

EVERTON RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THIRD QUARTER ENDED JULY 31, 2008

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 September 26, 2008, 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 and nine months ended July 31, 2008 as well as the Company's audited consolidated financial statements and notes thereto for the year ended October 31, 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

The Company incurred deferred exploration expenses of \$880,913 (before deduction of tax credits and mining duties) during the third quarter ended July 31, 2008, of which approximately 41% of the total was spent in Quebec and 59% in the Dominican Republic. Details of the Company's deferred exploration expenses during the period are included in note 5 of the consolidated financial statements. Also, during the period, the Company incurred mineral properties acquisitions of \$184,554 of which approximately 19% was incurred in Dominican Republic and 81% in Québec.

New acquisitions

During the quarter, the Company signed an option agreement to acquire a 100% interest in the Fresso property located in north-western Dominican Republic. The concession covers 6,650 hectares where extensive zone of disseminated sulphides mineralization occurs within the siliceous bedded chert.

The Company also acquired by map-staking 100% interest in 15 new projects covering more than 700 sq-km for 1,447 designated claims (CDC). Projects are all located in the Labrador Trough between Schefferville and Kuujuaq.

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 \$4.8 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 quarter, the Company incurred exploration expenditures of \$53,104 on Opinaca. Most of the exploration costs at Opinaca consisted in assays from the winter-spring drilling program.

Final assay results from the 2008 winter-spring drill program were received after this quarter in August and announced on September 2nd, 2008. Twelve holes totalling 1,600 meters were completed by Everton and its partner Azimut Exploration Inc. to test coinciding airborne electromagnetic (AEM) conductors, induced polarization (IP) anomalies and geochemical anomalies on the Smiley, Lola, and Charles Targets located on Opinaca A and the Dominic Target on Opinaca B. Most of the drill holes intersected altered sediments containing a variable amount of sulphide mineralization. Due to technical problems in cutting thick overburden to reach the bedrock, many planned drill holes were abandoned on the Lola and Smiley Targets and the drilling strategy was modified. The re-designed drill program succeeded at intersecting anomalous gold values at the Smiley and the Dominic Targets.

Highlights of the drill program include 4.24 g/t Au over 1m and 0.38 g/t Au over 1m in Hole OS-08-04A at the Smiley Target on Opinaca A and 0.55 g/t Au over 0.3m and 0.60 g/t Au over 1.2m in Hole DB-08-01 at the Dominic Target on Opinaca B. The Smiley Target on Opinaca A is located due north of the Eleonore Gold Deposit (2.5M oz. gold indicated) where Goldcorp Inc. reported in their 2008 Second Quarter Report the conduction of intensive drilling in the north and south extensions of the deposit.

For the next quarter, Everton and its partner Azimut will be integrating the new results with the regional dataset in order to prepare the next round of exploration work on Opinaca A & B. Future drill programs will require heavier drill equipment in order to test targets located below thick overburden coverage.

Wildcat

In January 2005, the Company acquired 100% interest in 7 blocks of claims, totalling 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 second quarter of 2008.

During the quarter, the Company incurred exploration expenditures of \$105,825 mainly on the Wildcat 1 and 5 projects. Most of the exploration costs incurred Wildcat consisted in a 4-hole 419-meter drill program in the Manuel Showing area (12.01 g/t Au over 4.6 meters in channel sampling) on the Wildcat 5 property, and processing and report writing on Wildcat 1 and 2.

The extensive induced polarization program undertaken in January 2008 over the Wildcat 1 Moose was completed during the last quarter. The Moose Target consists of the western extension of the Smiley Target onto the Wildcat 1 property. This target was never drilled due to excessive depth of the overburden coverage.

Assay results from the drilling on the Manuel Showing were received in August, but did not return any significant result. Everton is currently integrating these new results with the regional dataset to prepare the next exploration program on the Wildcat blocks.

Coulon

The Coulon property consists of 206 claims 100%-owned by Everton covering 102 km² distributed in 7 blocks and is located 45 km north of the Fontanges airport in James Bay, QC. All blocks are adjacent to Virginia Gold Mine's Coulon property where 7 high-grade volcanogenic polymetallic massive sulphide lenses have been discovered to date.

During the quarter, the Company incurred exploration expenses of \$64,707 on a reconnaissance survey on all the blocks of the Coulon property. The recently concluded reconnaissance program on the Coulon property, including the collection of 77 rock samples, identified mineralization consisting mainly of stratabound sulphides (pyrrhotite, pyrite, chalcopyrite and sphalerite) intercalated with amphibolitic horizons. Disseminated sulphides are also observed locally in amphibolites, granitoids and paragneisses. The rock samples are being assayed at the ALS Chemex Laboratory in Val d'Or, QC. Results are expected in September.

Gold Strait

Everton's Gold Strait property is comprised of 105 claims 100%-owned by Everton located in the north-eastern part of *La Grande Reservoir*, 60 km east of the town of Radisson in James Bay, QC. During the quarter, the Company incurred exploration expenses of \$37,174 on a reconnaissance survey on the property. The recent reconnaissance mapping survey, including the collection of 76 rock samples, identified disseminated sulphide and veinlets within amphibolites, paragneisses and biotite greiss bands. Sulphide phases are represented by pyrite, chalcopyrite and pyrrhotite. Rock samples are being assayed at the ALS Chemex Laboratory in Val d'Or, QC. Results are expected in September.

Labrador Trough

During the quarter, the Company acquired by map-staking 100% interest in 13 new projects covering more than 700 sq-km for 1,447 designated claims (CDC) in the Labrador Trough, in the northern part of Quebec, between Schefferville and Kuujuaq. The properties are Goose, Fox, Lac Aulneau, Colombet, Leopard, Diana, Lemming, Jack Rabbit, Lac Ribero, Otelnuck, Minowean, Canyon and Romer.

During the quarter, the Company incurred acquisition costs of \$149,963 and exploration expenses of \$103,772 being mainly compilation costs.

The supracrustal rocks of the Labrador Trough form a thrust and fold belt of ages between 2.17-1.87 Ga on the margin of the Superior Province. In Quebec, the belt includes two volcanoclastic cycles. A third cycle composed of synorogenic metasedimentary rocks overlies the sequence. The belt is subdivided into eleven lithotectonic zones which are internally uniform with respect to lithological assemblage, structural style, and the distribution of mineral deposit types is characteristic for each zones.

Several syn- to diagenetic deposits hosted by rocks from the first cycle can be linked to the initial rifting of the Archean craton, to the rift infilling that followed, and to the establishment of an early marine platform. Stratiform copper sulphide deposits located in the dolomites of the early platform stage are typical of deposits observed in this environment elsewhere on Earth. A few sedimentary uranium deposits were formed in sandstones and siltstones that accumulated during the rifting event, particularly in the Early Proterozoic outliers located west of the orogen in the Superior Province. Lake Superior-type iron formation precipitated during the early platform stage of the second cycle. Algoma-type iron formation and associated VMS deposits originated in deeper water in an adjacent basin that was coeval with this platform. Magmatic Cu-Ni-PGE deposits, hosted mainly in mafic sills and locally in picritic lava flows, formed at the beginning of the mafic volcanic episode ending the second cycle. A large carbonatite intrusion emplaced late in the second cycle contains concentrations of Nb-Ta-REE. Tectonometamorphic fluids generated during the Hudsonian Orogeny (1.82-1.77 Ga) are believed to have remobilized preexisting deposits, resulting in the formation of a variety of epigenetic base- and precious-metal deposits. Locally, these deposits are spatially associated with regional or local faults. A table of the Company's properties in the Labrador Trough exposing mineralization types and main showings is listed in the table below:

Project name	Commod.	# claim	Deposits / Prospects	Grade	Deposit type
Lemming	Ni-Cu	137	Zone Bay (Cu-Ni)	9.40 % Cu, 2.10% Ni, 0.07% Co (grab); 2.10% Cu, 0.32% Ni, 214 ppb Au (grab)	Ni-Cu magma.
			Lac Lafond (Cu)	0.77% Cu 0.03% Ni, 0.01% Zn, 92 ppb Au (grab)	Cu veins
Diana	Cu, Ni, Pd-Pt	275	Lac Enish (Pt-Pd)	650 ppb Pd, 460 ppb Pt (grab)	PGE SF
Leopard	Cu	57			
Jack Rabbit	Ni-Cu, Pd-Pt	93	Indice Clark (Cu)	0.63% Cu, 0.11% Ni, 0.22 g/t PGM (grab)	Diss. Cu-Ni-PGE
			Lac Gillet (Cu)	0.51% Cu, 0.10% Ni (grab); 0.37% Cu over 9.14 m (ddh); 0.34 g/t Au / 0.88 cm (ddh)	Ni-Cu hydr. intrusion
Colombet	Cu	109			
Lac Aulneau	Cu	42			

Goose	Cu	73			
Fox	Ni-Cu	136	Lac Walsh (Cu)	1.68% Cu (grab); 1.56% Cu sur 2 m (channel sample); 0.15% Cu / 12.7 m (ddh)	Cu veins
Lac Ribero	Ni-Cu	121			
Otelnuk	Ni-Cu	68			
Minowean	Ni-Cu	102			
Romer	Ni-Cu, Pd-Pt	147	Indice Bowen (Pt-Pd)	1.90 g/t Pd, 540 ppb Pt (grab)	PGE SF
			Lac Saint-Pierre (Pd-Cu)	1.49 g/t Pd, 570 ppb Pt (grab); 1.08 g/t Pd, 510 ppb Pt, 200 ppb Au (grab); 0.88% Cu, 0.08% Ni (grab)	Ni-Cu hydr. intrusion
			Lac Saint-Pierre Nord (Cu-Ag)	1.39% Cu, 11.9 g/t Ag, 190 ppb Au (grab); 0.36% Cu, 2.1 g/t Ag, 105 ppb Au (grab)	Cu veins
			Venditelli (Lac St-Pierre: Au)	27.98 g/t Au (grab); 9.36 g/t Au (grab); 11.98 g/t Au / 0.25 m (channel); 4.39 g/t Au / 0.45 m (channel); 1.78 g/t Au / 1.80 m (ddh)	Au iron formation
			Fort Chimo (Lac Plissé: Cu Zn Ag Au Ni)	1.18% Cu, 0.27% Ni, 1.09 g/t Au, 12.8 g/t Ag, 0.72% Zn / 1.5 m (ddh); 5.2% Cu, 1% Zn (grab)	VMS, Ni-Cu hydr. Sedim.
			Lac Hellancourt-Est (Cu (Ni))	0.60% Cu (grab)	
Canyon	Ni-Cu, Au	87	Sapeena (Cu-Ag)	6.76% Cu, 8.7 g/t Ag, 1995 ppm Ni, 533 ppm Zn (grab)	Iron form.
			Sapeena Gabbroïque (Cu-Ni)	264 ppb Pd, 0.58% Cu, 0.56% Ni; 74 ppb Pd, 2.07% Cu (grab)	Ni-Cu magma.
			Indice DJ (Au)	2.95 g/t Au, 0.12% Cu; 1.2 g/t Au (grab)	Au veins
			Indice J-L (Cu)	96 ppb Pd, 1.96% Cu, 0.12% Ni (grab)	Ni-Cu magma.
			Détour (Cu-Au)	1.55 g/t Au, 0.82% Cu (grab)	

The Company is currently designing exploration programs for each of the properties in the Labrador Trough. A reconnaissance survey including rock sampling is currently underway on the Canyon, Jack Rabbit, Goose and Fox projects.

The Company signed an option agreement during the last quarter with the private company Les Ressources Tectonic Inc., to acquire 100% of the interests in the Kan property, also located in the Labrador Trough, in northern Quebec. A reconnaissance survey is planned for fall 2008 on the property.

Dominican Republic

In the Dominican Republic, the Company incurred exploration expenditures of \$518,025 during the quarter with 41% of the expenditures on the Linear Gold option Ampliacion Pueblo Viejo, Loma Hueca (now Ponton) and Loma el Mate (now La Cueva) concessions, 5% on the Jobo Claro concession, 42% on the El Llano and La Yautia concessions and 7% on the new Fresso option

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. During the quarter, the Company incurred exploration expenses of \$134,716 on Ampliacion, essentially in IP geophysics and mapping.

The exploration program completed to date on the property consisted in the collection of 2,300 soil samples, 35 kilometers of IP survey, systematic mapping and rock sampling and 794 meters of mechanical trenching over the La Lechoza prospect. The data collected is being processed in preparation to diamond drilling follow-up that will be undertaken in fall 2008. 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. Best trenching results 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	0.54 g/t	-
	10 m	106 m	116 m	0.12 g/t	-
LT-18				assays pending	assays pending

Loma Hueca and Loma el Mate

A reconnaissance program was undertaken on the Loma Hueca concession located within the Los Ranchos Formation, host of the Pueblo Viejo mine. The program is still ongoing.

Two diamond drill holes for approximately 160 meters were done in the immediate extension of the Tres Bocas discovery hole TBM-07 to test the geology and the geometry of the massive sulphide lens. Results are pending.

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.

During the quarter, the Company incurred exploration expenditures of \$217,391 in the Maimon Group of eight polymetallic properties, with expenditures of \$216,033 mainly for drilling and geophysics on El Llano and La Yautia.

The Company announced in July the beginning of a first phase of the drill program that was consisting of a 10-hole diamond drill holes totalling 2,000 metres on Everton's 100%-owned El Llano and La Yautia polymetallic concessions. This phase of the drill program is designed to test polymetallic copper-zinc-gold-silver volcanogenic massive sulphide ("VMS") targets which were identified by the 2007 helicopter-borne magnetic and electromagnetic surveys, the recent 32-km ground induced polarization ("IP") survey and the soil geochemical anomalies. The El Llano and La Yautia concessions, covering 1,512 hectares, are located in an area underlain mostly by mafic metavolcanics of the Maimon Formation, host of GlobeStar Mining Inc.'s ("GlobeStar") Cerro de Maimon VMS deposit (currently under development), located approximately 12 km to the southeast along strike. The drill program on El Llano and La Yautia is still ongoing.

Jobo Claro

During the quarter, the Company incurred exploration expenditures of \$26,989 on its 100%-owned Jobo Claro project. Expenditures consisted of mapping and sampling

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. 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 proceeded in fall 2007 with a first round of 4-hole drilling program totalling 796 meters. Although, the drill program did not intersect any significant value, a follow-up exploration mapping program and sampling was undertaken and integrated with the Ampliacion dataset. The program is still ongoing.

Fresso

During the quarter, the Company signed an option agreement for the Fresso property in north-western Dominican Republic. The Company incurred exploration expenses of \$36,760 during the quarter on the Fresso concession, mainly in reconnaissance mapping.

The Fresso concession covers 6,650 hectares where extensive zone of disseminated sulphides mineralization occurs within the siliceous bedded chert. The area is underlain mostly by mafic metavolcanics and cherts of the Duarte Formation (Lower Cretaceous), in contact with intrusive tonalites. Historical surface exploration and prospecting, including soil and rock geochemistry, and trenching reveals multi-element anomalies in gold, copper and zinc. Placer gold has been mined extensively in the property.

Assessment work conducted by Everton Minera Dominicana during a due diligence period prior to the acquisition of the option on the property included additional rock sampling and 6 kilometres of induced polarization (IP) geophysical survey. This survey indicates the presence of numerous significant IP anomalies which correlate with the geochemical results. These anomalies consist of high-priority targets for the drilling program planned to be starting in fall 2008. This initial drill program will consist of 5 to 10 diamond drill holes of a depth ranging between 75 m to 150 m. Everton is currently conducting a thorough surface evaluation of the property by geologic mapping and geochemical sampling.

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.

La Mireya

A teledetection remote sensing study was completed on the la Mireya concession during the quarter for a total cost of \$3,850. This study aimed at generating target areas in preparation for the mapping program planned for the next quarter.

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 quarterly consolidated financial statements of the Company, which were prepared in accordance with Canadian generally accepted accounting principles.

Selected Consolidated Financial Information (unaudited)

	Three months Ended July 31, 2008	Three months Ended July 31, 2007	Nine months Ended July 31, 2008	Nine months Ended July 31, 2007
	\$	\$	\$	\$
Statement of Operations				
Salaries and benefits	121,088	109,387	354,952	466,531
Stock based compensation	202,976	249,342	583,774	437,425
Total operating expenses	445,738	575,384	1,392,803	1,596,199
Write-down of deferred exploration expenses	-	106,229	5,256	118,107
Interest income	39,707	88,648	177,412	177,260
Net loss	406,031	486,737	1,215,391	1,418,939
Basic and diluted net loss per common share	0.01	0.01	0.02	0.03
Weighted average number of common shares outstanding	57,798,869	57,411,986	57,653,029	52,717,971
Statement of Deferred Exploration Expenses				
Deferred exploration expenses before write-down, cost of sold properties and tax credits and mining duties	880,913	1,262,601	3,628,594	3,970,803
Statement of Cash Flows				
Cash flows used in operating activities	273,467	194,401	813,267	880,880
Cash flows from (used) in investing activities	587,182	550,708	3,485,924	(9,564,960)
Cash flows from financing activities	100,500	-	146,981	12,709,299
Increase in cash and cash equivalents	414,215	356,307	2,819,638	2,263,459
Balance Sheet				
			July 31, 2008	October 31, 2007
			\$	\$
Cash and cash equivalents			5,356,877	2,537,239
Short term investments			-	5,468,851
Long term investment			2,220,000	-
Mineral exploration properties			1,783,877	2,201,870
Deferred exploration expenses			8,909,165	6,669,196
Shareholders' equity			19,390,680	18,803,315
Total assets			20,037,832	19,163,918

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

Results of Operations for the three months ended July 31, 2008 and 2007

Total loss for the three-month period ended July 31, 2008 was \$406,031, as compared to \$486,737 for 2007. This decrease is mostly due to the absence of write-downs of deferred exploration expenses during this period comparing to \$106,229 in 2007.

Interest and other income for the three-month period ended July 31, 2008 was \$39,707 as compared to \$88,648 for 2007. This decrease is consistent with the decrease in the investments in banker's acceptance portfolio, as the Company advances in its exploration program.

Results of Operations for the nine months ended July 31, 2008 and 2007

Total loss for the nine-month period ended July 31, 2008 was \$1,215,391, as compared to \$1,418,939 for 2007. This decrease is mostly due to the attendance of fewer conferences abroad, the incurring of less advertising costs and the absence of write-downs of deferred exploration expenses during this nine-month period comparing to last 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
	\$	\$	\$
31/07/2008	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
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

Liquidity and capital resources

The Company's working capital stands at \$6,430,315 as at July 31, 2008 comparing to \$9,881,297 as at October 31, 2007. This decrease is attributable to the advancement of the Company in its exploration program during the nine-month period ended July 31, 2008. The working capital includes investments in bankers' acceptance for \$3,525,997 with maturities of up to 3 months and yielding an average interest of 2.96%.

During the three and six months ended July 31, 2008, cash balance increased respectively by \$414,215 and \$2,819,637 as compared to an increase of respectively \$356,307 and \$2,263,459 last year. In May 2008, the Company received a tax credit and mining duties refund of approximately \$1.6 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 2008-2009 are expected to be in the order of \$1.5 million and administrative expenditures will decrease compared to 2007-2008. The funds currently available to the Company are sufficient to enable the Company to fund all aspects of its operations for the next two years.

Off Balance Sheet Arrangements

As of July 31, 2008, 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 three-month and nine-month periods ended July 31, 2008, the cost of shared salaries and benefits were respectively \$27,888 and \$83,577 (\$43,842 and \$160,130 in 2007) and rent and office expenses were respectively \$10,599 and \$31,797 (\$8,280 and \$24,840 in 2007). Included in amounts due from related parties is \$13,006 (\$27,681 as at October 31, 2007) due from Majescor Resources Inc.

Under an agreement between the Company and Uranium World Energy Inc. (which shares common management), during the three-month and nine-month periods ended July 31, 2008, the Company received a compensation of respectively \$nil and \$48,750 (\$16,250 and \$48,750 in 2007) from Uranium World Energy Inc. for administrative services provided by the Company's employees (bookkeeping, filings and other accounting services). The agreement was terminated effective April 30, 2008. Included in amounts due from related parties is \$11,375 (\$11,483 as at October 31, 2007) 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. During the three-month and nine-month periods ended July 31, 2008, the cost of shared salaries and benefits were respectively \$23,451 and \$70,353 (2007 - nil) and rent and office expenses were respectively \$2,949 and \$8,847 (2007 - nil). Included in amounts due from related parties is \$17,698 (\$9,328 as at October 31, 2007) due from Mazorro Resources Inc.

Under an agreement between the Company and Adventure Gold 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 Adventure Gold Inc. During the three-month and nine-month periods ended July 31, 2008, the cost of shared salaries and benefits were respectively \$23,424 and \$70,272 (2007 - nil) and rent and office expenses were respectively \$4,326 and \$9,978 (2007 - nil). Included in amounts due from related parties is \$8,955 (2007 - nil).

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, no write-down was deemed necessary during the period ended July 31, 2008.

Changes in Accounting Policies

Effective November 1, 2007, the Company adopted the new accounting standards related to "Financial Instruments-Disclosures," "Financial instruments-Presentation" and "Capital Disclosures" that were issued by the Canadian Institute of Chartered Accountants. These changes relate to disclosure and presentation and have no impact on the Company's results. These new standards are fully described in note 2 to the interim consolidated financial statements.

Outstanding Share Data

Common shares and convertible securities outstanding at September 26, 2008.

Securities	Expiry date	Average exercise price	Number of securities outstanding
Common shares	-	-	58,290,333
Options	Up to June 10, 2013	\$0.67	3,382,500

Subsequent events

On August 20, 2008, 5,975,000 warrants expired, without being exercised.

On September 11, 2008, 100,000 options expired, without being exercised.

On September 24, 2008, 1,020,000 options were forfeited.

Risk and uncertainties

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

Financial risk

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

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

Foreign exchange risk

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

Risk on the uncertainty of title

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

Environmental risk

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

Additional information and continuous disclosure

This Management's Discussion and Analysis has been prepared as of September 26, 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