

MANAGEMENT DISCUSSION AND ANALYSIS

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 February 11, 2008, should be read in conjunction with the audited consolidated financial statements of the Company and notes to the consolidated financial statements for the fiscal years ended October 31, 2007 and 2006. 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 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 Ottawa, Ontario.

Exploration Activities

Details of the Company's deferred exploration expenses during the year ended October 31, 2007 are included in mineral property book values. The Company incurred deferred exploration expenses of \$5,610,416 (before deduction of write-downs of mineral properties, mining rights and tax credits) and mineral properties acquisitions of \$1,654,513 during the year, of which approximately 67% of the total was spent in Quebec and 33% in the Dominican Republic.

New acquisitions

During the year, the Company secured its land position in the James Bay region of Quebec by map-staking several hundreds of claims adjacent to the existing Opinaca and Wildcat properties. A total of 388 claims were added to Wildcat blocks #4, #5, #7 and #8 while the Opinaca A property has increased by 67 claims. This was based on the successful gold showing discoveries during the year.

In Quebec, the Company also acquired from an independent staking syndicate a 100% interest in eleven projects in the James Bay territory, namely Sarcelle, Candlestick, Corvet South, LeMoynes, Gauchet, Duncan, Aylmer, Morand, Pine Hill North, Jobert and Castle South by paying the syndicate \$125,000 and issuing 380,000 common shares of the Company. Further to a sale agreement dated November 22, 2007, and amended on December 5, 2007, the Company sold these properties and seven other properties located in the same area to NQ Exploration Inc. (see subsequent events).

In the Dominican Republic, the Company signed on March 6, 2007 an option agreement (amended on April 10, 2007) to acquire from Linear Gold Corp. ("Linear") an undivided 50% interest in the Ampliacion and Loma Hueca Concessions.

The Company can earn its interest in the Ampliación Concesion by making cash payments totaling US\$700,000 (CAD \$665,000), incurring exploration expenditures of US\$2,500,000 (CAD \$2,375,000) and issuing 1,200,000 common shares over a three-year period.

The Company can increase its interest in the concesion to 65% by incurring all additional expenditures on the concesion to the completion of a bankable feasibility study and by paying Linear US\$2,000,000 (CAD \$1,900,000) and issuing 1,000,000 additional common shares.

The Company can earn its interest in the Loma Hueca Concesion by making cash payments totaling US\$100,000 (CAD \$95,000), incurring exploration expenditures of US\$600,000 (CAD \$570,000) and issuing 200,000 common shares over a three-year period.

The Company can increase its interest in the concesion to 65% by incurring all additional expenditures on the concesion to the completion of a bankable feasibility study and by paying Linear US\$250,000 (CAD \$238,000) and issuing 300,000 additional common shares.

Quebec

Opinaca

On December 9, 2005 Everton signed an option agreement with Azimut Exploration to earn up to 65% interest in Opinaca Blocks A, A-East, B and B-North covering 284 km² by spending \$4,800,000 in exploration work and cash payment of \$340,000 over 5 years. The claims are adjacent to the Eleonore gold discovery, in James Bay Quebec. The Eleonore gold deposit was acquired by Goldcorp from Virginia Gold Mines. Everton is the manager of the Opinaca project.

During the year ended October 31, 2007, the Company incurred exploration expenditures of \$2,285,755 and acquisition costs of \$40,000 on the Opinaca project. Most of the exploration costs at Opinaca consist in drilling, geophysics, prospecting and sampling. The Company proceeded with three drilling programs totalling 4,638 meters, 127 line-kilometers of induced polarization geophysics (IP), mechanical trenching and the collection of more than 2,000 rock, soil and till samples.

On November 9, 2006, the Company announced the drilling results on Opinaca A and B. The 632-meter diamond drill program tested 6 targets along the Inex Zone on Opinaca A and a two-hole 413 meter diamond drill program tested a geological model at the Claude Target on Opinaca B. The results from Opinaca B confirmed mineralization similar to the Eleonore gold discovery and indicated a 5-km long gold bearing structure along a North-East corridor between the Claude Target on Opinaca B and the Manuel Showings on Everton's 100%-owned Wildcat 5 property.

The drill program on the Inex Zone confirmed that the IP anomalies correspond to biotite-rich horizons containing up to 5% pyrite-pyrrhotite within paragneissic rocks. The mineralization is also locally associated to garnet-rich silicified bands. Some visible gold grains were observed in the core. The best results were obtained in hole OP-06-03 where 1.46 g/t Au over 4.0 m between 45.5 m and 49.5 m deep, including 3.03 g/t Au over 1.5 m. Some other isolated values grading up to 8.65 g/t Au over 0.6 meter were obtained in this hole. Additional significant isolated values of 1.07 g/t over 1.0 m was returned in hole OP-06-01, 9.03 g/t Au over 0.5 m in hole OP-06-02 and 3.69 g/t Au over 0.5 m in hole OP-06-05. Overall four of the six holes drilled along the Inex Zone intersected gold values over 1 g/t as well as metric intervals grading over 100 ppb Au. This program confirmed the presence of gold throughout the Inex Zone and the nugget effect of the gold grades.

The drill program that the Company conducted in Opinaca B consisted in the completion of two drill holes totaling 413 m to test geological model on the Claude Target. Drill-hole OP-06-07 was located to target the 5.62 g/t Au sheared outcrop. The entire drill-hole OP-06-07 is characterized by the presence of altered and sheared rocks containing a section of 40-meter wide moderate to strongly pervasive silicification zone within paragneissic and amphibolitic rocks, containing up to 10% disseminated fine-grained arsenopyrite, with minor pyrite and pyrrhotite and thin injections of microcline veinlets. The silicification zones are bounded by zones of biotitization, tourmalinization,

epidotization containing a variable amount of garnets. This mineralization is similar to the mineralization at the nearby Eleonore gold discovery.

Assay results from the 189-meter long hole OP-06-07 returned very anomalous gold values closely associated with the arsenopyrite content and silica alteration. The whole drill section graded 221 ppb over 186.8 meters, including a section of 1.0 g/t Au over 21.5 meters between 130.0 m and 152.5 m deep, including 1.4 g/t Au over 12 meters, including 4.6 g/t Au over 2.0 m. Several other intercepts grading between 1.0 g/t Au and 4.0 g/t Au over 1.0m to 3.0 m were cut outside the main silicified zone. These anomalous gold results associated with pervasive silica alteration and fine-grained arsenopyrite mineralization suggests the proximity to a major mineralized system.

Following the results of the initial drill-test hole OP-06-07, the Company completed during winter a 12-hole diamond drilling program for 2,624-meter to follow-up on the extensions of the zone. Nine holes tested the lateral extensions of hole OP-06-07 over a strike length of 350 meters and at an average depth of 100 meters, except hole OP-07-20 that tested the Claude Target at a depth of 200 meters vertical. The three other holes were testing IP and airborne electromagnetic anomalies 850 meters to 2.5 kilometers away east of the Claude Target.

The silica-altered zone was recognized in all the nine holes drilling the 350-meter lateral extensions at Claude. Hole OP-07-20 that was targeting the zone at depth encountered visible gold over 1.5 meter. The three holes located hundreds of meters to the east did not cut any significant mineralization. Best gold assay values from the winter drilling program are summarized in the table below.

Hole #	From (m)	To (m)	Length (m)	Au g/t
OP-07-09	33.5	35.5	2.0	1.01
OP-07-10	49.0	51.0	2.0	2.22
OP-07-11	121.0	122.0	1.0	2.39
	149.0	151.0	2.0	6.73
OP-07-12	185.5	188.0	2.5	0.56
OP-07-17	109.0	110.0	1.0	3.56
	182.0	183.0	1.0	1.71
OP-07-20	207.0	208.0	1.0	1.01
	302.5	304.5	2.0	3.63
	incl. 303.5	304.5	1.0	6.36
	325.0	327.0	2.0	2.42

Also, during the winter program, the Company completed 34 km of induced polarization (IP) survey in the Claude Target area and 59 km of IP over the Smiley Target, located on the Opinaca A property. The Smiley Target is located in the central part of Opinaca A and consists of an extended gold-in-soil anomaly located only 5 km north of the Eleonore gold discovery. This soil anomaly is supported by the presence of gold values of 2.41 g/t Au, 0.77 g/t Au and 0.18 g/t Au from three different till samples collected down-ice of the soil anomaly.

Based on the encouraging results from the two drilling programs and the discovery of several targets, the Company designed a summer exploration program for Opinaca A & B properties to accelerate exploration work around existing targets as well as identifying other targets from new areas.

During the summer of 2007, more than 4,000 outcrops on existing targets and new anomalous areas were prospected by the field crews, yielding a total of 1,100 rocks samples, 465 till samples and 550 soil samples. Follow-up prospecting and sampling has led to the discovery of the Charles Target on Opinaca A where anomalous to high grade rock chip sample values ranging from 0.1 to g/t to 24.6 g/t Au were returned over an area of at least 500 m long by 100 m wide. Results announced on August 9, 2007 of 92 rock chip samples and 3 boulder samples collected within the mineralized zone are as follows:

- 10 samples yielded values higher than 1.0 g/t Au, including values of 24.6 g/t Au, 16.7 g/t Au, 2.4 g/t Au, 1.6 g/t Au, 1.4 g/t Au and 1.3 g/t Au. Visible gold was observed on the outcrop where the 16.7 g/t Au sample was collected;
- 7 samples returned values ranging from 0.5 to 1.0 g/t Au;
- 15 samples returned values ranging from 0.1 to 0.5 g/t Au; and

- 63 samples returned values less than 0.1 g/t Au.

An additional 66 rock chip samples have been collected and released on September 13, 2007. New rock chip sample results from the Charles Target, collected within an area of 50 meters x 10 meters, yielded results ranging from 1.0 g/t Au to 35.9 g/t Au. From the 66 new samples collected, 24 samples yielded values higher than 1.0 g/t Au, including 7 samples over 10.0 g/t Au (10.1 g/t Au, 10.4 g/t Au, 12.2 g/t Au, 21.6 g/t Au, 21.9 g/t Au, 28.0 g/t Au and 35.9 g/t Au). A rock chip sample from an outcrop located 670 meters on strike to the northeast of the Charles Target returned a value of 2.7 g/t Au. Two other rock samples collected 160 meters and 350 meters to the southwest along the strike of the Charles Target returned respectively 4.0 g/t Au and 1.1 g/t Au. The total strike length of the Charles Target defines a corridor of approximately 1.3 kilometers in length. The lithologies identified in this corridor are composed of garnet and sulphide-rich, chloritized and silicified metasediments in contact with pegmatitic intrusions. The mineralization is comprised of up to 20% pyrite, arsenopyrite with minor pyrrhotite and chalcopyrite associated with garnet and chloritic zones. Another gold showing located 5 km southeast of the Charles Target was also discovered.

An eight-hole 969-m diamond drill program was completed in October to test the extensions of the Charles Target where surface sampling over an area of 1300m long by 100m wide identified values up to 35.9 g/t Au, including 9 values over 10.0 g/t Au and 35 values over 1.0 g/t Au. All 8 holes intersected altered metasediments containing variable amounts of sulfide mineralization. Recent interpretation of the Charles Target suggests a possible extension further south where outcrop sampling returned three values ranging between 0.3 g/t Au and 0.4 g/t Au. A portion of the Charles Target was surveyed with a 10-km IP coverage prior to the drill testing. The best drill intercepts at the Charles Target are summarized in the table below:

Hole #	From (m)	To (m)	Length (m)	Au g/t
AC-07-01	141.0	150.0	9.0	0.8
including	141.0	143.0	2.0	2.7
AC-07-02	140.2	144.1	3.9	0.9
	169.6	177.0	7.4	0.5
	212.2	218.5	6.3	0.8

Three other drill-holes were drilled on IP anomalies at the Smiley Target. Sulphide mineralization was intersected in each hole; however no significant values were obtained. Additional drilling is planned in 2008 on the western extension of the Smiley Target.

Prospecting and rock sampling on Opinaca B led to the discovery of the Dominic Target located approximately half way between the Claude Target and the Manuel Showing along the 10-km long gold-bearing corridor. Values obtained at the Dominic Target returned 6.1 g/t Au, 4.5 g/t Au and 1.7 g/t Au associated with pyrite within silicified and chloritized metasediments with quartz and pegmatite veins (press release Aug. 9th, 2007). Another sample located 3 kilometers southwest along the corridor returned 1.2 g/t Au.

Rock sampling and trenching work conducted in the Claude Target area, returned grab samples grading 5.84 g/t Au and 4.29 g/t Au and a channel sample grading 2.37 g/t Au over 0.5m. These results were obtained from a new mineralized zone trending parallel on the northern side of the main Claude Target (hole OP-06-07: 1.0 g/t Au over 21.5m). More trenching is also planned in the Claude Target area for next summer to follow-up on IP anomalies on strike with mineralization.

Comprehensive prospecting and rock sampling along the 10 km Claude-Manuel corridor has identified additional new high-priority targets on Opinaca B. Several rock samples collected along that corridor returned significant gold values over a strike length of 3 kilometers grading up to 6.1 g/t Au, 4.5 g/t Au, 1.7 g/t Au and 1.2 g/t Au. The mineralization contains up to 5% pyrite and is associated with silicified and chloritized metasediments with quartz and pegmatite veins.

In early 2008, the western extension of the Smiley grid, which is located due north of the Eleonore gold deposit, will be covered with a 28-km IP survey prior to drill testing planned in mid-March. The southern part of the Charles target will be covered as well by a 22-km IP survey.

To follow-up geochemical anomalies and to identify new exploration targets in 2008, an extensive trenching program will continue along the Claude-Manuel corridor in conjunction with ongoing prospecting and sampling programs on both Opinaca A and Opinaca B. The trenching program over the entire 10-kilometer gold-bearing Claude-Manuel corridor between the Claude Target on Opinaca B (under option from Azimut) and the Manuel Showings (12.01 g/t Au over 4.6 meters) on Everton's 100%-owned Wildcat 5. This deformation zone coincides with lake-bottom sediment gold and arsenic anomalies lined up over its strike. All IP anomalies along the deformation corridor will be investigated by rock sampling or mechanical trenching to identify additional drill targets. Twelve other clusters of lake-bottom multi-element sediment anomalies and numerous gold-in-till anomalies outlined during the previous campaign will be followed-up by prospecting and soil sampling.

Wildcat

In January 2005, the Company acquired 100% interest in 7 blocks of claims, totaling 302 km² in immediate area of the Eleonore gold discovery. The claims were acquired from an independent staking syndicate in counterpart of \$100,000 in payment and 300,000 shares of the Company. An additional block of claims (Wildcat #8) was acquired by the Company by map-staking.

During the year, the Company incurred exploration expenditures of \$856,817 on the 8 blocks of the Wildcat project. Most of the exploration costs on Wildcat consisted in mechanical trenching on block #5, soil sampling on block #3, lake-bottom sediment sampling on block #8 and prospecting and sampling on all the blocks.

On January 17, 2007, the Company announced that the 10-kilometer long gold-bearing strike along the northeast trending deformation corridor between the Claude Target on Opinaca B and the Manuel Showings (12.01 g/t Au over 4.6 meters) on Everton's 100%-owned Wildcat 5 property will be covered with magnetic and induced polarization (IP) ground geophysics. This deformation zone coincides with lake-bottom sediment gold and arsenic anomalies lined up over its strike. The IP program was conducted only over the Claude Target on the Opinaca property. Rock exposure in the vicinity of the Manuel Showing allowed at proceeding directly with the trenching program without surveying with IP.

A total of 20 different trenches were mechanically dug in the Manuel Showing area, where new rock sampling returned gold values of 28.2 g/t Au, 18.6 g/t Au and 12.1 g/t Au on selected samples and 2.76 g/t over 1.5 meter on a channel cut. These new results are located east and west of the original "Manuel Showing" over a strike length of 35 meters.

Assays from soil, till and lake-bottom sediment samples collected on the different blocks during the summer 2007 program are mostly received and being processed. The next phase of exploration work on the Wildcat Project will consist of a follow-up and rock sampling over anomalous sectors outlined by the lake-bottom sediment, till and geophysical surveys. Six different zones are already delimited and ready for follow-up. The Claude-Manuel strike will be followed-up with more prospecting, trenching and possibly drilling in 2008.

Star Lake, Eastmain and other James Bay projects

During the year, the Company incurred exploration expenditures of \$795,344 on James Bay properties outside the Opinaca-Wildcat group, and \$784,458 in acquisition costs. These properties are Star Lake (50% with lamgold) and Everton's 100%-owned Eastmain, Eastmain North, Conviac, Morand, Duncan, Sakami, Pine Hill, Pine Hill North, Le Moyne, Candlestick, Corvet South, Gauchet, Jobert and Castle (including Castle South), Nouveau Québec and Labrador.

The Candlestick, Corvet South, LeMoyne and Duncan properties were flown with airborne magnetite and VLF survey. Each of the properties mentioned above was covered with reconnaissance mapping, prospecting or sampling.

Outside of the Opinaca region in James Bay, Everton has contracted the consulting firm IOS Geoscientifiques from Chicoutimi, Quebec, to conduct a comprehensive lake-bottom sediment survey totalling more than 1,150 samples over some of its 100%-owned properties located within a 200 kilometer radius from the Opinaca-Wildcat package, namely Candlestick, Conviac, Corvet Sud, Gauchet, Jobert, Lemoyne, Morand, Pine Hill Nord and Duncan. Samples collected are assayed and currently being processed by IOS.

No activity was reported on Pontax, Sarcelle, Coulon, Wapamisk, Aylmer, Battleship, Scott Lake and Sirmac. The Outardes project located in the Otish Mountains was inactive during the year. The \$30,004 that the Company incurred on these properties is mostly related to claims renewal and management fees.

The non-significant results obtained on the Mirabelli property led to the termination of this option with Majescor and DeBeers.

Dominican Republic

In the Dominican Republic, the Company incurred exploration expenditures of \$1,578,608 during the year with 34% of the expenditures on the Linear Gold option (Ampliacion Pueblo Viejo, Loma el Mate and Loma Hueca) projects, 26% on the GlobeStar Mining options Central DR (Cuance and Los Hojanchos), 15% on the Maimon copper group of concessions, 13% on the Jobo Claro concession, 11% on the Miches Group of concessions and 1% on the concession la Mireya.

During the first quarter of the fiscal year, the Company and its partner GlobeStar Mining Corp. launched a major airborne geophysical survey on all properties owned by the companies in the central Dominican Republic. This includes Cuance, Los Hojanchos, Jobo Claro, Ampliacion, Loma el Mate and the Maimon Copper Group of concessions.

The Company's part of the survey covers about 300 km² and consists of approximately 2,700 line-kilometres of low level survey covering the Maimón Formation, host of the Cerro de Maimón copper/gold project and satellite deposits like Loma Pesada, and parts of the Los Ranchos Formation, host of the Barrick/Goldcorp giant Pueblo Viejo gold deposit, all located in the central part of the Dominican Republic. The Maimón Formation is host to at least 8 outcropping massive sulphide bodies, and the survey is designed to test extensions at depth of these bodies, plus seek-out new non-outcropping mineralization which may have been undetectable by shallow detection methods used in the past. The Los Ranchos Formation is host to large high sulphidation systems, and associated mineralization.

The survey was carried out by FUGRO Airborne Surveys Corp. and consisted of helicopter mounted Electromagnetic and Magnetic measurement equipment, with accurate surveying capable of achieving positional accuracy of 2 meters in static mode. This new survey penetrates to an estimated 300 metres. The survey was done at 100 metre spacing and final processing and leveling was delivered in November 2007. Numerous clusters of strong polymetallic-type targets were outlined on the 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. Recent trench work by Linear Gold has encountered significant mineralization grading 11.3 g/t gold and 310 g/t silver over 18 meters. The Company incurred exploration expenses of \$467,291 on Ampliacion during the year, essentially in airborne geophysics, soil geochemistry and mapping.

In 1981, the government mining company, Rosario Dominicana, during a shallow drill program, intersected 12.3 g/t gold over 12 meters. 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.

The Ampliacion concession covers a portion of the entire stratigraphy of the Los Ranchos Formation, including shallow marine/lacustrine carbonaceous sandstone and shales, hosts the Pueblo Viejo mine. The Los Ranchos is overlain by more the more recent Hatillo Limestone. A recent study by Sillitoe et al. (2006) reports that the basal contact of the Hatillo limestone with the 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 year, in addition to the airborne magnetic and electromagnetic survey the Company and its partner Linear Gold have completed a comprehensive soil survey on the concession. The survey consisted of the collection of at least 2,300 soil samples spaced over a 100 m x 100 m grid in two different areas within the concession. Rock samples have also been collected along the traverses as mineralized and/or hydro-thermally altered exposures are located. The first area surveyed is located immediately adjacent to the western border of the Pueblo Viejo deposit. To date, partial results from soil samples covering the entire south-western sector of the concession have returned values up to 2.19 g/t gold. While results for 200 samples from this survey are still pending, several anomalous areas are emerging. A detailed mapping program is also being conducted to establish the exact stratigraphy, alteration assemblage and mineralisation of the Ampliacion concession and the correlation with the Pueblo Viejo deposit.

The Company and its partner also completed trench work on the La Lechoza Target on the Ampliacion concession to follow-up on trenches done by Linear Gold in 2005 that encountered significant mineralization grading 11.3 g/t gold and 310 g/t silver over 18 meters. The partners have completed an 8-trench program for 794 meters at the La Lechoza prospect, on the northern portion of the concession. The best intercept was obtained from trench LT-11 where 6.65 g/t gold and 18.8 g/t silver were cut over 22 meters, including 22.1 g/t gold and 48.6 g/t silver over 4 meters. Significant intercepts released on September 18, 2007, are listed in the table below:

Trench #	Length	From	To	Gold	Silver
LT-11	22 m	44 m	66 m	6.65 g/t	18.8 g/t
including	4 m	44 m	48 m	22.1 g/t	48.6 g/t
including	2 m	46 m	48 m	33.9 g/t	85.8 g/t
LT-13	18 m	130 m	148 m	1.13 g/t	-
LT-14	10 m	36 m	46 m	4.35 g/t	-
LT-17	16 m	32 m	48 m	0.20 g/t	-
	2 m	100 m	102 m 116 m	0.54 g/t	-
	10 m	106 m		0.12 g/t	-
LT-18				assays pending	assays pending

Several additional intercepts were cut in trenches LT- 13 and LT-14 yielding respectively 1.13 g/t gold over 18 meters and 4.35 g/t gold over 10 meters. These grades confirm and expand the zone of mineralization discovered by Linear Gold in previous trenching programs conducted in this area between 2003 and 2005.

The trenches were excavated to an average depth of 2 meters using an excavator and continuous 2-meter long channel samples were collected from the bottom of the trenches. From the 483 samples collected, a total of 460 samples have been received from the lab to date. The geology observed in the trenches consists mostly of strong argillically altered volcanic dacites and minor andesites. The mineralization observed occurs as massive iron oxide gossan and as disseminated and stockwork veins of oxidized sulphides. The system has a complex geometry and mapping efforts are underway to construct the model of the mineralization.

Mapping is currently underway in the central and northern sectors of the concession, including the area around the La Lechoza prospect. This comprehensive mapping and sampling program on the Ampliacion Pueblo Viejo concession should be completed in early 2008 and integrated with the soil results followed by drill testing the best targets.

Loma el Mate

Everton has acquired the option for an additional undivided 15% interest in the concession, thereby increasing its interest to 65%, by incurring all additional expenditures on the concession to the completion of a bankable feasibility study. Everton is currently analyzing the data from the recently completed air-borne geophysical survey flown over the concession before planning a work program to follow-up on last year's discovery hole TBM-07 at the Tres Bocas

target grading 2.96 g/t Au, 104.91 g/t Ag, 2.03% Cu, and 9.41% Zn over 10.58 meters. An exploration program will be proposed as soon as the processing of the airborne geophysical data will be completed.

The Company and its partner are currently analyzing all the drill and field data of the Las Tres Bocas discovery. The data will be integrated with the new airborne EM and magnetic survey to prepare a follow-up program in 2008.

Loma Hueca

The Loma Hueca Concession consists of 3450 hectares approximately 15 km south-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. The area has received limited mapping and surface exploration. The occurrence of gossan and associated base metals anomalies is known in the area. Surface sampling by Linear in 2006 returned values up to 4.08 g/t Au and 2.3 g/t Au. A first round of reconnaissance mapping and sampling was carried out on the property in December 2007. Assay results are pending. The Company is currently reviewing the dataset prior to the next work proposal.

Cuance and Los Hojanchos

During the year, the Company incurred exploration expenditures of \$416,733 in the Everton Concession group, with 76% of the expenditures on Cuance and 24% on Los Hojanchos. Drilling costs from the last program performed on Cuance in August 2006 account for 41% of the expenditures on the concession.

Most of the field work conducted on the Cuance concession is related to the Las Tres Bocas target on the Loma el Mate concession since the soil and the IP anomalies extend onto both concessions. During the year, the Company and its JV partner Globstar have extended the zone of enriched multi-element soil anomalies on Cuance by over 1.5 km SE of the Las Tres Bocas target located on the adjacent Loma El Mate concession (JV with Linear Gold). The new multi-element soil anomalies include: gold, copper, zinc, lead, and pathfinders cadmium, arsenic and barium, and are equally as strong as the soil anomalies that resulted in a high-grade drill intercept of 11.58 meters of 2.74 g/t Au, 96.73 g/t Ag, 1.87% Cu and 8.62% Zn at the Las Tres Bocas target (press release dated May 17, 2006). These soil anomalies are also on trend with the soil anomalies identified on the adjacent Los Hojanchos concession (JV with Globstar). The soil survey was a continuation of exploration efforts that commenced in the summer of 2005 and as of year-end, 1332 soil samples have been collected on the Cuance concession, including 661 samples taken since September 2006. Exposures of mineralised quartz-sericitic schists which are similar to the Maimon Formation around the Las Tres Bocas area have been identified, mapped and sampled.

On December 4, 2007, the Company and its partner have begun a 6-hole (1,150m) diamond drill program on the Cuance concession. The drill program follows the completion of regional soil geochemistry, mapping and trenching over an area considered to be part of the Maimón Formation; host rocks to the Cerro de Maimón project. Two trenches, T1 and T2, totaling 182 meters have been completed over an area of coincident cadmium, barium, gold and copper geochemical anomalies. Trench T1 cut strong argilic-silica alteration and intersected 1.07 g/t Au over 22m, including 2.01 g/t Au over 9m, which has been interpreted as a sulphide gossan. Trench T2 cut quartz, sulphide and oxide veinlets including 0.82 g/t Au over 12m, which may represent stringer mineralization. The drill program was still ongoing in mid-January 2008.

The Company is fully funding exploration on the Cuance and adjacent Los Hojanchos concessions and has already spent US\$1 million of a committed US\$1.17 million exploration program. After the completion of this drill program, the Company will have earned a 50% interest in the Cuance and Los Hojanchos concessions. Everton can earn an additional 20% by funding a feasibility study to bring the project into production.

Maimon Copper

Everton holds 100% interest in eight polymetallic concessions totalling 63.4 km² within the Maimon Formation, host of the Cerro de Maimon volcanogenic massive sulphide deposit underway for production in 2008.

Compilation of historical work on some of the blocks indicates copper-, zinc- and gold-in-soil anomalies coincident with ground geophysical conductors. During the year, reconnaissance work was conducted over the eight blocks of concession, but detailed mapping and sampling was conducted on two of the concessions, namely La Yautia and El Liano. The eight polymetallic concessions were flown by airborne Mag/EM geophysical survey. Total exploration expenses during the fiscal year for the eight Maimon blocks totalize \$234,759. An exploration program including diamond drilling will be proposed in spring 2008.

Jobo Claro

During the fiscal year, the Company has acquired its 100% interest in the 53 km² Jobo Claro concession adjacent to the eastern edge of the Pueblo Viejo Mine. The Company incurred exploration expenditures of \$208,333 on the project.

The Jobo Claro concession is covered by the volcanic and sedimentary rocks of the Los Ranchos Formation, the same rock unit that hosts the Pueblo Viejo Mine. A regional stream sediment sampling program carried out between 1997 and 2000 by Sysmin for the Mining Office (Direccion General de Minería) of Dominican Republic, covered the Jobo Claro concession. From the 17 stream sediment samples collected on the concession, three of them returned anomalous gold values ranging from 11 to 75 ppb as well as two others, yielded values of 83 and 93 ppm, for a respective background of 10 ppb gold and 65 ppm copper.

A 96-shallow hole air track drilling program was completed in November, to penetrate the quarternary sediments cover and to test possible bedrock and geochemical anomalies. Favorable geology and altered units with sulphide mineralization were cut in some of the holes.

Based on a recent review of the helicopter-borne magnetic and electromagnetic (EM) data, in conjunction with new structural interpretation and air-track drilling data, the Company announced on November 17, 2007 that at least six different targets will be drill-tested in late fall 2007, including one target that is approximately 1 km from one of the Pueblo Viejo mine pits. All drill targets at Jobo Claro are located along a structural trend in the south-eastern extension of the Pueblo Viejo Moore pit. Airborne magnetics and EM data suggests the presence of mafic intrusives and some NE-SW shallow structural conductors. The drill program was completed in December 2007. Results are pending.

Based on the drilling results and final interpretation of the adjacent Ampliacion property, a follow-up exploration program will be proposed in early 2008 at Jobo Claro.

Miches

In 2005, the Company signed an option to acquire up to 85% interest in the Miches project from two independent Dominican companies by spending a total US\$1,800,000 in exploration work and by paying option fees of US\$175,000 over a period of 3 years. The Miches project is comprised of four concessions covering 335 km² (La Guara, Leal, Las Cayas and El Piquito) located in the eastern part of the country. Everton is the operator for the Miches project. Total exploration expenditures during the year on the Miches group of concessions are \$172,002.

A first phase of exploration work was conducted from summer 2006 to the end of the previous quarter. The program consisted mainly of reconnaissance mapping and high density stream sediment sampling. More detailed stream sediment sampling, soil sampling and mapping were carried out over anomalous areas during the year.

After consideration of the limited results obtained during the reconnaissance sampling and mapping the project was abandoned and the option terminated on September 21, 2007.

La Mireya

During the year, the Company completed a first phase of exploration work on the La Mireya concession covering 118.5 square kilometers within the eastern cordillera of the Dominican Republic. The program was consisting in a higher density stream sediment sampling and results are pending. A total of \$17,245 was spent in exploration work on this concession.

The La Mireya concession is covered by the rock of similar age and origin to those of the Los Ranchos Formation that host the Pueblo Viejo gold-silver deposit located 90 km to the west. Several copper-gold porphyry-type occurrences and alluvial placer gold mineralization have been identified in the past in this sector. A regional stream sediment survey conducted by the European Union SYSMIN program yielded gold values up to 1.44 g/t gold and six others over 200 ppm gold on the La Mireya concession.

A follow-up program was supposed to be held in 2007, but was delayed due to higher priority work commitment on project in the vicinity of the Pueblo Viejo mine area. The Company intend to follow-up on La Mireya with reconnaissance mapping and a soil sampling survey in 2008.

Eastern Properties

The Eastern Group of properties that is comprised of Candelaria de Jengibre, Cacique de Piedra, Loma la Ceibita, Los Mosquitos del Este, Loma del Valle and Loma Ceiba de Agua were originally acquired based on the interest in the area following the signing of the Miches agreement.

A reconnaissance mapping and/or sampling was done on those concessions during the year of a total exploration cost of \$10,226. Results are being processed.

Loma del Valle, Candelaria del Jengibre and Loma la Ceibita were renounced due to the limited potential for mineralization. Some follow-up sampling will be proposed in 2008 on the other concessions.

Selected Financial Data

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

Selected Annual Financial Information

For the years ended October 31	2007	2006	2005
	\$	\$	\$
Statements of Operations and Deficit Summary			
Management and consulting fees	485,487	335,399	459,357
Salaries and benefits	1,035,623	585,758	390,578
Total administrative expenses	2,097,985	1,422,192	1,278,043
Write-down of mining properties and deferred exploration expenses	1,145,988	77,708	2,200,767
Interest income and other income	268,953	26,995	40,143
Net loss	3,025,536	1,413,445	3,422,884
Basic and diluted net loss per common share	0.06	0.04	0.11
Weighted average number of common shares outstanding	53,912,018	38,305,595	31,362,920
Statements of Deferred Exploration Expenses Summary			
Deferred exploration expenses before write-down, tax credits and mining duties	5,610,416	3,416,882	1,846,494
Statements of Cash Flow Summary			
Cash flows used in operating activities	(944,449)	(1,034,318)	(1,068,812)
Cash flows used in investing activities	(10,705,500)	(3,439,781)	(2,280,857)
Cash flows from financing activities	12,731,824	5,211,526	3,791,545
Net increase in cash and cash equivalents	1,081,875	737,427	441,876
	<u>October 31, 2007</u>	<u>October 31, 2006</u>	
	\$	\$	
Balance Sheet Summary			
Cash and cash equivalents	2,537,239	1,455,364	
Mineral exploration properties	2,201,870	1,011,875	
Deferred exploration expenses	6,669,196	3,470,563	
Long term liabilities	-	8,366	
Shareholders' equity	18,803,315	7,458,114	
Total assets	19,163,918	7,884,760	

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 Operation

Total loss for the year ended October 31, 2007 is \$3,025,536, as compared to \$1,413,445 for 2006 and \$3,422,884 for 2005. The higher loss in 2007 and 2005 as compared to 2006 is mostly due to important write downs of mineral properties and deferred exploration expenses (\$1,145,988 for 2007, \$77,708 for 2006 and \$2,200,767 for 2005), and also to an increase in salaries and benefits expenses due to the recruitment of new employees and the recognition of higher stock based compensation cost further to the grant of new options

Interest and other income was \$268,953 for the year ended October 31, 2007 as compared to \$26,995 for 2006 and \$40,143 for 2005. This increase is due to interest income earned on the investment of the private placement funds in bankers acceptance during the year.

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
	\$	\$	\$
31/10/2007	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
31/01/2007	10,379	531,892	0.01
31/10/2006	4,182	292,536	0.01
31/07/2006	43,169	348,933	0.01
30/04/2006	32,694	380,870	0.01
31/01/2006	16,430	391,106	0.01

Liquidity and capital resources

The Company's working capital stands at \$9,881,297 as at October 31, 2007, as compared to \$2,929,473 as at October 31, 2006. The increase in working capital is attributable to the February 2007 private placement proceeds which were invested in bankers' acceptance with maturities of up to 6 months. Also, the Company issued additional common shares throughout the year following the exercise of 2,751,033 warrants and 196,000 options for net proceeds of approximately \$1.2 million.

The Company's principal requirements for cash during 2008 will be administrative expenditures and deferred exploration expenditures. The Company's direct exploration expenditures in 2008 are expected to be in the order of \$3.5 million and administrative expenditures will be in the same order of magnitude as in 2007. In February 2007, the Company completed a private placement financing for net proceeds of \$11.5 million. The Company will use the net proceeds to fund its exploration and development activities in the Opinaca region of James Bay, Quebec, to further advance the Company's exploration activities in the Dominican Republic, and for general corporate purposes. These funds, which were invested in bankers acceptance with maturities of up to 6 months yielding an average interest of 4%, are sufficient to enable the Company to fund all aspects of its operations for the next two years.

Off Balance Sheet Arrangements

As of October 31, 2007, the Company has no off balance sheet arrangements.

Related Party Transactions

Under an agreement between the Company and Majescor Resources Inc. (which shares common management), the Company pays the cost of shared salaries and benefits, rent and office expenses which are then reimbursed at cost by Majescor Resources Inc. During the year, the cost of shared salaries and benefits was \$190,201 (2006 - \$185,585) and rent and office expenses were \$33,893 (2006 - \$5,520). Included in accounts receivable is \$27,681 (2006 - \$46,168) due from Majescor Resources Inc.

Under an agreement between the Company and Uranium World Energy Inc. (which shares common management), the Company receives an annual compensation of \$65,000 (2006 - \$65,000) from Uranium World Energy Inc. for administrative services provided by the Company's employees (bookkeeping, filings and other accounting services). Included in accounts receivable is \$11,483 (2006 - \$12,644) due from Uranium World Energy Inc.

Under an agreement effective October 1, 2007 between the Company and Mazorro Resources Inc. (which shares common management), the Company pays the cost of shared salaries and benefits, rent and office expenses which are then reimbursed at cost by Mazorro Resources Inc. The cost of shared salaries and benefits was \$7,815 (2006 - nil) and rent and office expenses were \$985 (2006 - Nil). Included in accounts receivable is \$9,328 (2006 - nil) due from Mazorro Resources Inc.

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 write-downs of \$1,145,988 during the year ended October 31, 2007, as compared to \$77,708 in 2006 and \$2,200,767 in 2005. The write-downs in 2007 are mostly attributable to the 18 Quebec properties sold to NQ Exploration Inc. in November 2007, which were written down by \$426,798 to reflect their estimated net realizable value, the Miches group properties which were abandoned as they no longer fit the Company's development strategy for \$512,067, the Mirabelli project which was abandoned further to the non-significant results obtained on this property for \$106, 229, and other properties in Quebec and Dominican Republic which were abandoned for \$100,894.

Changes in Accounting Policies

Effective November 1, 2006, the Company adopted the new accounting standards related to financial instruments, comprehensive income, equity and hedges that were issued by the Canadian Institute of Chartered Accountants. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are fully described in note 3 to the consolidated financial statements.

Outstanding Share Data

Common shares and convertible securities outstanding at February 11, 2008.

Securities	Expiry date	Average exercise price	Number of securities outstanding
Common shares	-	-	57,682,833
Warrants	Up to August 20, 2008	\$1.61	5,975,000
Options	Up to December 27, 2011	\$0.65	4,755,000

Disclosure controls and internal controls over financial

The Company's Chief Executive Officer and Chief Financial Officer (The Certifying Officers) are responsible for establishing and maintaining disclosure controls and procedures (the "Procedures") which provide reasonable assurance that information required to be disclosed by the Company under the various securities legislation (the "required Filings") is reported within the time periods specified. Without limitations, the Procedures are designed to ensure that material information relating to the Company is accumulated and communicated to management, including its Certifying Officers, as appropriate to allow for timely decisions regarding the Required Filings.

The certifying Officers evaluate the effectiveness of the Procedures on a regular basis throughout the year and have concluded that the Procedures in place as of the end of the period covered by the required Filings are effective in providing reasonable assurance that material information relating to the Company is accumulated and communicated to management and reported within the time periods specified.

The Company's Certifying Officers are also responsible for establishing internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP. There was no material change in the Company's ICFR during this year.

Subsequent events

Further to a sale agreement dated November 22, 2007, and amended on December 5, 2007, the Company sold the following 18 properties located in the James Bay Area to NQ Exploration Inc.: Aylmer, Canddlestick, Castle (including Castle south), Conviac, Corvet Sud, Eastmain, Eastmain Nord, Gauchet, Jobert, Le Moyne, Morand, Pine Hill, Pine Hill Nord, Pontax, Sakami, Duncan, Wapamisk and Star Lake. The Company received 12,000,000 common shares at a price of \$0.10 per share. NQ Exploration Inc. expects to file their final prospectus and obtain a listing on the TSX Venture Exchange by the end of February 2008 at an offering price of \$0.25 per share. Any increase in fair value of the investment in future periods will be recorded in other comprehensive income.

Also, The sale agreement is accompanied with the resolatory condition that if the common shares are not traded in a Canadian stock exchange on December 31, 2008, or on any other subsequent date agreed in writing between the Company and NQ Exploration Inc., the agreement will be cancelled and the parties will be retroactively reversed as if none of the above transactions ever occurred.

As at October 31, 2007, the Company wrote-down the cost of these properties by \$426,798 (\$260,379 in acquisition cost and \$166,419 in deferred exploration expenses) to reflect the estimated net realizable value of these properties.

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 February 11, 2008. 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) *Marc Carbonneau*

Chief Financial Officer