies, including transition elections to apply changes retroactively or prospectively, the execution of changes to information systems and business processes, delivery of training programs across the Company and the preparation of the opening balance sheet and the quarterly and annual financial statements for both 2012 and the comparative 2011 fiscal years. In addition, the impact of IFRS on contractual arrangements will be addressed.
- *Post implementation phase:* This phase involves a compliance review of the conversion project to assess the accuracy and consistency with which IFRS accounting policies are being applied, the adoption of sustainable processes and procedures and the adequacy of information technology solutions, training programs and other business impact solutions.

Outstanding Share Data

Common shares and convertible securities outstanding at September 27, 2010 consist of:

Securities	Expiry date	Average exercise price	Number of securities outstanding
Common shares	-	-	92,358,933
Options	Up to July 9, 2015	\$0.38	6,930,000
Warrants	Up to September 9, 2012	\$0.34	11,676,132

Subsequent events

Amendment to Dominican Republic option agreements

On August 12, 2010, the Company announced the amendment of its joint venture option agreements with Brigus relating to three exploration projects in the Dominican Republic: the Ampliacion Pueblo Viejo, the La Cueva (Loma El Mate) and the Ponton (Loma Hueca) properties. (see exploration activities section)

Closing of a private placement

On September 9, 2010, the Company completed a non-brokered private placement for gross proceeds of \$250,000. The private placement was comprised of 1,000,000 units at a price of \$0.25 per unit. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.40 until September 9, 2012. The funds raised will be used to fund the Company's general working capital. The Company paid finder's fees totalling \$20,000 and issued 80,000 non-transferable finder's fee warrants, each warrant entitling the holder to acquire one common share of the Company at a price of \$0.25 until September 9, 2012. All securities issued in connection with the private placement are subject to a four month and one day hold period from the closing date.

Signing of two letters of intent to Option the Opinaca and the Wildcat properties

On September 16, 2010, the Company and Azimut signed a letter of intent with Aurizon whereby Aurizon can acquire up to an undivided 60% ownership interest in the Opinaca property, which Everton and Azimut each hold an undivided 50% interest in. Also, on September 16, 2010, the Company announced the signing of a second letter of intent with Aurizon whereby Aurizon can acquire up to an undivided 65% interest in the Everton's wholly-owned Wildcat property. (see exploration activities section).

Signing of a binding letter agreement to sell the Shoal Lake properties

On September 27, 2010, the Company announced the signing of a binding letter agreement to sell all of the issued and outstanding shares of its wholly-owned subsidiary HLG to Kaskattama for a total consideration of approximately \$7.6 million. HLG holds the Shoal Lake Gold properties comprised of two significant high grade gold deposits: Duport and Cedar Island, on 81.3 km², located in the Shoal Lake area, near Kenora, Ontario (see exploration activities section).

Risk and uncertainties

Exploration of minerals and development of mineral properties involve significant risks, many of which are outside of the Company's control. In addition to the normal and usual risks of exploration and mining, the Company often works in remote locations that lack the benefit of infrastructure and easy access.

Financial risk

The Company is considered to be in the exploration stage, that it is dependant on obtaining regular financing in order to continue exploration. Despite previous success in acquiring this financing, there is no guarantee of obtaining any future financing, or that it will be available on acceptable terms.

The prices of metals fluctuate widely and are affected by many factors outside of the Company's control. The relative prices of metals and future expectations for such prices have a significant impact on the market sentiment for investment in mining and mining exploration companies.

Foreign exchange risk

Some of the Company's expenditures are in US dollars. Movement in the Canadian dollar against these currencies therefore has a direct impact on the Company's cost base. The Company does not use derivative instruments to reduce its exposure to foreign exchange risks

Risk on the uncertainty of title

Although the Company has taken steps to verify title to mining properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title.

Environmental risk

The Company is subject to various environmental incidents that can occur during exploration work. The Company maintains an environmental management system including operational plans and practices.

Additional information and continuous disclosure

This Management's Discussion and Analysis has been prepared as of September 27, 2010. Additional information on the Company is available through regular filings of press releases and financial statements on SEDAR (www.sedar.com).

(s) André Audet

Chairman of the Board and Chief Executive Officer

(s) Khadija Abounaim

Chief Financial Officer