EVERTON RESOURCES INC.
(An exploration stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the years ended Oct 31, 2011 and 2010

EVERTON RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEARS ENDED OCTOBER 31, 2011 AND 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 February 24, 2012, should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the fiscal years ended October 31, 2011 and 2010. Said financial statements were prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The reporting currency is Canadian dollars. Unless specified as $US, references to dollars in this MD&A 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's management 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, and continued availability of capital and financing and general economic, market or business conditions.

Nature of Business

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" and the OTCQX under the symbol "EVRRF". The Company's head office is in Montréal, Québec.

Corporate Development Highlights

Everton is partnered with Brigus Gold Corp. (''Brigus'') and actively exploring in the Dominican Republic adjacent to the US$3 billion Pueblo Viejo Mine Project, currently being developed by the world's largest gold mining company, Barrick Gold Corporation (60%) ("Barrick") in partnership with Goldcorp Inc. (40%) ("Goldcorp"). During the year ended October 31, 2011, the Company continued its 20,000 meter drill program on the Ampliacion Pueblo Viejo (''APV'') project.

Since 2010, the Company has adopted a new strategy to focus its corporate activities on its Dominican Republic operations, and is in the process of divesting or has divested or optioned its Canadian mineral interests. The Company's new focus on exploring in the Dominican Republic started by earning a 50% interest in the APV Project from Brigus and negotiating to earn an additional 20% by spending US$2.5 million in exploration, which the Company is doing now by executing an aggressive drilling program on the APV project. In addition, the Company earned a 50% interest in Globestar's Cuance and Los Hojanchos concessions and became operator of the projects. During the year, on May 25, 2011, the Company signed a Letter of Intent ("LOI") to acquire Brigus' remaining interest in the APV Project and the Ponton and La Cueva concessions. The LOI was subsequently revised on September 28, 2011 and on December 23, 2011 subsequent to the year end.

Funding for near term advancement of the APV Project is expected to be provided from existing working capital of $1,593,202 (including $946,964 in cash and cash equivalents and $302,870 in short-term investments as of October 31, 2011), primarily the result of the sale of marketable securities for net proceeds of $742,169 and long-term investments for proceeds of $1,426,383 during the year. During the period, the Company also completed a private placement for gross proceeds of $1,745,960. In addition, the Company is in the process of divesting its wholly owned subsidiary, Hays Lake Gold Inc. ("HLG"), which contains the Shoal Lake Gold Project in Kenora, Ontario for expected gross proceeds of $6.0 million upon completion of this transaction.

The Company recently optioned its Opinaca and Wildcat projects in Quebec to Aurizon Mines Ltd. ("Aurizon"). Aurizon is advancing Everton's interest by funding 100% of exploration work on one of the largest land packages adjacent to Goldcorp's Elenore gold deposit.

Everton has also increased its exposure to other commodities (graphite, rare earth elements, lithium,) through ownership of common shares in other publicly traded companies (Focus Metals Inc., (TSX-V: FMS), Exploration Nemaska Inc., (TSX-V: NMX), Strike Minerals Inc., (TSX-V: STK). The investments are valued at approximately

$3,833,740 as of October 31, 2011. This investment portfolio was formed through the sale of the Labrador Trough properties in Quebec to Focus Metals Inc. (``Focus``), and the sale of the Sirmac Lithium project in Quebec to Exploration Nemaska Inc. (``Nemaska``) and recently, the sale of 6 claims in Schreiber area, Ontario to Strike Minerals Inc. (``Strike``).

Significant Events During the Year Ended October 31, 2011

Sale of Investments for Total Proceeds of $1,556,655

During the year ended October 31, 2011, the Company received total net proceeds of $1,556,655 from the sale of the following investments:

- 5,819,000 shares of NQ Exploration Inc. for net proceeds of $601,429,
- 1,200,000 shares of Focus for net proceeds of $814,486 and
- 352,000 shares of Nemaska for net proceeds of $140,740.

Public Offering of Units and Subsequent Cancellation

On June 7, 2011, the Company announced that it had filed a preliminary short form prospectus in connection with a proposed marketed public offering of Units in the provinces of British Columbia, Alberta and Ontario on a fully-marketed best efforts agency basis for minimum gross proceeds of $5.0 million. On June 22, 2011, the Company announced that it had cancelled the above mentioned public offering due to unfavourable market conditions and the fact that the Company has sufficient financial resources to continue its drilling program on the APV Project.

Sale Purchase Agreement with Strike Minerals Inc.

On May 17, 2011, the Company announced that it had finalized the agreement to sell its 100% interest in projects located at Hays Lake, near Schreiber, Ontario, to Strike. Under the terms of the agreement, Everton will receive $100,000 in cash and 5,700,000 common shares of Strike. The Company has retained a 0.5% NSR on the property that can be purchased for $500,000 by Strike at any time. In addition, Everton has a right to nominate one Director to sit on Strike's Board.

As at October 31, 2011, Everton received 5,700,000 common shares of Strike and as of the date of the MD&A, the Company had received $50,000 in cash, representing the first payment due upon the closing of the transaction. The remaining cash payment of $50,000 is due on the 1st anniversary of the closing of the transaction.

Closing of Private Placement

During the year, on August 25, 2011, the Company completed a non-brokered private placement for gross proceeds of $1,745,960. The private placement was comprised of 6,983,840 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 thereof to purchase one common share of the Company at a price of $0.35 until August 25, 2013.

Trading of Stock on the OTCQX Subsequent to Year End

Subsequent to year end, on November 29, 2011, Everton announced that OTC Markets Group approved the Company's application to trade its common shares on the highest tier of the OTC Market, OTCQX. Its common shares began trading on Thursday, July 14, 2011 under the trade symbol "EVRRF".

Letter Agreement With Brigus Revised Subsequent to Year End

Subsequent to year end, on December 23, 2011, Everton amended the terms of the previously announced letter agreement with Brigus whereby Everton will acquire Brigus' remaining interest in the Ampliación Pueblo Viejo II, Ponton and La Cueva concessions in the Dominican Republic (see press release issued on September 29, 2011). The total cash consideration for interest in the concessions remains the same however, it will be made over 4 installments including an initial non-refundable payment of $25,000 which was paid by Everton upon execution of the amendment. Brigus has also agreed to a voluntary 24 month escrow period for the 15,000,000 common shares of Everton to be issued in connection with the transaction, with an initial 10% to be released upon closing and an additional 22.5% every 6 months thereafter. The transaction is expected to close shortly and is subject to regulatory approval.

La Lechoza Mineral Resource Estimation

On January 23, 2012, subsequent to the year ended October 31, 2011, Everton released the results of its initial National Instrument 43-101 ("NI 43-101") compliant, independent mineral resource estimate, for the APV Property La Lechoza deposit in the Dominican Republic. The resource estimate includes Everton's drilling of the mineral deposit until August 8, 2011 and up to drill-hole number APV-11-35; as well as validated historical drill holes from previous owners.

The following is a summary of the resource estimate completed by SGS Canada Inc. - Geostat of Blainville, Québec

Mineral Resources for Oxides

Cut-Off (g/tAuEq)	Classification	Tonnage (t)	Au (g/t)	Ag (g/t)	AuEq (g/t)	Au (Oz)	Ag (Oz)
0.3	Inferred	979,000	0.86	17.72	1.14	27,000	558,000

Mineral Resources for Sulphides

Cut-Off (%CuEq)	Classifi-cation	Tonnage (t)	Au (g/t)	Ag (g/t)	Cu (%)	CuEq (%)	Au (Oz)	Ag (Oz)	Cu (lbs)
0.21	Inferred	1,225,000	0.2	5.03	0.57	0.65	8,000	198,000	15,500,000

Exploration Activities

Details of the Company’s Deferred Exploration Expenditures during the year ended October 31, 2011 are included in Mining Property Book Values. The Company incurred Deferred Exploration Expenditures of $3,885,470 during the year. Of these exploration expenditures, $3,856,820 representing 99.3%, were on properties located in the Dominican Republic.

Deferred Exploration Expenses – year ended Oct 31, 2011

Dominican Republic

	Cuance	Los Hojanchos	La Cueva	Jobo Claro	Maimon Copper	Ampliacion	La Lechoza	Fresso	Other	Total
	$	$	$	$	$	$		$	$	$
Balance - beginning	1,020,792	324,185	936,104	536,139	988,556	2,976,907	6,506	562,721	331,080	7,682,990
Additions										
Drilling	317	223	1,749	-	21	2,040,896	704,255	202,169	35,994	2,985,624
Project consulting	-	-	950	-	-	8,547		-	22,294	31,791
Geological survey	280	265	1,751	-	2	438,387	173,612	32,216	56,143	702,656
Geochemical survey	3	1	5	-	1	48,795	1,368	2,378	12,172	64,723
Report preparation	-	-	7	-	-	-	2	15	435	459
Resource estimate	-	-	-	-	-	-	22,973	-	-	22,973
Renewal of licenses and permits	-	-	-	318	414	16,774	36	15	78	17,635
General field expenses	-	-	-	-	-	7,208		-	23,751	30,959
	600	489	4,462	318	438	2,560,607	902,246	236,793	150,867	3,856,820
Deductions										
Write-downs	-	-	-	-	119,167	-	-	799,514	91,631	1,010,312
	-	-	-	-	119,167	-	-	799,514	91,631	1,010,312
Balance - end	1,021,392	324,674	940,566	536,457	869,827	5,537,514	908,752	-	390,316	10,529,498

Canada

	Shoal Lake West	Shoal Lake East (Machin)	Shoal Lake East (KPM)	Hays Lake	Opinaca	Wildcat	Other	Total
	$	$	$	$	$	$	$	$
Balance - beginning	1,588,868	278,421	125,485	70,216	2,750,051	1,125,390	129,990	6,068,421
Additions								
Geological survey	18	-	-	-	-	-	3,752	3,770
Report preparation	-	-	-	-	8,924	-	5,000	13,924
Renewal of licenses and permits	5,113	-	-	-	-	-	1,618	6,731
General field expenses	4,225	-	-	-	-	-	-	4,225
	9,356	-	-	-	8,924	-	10,370	28,650
Deductions								
Tax credits	-	-	-	-	4,269	-	-	4,269
Mineral properties sold	-	-	-	70,216	-	-	20,597	90,813
	-	-	-	70,216	4,269	-	20,597	95,082
Balance - end	1,598,224	278,421	125,485	-	2,754,706	1,125,390	119,763	6,001,989

Deferred Exploration Expenses – year ended Oct 31, 2010

Dominican Republic

	Cuance	Los Hojanchos	La Cueva	Jobo Claro	Maimon Copper	Ampliacion	Fresso	Other	Total
	$	$	$	$	$	$	$	$	$
Balance - beginning	1,012,353	316,342	922,748	518,053	969,718	2,004,887	506,715	208,354	6,459,170
Additions									
Drilling	240	230	1,446	1,578	4,142	433,655	15,815	12,723	469,829
Project consulting	6,021	5,921	5,291	4,091	67	69,261	1,739	23,240	115,631
Geophysical survey	-	-	80	132	-	5,209	993	288	6,702
Geological survey	2,092	1,634	6,194	11,210	13,579	423,051	36,564	68,767	563,091
Geochemical survey	86	55	247	1,024	601	31,833	786	3,485	38,117
General field expenses	-	3	98	51	449	15,517	109	14,223	30,450
	8,439	7,843	13,356	18,086	18,838	978,526	56,006	122,726	1,223,820
Balance - end	1,020,792	324,185	936,104	536,139	988,556	2,983,413	562,721	331,080	7,682,990

Canada

	Shoal Lake West	Shoal Lake East (Machin)	Shoal Lake East (KPM)	Hays Lake	Opinaca	Wildcat	Other	Total
	$	$	$	$	$	$	$	$
Balance - beginning	64,808	105,212	15,010	45,199	2,734,965	1,121,141	301,560	4,387,895
Additions								
Drilling	1,097,795	-	-	-	-	-	-	1,097,795
Project consulting	113,474	100,526	102,455	3,360	17,626	22,217	10,522	370,180
Geophysical survey	702	69,809	175	-			-	70,686
Geological survey	66,976	66	66	19,277	407	405	42,288	129,485
Geochemical survey	-	-	-	-			31,767	31,767
Report preparation	1,733	-	7,535	-	196	1,200	95	10,759
Renewal of licenses	30,029	2,808	3,271	2,452	19,228	1,849	830	60,467
General field expenses	213,351	-	(3,027)	(72)	(25,915)	(19,369)	1,761	166,729
	1,524,060	173,209	110,475	25,017	11,542	6,302	87,263	1,937,868
Deductions								
Tax credits	-	-	-	-	(3,544)	2,053	2,657	1,166
Mineral properties sold	-	-	-	-	-	-	206,861	206,861
Write-downs	-	-	-	-	-	-	49,315	49,315
	-	-	-	-	(3,544)	2,053	258,833	257,342
Balance - end	1,588,868	278,421	125,485	70,216	2,750,051	1,125,390	129,990	6,068,421

Dominican Republic

In the Dominican Republic, the Company incurred $3,856,820 in exploration expenditures during the year ended October 31, 2011 ($1,223,820 in the year ended October 31, 2010). Most of the exploration expenditures in the period ended October 31, 2011 and 2010, $3,462,853 and $978,526 respectively (representing an average of 85%) were incurred on the APV Project (including exploration expenses incurred on the La Lechoza Project) optioned from Brigus.

APV Project

The APV Project is adjacent to the northern edge of Barrick/Goldcorp's Pueblo Viejo Mine and covers 4,045 hectares. The expenditures incurred on the APV project this fiscal year were mainly on diamond drill programs on the La Lechoza target. The drilling program on the APV Project is designed to test for mineralization below the silica lithocap.

Pursuant to an agreement with Brigus announced on April 12, 2007, the Company could earn an undivided 50% interest in the APV Project by making cash payments totalling US$700,000, completing work commitments of US$2,500,000 and issuing 1,200,000 common shares of Everton over three years. All these conditions were met and Everton earned its initial 50% interest in the property. On August 12, 2010, the Company and Brigus signed an amended agreement whereby Everton could earn an additional 20% interest in the APV Project by incurring an additional US$2,500,000 exploration expenditures by April 10, 2012. During the quarter, on May 25, 2011, the Company announced that it had signed a letter of intent with Brigus whereby Everton will acquire Brigus' remaining interest in the APV Project. The terms of the letter agreement were revised on September 28, 2011 and again, subsequent to year end, on December 23, 2011

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 grams per tonne gold ("g/t Au") over 117.7 meters (hole DPV06-04), 10.18 g/t Au over 9.87 meters (hole DPV06-12), 3.0 g/t Au over 108.4 meters (hole DPV06-03), and 5.31 g/t Au 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 APV Project north of the Pueblo Viejo Mine suggests that the new mineralized trend found by Barrick/Goldcorp may extend onto the APV Project.

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 thus being a decisive factor in the creation and preservation of the Pueblo Viejo deposit.

To date, Everton and Brigus have completed an integrated and aggressive exploration program on the APV Project including a 100-meter spaced line helicopter-borne electromagnetic and magnetic survey totalling 710 line-km, a comprehensive mapping and geochemical survey including the collection of 1,760 rock samples, a soil sample geochemical survey including the collection of 3,000 soil samples, an induced polarization ("IP") survey totalling 31 line-km, a horizontal loop electromagnetic ("HLEM") survey totalling 15 line-km, a trenching program on the La Lechoza target covering 794 meters, a detailed mapping and comprehensive mineral study using a portable infrared spectrometer ("PIMA") and a diamond drilling program of 79 drill holes totalling approximately 8,300 meters.

This exploration program allowed the delineation of at least 11 large-scale first priority drill targets, including Silica Ridge, Colorado, Miguel de Pena, Finca Miniel, Montenegro North, and several targets within the La Lechoza prospect. Those targets are characterized by the coincidence of a strong dispersion of epithermal-related soil anomaly pathfinder elements, zones of strong iron oxide development and extensive zones of advanced argillic alteration and massive silicification associated with NNW-SSE and NW-SE structures parallel to those of the mineralizing system at the Pueblo Viejo Mine.

During the year ended October 31, 2011, Everton and Brigus continued the 20,000 meter diamond drilling program announced in March, 2011.

APV Project and La Lechoza Drilling Program

The Company received assay results for drill holes completed in the third quarter ended July 31, 2011. Highlights of the assay results from drill holes APV11-16 to 11 to APV11-30 include hole APV11-30 which intersected 10.50 m averaging 2.29 g/t Au, 65 g/t Ag, 0.64% Cu and 3.43% Zn, including 1.50 m of 11.26 g/t Au, 235 g/t Ag, 0.76% Cu, 6.99% Zn and 1.05% Pb (Refer to news release dated April 13, 2011).

No meaningful values were intersected in holes APV11-31 and APV11-24, drilled on the North Hill target, APV11-27 drilled on the MJ Target, APV11-23, drilled on the Jasper Field target and holes APV11-17, APV11-19 and APV11-20 drilled on the Alfredito Farm target.

During the fiscal year, the Company completed additional drill holes on the La Lechoza target. Everton announced the start and completion of a NI 43-101 compliant, independent mineral resource estimate on the La Lechoza prospects in the northern part of the APV Project. The resource estimate includes Everton's drilling of the mineral deposit until August 8, 2011 and up to drill-hole number APV-11-35; as well as validated historical drill holes from previous owners.

The results of the resource estimate completed by SGS includes mineral resources for oxides, at a grade cut-off of 0.3 g/t Au equivalent, in the inferred category, totaling 979,000t with an average grade of 0.86g/t Au and 17.72g/t Ag and containing 27,000 ounces of gold and 558,000 ounces of silver.

The mineral resources for sulphides, at a grade cut-off of 0.21% Cu equivalent, in the inferred category, totaling 1,225,000t with an average grade of 0.20g/t Au, 5.03g/t Ag and 0.57% Cu and containing 8,000 ounces of gold and 198,000 ounces of silver and 15,500,000 pounds of Cu.

APV Project Deep Drilling Program

In February 2011 the Company signed a contract with a local drilling company for 20,000 meters of drilling in holes ranging from 400 to 1,200 meters in length to test the South block of the concession and the possibility of mineralization beneath the lithocap. The 20,000 meter drill program on the APV South Block, commenced in mid-March 2011 and continued in the year ended October 31, 2011 with 12 holes completed totalling approximately 6,032 meters.

Highlights of the assay results include the following:

Hole APV11-33 intercepted four thick intervals of strongly anomalous gold and copper (54.00 m @ 0.29 g/t Au and 0.12% Cu; 44.20 m @ 0.12 g/t Au, 51.85 m @ 0.12 g/t Au and 38.05 m @ 0.16 g/t Au).

Hole APV11-36 intersected 39.65m @ 0.25 g/t Au and 0.18% Cu

Holes APV11-38 and APV11-39A succeeded in penetrating below the silica lithocap achieving depths of 817.65 and 804.15 m respectively. At depth a monzonite-diorite-granodiorite porphyritic intrusives complex was detected which exhibits mineralisation style typical of porphyry copper-gold-molybdenum systems.

The 20,000 meter drill program is designed to test 17 targets delineated from geological mapping, geochemical and geophysical anomalies and PIMA readings which define a classic zoning pattern of alteration typical of high-sulphidation epithermal gold systems as found at the Pueblo Viejo Mine, including a broad envelope of quartz-pyrophyllite-kaolinite and concentric zones of quartz-alunite and quartz-dickite towards the core of the system. On December , 2011, subsequent to October 31, 2011, the drill program was temporally haulted to allow the geological team in the DR to compulate and evaluate all the information generated by the drill program to date in order to facilitate prioritizing the drill targets.

Ponton (Loma Hueca)

During the year ended October 31, 2011, the Company completed a detailed soil auger geochemical sampling program designed to refine the geochemistry targets on the property. Everton plans to test these geochemical anomalies with a drilling program and has applied for environmental permits. On May 25, 2011, the Company announced it signed a letter of intent with Brigus whereby Everton will acquire Brigus' interest in the Ponton concession. The terms of the letter agreement were revised on September 28, 2011 and again, subsequent to year end, on December 23, 2011.

La Cueva (Loma el Mate)

On August 12, 2010, Everton and Brigus signed an amended agreement whereby Everton could earn an additional 20% interest in the La Cueva concession by incurring an additional US$1,000,000 in exploration expenditures. On May 25, 2011, the Company announced it signed a letter of intent with Brigus whereby the Company will acquire Brigus' remaining interest in the La Cueva concession. The terms of the letter agreement were revised on September 28, 2011 and again, subsequent to year end, on December 23, 2011.

The Company has applied for an environmental permit to begin drilling.

Cuance and Los Hojanchos

In the year ended October 31, 2011, the Company started processing the renewal of the concessions, applying for environmental permits and advancing community relations.

Fresso

During the quarter ended April 30, 2011, the Company completed a diamond drilling program consisting of seven holes totalling 1,154 meters. Assay results of the drill program were not encouraging. The Company had until

May 28, 2011 to exercise its option to acquire a 100% interest in the property by making a final cash payment of US$150,000 (CAD $142,000). On May 27, 2011, the Company was granted a two month extension to exercise the option and make the final cash payment. The extension expired on July 28, 2011. The Company was then awarded a right of first refusal option which expired on November 28, 2011 and was not renewed. Everton has written off all expenses incurred on the project totaling $911,609.

Sufficient work has been performed on the Cuance, Los Hojanchos, La Patilla, Corralitos, Piedra Blanca, Maimon Group of concessions, La Cueva (formerly Loma el Mate), and Jobo Claro. The concessions are in good standing and the Company continues their evaluation.

Ontario

All properties in Ontario, including Shoal Lake and Hemlo West properties were maintained on care and maintenance at minimum costs, during the period, while awaiting the completion of the divestiture of these properties.

Shoal Lake

On September 1, 2010, and as amended by a formal agreement in February 2011, the Company signed a binding letter agreement to sell all of the issued and outstanding shares of its wholly-owned subsidiary HLG to Kaskattama Inc. (``Kaskattama``), for a total consideration of approximately $7.9 million. HLG holds the Shoal Lake Gold properties comprised of two significant high grade gold deposits: Duport and Cedar Island, on 81.3 km^2, located in the Shoal Lake area, near Kenora, Ontario.

In June 2011, the agreement between Everton, and Kaskattama was amended by a formal agreement. Under the terms of the revised agreement, Everton will receive consideration of approximately $6.0 million for the sale of all the issued and outstanding shares of HLG to Kaskattama. The $6.0 million consideration is allocated as follows:

- $2.0 million in cash ($1.0 million to be paid upon execution of a final Purchase and Sale Agreement, $500,000 to be paid by Dec 31, 2012 and the final $500,000 to be paid by Dec 31, 2013)
- 10.0 million shares of Kaskattama at a minimum price of $0.40 per common share

In addition, non-refundable amounts totalling $348,000 have been paid by Kaskattama to the Company in respect of option payment obligations on the properties.

The transaction is subject to various conditions customary to this type of transaction, among which:

(a) Completion by Kaskattama of a legal, technical, and environmental due diligence investigation on HLG and its business with the results of such investigation being acceptable to Kaskattama in its sole and absolute discretion, which has been completed;
(b) Successful financing to allow Kaskattama to make the $2.0 million cash payment to Everton as detailed above. Kaskattama had until March 31, 2011 to confirm to the reasonable satisfaction of Everton that Kaskattama is able to make such payment;
(c) Listing of Kaskattama's common shares on the TSX or TSX-V by no later than March 31, 2011.

The deadline to meet conditions (b) and (c) was further extended, to November 30, 2011, from the previously extended deadlines of September 30, 2011 and August 31, 2011. Kaskattama is yet to meet these conditions and continues discussions with Everton. Everton is pursuing other options for this project.

Kaskattama is a Canadian controlled private corporation based in Toronto, Ontario. It was incorporated under the *Business Corporation Act* (Ontario) on July 11, 2007. Kaskattama has a mining business development plan targeting undeveloped assets for near term resource development. It has a Canadian focus with preference given to partnerships with First Nations.

Everton purchased HLG on September 17, 2009 through the issuance of 11,999,938 common shares at a fair value of $0.17 per share plus certain other costs for a total purchase price of $2.4 million. Including the cost of the acquisition and all property related payments and exploration expenditures capitalized to date, the current carrying value of properties being sold to Kaskattama is approximately $4.5 million. Based on the above purchase price, Everton expects to realize a minimum gain of $1.5 million using a value of $0.40 per Kaskattama common share.

Hemlo West Properties

The HLG portfolio also includes a package of highly prospective properties, Hemlo West Properties, approximately 70 km west along the Trans Canada Highway from the multi-million ounce Hemlo gold deposit in the Schreiber Hemlo greenstone belt. 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.

On May 17, 2011, the Company announced that it finalized the sale of its 100% interest in Hemlo West properties located at Hays Lake, near Schreiber, Ontario, to Strike. Under the terms of the agreement, Everton will receive $100,000 in cash and 5,700,000 common shares of Strike. The Company has retained a 0.5% NSR on the property that can be purchased for $500,000 by Strike at any time. In addition, Everton has a right to nominate one Director to sit Strike's Board.

<u>Quebec</u>

Opinaca

The Opinaca A property is adjacent to the northern boundary of Goldcorp's Eleonore property hosting the Roberto gold deposit containing an estimated 3.0 million ounces of proven and probable gold reserves at an average grade of 7.56 g/t Au and 4.2 million ounces of inferred gold resources at an average grade of 10.60 g/t Au; (Source: Goldcorp - MD&A, for the third quarter ended September 30, 2011). 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 totaling $4,800,000 and cash payments totaling $540,000 over a 5-year period.

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.

On September 16, 2010, the Company and Azimut Exploration Inc. ("Azimut") announced the signing of a letter of intent with Aurizon whereby Aurizon can acquire up to an undivided 60% ownership interest in the Opinaca property, in which Everton and Azimut each hold an undivided 50% interest.

The key terms of the letter of intent are as follows:

- Aurizon can earn a 50% interest in the property by making cash payments totalling $580,000 and incurring expenditures of $6,000,000 over four years, including 5,000 meters of core drilling by the second anniversary.
- Aurizon will be the operator during the earn-in period for the initial 50% interest in the property, after which a joint venture will be formed.
- After earning its initial 50% interest in the property, Aurizon may then elect to earn an additional interest of 10%, for a total interest of 60%, by making cash payments totalling $300,000 over three years from the election date, incurring expenditures totalling $3,000,000 over three years from the election date, and delivering an independent pre-feasibility study on or before the fourth anniversary.
- In addition, in the event that prior to the end of the eighth year of the initial option agreement, mineral resources of at least 2,000,000 ounces of gold, at an average grade of at least 6.0 g/t Au, are estimated, Aurizon shall make a payment of $1,500,000, payable in Aurizon common shares, subject to regulatory approval.

Wildcat

The Wildcat project is adjacent to the Opinaca and Eleonore properties and is comprised of six different blocks comprising 411 mining claims, covering 21,476 hectares. 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.

On October 19, 2010, Company announced the signing of a formal option agreement with Aurizon whereby Aurizon can acquire up to an undivided 65% interest in Everton's wholly-owned Wildcat property, by making total cash payments of $550,000 (of which $250,000 was paid through a subscription to the October 15, 2010 private placement) and incurring expenditures of $3,250,000. The key terms of the agreement are as follows:

- Aurizon can earn a 50% interest in the property by incurring expenditures of $3,250,000 over four years, including 3,000 meters of drilling within two years.
- Aurizon will be the operator during the earn-in period for the initial 50% interest in the property, after which a joint venture will be formed.
- After earning its initial 50% interest in the property, Aurizon may then elect to earn an additional interest of 15%, for a total interest of 65%, by making cash payments totalling $300,000 over three years from the election date, and delivering an independent pre-feasibility study by the end of the fourth anniversary of the election date.
- In addition, in the event that prior to the end of the eighth year of the initial option agreement, mineral resources of at least 2,000,000 ounces of gold, at an average grade of at least 6.0 g/t Au, are estimated, Aurizon shall make a payment of $1,500,000 payable in Aurizon common shares, subject to regulatory approval.

On January 12, 2011, The Company announced Aurizon's plans to spend $3.6 million, which includes 7,200 meters of drilling, on the Opinaca-Wildcat Properties. Aurizon planed an exploration program consisting of surface sampling and geochemical analysis, geophysical surveys and drilling at the Opinaca-Wildcat properties in 2011 at a budget of $3.6 million. Approximately $1.0 million of expenditures, including 2,000 meters of drilling, is planned for the Opinaca property, and approximately $2.6 million of expenditures, including 5,000 meters of drilling, is planned for the Wildcat property.

Sirmac Lithium property

On January 7, 2011, the Company completed the sale of its Sirmac Lithium property to Nemaska in exchange for a cash payment of $30,000, 500,000 common shares of Nemaska (valued at $275,000) and 500,000 warrants of Nemaska (valued at $123,025). Each warrant entitles the Company to purchase one common share of Nemaska at a price of $0.60 until January 7, 2013. The Company also retained a 1% NSR which can be purchased for $1,000,000.

In accordance with a clause in the sale agreement with Nemaska, Nemaska was required to spin off its lithium related assets into a separate company on or before June 30, 2011. Given that this did not occur, Nemaska was required to issue to Everton on July 1, 2011, an additional 250,000 common shares (valued at $107,500) and 250,000 warrants (valued at $38,098), each warrant entitling the Company to purchase one common share of Nemaska at $0.60 until June 30, 2013. The Company received these securities in August 2011.

<u>British Columbia</u>

Hot Springs

The Hot Springs property is located in the Sloquet Creek area, British Columbia, 95 km northeast of Vancouver. The property is underlain by a sequence of pyritic, felsic tuff and coarse fragmental rocks capped by ferruginous chert which totals more than 400 meters thick.

Historical work reports the discovery of the Dan's Showing hosted in a very altered cherty tuffite. Hand trenching on the showing returned values of up to 6.75 g/t Au over 1 meter and 4.93 g/t Au over 2 meters. In 1990, Aranlee/Noranda completed a drill program which intersected 0.58 g/t Au over 119 meters in hole NQ90-2 and 0.61 g/t Au over 66.0 meters in hole NQ90-07.

The Company is currently looking for a partner to advance the Hot Springs property.

<u>Qualified person</u>

The above technical information was confirmed and/or reviewed by Hugo Dominguez, a qualified person under National Instrument 43-101 ("NI 43-101").

Selected Financial Data

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

	2011	2010	2009
	$	$	$
Statement of Operations and Deficit summary			
Total operating expenses	3,261,333	2,283,747	2,064,814
Write-down of deferred exploration expenses	1,128,042	319,340	887,533
Interest and other income	159,918	20,349	79,754
Net loss	889,222	2,419,400	2,429,386
Basic and diluted net loss per common share	0.008	0.03	0.04
Weighted average number of common shares outstanding	105,318,472	84,740,437	60,832,584
Statement of Deferred Exploration Expenses Summary			
Deferred exploration expenses before write-down, tax credits and mining duties	3,885,470	3,161,688	1,921,747
Statement of Cash Flows summary			
Cash flows used in operating activities	1,728,084	1,295,613	1,018,758
Cash flows (used in) from investing activities	1,646,345	(3,670,139)	(2,047,746)
Cash flows from financing activities	2,383,261	5,266,940	796,075
(Decrease) increase in cash and cash equivalents	(1,036,446)	301,624	(2,270,429)
Balance Sheet summary			
Cash and cash equivalents	946,964	1,983,410	1,681,786
Long-term investment	3,312,000	1,277,862	195,889
Mineral exploration properties	5,434,083	5,885,288	5,171,724
Deferred exploration expenses	16,531,487	13,751,411	10,847,065
Shareholders' equity	26,945,517	22,842,295	18,269,858
Total assets	27,752,714	23,104,522	18,435,355

Dividend Payment

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

During the year ended October 31, 2011, the Company reported net losses of $889,222 ($0.008 per share) compared to a net loss of $2,419,400 ($0.03 per share) during the year ended October 31, 2010 and a net loss of $2,429,386 ($0.04 per share) during the year ended October 31, 2009.

The reduction in the net loss from $2,419,400 in fiscal year 2010 to $889,222 in fiscal year 2011, was due to:

- The recognition of interest and other income of $159,918 (2010 - $20,349),

- The gain on sale of long- term investment of $1,316,704 (2010- $10,752) on the sale of 1,200,000 shares of Focus for net proceeds of $814,486 realizing a gain of $742,486, and the sale of 6,100,000 shares of NQ for net proceeds of $611,897, realizing a gain of $574,218.

- The gain on the sale of mineral properties totaling $397,211 (2010- $7,256) due to the gain of $407,188 on the sale of the Sirmac lithium property to Nemaska and a net loss of $9,977 recorded on the sale of the Hays Lake project to Strike.

- The net gain of $524,534 on the sale of marketable securities (2010- $2,769) from the sale of 352,000 shares of Nemaska for net proceeds of $140,740, realising a loss of $40,951, and the sale of 5,819,0000 shares of NQ for net proceeds of $601,429, realising a gain of $565,485.

- The recognition of the Company's share of net gain of $55,761 (2010- loss of $176,779) for NQ for the period up to January 2011 when Everton ceased to exercise significant control.

Operating expenses totalled $3,261,333 during the year ended October 31, 2011 ($2,283,747 for the year ended October 31, 2010). The increase in operating expenses this year ended October 31, 2011 is mainly attributed to the following:

- Professional fees totalled $271,005 during the year ended October 31, 2011 ($114,392 during the year ended October 31, 2010). The increase in professional fees is mainly due to legal fees incurred related to increased optioning and divesting activities and audit fees.

- Management and consulting fees totalled $223,958 during the year ended October 31, 2011 ($165,569 during the year ended October 31, 2010). These fees increased due to the Company's increased activities related to optioning and divesting mineral interests in Canada.

- Salaries and benefits totalled $485,511 during the year ended October 31, 2011 ($437,854 during the year ended October 31, 2010). The increase is attributed to the company increasing the number of its employees.

- The above increases were partially offset by a reduction in stock based compensation during the year ended October 31, 2011 of $593,171, compared to $684,907 during the same period of 2010. The decrease during the period is primarily the result of the grant of fewer stock options.

Quarterly Information

The following selected financial data is 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 Earnings (Loss)	Basic and Diluted Net Earnings (Loss) per Common Share
	$	$	$
31/10/2011	3,997	(1,343,810)	(0.012)
31/07/2011	149,056	621,124	0.006
30/04/2011	4,102	(972,824)	(0.009)
31/01/2011	2,763	806,288	0.007
31/10/2010	1,951	(620,247)	(0.007)
31/07/2010	-	(475,824)	(0.005)
30/04/2010	1,086	(736,470)	(0.010)
31/01/2010	17,312	(586,859)	(0.008)
31/10/2009	5,718	(870,954)	(0.013)

During the quarter ended July 31, 2011, the Company realized total earnings of $621,124 due mostly to the recognition of proceeds from the sale of common shares of NQ and Focus. During the quarter, the Company sold 5,819,000 shares of NQ for net proceeds of $601,429, realizing a gain of $565,485, 90,000 shares of Nemaska for net proceeds of $35,360, realizing a loss of $14,140 and 600,000 shares of Focus for net proceeds of $536,509 realizing a gain of $500,509.

During the quarter ended January 31, 2011, the Company realized total earnings of $806,288 due mostly to the recognition of proceeds from the sale of common shares of NQ and Focus. In January 2011, the Company sold 6,100,000 shares of NQ for net proceeds of $611,897, realizing a gain of $574,218 and sold 600,000 shares of Focus for net proceeds of $277,977, realizing a gain of $241,977.

Liquidity and Capital Resources

As at October 31, 2011, the Company had a working capital surplus of $1,553,202 ($1,906,413 at October 31, 2010). The working capital includes cash and cash equivalents of $946,964 ($1,983,410 as at October 31, 2010) and $302,870 in short-term investments. Working capital at October 31, 2011 included net proceeds of $742,169 from the sale of marketable securities and $1,426,383 from the sale of long-term investments and proceeds of $80,000 from the sale of mineral properties during the year. The $946,964 in cash and cash equivalent includes investment savings account balances totalling $662,692 (October 31, 2010 - $Nil). In August 2011, Everton received gross proceeds of $1,745,960 from a private placement.

The Company expended $1,728,084 on operating activities, used $1,646,345 from investing activities and $2,383,261 from financing activities during the year ended October 31, 2011.

The Company's principal requirements for cash for the next twelve months will be general and administrative expenses of approximately $1.2 m and exploration related expenditures of approximately $2.0 million. 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):

	2011	2012
	$	$
Cash payments	408	9,788 (1)
Exploration expenses	70	3,500 (2)
Total	478	13,288

(1) $9,437 of this amount is due during the 4th quarter of 2012.
(2) This exploration work commitment has to be met by October 31, 2012.

On September 1, 2010, as amended by two formal agreements in February 2011 and in June 2011, the Company signed a binding letter agreement to sell the Shoal Lake properties to Kaskattama (refer to `Èxploration Activities` section for details), which will relieve the Company from the remaining cash payments and exploration work commitments included in the table above, once the sale transaction with Kaskattama is finalized. To date, Kaskattama has made non-refundable cash option payments totalling $291,000.

With a working capital surplus of $1,553,202 and the Company's ability to monetize its marketable securities and long-term investment if needed, the Company anticipates having sufficient cash to meet its current obligations, undertake the drilling program on the Company's Dominican properties and meet its corporate administrative expenses for several months. The long-term investments in other publicly traded companies are currently valued at approximately $3.3 million. This investment portfolio is subject to fluctuations in market prices and the remaining investment is subject to a staged escrow release over the next 14 months.

The planned divestiture of the Company's 100%-owned subsidiary HLG containing the Shoal Lake properties is expected to close by September 30, 2011 and provide additional internal funding of approximately $6.0 million to the Company. However, should this transaction not be successful, the Company will be required to find other financing alternatives, through various means including but not limited to divesting HLG to another Company and/or through equity financing, to meet its obligations, to continue its exploration program on its mineral interests in the Dominican Republic. There is no assurance that the Company will be successful in raising the additional required funds.

Off Balance Sheet Arrangements

As of October 31, 2011, the Company had no off balance sheet arrangements.

Related Party Transactions

Under an agreement between the Company and Majescor Resources Inc. (“Majescor”) (which shared common management), which was terminated effective June 1, 2011, the Company charged Majescor for shared salaries and benefits, rent and office expenses. During the year, the cost of shared salaries and benefits was $33,250 (2010 - $62,000) and rent and office expenses was $1,666 (2010 - $2,856). Included in amounts due from related parties is $Nil ($Nil as at October 31, 2010) due from Majescor.

Under an agreement between the Company and Adventure Gold Inc. (“Adventure”) (which shared common management), which was terminated effective December 1, 2010, the Company charged Adventure for shared salaries and benefits, rent and office expenses. During the year, the cost of shared salaries and benefits was $7,500 (2010 - $90,000) and rent and office expenses was $500 (2010 - $6,000). Included in amounts due from related parties is $Nil ($Nil as at October 31, 2010) due from Adventure.

Under an agreement between the Company and Focus Metals Inc. (“Focus”) (which shares common management), the Company charges Focus for shared salaries and benefits, rent and office expenses. During the year, the cost of shared salaries and benefits was $97,624 (2010 - $28,350) and rent and office expenses was $36,880 (2010 - $11,650). Included in amounts due from related parties is $29,428 ($Nil as at October 31, 2010) due from Focus. The full amount was received subsequent to year end.

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 or specific 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, the Company recorded a write-down of $66,276, (the cost of the Miranda concession) for the third quarter ended July 31, 2011. In first quarter ended January 31, 2011, the Company recorded a write-down of $53,455 ($Nil in 2010) on two projects in Dominican Republic (Tocoa for $52,891 and Loma Ceiba de Agua for $564). The Tocoa and Loma Ceiba de Agua projects were abandoned as they no longer fit the Company`s strategy. During the year, the Company wrote down the cost of the La Mireya concession to $Nil ($5,635 in acquisition costs and $48,049 in deferred exploration expenses) as the Dominincan Republic government converted 50% of the concession into a national park.

Financial Instruments

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 of fiscal 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 continued to work on its transition to IFRS, including assessment of the impact on its accounting systems and financial statements, to ensure full compliance with this requirement by Q1 2012. The following summarizes the Company’s progress and expectations with respect to its IFRS transition plan:

Phase and Key	Progress
Preliminary impact assessment phase	Completed
Detailed evaluation of potential changes required to accounting policies, information systems and business processes, including the application of IFRS 1 First-time adoption of International Financial Reporting Standards	Completed
Final determination of accounting policies and the quantitative impact of adopting IFRS on key line items in the Company's financial statements	In progress, to be completed prior to the production of the Q1 2012 IFRS financial statements
Implementation phase: -Prepare IFRS consolidated financial statements and IFRS accounting policies -Prepare opening balance sheet reconciliation	In progress, to be completed in conjunction with the Q1 2012 IFRS financial statements
Post-implementation: -Compliance review -Design and implementation of new IFRS control environment	To be completed in conjunction with the Q1 2012 IFRS financial statements

The Company will engage its auditors to audit the opening statement of financial position and the quantitative impact of adopting IFRS on the Company's financial statements and to comment on the Company's 1st interim IFRS consolidated financial statements (Q1 2012).

During the evaluation of requirements for conversion to IFRS, the Company has assessed changes that need to be made to its IT and data systems, accounting systems, business processes and internal controls. The Company believes that these changes are minimal and the systems, processes and controls can accommodate the necessary changes. With respect to business activities, the Company has not identified any contractual or other arrangements that are significantly impacted by the adoption of IFRS. With respect to financial expertise, the Company's staff and advisers involved in the preparation of financial statements, and those processing transactions and information fundamental to the financial results, have been appropriately trained on the relevant aspects of IFRS and the changes to accounting policies. Further, the Board of Directors and Audit Committee have been regularly updated on the progress of the IFRS conversion plan, and are aware of the key aspects of IFRS affecting the Company. Finally, with respect to disclosure controls and procedures, the company is making sure that the MD&A documents include adequate descriptions of the transition adjustments so that investors and other user of the financial statements can understand the upcoming changes.

Impact of Adopting IFRS on the Company's Financial Statements

The adoption of IFRS will result in some changes to the Company's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements. Based on its evaluation to date, the Company will modify its accounting policies related to exploration for and evaluation of Mineral Resources as well as flow-through financings, as described below. However, the Company does not expect any changes to any of its other accounting policies that will result in significant changes to line items within its financial statements. The following provides a summary of the Company's evaluation of the most likely potential changes to accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be a complete list of areas where the adoption of IFRS will require a change in accounting policies.

Detail Description of Key Elements

First Time Adoption of International Financial Reporting Standards (IFRS 1)

IFRS 1 provides guidance on the general approach to take when adopting IFRSs for the first time. The fundamental principle of IFRS 1 is the retrospective application of IFRSs effective as of the date of adoption. IFRS 1 takes into account that a full retrospective application may not be possible or appropriate in all situations and allows for optional exemptions and mandatory exceptions to retrospective application of certain IFRSs.

IFRS 1 exemptions that the Company expects to choose on the date of transition are as follows:

Business Combinations:	This election allows the Company to adopt IFRS 3 prospectively from the date of transition.
Property, Plant, and Equipment:	This exemption allows an entity to measure its items of property, plant and equipment at the date of transition at their fair value as their deemed cost at that date.
Share-Based Payment:	This exemption allows for the restriction of the retrospective application of IFRS 2 according to the granting and vesting dates of rights granted. The Company will use this exemption for all stock options whose rights have been vested as of transition date and will retroactively apply IFRS 2 to stock options which will vest after November 1, 2010.

In addition, to ensure that the financial statements contain high quality information that is transparent to users, IFRS 1 contains disclosure requirements to highlight changes made to financial statements at the date of transition to IFRS. The required disclosures including reconciliation of equity and total comprehensive income and descriptions of the reconciling items and other changes will be included in a specific note to the financial statements for the quarter ending January 31, 2012.

Exploration for and Evaluation of Mineral Resources (IFRS 6)

IFRS 6 applies to expenditures incurred on properties in the exploration and evaluation (E&E) phase. The E&E phase begins when an entity obtains the legal rights to explore a specific area and ends when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. IFRS 6 requires entities to select and consistently apply an accounting policy specifying which E&E expenditures are capitalized and which are expensed.

The Company's policy under Canadian GAAP requires exploration and evaluation costs to be capitalized if the Company believes that these costs have the characteristics of property, plant and equipment. Under IFRS, the Company plans to continue capitalizing all exploration and evaluation costs. There will be no change in the accounting policy with no expected impact on the financial statements on the changeover date.

Effects of Changes in Foreign Exchange Rates (IAS 21)

The underlying concepts of functional currency and reporting currency are broadly consistent between Canadian GAAP and IFRS. However, IFRS rules differ in the determination of functional currency in that certain factors are given more weight than others. This is dependent on the identification of the entity`s primary economic environment, determined mainly by the currency that influences most the sales prices for goods and services, or labour, material and other costs of providing goods or services. Further indicators of a functional currency that may also need to be considered are the currency in which the entity raises financing and the currency in which cash is maintained. The Company has determined that the functional currency for its Canadian operations will not change on transition to IFRS. The functional currency of the Dominican operations is still being assessed. If the functional currency of the Dominican operations is assessed as being a currency other than the Canadian dollar, then the assets and liabilities of the operations would be translated at the current rate at each financial reporting date and the resulting gain or loss would be recognized in other comprehensive income.

Impairment of Assets (IAS 36):

Under Canadian GAAP, the company applied the criteria under EIC-174 to determine if any of the mineral exploration properties and deferred exploration expenses needed to be written down due to impairment. Under IFRS, the company will be applying the criteria found in IFRS 6 to determine if facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. An evaluation is ongoing to determine if these different criteria will result in additional write-downs. In addition, IFRS requires the reversal of any previous impairment losses other than goodwill where circumstances leading to the original impairment have changed. Canadian GAAP prohibits reversal of impairment losses. The above differences described above could lead to income statement volatility in future periods. The Company assessed the carrying value of its assets in accordance with IAS 36 and does not expect any impairment losses to be recognized at the changeover date.

Share-Based Payment (IFRS 2)

Unlike Canadian GAAP, IFRS 2 requires that the extinguishment of granted stock options be taken into account at initial recognition of the share-based compensation costs at the time of granting rather than recognizing the extinguishments when they occur. Moreover, in case of graded vesting or awards with a service condition, IFRS 2 requires that each vesting range be measured and recorded separately so as to obtain a distinct fair value for each range.

Given the choice made for the exemption allowed by IFRS 1, amendments to this policy will not impact the November 1, 2010 statement of financial position, except for stock options, whose rights vested after the date of transition. The Company believes that the changes of this policy will have a limited impact on its financial statements, given that the granted stock options vested immediately at the grant date, except for a non-material number of stock options granted with a service condition, which vested on a quarterly basis.

Accounting for Flow-Through Financings

Under Pre-change accounting standards, the entire proceeds received on the issuance of flow-through shares were credited to share capital. Under IFRS, issuance of flow-through shares is accounted for similarly to the issuance of a compound financial instrument. The liability component represents the obligation to revert the tax benefit to the investors. Proceeds from the issuance of shares by flow-through private placements are allocated between shares issued and a liability using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to the liability. Under Pre-change accounting standards, when the renouncement of the tax deductions related to the resource expenditure for income tax purposes, temporary taxable differences were created and a deferred income tax was recorded, and the related charge was treated as share issue costs. Under IFRS, when the Group has renounced to its deductions and has incurred its admissible expenditures, (or when its admissible expenditures and has the intention to renounce), the sale of tax deductions is recognized in profit or loss as a reduction of deferred tax expenses and a deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of admissible expenditures capitalized as an asset and its tax base. As there is no exemption under IFRS 1 for first-time adopters regarding flow-through shares, the treatment under IFRS needs to be applied retrospectively.

The Company is in the process of quantifying the impact of adopting this approach in accounting for flow-through financings under IFRS; however, the Company believes that the changes of this policy will have a limited impact on its financial statements, given most of its equity financings over the last 5 years have been non flow- through.

Financial Instruments (IAS 39)

Under IFRS, all financial assets must be classified into “loans and receivables”, held-to-maturity”, “fair value through profit or loss” or “available-for-sale” categories. Like IFRS, all financial assets under Canadian GAAP must be classified into “loans and receivables”, “held-to-maturity”, “held-for-trading” (fair value through profit or loss) or “available-for-sale”. However, there are certain differences from IFRS with respect to the types of assets that may be classified into each of these categories.

Financial instruments may be designated on initial recognition as measured at fair value through profit or loss only if certain criteria are met. Like IFRS, financial instruments under Canadian GAAP may be designated on initial recognition as held for trading (and measured at fair value through profit and loss) only if certain criteria are met. However, these criteria are less restrictive than under IFRS. The Company does not expect any material impact of these potential modifications; however a thorough evaluation will be performed as at the Transition Date in accordance with IFRS.

Subsequent Disclosures

Further disclosures of the IFRS transition process and the transition adjustments will be provided in the Company's first interim financial statements for the three months ended January 31, 2012, which will be prepared in compliance with IAS 34 and which will include notes disclosing transitional information and disclosure of new significant accounting policies under IFRS. The interim financial statements for the three months ended January 31, 2012 will also include 2010 financial statements for the comparative period, adjusted to comply with IFRS, and the transition date IFRS statement of financial position (as at November 1, 2010).

Outstanding Share Data

Common shares and convertible securities outstanding at February 24, 2012 consists of:

Securities	Expiry Date	Range of Exercise Price	Number of Securities Outstanding
Common shares	-	-	111,691,725
Options	Up to February 15, 2016	$0.10 to $1.38	7,437,000
Warrants	Up to August 25, 2013	$0.25 to $0.40	17,590,660

Subsequent Event

Amendment to agreement with Brigus Gold Corp.
On January 25, 2012, the Company announced an amendment to the terms of the letter agreement with Brigus. Under the terms of the amendment, the total cash consideration will be paid in four installments, including an initial non-refundable payment of $25,000, which was paid by Everton upon execution of the amendment. Brigus has also agreed to a voluntary twenty-four month escrow period for the 15,000,000 common shares of Everton to be issued in connection with the transaction, with an initial 10% to be released upon closing and an additional 22.5% every six months thereafter.

Sale of long-term investment

Subsequent to year end, Everton sold 600,000 shares of Focus Metals for net proceeds of $444,434.

Sale of marketable securities

Subsequent to year end, Everton sold 398,000 shares of Nemaska for net proceeds of $147,963 and 5,700,000 shares of Strike Minerals for net proceeds of $503,848.

Trading of Stock on the OTCQX

Refer to 'Corporate Development Highlights' section for details.

Letter Agreement With Brigus Revised

Refer to 'Corporate Development Highlights' section for details.

La Lechoza Mineral Resource Estimation

Refer to 'Corporate Development Highlights' section for details.

Risk and Uncertainties

Mineral exploration 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, and it is dependant on obtaining regular financing in order to continue exploration. Despite previous success in acquiring such financing, there is no guarantee of obtaining any future financing, or that it will be available on acceptable terms.

The Company holds investments in other publicly traded companies (FMS.V, STK.V, and NMX.V). The investments are currently valued at approximately $5.1 million. However, these investments are subject to fluctuations in market prices which may result in a significant decrease in their value.

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 and the Dominican Peso. Movement in the Canadian dollar against these currencies have a direct impact on the Company's costs. 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.

Risk on the Uncertainty of Closing On-going Transaction
The planned divestiture of the Company's 100%-owned subsidiary HLG containing the Shoal Lake properties is expected to close and provide additional internal funding of approximately $6.0 million to the Company. However, there is no assurance that the closing of the transaction will be successful.

Additional Information and Continuous Disclosure

This Management's Discussion and Analysis has been prepared as of February 24, 2012. Additional information on the Company is available through regular filings of news releases and financial statements on SEDAR (www.sedar.com).

(s) André Audet	*(s) Judith T. Mazvihwa-MacLean*
Chairman of the Board and Chief Executive Officer	Chief Financial Officer