EVERTON RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2010.

The following Management Discussion and Analysis ("MD&A") of the operating results, financial condition and future prospects of Everton Resources Inc. (the "Company" or "Everton"), current as of June 28, 2010, should be read in conjunction with the unaudited consolidated financial statements of the Company and notes thereto for the three and six months ended April 30, 2010 as well as the Company's audited consolidated financial statements and notes thereto for the fiscal years ended October 31, 2009 and 2008. Said financial statements were prepared in accordance with Canadian generally accepted accounting principles. The reporting currency is in Canadian dollars. Unless specified as $US, references in this MD&A to dollars are to Canadian dollars.

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

Nature of Business

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

Exploration Activities

Details of the Company's Deferred Exploration Expenditures during the period ended April 30, 2010 is included in Mining Property Book Values. The Company incurred Deferred Exploration Expenditures of $1,817,408 during the period, of which approximately 82% of the total was spent in Ontario, 16% in the Dominican Republic and 2% in Quebec. Also during the period, the Company incurred mineral property costs for $448,000 which consisted of property option payments and issued shares.

<u>Dominican Republic</u>

In the Dominican Republic, the Company incurred exploration expenditures of $293,483 during the quarter with 85% on the Linear Gold option Ampliacion Pueblo Viejo project, 7% on the Ponton (former Loma Hueca) concession and 8% on the other concessions, mainly for reconnaissance mapping and maintenance.

Ampliacion Pueblo Viejo

The Ampliacion Pueblo Viejo Concession (the "Ampliacion Concession") consists of 4,045 hectares adjacent to the northern edge of Barrick/Goldcorp's 22.4 million ounce Pueblo Viejo mine. The Company incurred exploration expenses of $249,279 on Ampliacion during the quarter, essentially in diamond drilling, detailed follow-up mapping and comprehensive PIMA (portable infrared mineral analyzer) survey.

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

A drilling program conducted in 2006 by Barrick/Goldcorp at the Pueblo Viejo Mine 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 suggest that the new mineralized trend found by Barrick/Goldcorp may extend onto the Ampliacion concession.

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

To date, Everton and Linear Gold have completed an integrated and aggressive exploration program on the Ampliacion Concession including a thorough 100-meter spaced line helicopter-borne electromagnetic and magnetic survey totaling 710 line-km, a comprehensive mapping survey including the collection of 1,760 rock samples, a 3,000-soil sample survey, a total of 31 line-km of induced polarization ("IP") survey and 15 line-km of horizontal loop electromagnetic ("HLEM") survey, 794 meters of trenching on the La Lechoza Target and two shallow diamond drill holes in the central part of the concession. This exploration program delineated at least 11 large-scale first priority drill targets, including Silica Ridge, Colorado, Miguel de Pena, Finca Miniel and Montenegro North. Those targets are characterized by the coincidence of a strong dispersion of epithermal-related soil anomaly pathfinder elements, zones of strong *gossan* development and extensive zones of advanced argillic and massive silicification associated with N-S and NW-SE structures parallel to those of the mineralizing system at the Pueblo Viejo gold project.

During the quarter, the Company and its partner Linear Gold have pursued the third phase of the 8,000-meter diamond drilling program previously announced in June 2009. The partners also announced the discovery of the new gold-silver-copper Pon Hill Zone which is located at the western end of the main La Lechoza Prospect in the central part of the Ampliacion Concession.

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

Results released to date form the third drilling phase include:

- **APV10-01**: 1.08 g/t Au over 8.0 meters;
- **APV10-02**: 1.16% Cu over 11.5 meters; 0.8% Cu over 26.0 m, incl. 1.16% Cu over 11.5 m;
- **APV10-03**: 5.8 g/t Au, 59.4 g/t Ag and 1.19% Cu over 4.5 meters;
- **APV10-04**: 0.44 g/t Au over 26.6 m, incl. 2.23 g/t Au, 0.18% Cu over 3.5 m; 192.5 g/t Ag, 0.13% Cu over 6.0 m; 764 g/t Ag over 1.5 m;
- **APV10-05**: 0.55% Cu over 38.5 m, incl. 1.1% Cu over 6.0 m;
- **APV10-06**: 0.51 g/t Au over 16.15 m, incl. 1.77 g/t Au over 3.15 m; 90.5 g/t Ag over 2.15 m; 0.57% Cu over 24.2 m; 1.04 % Zn over40.1 m;
- **APV10-07:** 0.6 g/t Au, 51.74 g/t Ag over 19.5 m, incl. 2.83 g/t Au over 1.5 m; 316.4 g/t Ag over 2.5 m; 410 g/t Ag over 1.5 m; 1.1% Cu over 16.5 m; 0.94% Zn over 16.5 m

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

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

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

Loma Hueca

During the quarter, follow-up on stream sediment anomalies, including prospecting, mapping, soil sampling and PIMA reading, was conducted on the Loma Hueca project. Exploration expenses totaled $21,353. The program is still ongoing.

Cuance – Los Hojanchos

During the quarter, the Company announced that it earned its 50% interest from GlobeStar Mining Corp. in the Cuance – Los Hojanchos polymetallic projects located in the central part of the Dominican Republic. The adjoining Cuance and Los Hojanchos projects consolidate a block of land of 43.4 km^2 that has a promising polymetallic exploration potential centered within Cretaceous volcano-sedimentary sequences that includes the Los Ranchos Formation which hosts the Pueblo Viejo gold-silver-zinc deposit being developed by Barrick-Goldcorp, and the Maimon Formation hosts the Cerro de Maimon copper-silver-gold mine currently under exploitation by GlobeStar.

During the earn-in period by Everton, the partners have outlined significant areas of precious and base metal mineralization clustered in at least two mineralized corridors.

The northernmost of these corridors extends for almost 7 kilometers from the extreme SE on the Los Hojanchos concession to the prospect of Las Tres Bocas on the Loma el Mate concession (50% Everton – 50% Linear Gold) in the NW, where Everton and Linear Gold Corp. intercepted up to 10.58 meters averaging 2.96 g/t gold, 104.91 g/t silver, 2.03% copper and 9.41% zinc. A 2-km long gold-silver-copper-zinc soil anomaly associated with a zone of extensive mineralized outcrops was delineated by Everton and GlobeStar. This zone has never been drill-tested. Values up to 7.9% copper, 11.3% zinc, 21 g/t silver, and 1.1 g/t gold were obtained from grab rock samples in this corridor. The Pueblo Viejo deposit is located 10 kilometers further to the NW along this trend.

The southernmost corridor, parallel to the northern one, appears to center on the area of La Lambedera, in the central part of the Cuance concession and extends in surface showings for approximately one kilometer in a NW-SE direction. The Cerro de Maimon volcanogenic massive sulphide deposit is located approximately 11 kilometers to the NW along this trend.

Strong anomalies in soils and rocks were outlined in the course of a systematic survey conducted in this sector between 2005 and 2007 by Everton and GlobeStar. The mineralization appears to be associated with advanced argillic alteration surrounding a core of silicification. Rock grab samples in the La Lambedera sector run values up to 4.07% copper, 22 g/t silver, and 2.12 g/t gold. Two trenches excavated in the core of the soils anomalies exposed mineralized intervals of 22 meters averaging 1.07 g/t gold, including 9 meters averaging 2.01 g/t gold in trench #1. Trench #2 returned an interval of 12 meters averaging 0.82 g/t gold.

The next exploration program on Cuance-Los Hojanchos will include an induced polarization (IP) survey on the 2-km long soil anomaly in the northernmost corridor followed by diamond drilling. Follow-up drilling is also planned on Cuance.

Other properties

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

<u>Ontario</u>

Shoal Lake

In Ontario, the Company incurred exploration expenditures of $1,489,178 during the quarter with 93% spent on the Halo Resources option Shoal Lake West project for the winter drill program, 6% on the Machin's option Shoal Lake East project on ground and airborne geophysics and 1% on KPM's option Shoal Lake East property for the calculation of a new resource estimate. Option payments made during the quarter total $108,000.

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

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

Undiluted Mineral Resources - Variable Cut-Off Grades

	Indicated			**Inferred**		
Cut-off (g/t)	**Tonnes**	**Grade (g/t)**	**Ozs**	**Tonnes**	**Grade (g/t)**	**Ozs**
1.0	1,000,000	4.18	134,400	3,050,000	3.25	318,700
3.0	430,000	7.56	104,500	1,080,000	5.99	208,100
5.0	252,000	10.07	81,600	480,000	8.8	135,800

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

The mineralization at the Cedar Island gold deposit is categorized as an Archean lode gold vein deposit-type related to solution remobilization. The host rocks to the veins include lithologies related to volcanic arcs including the ultramafic to felsic lavas, chemical sediments, younger intrusive diabases, and quartz and feldspar porphyritic rocks. Gold mineralization isrelated to a series of narrow en-echelon quartz veins and shear-hosted quartz veins. These parallel to sub parallel vein structures occur over a strike length of 600m and are defined within the deposit to a depth over 350m with an average width in excess of 100m. Gold occurs within, or adjacent to replacement, crack and seal, breccia or secondary shear veins containing abundant fine grained pyrite, carbonate and occasional visible gold. All veins are open at depth and along strike west of the Cedar Island deposit.

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

During the quarter, the Company completed an 8,271-meter drill program for 28 holes on the Shoal Lake West property between February 12 and March 10, 2010. Four light weight diamond drills were used for the program, two from Chibougamau Diamond Drilling Ltd. of Chibougamau, Quebec and two from Distinctive Drilling Services Ltd. of Dryden, Ontario. The program was testing gold targets around the Duport gold deposit. More specifically, the drilling program was testing the Duport Deformation Zone (DDZ) comprising the Main and East (Footwall) mineralized zones, the Stevens Island Deformation Zone (SIDZ) and selected regional geophysical targets from the combined airborne magnetic and electromagnetic survey flown in 2005 by Fugro.

The results from the 2010 winter drill program succeeded at extending the zone of mineralization down to a depth of 365 meters where hole SLW10-11 intersected 16.61 g/t Au over 2.14 m and hole SLW10-15 cut 10.72 g/t Au over 1.83 m (all lengths are core lengths). These holes were planned to expand the gold resources by testing the down plunge extension of the prospective Main and East Zones, included within the DDZ. Results also included a high-grade gold intersection of 7.15 g/t Au over 17.1 m, including 9.72 g/t Au over 11.0 m and including 44.43 g/t Au over 1.4 m from hole SLW10- 04 that was testing the Main Zone on Line 8200N at a vertical depth of 180 meters.

In addition, the parallel SIDZ, located 750 meters southeast of the DDZ, was investigated with drill hole SLW10-26 that returned a high grade gold intersection of 11.72 g/t Au over 2.44 meters. This consists of a major breakthrough since this under-explored zone may extend over a strike length of at least 400 meters as indicated by VLF-EM ground geophysics. In the past, holes SL-89-02 and SL-90-4, drilled 115 meters apart along the SIDZ, intersected values of 8.30 g/t Au across 2.95 m (167.94 m to 170.89 m), 6.45 g/t Au across 1.05 m (186.70 m to 187.75 m), and 12.66 g/t Au over 1.85 m (190.42 m to 192.27 m) in hole SL-89-02. Hole SL-90-04 intersected 3.24 m at 4.00 g/t Au (36.49 m to 39.73 m).

During the drill program, the DDZ that hosts the prospective Duport gold deposit was drilled tested over a strike length of 6.1 km, and down to a vertical depth of 365 meters. The Duport gold deposit is characterized by two main laterally persistent silicified shear zones referred to as the Main and East (Footwall) zones that contain stringer and disseminated pyrite, pyrrhotite and arsenopyrite. The zones dip 70 degrees to the west.

The Company is also currently preparing a follow-up work program for next fall that will include mapping and definition diamond drilling at the Cedar Island deposit and follow-up testing in the vicinity of previous high-grade intersections below some workings, namely the Olympia Mine, the Mikado Mine, The Crown Point Mine, and Granozone.

Other properties from HLG

The HLG portfolio also includes another highly prospective projects located 70 km west of the Hemlo Camp where high-grade gold-bearing veins were identified. A reconnaissance field program was conducted during the quarter. It consisted of geological mapping, rock and stream sediment sampling. The Property is adjoined by historic gold (silver) past producers of high-grade, narrow vein, shear zone hosted quartz veins to the south and east. During the April 2010 work program, a total of 52 rock samples and 31 stream sediment samples were collected. Results are still pending.

The HLG Timmins Mining Camp option located adjacent to the Porcupine-Destor Fault in Ontario was terminated in early April 2010.

Quebec

All properties in Quebec, including Opinaca, Wildcat, Coulon and Sirmac were maintained on care and maintenance during the quarter at minimum costs. The Company is currently looking for a partner to move forward with the Quebec properties.

Opinaca

During the quarter, the Company announced it has earned its 50% interest from Azimut Exploration Inc. on the Opinaca A and B gold properties in the vicinity of Goldcorp's Eleonore property, James Bay region, Quebec.

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

The Opinaca A property is adjacent to the northern boundary of the Eleonore property hosting the Roberto gold deposit containing an estimated 3.2 million ounces of indicated gold resources at an average grade of 11.92 g/t Au and 6.3 million ounces of inferred gold resources at an average grade of 12.93 g/t Au (Source: Goldcorp - MD&A for the year ended December 31, 2009). The Opinaca B property is located about 8 km southeast of the Eleonore property. The Opinaca A and B properties comprise 429 and 220 claims respectively covering 338 km2. Everton earned its 50% interest after completing exploration programs totalling $4,800,000 and making cash payments totalling $540,000 over a 5-year period.

Wildcat

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

British Columbia

Hot Springs

During the quarter, the Company kept on care and maintenance at minimum cost the Hot Springs property located in the Sloquet Creek area of the south-western British Columbia, 95 kilometers northeast of Vancouver.

Qualified person

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

Selected Financial Data

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

Selected Consolidated Financial Information (unaudited)

	Three months Ended April 30, 2010	Three months Ended April 30, 2009	Six months Ended April 30, 2010	Six months Ended April 30, 2009
	$	$	$	$
Statement of Operations and Deficit summary				
Total operating expenses	647,588	518,568	1,256,870	991,744
Write-down of deferred exploration expenses	256,630	247,661	256,630	309,380
Interest and other income	1,086	54,960	18,398	70,760
Net loss	736,470	364,242	1,323,329	1,008,731
Basic and diluted net loss per common share	0.01	0.01	0.02	0.02
Weighted average number of common shares outstanding	78,683,057	58,358,874	77,896,182	58,324,037
Statement of Deferred Exploration Expenses Summary				
Deferred exploration expenses before write-down, tax credits and mining duties	1,817,408	309,006	2,501,748	828,421
Statement of Cash Flows summary				
Cash flows used in operating activities	302,886	192,902	658,724	446,267
Cash flows used in investing activities	1,907,763	517,518	2,344,320	1,098,735
Cash flows from financing activities	1,978,268	-	1,997,138	-
Decrease in cash and cash equivalents	232,381	710,420	1,005,906	1,545,002

	April 30, 2010	October 31, 2009
	$	$
Balance Sheet summary		
Cash and cash equivalents	675,880	1,681,786
Long-term investment	82,889	195,889
Mineral exploration properties	5,573,443	5,171,724
Deferred exploration expenses	13,326,592	10,847,065
Shareholders' equity	19,376,467	18,269,858
Total assets	20,055,476	18,435,355

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

Results of Operations for the three-month period ended April 30, 2010

Net loss for the three months ended April 30, 2010 was $736,470, as compared to $364,242 in 2009. This increase is mostly attributable to the Company’s share of net loss of company subject to significant influence for $100,720 as compared to ($117,606) in 2009, as well as a significant increase in travel and promotion costs as the Company carried out an aggressive promotion campaign during the period for $117,158 ($23,260 in 2009).

Interest and other income for the three months ended April 30, 2010 was $1,086 as compared to $54,960 in 2009 when the Company recorded an amount of $50,000 in other income which relates to a credit received on its 2007 project generation expenses.

Results of Operations for the six-month period ended April 30, 2010

Net loss for the six months ended April 30, 2010 was $1,307,704, as compared to $1,002,129 in 2009. This increase is mostly attributable to the recognition of higher stock based compensation during the period for $285,860 ($154,191 in 2009), as well as a significant increase in travel and promotion costs as the Company carried out an aggressive promotion campaign during the period for $117,158 ($23,260 in 2009).

Interest and other income for the six months ended April 30, 2010 was $18,398 as compared to $70,760 in 2009. Due to a decline in interest rates on short term investments, and to a decrease in the investments portfolio as the Company advances in its exploration program, interest income decreased from $20,760 in 2009 to $2,791 in 2010. Also, Other income was higher during the period ended April 30, 2009 as the Company recorded an amount of $50,000 which relates to a credit received on its 2007 project generation expenses, while other income in 2010 was for $14,521 only, which relates to a realized gain on the fair value of an embedded derivative.

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
	$	$	$
30/04/2010	1,086	736,470	0.01
31/01/2010	17,312	586,859	0.01
31/10/2009	5,718	830,696	0.01
31/07/2009	3,276	596,559	0.01
30/04/2009	54,960	364,242	0.01
31/01/2009	15,800	644,489	0.01
31/10/2008	32,001	961,803	0.01
31/07/2008	39,707	406,031	0.01

Liquidity and capital resources

The Company's working capital stands at $368,753 at April 30, 2010 (approximately $2.0 million at October 31, 2009). This decrease is attributable to cash payments made on the Company's properties option agreements, the advancement in its exploration program during the period and also the incurring of operating expenses in the normal course of business. During the three and six months ended April 30, 2010, the Company completed a non-brokered private placement for net proceeds of $2.8 million and $2.8 million respectively (of which $842,500 were received subsequent to quarter-end), received a refund of mining duties for $Nil and $165,367 respectively, and received proceeds from the exercise of warrants for $19,980 and $38,850 respectively.

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

	2010	2011	2012
	$	$	$
Cash payments	331	468	9,788
Exploration expenses	34	40	3,500
Total	365	508	13,288

As at April 30, 2010, the Company had a working capital of $368,753, including $675,880 in cash. Together with $842,500 in share subscriptions receivable that were received subsequent to quarter-end (Note 12 to unaudited interim financial statements) and $275,000 in proceeds from the private placement that the Company completed subsequent to quarter-end (see subsequent events), the Company anticipates having sufficient cash to meet its current option payment obligations, undertake a portion of exploration work on its properties and meet its corporate administrative expenses for several months. However, the Company will require additional financing, through various means including but not limited to equity financing, to continue the exploration program on its properties and to meet all of its payment obligations and general and administrative costs. There is no assurance that the Company will be successful in raising the additional required funds.

Off Balance Sheet Arrangements

As of April 30, 2010, the Company has no off balance sheet arrangements.

Related Party Transactions

Under an agreement between the Company and Majescor Resources Inc. ("Majescor") (which shares common management), the Company charges Majescor for shared salaries and benefits, rent and office expenses. During the three and six months ended April 30, 2010, the cost of shared salaries and benefits was $14,250 and $28,500 respectively ($15,790 and $37,666 in 2009) and rent and office expenses were $714 and $1,428 respectively ($4,247 and $14,847 in 2009). Included in amounts due from related party is $Nil ($Nil as at October 31, 2009) due from Majescor.

Under an agreement between the Company and Adventure Gold Inc. ("Adventure") (which shares common management), the Company charges Adventure for shared salaries and benefits, rent and office expenses. During the three and six months ended April 30, 2010, the cost of shared salaries and benefits was $22,500 and $45,000 respectively ($22,500 and $45,328 in 2009) and rent and office expenses were $1,500 and $3,000 respectively ($1,500 and $4,184 in 2009). Included in amount due from related party is $2,963 ($50,057 as at October 31, 2009) due from Adventure.

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

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

The amounts due from related party are without interest.

Mineral Property Book Values

At the end of each quarter, management reviews the carrying values of its resource properties to determine whether any write-downs are necessary. Following this analysis, the Company recorded a write-down for $256,630 during the period on its Porcupine and Destor property ($247,661 and $309,380 in 2009).

Critical Accounting Policies and Estimates

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

Changes in Accounting Policies

<u>Future accounting standards</u>

Business Combinations, Consolidated Financial Statements and Non-controlling Interests

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

International Financing Reporting Standards

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

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

- *Diagnostic impact assessment phase*: this phase consists in performing an Initial analysis of key areas for which changes to accounting policies may be required. While an analysis will be required for all current accounting policies, the Company has performed a review as to the most significant areas of difference to the Company which include:

  - IFRS 1 First-time adoption of International Financial Reporting Standards
  - IFRS 2 Share-based payment
  - IFRS 6 Exploration and evaluation
  - IAS 1 Presentation of financial statements
  - IAS 12 Accounting for income taxes
  - IAS 16 Property, plant and equipment
  - IAS 21 Effects of changes in foreign exchange rates
  - IAS 32 financial instruments presentation
  - IAS 36 Impairment of assets

- *Design, planning and solution development phase*: this phase involves the development of the detailed plan for convergence and implementation, analyses of policy alternatives allowed under IFRS, the specification of changes required to existing accounting policies, and the development of solutions for information systems and business processes. The Company is at the stage of completing its detailed analysis of the standards and expects to complete this phase by the end of the first period ending January 31, 2011. To date, the Company has identified a number of accounting differences and policy alternatives, including one-time accounting alternatives under IFRS. As part of its analysis of potential changes to significant accounting policies, the Company is assessing what changes may be required to its accounting systems and processes. The Company believes that the changes identified to date are minimal and the current systems and processes will be able to accommodate the necessary changes. The Company's staff which is involved in the preparation of financial statements is being trained on the relevant aspects of IFRS and the anticipated changes to accounting policies.

- *Implementation phase*: This phase includes the completion and formal authorization of recommended changes to accounting policies, including transition elections to apply changes retroactively or prospectively, the execution of changes to information systems and business processes, delivery of training programs across the Company and the preparation of the opening balance sheet and the quarterly and annual financial statements for both 2012 and the comparative 2011 fiscal years. In addition, the impact of IFRS on contractual arrangements will be addressed.

- *Post implementation phase*: This phase involves a compliance review of the conversion project to assess the accuracy and consistency with which IFRS accounting policies are being applied, the adoption of sustainable processes and procedures and the adequacy of information technology solutions, training programs and other business impact solutions.

Outstanding Share Data

Common shares and convertible securities outstanding at June 28, 2010 consist of:

Securities	Expiry date	Average exercise price	Number of securities outstanding
Common shares	-	-	91,358,933
Options	Up to May 11, 2015	$0.40	6,115,000
Warrants	Up to April 26, 2012	$0.34	10,848,319

Subsequent events

On May 11, 2010, the Company granted 420,000 stock options to an Officer, employees and consultants of the Company, at an exercise price of $0.27 and expiring on May 11, 2015.

On May 17, 2010, 125,000 stock options at an exercise price of $0.22 were forfeited.

On May 25, 2010, the shares of Focus Metals Inc. ("Focus") began trading on the TSX-V. Pursuant to the terms of the Agreement with Focus, Everton received 6 million common shares of Focus in exchange for the mineral rights on the Fosse du Labrador properties (Note 10 of unaudited interim financial statements), giving the Company a 16% ownership interest in Focus. Under a Surplus Security Escrow Agreement, these common shares are subject to a 36-month staged release escrow.

On May 7, 2010, the Company made a cash payment of US$ 325,000 (CAD $339,008) to Linear Gold, in accordance with the option agreement for the Ampliacion and Loma Hueca concessions (Note 10 of unaudited interim financial statements).

On June 17, 2010, 175,000 stock options were exercised at $0.22 for total proceeds of $38,500.

On June 28, 2010, the Company completed a non-brokered private placement for gross proceeds of $275,000. The private placement was comprised of 1,100,000 Units at a price of $0.25 per Unit. Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.40 for a period of twenty-four months following the closing date. All securities issued in connection with the private placement are subject to a four month hold period expiring on October 29, 2010. An insider of the Company participated in the private placement for $25,000. The proceeds from the private placement will be used to fund the Company's general working capital.

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 is 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 June 28, 2010. Additional information on the Company is available through regular filings of press releases and financial statements on SEDAR (www.sedar.com).

(s) André Audet	*(s) Khadija Abounaim*
Chairman of the Board and Chief Executive Officer	Chief Financial Officer