

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 March 27, 2007, should be read in conjunction with the unaudited consolidated financial statements of the Company and notes to the unaudited consolidated financial statements for periods ended January 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 and cents are to Canadian dollars and cents.

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 31st, 2007 is included in Mining Property Book Values. The Company incurred deferred exploration expenses of \$856,875 (before deduction of mining rights and tax credits and write-down of deferred exploration expenses) and mineral properties acquisitions of \$100,992 during the period, of which approximately 53% of the total was spent in Quebec and 47% in the Dominican Republic.

During the last period, the Company increased its land position in the James Bay region of Quebec by map-staking an additional 274 claims adjacent to the existing Opinaca and Wildcat properties. This was based on the successful gold showing discoveries during the year.

Quebec

Opinaca

On December 9, 2004 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 \$4.8 M 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 period, the Company incurred exploration expenditures of \$220,992, including acquisition costs of \$40,000 on the projects.

On November 9th, 2006, the Company announced the drilling results on Opinaca A and B. The 632-meters diamond drill program tested 6 targets along the Inex Zone on Opinaca A and a two-hole 413 meters 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 10-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.

Claude Target – Opinaca B

The Company completed two drill holes totaling 413 meters to test the 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-meters 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 near-by Eleonore gold discovery.

Assay results from the 189-meters 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 Au over 186.8 meters, including a section of 1.0 g/t Au over 21.5 meters between 130.0 meters and 152.5 meters deep, including 1.4 g/t Au over 12 meters, including 4.6 g/t Au over 2.0 meters. Several other intercepts grading between 1.0 g/t Au and 4.0 g/t Au over 1.0 meters to 3.0 meters 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.

The Company is currently following-up on the Claude Target with a 2,000-meters drill program that commenced in mid-February 2007. This program aims at finding the core of the mineralizing system. The Company is also covering the extensions of the Claude Target with IP ground geophysics.

Inex Zone – Opinaca A

Results from a six-hole drill program consisting of 632 meters to test coinciding anomalies were released on the Inex Zone during the period. The program 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 meters between 45.5 meters and 49.5 meters deep, including 3.03 g/t Au over 1.5 meters. Some other isolated values grading up to 8.65 g/t Au over 0.6 meters were obtained in this hole. Additional significant isolated values of 1.07 g/t over 1.0 meters was returned in hole OP-06-01, 9.03 g/t Au over 0.5 meters in hole OP-06-02 and 3.69 g/t Au over 0.5 meters in hole OP-06-05. Overall four of the six holes drilled along the Inex Zone intersected gold values over 1 g/t Au 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.

Everton Resources is currently reviewing the drill data from the Inex Zone in preparation to the next phase of work in summer 2007.

Smiley Target – Opinaca A

During Winter 2007, the Company will also conduct a 80-line-km IP survey over the Smiley Target, which is a new target located in the central part of Opinaca A, to follow-up on an extended gold-in-soil anomaly located only 5 km north of the Eleonore gold discovery (this target can be visualized on Everton's website). 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. This target will be drill-tested during the summer 2007.

Wildcat

In January 2005, the Company acquired a 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 for \$100,000 in cash and 300,000 shares of the Company.

On January 17, 2007, the Company announced that the 10-kilometers 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 entirely 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. A total of 80 line-kilometers will be conducted on Opinaca B and 66 line-kilometers on Wildcat 5. The line cutting and survey started at the end of January 2007 and should be completed by the end of March.

The next phase of exploration work on the Wildcat Project will consist of a reconnaissance and a soil sampling survey over anomalous sectors outlined by the lake-bottom sediment, till and geophysical surveys. Six different zones are already identified and ready for follow-up. The Claude-Manuel strike will be followed-up with prospecting, trenching and drilling in 2007.

The Company also staked an additional 158 claims to the east of Wildcat 5. This new claim block is called wildcat 8. The Company also increased the size of Wildcat 4 by acquiring an additional 26 claims and increased the size of Wildcat 7 by acquiring an additional 23 claims.

Star Lake, Eastmain and other James Bay projects

During the period, the Company proceeded with data processing and reporting on all projects located in the James Bay territory. A work program for 2007 will be proposed as soon as the compilation and the interpretation is completed.

Dominican Republic

In the Dominican Republic, the Company incurred exploration expenditures of \$453,617 during the period, with 34% on the GlobeStar Mining options in the central Dominican Republic (Cuance and Los Hojanchos), 28% on Jobo Claro, 16% on the Maimon copper group of concessions, 15% on the Miches Group of concessions and 4% of the expenditures on the Linear Gold option Loma el Mate project.

Central Dominican Republic

During the period, 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, 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 3,143 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 is being carried out by FUGRO Airborne Surveys Corp. and consists of helicopter mounted Electromagnetic and Magnetic measurement equipment, with accurate surveying capable of achieving positional accuracy of 2 meters in static mode. The only previous EM survey was done in 1972, where the penetration below surface was estimated to be approximately 80 metres in depth, the technical limit of the equipment at that time.

The new survey will penetrate to an estimated 300 metres and at 100 metre spacing. The result of the survey and interpretation should be done by the end of May.

Cuance and Los Hojanchos

During the period, the Company incurred exploration expenditures of \$153,467 in the Everton Concession group, with 91% of the expenditures on Cuance and 9% on Los Hojanchos. Drilling costs from the last program performed on Cuance in August 2006 account for 93% of the expenditures on the concession

Most of the field work conducted on the Cuance concession is related to the Las Tres Bocas target (see the Loma el Mate section), where mapping and soil sampling were carried out during the period. Exploration expenses on Los Hojanchos consisted mainly in mapping and stream sediment sampling in the southern part of the concession where some copper anomalies were outlined.

The Cuance concession and adjacent Los Hojanchos concession are also being reviewed for other polymetallic targets. Reconnaissance work, stream and soil survey were conducted over the two concessions to follow-up on previous stream anomalies. Results of the airborne EM survey will be integrated within the next exploration program proposal.

Maimon Copper

Everton holds 100% interest in eight polymetallic concessions totalling 63.4 km² within the Maimon Formation. 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 on two of the concessions, namely La Yautia and El Liano. The eight polymetallic concessions are being flown by an airborne Mag/EM geophysical survey. An exploration program will be proposed soon after the delivery of the airborne data. A work program should begin in early June.

Jobo Claro

In September 2005, The Company signed an agreement with an independent owner to acquire 100% interest in the Jobo Claro concession adjacent to the Pueblo Viejo mine. The 53 km² property is located 1.5 km east of the Pueblo Viejo pits.

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 (Dirección 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 Au as well as two others, yielded copper 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 quaternary sediments cover and to test possible bedrock and geochemical anomalies. Results are being processed at the laboratory. An airborne Mag/EM survey is also being conducted on the concession. Coinciding geochemical and geophysical anomalies will be followed-up in spring 2007.

Loma el Mate

The Company and its 50-50 partner Linear Gold Corporation discovered in the spring 2006 two major high-grade massive sulphide intersections in holes TBM-07 and TBM-12. Hole TBM-07, collared 100 meters SE of hole TBM-02, cut a 10.58-meters intercept, grading 2.96 g/t gold, 104.91 g/t silver, 2.03% copper and 9.41% zinc, and hole TBM-12 located 50 meters away from TBM-07, cut a 4.57 meters intercept, grading 1.36 g/t Au, 120.0 g/t silver, 0.75% copper and 8.05% zinc. The volcanogenic massive pyrite-chalcopyrite-sphalerite mineralization (>75% coarse-grained sulfides) (VMS) intercept occurs above a thick interval of strongly altered and mineralized section of quartz-sericitic schist.

A third 12-hole drilling program for 1,064 meters was completed in August to follow-up and test the continuity and extensions of the high-grade massive sulfide intercepts discovered during the previous program. Drilling indicates continuity of massive sulphide mineralization over a surface area of 100 meters X 100 meters which remains open laterally and down dip. Drill hole TBM-19 was collared 40 meters north of discovery hole TBM-07, cut semi-massive sulphides from 44.0 meters to 54.0 meters. The top part of the intercept returned 1.27% Zn over 3.04 meters. Drill hole TBM-23, collared 41 meters south-west of discovery hole TBM-07, intercepted multiple semi-massive sulphide horizons between 40.9 meters and 59.0 meters, that contained a 2.13 meters interval of 1.24 g/t Au, 53.0 g/t Ag and 8.65% Zn between 45.72 meters and 47.85 meters. A second intercept of 0.6 meters, averaging 0.74 g/t Au, 35.40 g/t Ag, 0.92% Cu and 1.55% Zn was returned between 40.84 meters and 41.44 meters. Drill hole TBM-24 located 25 meters east of discovery hole TBM-07 returned 8.2 meters of semi-massive to massive sulphide mineralization, averaging 65.40 g/t Ag and 4.20% Zn between 36.00 meters and 44.20 meters. Another 7.63-meters intercept of 0.19 g/t Au, 12.61 g/t Ag and 3.90% Zn was cut between 48.76 meters and 56.39 meters.

The Company and its partner are currently analyzing all the drill and field data from the Las Tres Bocas discovery. The data will be integrated with the new airborne EM and magnetic survey that is underway. All EM targets will be followed-up this spring.

Eastern Dominican Republic

La Mireya

During the period, the Company completed a first phase of exploration work on its 100% owned La Mireya concession covering 118.5 square kilometers within the eastern cordillera of the Dominican Republic. The program consisted of higher density stream sediment sampling and these results are pending.

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.

The best targets will be followed-up by reconnaissance mapping and a soil sampling survey in the Spring 2007.

Miches

Everton has the option to acquire up to a 85% interest in the Miches project from two independent Dominican companies by spending a total of 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.

A first phase of exploration work was completed in summer 2006. The program consisted mainly of reconnaissance mapping and high density stream sediment sampling. More detailed stream sediment sampling, soil sampling and mapping are currently underway over anomalous areas.

Selected Financial Data

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

Selected Consolidated Financial Information (unaudited)

For the three-month periods ended

	January 31, 2007	January 31, 2006
	\$	\$

Statements of Operations and Deficit Summary

Management and consulting fees	85,684	57,426
Total administrative expenses	530,393	335,356
Write-down of mining properties and deferred exploration expenses	11,878	72,180
Interest income and other income	10,379	911
Option payments	-	15,518
Net loss	531,892	391,107
Basic and diluted net loss per common share	0.01	0.01
Weighted average number of common shares outstanding	45,912,804	33,896,815

Statements of Deferred Exploration Expenses Summary

Deferred exploration expenses before write-down, tax credits and mining duties	856,873	325,285
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Statements of Cash Flow Summary

Cash flows used in operating activities	(306,494)	(49,445)
Cash flows used in investing activities	(775,895)	(506,150)
Cash flows from financing activities	1,058,345	457,567
Net decrease in cash and cash equivalents	(24,405)	(98,027)

	January 31, 2007 (unaudited)	October 31, 2006 (audited)
	\$	\$

Balance Sheet Summary

Cash and cash equivalents	1,431,319	1,455,364
Mineral exploration properties	1,112,867	1,011,875
Deferred exploration expenses	4,162,489	3,470,563
Shareholders' equity	8,077,742	7,458,114
Total assets	8,447,725	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 period ended January 31, 2007 is \$531,892, as compared to \$391,107 for 2006.

Administrative expenses were \$530,392 for the period, as compared to \$335,356 for 2006. This increase is mostly due to the advertising and conference campaign incurred in Europe, a grant of an annual bonus to employees and an increase in stock based compensation following the grant of new options.

Interest and other income was \$10,379 for the period as compared to \$911 for 2006. This increase is due to higher amounts of short term investments during the period as compared to the same period in 2006.

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
	\$	\$	
31/01/2007	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
31/10/2005	24,431	1,006,950	0.04
31/07/2005	9,617	1,745,000	0.05
30/04/2005	18,998	317,369	0.01

Net loss is relatively steady over the last eight quarters except for the third and fourth quarters of 2005 when important write-downs of mineral properties were recorded (\$1,452,507 in the quarter ended July 31, 2005 and \$748,260 in the quarter ended October 31, 2005).

Liquidity

The Company's working capital stands at \$2,751,097 as at January 31, 2007, as compared to \$2,929,473 as at October 31, 2006.

The Company's principal requirements for cash during 2007 will be administrative expenditures and deferred exploration expenditures. The Company's direct exploration expenditures in 2007 are expected to be in the order of \$5 million and administrative expenditures will be approximately \$1 million. In February 2007, the Company closed a private placement financing of \$12.5 million. The Company will use the net proceeds from this offering 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.

Capital Resources

During the period, the Company issued 2,640,747 common shares for total net proceeds of \$1,058,778 including 104,000 common shares issued on the exercise of options and 2,536,747 common shares issued on the exercise of warrants.

Also, in February 2007, the Company closed a private placement financing of 10,000,000 units @ \$1.25 per unit for gross proceeds of \$12.5 million.

Off Balance Sheet Arrangements

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

Related Party Transactions

Related party transactions not disclosed elsewhere in these financial statements are as follows:

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 period, the cost of shared salaries and benefits was \$64,236 (2006 - \$41,778) and rent and office expenses were \$8,280 (2006 - Nil). Included in accounts receivable is \$50,314 (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 a quarterly compensation of \$16,250 (2006 – Nil) 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 \$5,742 (2006 – 12,644) due from Uranium World Energy Inc.

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.

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, a write-down of \$11,878 during the period ended January 31, 2007 attributable to Hot Springs property, as compared to \$72,180 in 2006 attributable to Uruguay abandoned property.

Changes in Accounting Policies

Effective November 01, 2006, the Company has adopted two new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants in 2005. 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 as follows:

Financial Instruments – Recognition and Measurement (Section 3855)

Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the statement of loss.

The Company has classified its investment as available-for-sale and therefore carries it at fair market value, with the unrealized gain or loss recorded in shareholders' equity as a component of other comprehensive income. These amounts will be reclassified from shareholders' equity to net income when the investment is sold. Previously, investments were carried at the lower of cost and market value.

Comprehensive Income (Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. In accordance with this new standard, the Company now reports a consolidated statement of comprehensive loss and a new category, accumulated other comprehensive income, has been added to the shareholders' equity section of the consolidated balance sheet. The components of this new category will include unrealized gains and losses on financial assets classified as available-for-sale.

Outstanding Share Data

Common shares and convertible securities outstanding at March 27, 2007.

Securities	Expiry date	Average exercise price	Number of securities outstanding
Common shares	-	-	57,186,985
Warrants	August 20, 2008	\$1.65	5,325,000
Options	Up to Dec 27, 2011	\$0.59	3,935,850

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable. Management does not believe these financial instruments expose the Company to any significant interest, currency or credit risks. The fair market values of these instruments approximate their carrying value.

Subsequent events

- a) In February 2007, the Company closed a private placement financing of 10,000,000 Units at a price of \$1.25 per Unit for gross proceeds of \$12,500,000. Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each Warrant will entitle the holder to purchase one common share of Everton at a price of \$1.65 until August 20, 2008, provided that if the weighted-average price of the common shares of the Company on the TSX Venture Exchange is equal to or greater than \$2.50 for 20 consecutive trading days, the holder will have 30 days to exercise their warrants failing which the warrants will expire, provided that such expiry date shall be no earlier than June 21, 2007. Shareholders will be notified when the force exercise has been triggered. The brokered private placement was completed by a syndicate of agents led by Orion Securities Inc. and including Canaccord Adams Inc.. In connection with the private placement, the Agents received cash commission equal to 6.5% of the gross proceeds of the Offering. The Agents also received compensation options equal to 6.5% of the total number of Units sold pursuant to the Offering. Each Compensation Option entitles the Agents to purchase one Unit at the Issue Price until August 20, 2008. Everton will use the net proceeds from the Offering to fund its further exploration and development 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.
- b) In March 2007, the Company signed an agreement with an independent staking syndicate to acquire the entire interest in 1,480 claims in the James Bay territory of Quebec. Under the terms of the agreement, The Company will acquire a 100% interest in the 1,480 claims by paying the syndicate \$125,000 within five days of the receipt of Exchange approval and the issuance of 380,000 common shares of EVR upon confirmation of the titles. The properties are subject to a 2% NSR payable to the syndicate. The Company has the option to purchase up to one-half of the 2% royalty for \$1,000,000.
- c) In March 2007, the Company decided to increase the number of shares reserved for issuance under its stock option plan, subject to regulatory approval, from 4,500,000 options to 5,680,698 options, representing 10% of the outstanding shares.

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 period.

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 27, 2007. 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