

## **EVERTON RESOURCES INC.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE FIRST QUARTER ENDED JANUARY 31, 2009.**

The following Management's 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 March 26, 2009, should be read in conjunction with the unaudited consolidated financial statements of the Company and notes to the unaudited consolidated financial statements for the three months ended January 31, 2009 as well as the Company's audited consolidated financial statements and notes thereto for the years ended October 31, 2008 and 2007. Said consolidated 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 Quebec and the Dominican Republic, with the aim of discovering commercially exploitable deposits of minerals (primarily precious metals) which can either be placed into production by the Company or 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.

#### **Exploration Activities**

Details of the Company's Deferred Exploration Expenditures during the period ended January 31, 2009 are included in the mining property book values. The Company incurred deferred exploration expenditures of \$519,414 during period, of which approximately 22% of the total was spent in Quebec and 78% in the Dominican Republic. The Company also incurred \$60,000 in option payments.

##### Dominican Republic

In the Dominican Republic, the Company incurred exploration expenditures of \$402,783 during the quarter with 55% of the expenditures on the Fresso concession, 27% on the Linear Gold option (Ampliacion Pueblo Viejo, Loma el Mate and Loma Hueca) projects and the rest on the other concessions.

##### *Ampliacion Pueblo Viejo*

The Ampliacion Concession consists of 4,045 hectares adjacent to the northern edge of Barrick/Goldcorp's 18 million ounce Pueblo Viejo mine. The Company incurred exploration expenses of \$65,000 on Ampliacion during the quarter, essentially in detailed mapping and some sampling.

The Company can earn an undivided 50% interest in the Ampliacion Concession by making cash payments totaling \$700,000, work commitments of \$2,500,000 and issuing 1,200,000 Everton common shares over a three-year period. The Company can acquire a 65% interest in the concession by incurring all additional expenditures on the concession to the completion of a bankable feasibility study and by paying Linear \$2,000,000 and issuing 1,000,000 additional Everton common shares.

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 gold over 117.7 meters (hole DPV06-04), 10.18 g/t gold over 9.87 meters (hole DPV06-12), 3.0 g/t gold over 108.4 meters (hole DPV06-03), and 5.31 g/t gold 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 shows clear evidence of hydrothermal activity characterized by extensive advanced argillic and 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.

During the quarter, the Company and its partner Linear Gold have completed a comprehensive mapping survey including some rock sampling. Sampling to date comprises the collection of 3,000 soil samples and 1,800 rock samples along the traverses as mineralized and/or hydro-thermally altered exposures are located. Results from soil samples reveal three distinctive anomalous areas Loma La Cuaba, Meladito terrain and Ampliacion North.

The exploration program completed to date on the property allowed at generating first priority exploration targets that are now planned to be drill-tested by mid-2009 due to delays in obtaining the concession renewal.

Some drilling follow-up is also planned on the La Lechoza Target in the northern part of the concession, where an intercept of 6.65 g/t gold and 18.8 g/t silver was cut over 22 meters in trench LT-11 by the partners, including 22.1 g/t gold and 48.6 g/t silver over 4 meters.

#### *Loma Hueca*

During the quarter, the Company and its partner Linear Gold incurred exploration expenditures of \$42,000 in the Loma Hueca concession, mainly in reconnaissance mapping and sampling.

The Loma Hueca Concession consists of 3450 hectares approximately 15 km east of Everton/Linear's Loma el Mate Concession. The Loma Hueca concession is located in the upper portion of the stratigraphic sequence of the Los Ranchos Formation. The area includes volcanic clastic rocks and intercalated carbonaceous units similar to the Pueblo Viejo deposit.

During the quarter, Loma Hueca has received mapping and sampling that led to the discovery of the Copey Hill target. This target is characterized by an intense hydrothermal alteration (advanced argillic and strongly silica with acid leached texture) zone with peaks in high tellurium and mercury values from soils. A follow-up exploration program will be undertaken on Loma Hueca in 2009.

Everton can earn an undivided 50% interest in the Loma Hueca Concession by making cash payments totaling US\$100,000, work commitments of US\$600,000 and issuing 200,000 common shares over a three-year period. Everton can acquire a 65% interest in the concession by incurring all additional expenditures on the concession to the completion of a bankable feasibility study and by paying Linear US\$250,000 and issuing 300,000 additional common shares.

#### *Fresso*

During the quarter ended January 31, 2009, the Company incurred exploration expenses of \$222,684 on the Fresso concession. A comprehensive surface evaluation program including mapping, sampling, data integration and a first phase of six exploratory diamond drill holes totalling 443 meters was completed during the quarter on the 66-km<sup>2</sup> Fresso concession located in the north-western part of the Dominican Republic.

To date, the surface evaluation program includes the collection of 2,261 soil samples, 638 rock samples and 125 stream sediment samples which defined five prospects, mostly associated with high- and low-sulphidation epithermal gold environments. The prospects are all located along northwest and northeast-oriented structural breaks and local lineaments, indicating that these structures played a role in the channeling and distribution of precious and base metal mineralization on the Fresso concession.

The five prospects are defined by multi-element soil anomaly assemblages that extend over strike lengths up to 5 km long by 1 km wide. Prospects are identified as follows:

<u>Prospect Name</u>	<u>Soil anomaly size</u>	<u>Mineralization</u>
Los Espanoles & Guacacojenitos	2.5 km x 1.2 km	Structural - gold
Fresso Hill	1.0 km x 0.6 km	Structural, disseminated - copper
Cerro Coronel	1.5 km x 0.5 km	Structural, disseminated - copper
Los Jibaros & El Coroso	5.0 km x 1.0 km	Structural - gold
Juan Miercoles	0.3 km x 0.3 km	Structural - gold, copper

Surface results to date show very anomalous values including highlights of 1.89 g/t and 1.34 g/t gold in soil samples, and 9.61 g/t and 1.78 g/t gold and 4.15% copper in rock samples. Numerous other samples are anomalous in gold and copper, including a rock sample from a mineralized quartz vein assaying 9.61 g/t gold collected during the previous summer mapping.

The 1,500-meter drill program announced in December 2008 was partially completed with the testing of coinciding induced polarization (IP) and soil anomalies. The program intersected some sulphide mineralization from which assay results returned low gold and base metal values with a maximum of 402 ppb gold and 416 ppb gold over 1.5 meter, and 0.67% copper over 1.50 meter. The drill program on Fresso is planned to resume in spring 2009 spring to test the above mentioned prospects. Trenching work is also proposed over selected soil anomalies.

The option agreement involves payment of US\$35,000 to the concession owner (Asesores Internacionales Especializados, S.A.) for a one-year period of evaluation. At Everton's request, this evaluation period can be extended for two additional six-month periods by making payments of US\$17,500 for each period. After the evaluation period, Everton can acquire 100% of the ownership of the property by making final cash payment of US\$140,000. The concession owner will be entitled to retain a royalty of 0.5% NSR of which half can be bought back for \$250,000.

#### *Maimon Copper*

Everton holds 100% interest in eight polymetallic concessions totalling 63.4 km<sup>2</sup> within the Maimon Formation, host of the Cerro de Maimon volcanogenic massive sulphide deposit underway for production in 2008. The concessions are known as El Llano, La Yautia, Miranda, La Sidra, Los Naranjos, Tocoa, Caballero and Loma Blanca.

During the quarter, the Company incurred exploration expenditures of \$34,634 in the Maimon Copper Group of concession mostly for reconnaissance mapping on Miranda and Tocoa.

A 2,193-meter drill program was completed during the previous quarter on two of the eight concessions comprising Everton's 100%-owned Maimon project, namely the La Yautia and El Llano concessions. The program was testing chargeability anomalies in conjunction with alteration zones and soil anomalies. Although no economic intercept was cut, most of the drill holes encountered sulphide mineralization hydrothermal alteration. The best intersection was cut in hole ELL-06 on El Llano with 4.5 meters at 0.13% zinc and 412 ppm copper. Results on Miranda and Tocoa are being processed. No immediate exploration work is planned on the Maimon Copper concessions.

#### *Other Dominican Properties*

Some compilation and limited reconnaissance work are being conducted on the La Mireya, Cacique de Piedra and Piedra Blanca. Exploration proposals for 2009 are being designed for those properties.

#### Quebec

In Quebec, the Company incurred exploration expenditures of \$116,632 during the quarter ended January 31, 2009 with most of the expenses on reporting for assessment work for the Opinaca, Wildcat, Coulon and the Labrador Through properties.

Everton has no immediate exploration plan for 2009 on the properties in Quebec. The Company is looking for a JV partner on these projects. The option on the Kan property located in the Labrador Though area was terminated on February 9, 2009.

#### 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 January 31, 2009	Three months Ended January 31, 2008
	\$	\$
<b>Statement of Operations and Deficit summary</b>		
Total operating expenses	473,176	551,653
Write-down of deferred exploration expenses	61,719	5,256
Interest income	15,800	84,380
Net loss	644,489	467,273
Basic and diluted net loss per common share	0.01	0.01
Weighted average number of common shares outstanding	58,290,333	57,473,983
<b>Statement of Deferred Exploration Expenses Summary</b>		
Deferred exploration expenses before write-down, cost of sold properties and tax credits and mining duties	519,414	861,621
<b>Statement of Cash Flows summary</b>		
Cash flows used in operating activities	253,465	250,757
Cash flows (used in) from investing activities	(581,217)	2,207,410
(Decrease) Increase in cash and cash equivalents	(834,582)	1,956,654
	<u>January 31, 2009</u>	<u>October 31, 2008</u>
	\$	\$
<b>Balance Sheet summary</b>		
Cash and cash equivalents	3,117,633	3,952,215
Long-term investment	434,862	621,975
Mineral exploration properties	1,807,825	1,766,905
Deferred exploration expenses	10,205,631	9,756,154
Shareholders' equity	16,985,943	17,498,238
Total assets	17,200,360	17,675,108

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

Net loss for the period ended January 31, 2009 was \$644,489, as compared to \$467,273 in 2008. This increase is mostly attributable to the recognition of the Company's share of net loss of NQ Exploration Inc. for \$187,113 (\$Nil in 2008).

Net operating expenses for the period ended January 31, 2009 were \$473,176 as compared to \$551,653 in 2008. This decrease is mostly due to the recognition of lower stock based compensation during the period for \$134,319 (\$239,504 in 2008).

Interest income for the period ended January 31, 2009 was \$15,800 as compared to \$84,381 for 2008. This decrease is due to a decline in interest rates of short term investments, and to a decrease in the investments portfolio as the Company advances in its exploration program.

### 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
	\$	\$	\$
31/01/2009	15,800	644,489	0.01
31/10/2008	32,001	961,803	0.01
31/07/2008	39,707	406,031	0.01
30/04/2008	53,325	342,087	0.01
31/01/2008	84,380	467,273	0.01
31/10/2007	91,693	1,606,599	0.03
31/07/2007	88,648	486,737	0.01
30/04/2007	78,233	400,308	0.01

### Liquidity and capital resources

The Company's working capital stands at \$4,498,031 as at January 31, 2009 comparing to \$5,310,466 as at October 31, 2008. This decrease is attributable to the advancement of the Company in its exploration program during the period and to operating expenses incurred in the normal course of business.

The working capital as January 31, 2009 includes investments in treasury bills and bankers' acceptances for \$3,013,343 with maturities of up to 3 months and yielding an interest rate ranging from 0.70% to 1.62%.

The Company's principal requirements for cash during 2009 will be administrative expenditures and deferred exploration expenditures. The Company's direct exploration expenditures in 2009 are expected to be in the order of \$1 million and administrative expenditures will for approximately \$0.6 million. The funds currently available to the Company are sufficient to enable the Company to fund all aspects of its operations for 2009.

### Off Balance Sheet Arrangements

As of January 31, 2009, 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 period, the cost of shared salaries and benefits was \$21,876 (2008 - \$27,801) and rent and office expenses were \$10,600 (2008 - \$10,600). Included in amounts due from related parties is \$33,006 (\$Nil as at October 31, 2008) 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. The cost of shared salaries and benefits was \$22,972 (2008- \$23,424) and rent and office expenses were \$2,797 (2008 - \$2,826). Included in amounts due from related parties is \$27,220 (\$8,955 as at October 31, 2008) due from Adventure.

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

The amounts due from related parties are without interest and terms of repayment.

## 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, during the quarter ended January 31, 2009, the Company recorded \$61,719 in write-downs of mineral properties and deferred exploration expenses (mostly attributable to the termination of the option agreements on the Kan and Furrcrete properties), as compared to \$5,256 in 2008.

## 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, 2008 and 2007.

## Changes in Accounting Policies

Effective November 1, 2007, the Company adopted the new accounting standard related to "General Standards of Financial Statement Presentation" that was issued by the Canadian Institute of Chartered Accountants. This change only addresses disclosures and has no impact on the Company's financial results. This new standard is fully described in note 3 to the unaudited interim consolidated financial statements for the period ended January 31, 2009.

## Future Accounting and Reporting Changes

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 "Noncontrolling 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 Financial Reporting Standards ("IFRS")

The Canadian Accounting Standards Board 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 GAAP to IFRS will be applicable for the Company's first quarter of fiscal 2012. The Company is currently assessing the impact of these new accounting standards on its consolidated financial statements.

During the next periods, the Company will develop its internal implementation plan to meet the guidelines of the future reporting requirements.

## Outstanding Share Data

Common shares and convertible securities outstanding at March 26, 2009 consist of:

Securities	Expiry date	Average exercise price	Number of securities outstanding
Common shares	-	-	58,340,333
Options	Up to March 9, 2014	\$0.49	4,230,000

## Subsequent events

On March 24, 2009, the Company signed an agreement (the "Agreement") for the sale of the mineral rights on 13 properties covering 668 km<sup>2</sup> in the Labrador Trough region of Quebec to Focus Metals Inc. ("Focus Metals"). Pursuant to the terms of the Agreement, the Company will receive 6 million common shares of Focus Metals representing approximately 30% of the current outstanding shares of Focus Metals, at a deemed price of \$0.08 per share, for an aggregate consideration of \$480,000. The completion of the transaction is subject to the listing of Focus Metals' common shares on the Exchange by no later than December 31, 2009. The consideration paid by Focus Metals represents the total acquisition and exploration costs incurred to date by Everton on the properties.

On March 9, 2009, the Company granted 690,000 stock options at \$0.10 to Directors, Officers and an employee.

## 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 March 26, 2009. Additional information on the Company is available through regular filings of press releases and financial statements on SEDAR ([www.sedar.com](http://www.sedar.com)).

(s) André Audet

Chairman of the Board and Chief Executive Officer

(s) Khadija Abounaim

Chief Financial Officer