# EVERTON RESOURCES INC.
# (An exploration stage Company)

# MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended January 31, 2012

# EVERTON RESOURCES INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JANUARY 31, 2012.**

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 April 20, 2012, should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and notes thereto for the three months ended January 31, 2012 as well as the audited consolidated financial statements and notes thereto for the fiscal years ended October 31, 2011 and 2010.

On November 1, 2010, the Company adopted International Financial Reporting Standards ("IFRS"). The unaudited condensed consolidated interim financial statements for the first quarter ended January 31, 2012 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") and using policies consistent with IFRS. A discussion of IFRS and its impact on the Company's financial presentation is presented in this report in the Change to Accounting Policies section. The comparative financial information of 2010 in this MD&A has been restated to conform to IFRS, unless otherwise stated. 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 or may refer to certain statements that may be deemed "forward-looking statements". Forward-looking statements include estimates and statements that describe the Company's future development plans, objectives or goals, including words to the effect that the Company expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Forward-looking 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 for mineral commodities; exploration successes; new opportunities; continued availability of capital and financing; general economic, market or business conditions; and litigation, legislative, environmental or other judicial, regulatory, political and competitive developments. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. Everton does not undertake to update any forward-looking statement that may be made from time to time by Management or on its behalf, except in accordance with applicable public disclosure rules and regulations.

## Nature of Business

Everton is a Canadian mineral exploration and development company incorporated under the Business Corporations Act (Alberta). The Company is 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.

## Going Concern Assumption

In assessing whether the Company's going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties relating to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. The carrying amounts of assets, liabilities and expenses presented in the condensed consolidated financial statements and the balance sheet classifications have not been adjusted as would be required if the going concern assumption was not appropriate. If the going concern assumption was not appropriate for the consolidated financial statements, adjustments to the carrying value of assets and liabilities and expenses and balance sheet classification, which could be material, may be necessary.

As of January 31, 2012, the Company had a working capital of $824,465 (including $578,401 in cash and $137,749 in short-term investments), primarily the result of the sale of marketable securities for net proceeds of $345,757, long-term investments for proceeds of $244,705 and short-term investments for proceeds of $165,121 during the quarter. The Company anticipates having sufficient funds to undertake exploration and development programs on its projects and meet its general and administrative costs for several months. However, the Company will require additional financing, through various means including but not limited to equity financing, to continue its operations. There is no assurance that the Company will be successful in raising the additional required funds.

**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").

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. 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 during the quarter.

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 securities in other publicly traded companies (common shares of Focus Metals Inc., (TSX-V: FMS and OTCQX :FCSMF), common shares and warrants of Exploration Nemaska Inc., (TSX-V: NMX), common shares of Strike Minerals Inc., (TSX-V: STK). The investments are valued at approximately $3,643,148 as of January 31, 2012. 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 Three Months Ended January 31, 2012**

<u>Sale of Investments for Total Proceeds of $590,462</u>

During the three months ended January 31, 2012, the Company received total net proceeds of $590,462 from the sale of the following investments:
- 2,110,000 shares of Strike for net proceeds of $197,795,
- 335,000 shares of Focus for net proceeds of $244,705 and
- 398,000 shares of Nemaska for net proceeds of $147,962.

<u>Trading of Stock on the OTCQX Subsequent to Year End</u>

During the quarter ended January 31, 2012, 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 November 29, 2011 under the trade symbol "EVRRF".

<u>Letter Agreement With Brigus Revised</u>

During the quarter, 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

During the quarter, on January 23, 2012, Everton released the results of its initial National Instrument 43-101 ("NI 43-101") compliant, independent mineral resource estimate, dated September 13, 2011, 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 |

The initial current mineral resource estimate was completed by Maxime Dupéré P. Geo., of SGS Geostat, who has reviewed pertinent geological information in sufficient detail to support the data incorporated in the mineral resource estimate. For more information on the resource estimate, please refer to the news release dated Jan 23, 2012 and the technical report filed on SEDAR (www.sedar.com).

Everton Terminates Agreement for the Sale of Shoal Lake Gold Properties to Kaskattama Inc.

Subsequent to the three month period ended January 31, 2012, on March 23, 2012 the Company announced that the share purchase agreement dated February 22, 2011, as amended, with Kaskattama Inc. (Kaskattama) has been terminated. Under the terms of agreement, Kaskattama was granted the right to acquire the Shoal Lake properties for the price of $2 million and 14 million shares (refer to Everton's press release dated September 29, 2010 for more information on the transaction with Kaskattama).

Everton Retains Caracle Creek International Consulting and Appoints Dr. Scott Jobin-Bevans as Senior Technical Advisor

Subsequent to the period ended January 31, 2012, on April 10, 2012, the Company announced it entered into a General Consultancy Agreement with Caracle Creek International Consulting ("Caracle Creek"). Under the terms of this agreement, Caracle Creek will act as Everton’s geological agent for its projects located in the Dominican Republic. In addition, the Company announced that Dr. Scott Jobin-Bevans, P.Geo., who works in the Dominican Republic and is a co-founder of Caracle Creek, will be working closely with Everton's in-country team in the capacity of Senior Technical Advisor.

**Exploration Activities**

Details of the Company’s deferred exploration expenditures during the three month period ended January 31, 2012 are included in notes to the financial statements. The Company incurred Deferred Exploration Expenditures of $643,119 during the three month period. Of these exploration expenditures, $639,423 representing 99.4%, were on properties located in the Dominican Republic.

Exploration and Evaluation Assets – 3 months ended January 31, 2012

Dominican Republic

| | Cuance | Los Hojanchos | La Cueva | Jobo Claro | Maimon Copper | Ampliacion | La Lechoza | Other | Total |
|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Balance - beginning | 1,021,392 | 324,674 | 940,566 | 536,457 | 869,827 | 5,537,514 | 908,752 | 390,316 | 10,529,498 |
| Additions | | | | | | | | | |
| Drilling | - | - | - | - | 623 | 336,473 | 3,903 | 45,807 | 386,806 |
| Project consulting | - | - | - | - | - | - | - | 6,441 | 6,441 |
| Geological survey | - | - | - | - | - | 93,109 | - | 47,315 | 140,424 |
| Geochemical survey | - | - | 389 | - | - | 2,932 | - | 60,734 | 64,055 |
| Resources estimate | - | - | - | - | - | - | 6,101 | - | 6,101 |
| Renewal of licenses and permits | - | - | - | - | 91 | - | - | - | 91 |
| General field expenses | - | - | - | - | - | 14,835 | - | 20,670 | 35,505 |
| | - | - | 389 | - | 714 | 447,349 | 10,004 | 180,967 | 639,423 |
| Balance - end | 1,021,392 | 324,674 | 940,955 | 536,457 | 870,541 | 5,984,863 | 918,756 | 571,283 | 11,168,921 |

Canada

| | Shoal Lake West | Shoal Lake East (Machin) | Shoal Lake East (KPM) | Hays Lake | Opinaca | Wildcat | Other | Total |
|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ |
| Balance - beginning | 1,598,224 | 278,421 | 125,485 | - | 2,754,706 | 1,125,390 | 119,763 | 6,001,989 |
| Additions | | | | | | | | |
| Renewal of licenses and permits | 205 | 102 | 103 | - | - | - | 3,286 | 3,696 |
| | 205 | 102 | 103 | - | - | - | 3,286 | 3,696 |
| Deductions | | | | | | | | |
| Option payments | - | - | - | - | 41,500 | - | - | 41,500 |
| | - | - | - | - | 41,500 | - | - | 41,500 |
| Balance - end | 1,598,429 | 278,523 | 125,588 | - | 2,713,206 | 1,125,390 | 123,049 | 5,964,185 |

## Exploration and Evaluation Assets – 3 months ended January 31, 2011

### Dominican Republic

| | Cuance | Los Hojanchos | La Cueva | Jobo Claro | Maimon Copper | Ampliacion | Fresso | Other | Total |
|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Balance - beginning | 1,020,792 | 324,185 | 936,104 | 536,139 | 988,556 | 2,983,413 | 562,721 | 331,080 | 7,682,990 |
| Additions | | | | | | | | | |
| Drilling | 295 | 38 | 346 | - | - | 546,529 | 3,074 | 89 | 550,371 |
| Project consulting | - | - | 950 | - | - | 8,547 | - | 5,528 | 15,025 |
| Geological survey | 97 | 82 | 109 | - | - | 132,787 | 2,475 | 123 | 135,673 |
| Geochemical survey | 2 | - | 3 | - | - | 6,488 | 19 | 2 | 6,514 |
| Renewal of licenses and permits | - | - | - | 318 | 9 | 619 | 5 | 29 | 980 |
| General field expenses | - | - | - | - | - | 3,380 | - | 9,333 | 12,713 |
| | 394 | 120 | 1,408 | 318 | 9 | 698,350 | 5,573 | 15,104 | 721,276 |
| Deductions | | | | | | | | | |
| Write-downs | - | - | - | - | 52,891 | - | - | 564 | 53,455 |
| | - | - | - | - | 52,891 | - | - | 564 | 53,455 |
| Balance - end | 1,021,186 | 324,305 | 937,512 | 536,457 | 935,674 | 3,681,763 | 568,294 | 345,620 | 8,350,811 |

### 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 | - | - | - | - | - | - | 5,000 | 5,000 |
| Renewal of licenses and permits | 5,113 | - | - | - | - | - | - | 5,113 |
| General field expenses | 1,037 | - | - | - | - | - | - | 1,037 |
| | 6,168 | - | - | - | - | - | 8,752 | 14,920 |
| Deductions | | | | | | | | |
| Mineral properties sold | - | - | - | - | - | - | 20,597 | 20,597 |
| | - | - | - | - | - | - | 20,597 | 20,597 |
| Balance - end | 1,595,036 | 278,421 | 125,485 | 70,216 | 2,750,051 | 1,125,390 | 118,145 | 6,062,744 |

### Dominican Republic

In the Dominican Republic, the Company incurred $639,423 in exploration expenditures during the three month period ended January 31, 2012 ($721,276 in the comparative period ended January 31, 2011). Most of the exploration expenditures in the period ended January 31, 2012 and 2011, $643,119 and $736,196 respectively (representing an average of 83%) 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. 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, during the quarter, 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 quarter, 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 previous quarters. 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 quarter, 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 quarter ended January 31, 2012 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. During the quarter the Company received assay results from holes 11-40 to 11-47. No significant intersections were drilled by these holes except for Hole 11-46 which drilled anomalous gold zones which may require further evaluation.

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. During the quarter in December the drill program was temporally halted 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. The Company also engaged a multidisciplinary academic research team to conduct a thorough petrographic, mineralogical and geochemical study of the intrusive rocks under the La Cuaba lithocap and their potential to host a gold-copper-moly porphyry deposit. The study will include, among other analyses, the analysis of major and trace elements, stable and radiogenic isotopes, X-Ray diffraction, scanning electronic microscope. The academic team is lead by the University of Barcelona, with the collaboration of Dr. John F. Lewis and the participation of Carl E. Nelson.

Ponton (Loma Hueca)

In fiscal year 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 and for a one year extension on the concession. 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 during the quarter 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 during the quarter on December 23, 2011.

The Company has applied for an environmental permit and a one year extension on the concession to facilitate drilling.

Cuance and Los Hojanchos

Last fiscal year, 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. In the last quarter, Everton wrote 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.

<u>Canada</u>

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 km2, 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 was to receive consideration of approximately $6.0 million for the sale of all the issued and outstanding shares of HLG to Kaskattama. The $6.0 milli on 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 totaling $348,000 had 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. As of January 31, 2012, Kaskattama was yet to meet these conditions and on March 23, 2012 the Company announced that it had terminated the share purchase agreement with Kaskattama. Everton is pursuing other options for this project.

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, the consideration consisted of $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.

Quebec

Opinaca

The Opinaca A property is adjacent to the northern boundary of Goldcorp's Eleonore property hosting the Roberto gold deposit containing an estimated 3.03 million ounces of proven and probable gold reserves (Source: Goldcorp - MD&A, for the year ended December 31, 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 planned 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.

British Columbia

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.

Qualified person

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

**Financial Information**

The following selected financial data is derived from the unaudited condensed consolidated interim financial statements of the Company, which were prepared in accordance with IFRS as described in the change in Accounting Policies Section.

**Selected Financial Data**

| | Three months Ended Jan 31, 2012 $ | Three months Ended Jan 31, 2011 $ |
|---|---|---|
| **Statement of Comprehensive Income** | | |
| Loss from operations | (351,034) | (77,119) |
| Interest and Other income | 2,884 | 2,763 |
| Net (Loss) Earnings | (216,855) | 808,640 |
| Basic and Diluted Net (Loss) Earnings per Common Share | (0.002) | 0.008 |
| Basic Weighted Average Number of Common Shares Outstanding | 111,691,725 | 102,521,555 |
| Diluted Weighted Average Number of Common Shares Outstanding | 111,691,725 | 105,414,969 |
| **Exploration and Expenditures** | 643,119 | 736,196 |
| **Statement of Cash Flows** | | |
| Net Cash Used in Operating Activities | (262,561) | (194,173) |
| Net Cash (Used In) Provided By Investing Activities | (106,002) | 55,680 |
| Net Cash Provided By Financing Activities | - | 566,144 |
| (Decrease) Increase in Cash | (368,563) | 427,391 |

| **Balance Sheet summary** | January 31, 2012 | October 31, 2011 | November 1, 2010 |
|---|---|---|---|
| Cash | 578,401 | 946,964 | 1,983,410 |
| Long-term Investment | 3,304,100 | 3,312,000 | 1,277,862 |
| Mineral Exploration Properties | 5,602,583 | 5,434,083 | 5,885,288 |
| Exploration and Evaluation Assets | 17,133,106 | 16,531,487 | 13,751,411 |
| Shareholders' Equity | 26,950,796 | 26,945,517 | 22,842,295 |
| Total Assets | 27,676,463 | 27,752,714 | 23,104,522 |

**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 and development programs, future growth, and any other factors the board may deem necessary to consider. It is highly unlikely that any dividends will be paid in the near future.

**Results of Operations For The Three Months Ended January 31, 2012**

**Net Earnings (Loss)**

During the three-month period ended January 31, 2012, the Company reported a net loss of $216,855 ($0.002 net loss per share) compared to net earnings of $808,640 ($0.008 net earnings per share) for the three-month period ended January 31, 2011. This significant decrease in earnings is mostly attributable to the following:

- The gain on the sale of long- term investments of $224,605 on the sale of 335,000 shares of Focus for net proceeds of $244,705 compared to $816,195 realized in 2011 on the sale of 6,100,000 shares of NQ and 600,000 shares of Focus.

- The recognition of a loss on the sale of marketable securities of $66,052 ($Nil in 2011) from the sale of 398,000 shares of Nemaska for net proceeds of $147,962 and 2,110,000 shares of Strike for net proceeds of $197,795, realizing a loss of $52,847 and $13,205 respectively.

- The recognition of the Company's share of net gain ($Nil in 2012 compared to a gain of $55,761 recorded in 2011 for NQ when Everton ceased to exercise significant control.)

**Operating Expenses**

During the three-month period ended January 31, 2012, the Company's operating expenses were $351,034 compared to $77,119 for the three-month period ended January 31, 2011. This change was mostly attributed to the recognition of the gain on the sale of mineral properties ($Nil in 2012 compared to a gain of $407,188 recorded on the sale of the Sirmac lithium property to Nemaska).

**Quarterly Information**

The following summarized financial data has been prepared in accordance with IFRS except for three quarters ended October 3, 2011, July 31, 2011, April 30, 2011 and the 2010 data which has been prepared in accordance with Canadian Generally Accepted Accounting Principles and should be read in conjunction with the Company's interim consolidated statements for those periods.

| Quarter Ended | Accounting Policy | Interest and Other Income | Net (Loss) Earnings | Basic and Diluted Net Earnings (Loss) per Common Share |
|---|---|---|---|---|
| | | $ | $ | $ |
| 31/01/2012 | IFRS | 2,884 | (216,855) | (0.002) |
| 31/10/2011 | Canadian GAAP | 3,997 | (1,343,810) | (0.012) |
| 31/07/2011 | Canadian GAAP | 149,056 | 621,124 | 0.006 |
| 30/04/2011 | Canadian GAAP | 4,102 | (972,824) | (0.009) |
| 31/01/2011 | IFRS | 2,763 | 808,640 | 0.008 |
| 31/10/2010 | Canadian GAAP | 1,951 | (620,247) | (0.007) |
| 31/07/2010 | Canadian GAAP | - | (475,824) | (0.005) |
| 30/04/2010 | Canadian GAAP | 1,086 | (736,470) | (0.010) |
| 31/01/2010 | Canadian GAAP | 17,312 | (586,859) | (0.008) |

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 $808,640 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. These changes are not related to the impact of transitioning to IFRS.

**Liquidity and Capital Resources**

The Company's working capital at January 31, 2012 is $824,465 including $578,401 in cash and 137,749 in short-term investments, as compared to a working capital of $1,553,202 at October 31, 2011.

Working capital at January 31, 2012 included net proceeds of $345,757 from the sale of marketable securities and $244,705 from the sale of long-term investments and $165,121 from the sale of short-term investments during the quarter. The $578,401 in cash includes investment savings account balances totalling $318,461.

During the quarter the Company expended $262,561 on operating activities, used $106,002 in investing activities and provided $Nil from financing activities.

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

| | 2012 |
|---|---|
| | $ |
| Cash payments | 9,738 (1) |
| Exploration expenses | 3,500 (2) |
| Total | 13,238 |

(1) Approximately $9,400 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 was expected to relieve the Company from the remaining cash payments and exploration work commitments included in the table above, once the sale transaction was finalized. Subsequent to the quarter end on March 23, 2012, the Company announced it terminated the share purchase agreement with Kaskattama.

With a working capital surplus of $824,465 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, 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 at January 3, 2012. 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 was expected to close by September 30, 2011 and provide additional internal funding of approximately $6.0 million to the Company. However, this transaction was terminated on March 23, 2012. The Company will be required to find other financing alternatives, through various means including but not limited to divesting HLG or the Shoal Lake properties 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 assuranmce the Company will be successful in raising the additional required funds.

**Off Balance Sheet Arrangements**

As of January 31, 2012, the Company had no off balance sheet arrangements.

**Related Party Transactions**

Related parties include the Board of Directors and key management personnel, as well as, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions

**Administrative Fees**

Under a cost sharing agreement between the Company and Focus, which shares common management, the Company charges Focus for shared salaries and benefits, rent and office expenses. During the three months ended January 31, 2012, the cost of shared salaries and benefits was $27,475 (2011in $17,010) and office expenses was $15,181 (2011 in $6,990). Included in amount due from related party is $30,271 ($29,428 as at October 31, 2011 and $Nil as at November 1, 2010).

**Key Management Compensation**

The following table reflects compensation of key management personnel, including the CEO, CFO and Directors:

| | Three months ended January 31 | |
|---|---|---|
| | **2012** | 2011 |
| | $ | $ |
| Salaries (including bonuses) (1) | **90,385** | 105,577 |
| Benefits | **1,215** | 1,737 |
| Share-based compensation | **-** | 202 |
| | **91,600** | 107,516 |

(1) Includes directors' fees presented as Management and consulting fees in the consolidated statements of comprehensive income.

**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, management determined that no write-down was required for the three-month period ended January 31, 2012.

**Financial Instruments**

The Company's financial instruments consist of cash, short-term investments, marketable securities and warrants, accounts receivable, amount due from related party, long-term receivable, long-term investments, accounts payable and accrued liabilities. The fair value of cash, short-term investments, accounts receivable, amount due from related party and accounts payable and accrued liabilities approximate their carrying value due to their short-term nature.

**Critical Accounting Policies and Estimates**

The preparation of the Interim Financial Statements requires management to make estimates and assumptions about the future that affect the amounts recorded in the Interim Financial Statements and accompanying notes. These estimates and assumptions are based on the Company's experience and Management's expectations about future events that are believed to be reasonable under the circumstances, and they are continually being evaluated based on the new facts and experience. Actual results may differ from these estimates and assumptions. The effect of a change in accounting estimate is recognized prospectively in the period of change and future periods if the change impacts both periods.

The Company's significant accounting policies and estimates are fully described in Note 3 to the unaudited condensed consolidated interim financial statements for the quarter ended January 31, 2012.

**Change in Accounting Policies**

The Company prepared its unaudited condensed consolidated interim financial statements for the 1st quarter ended January 31, 2012 in accordance with IFRS. These are the Company's first financial statements prepared in accordance with IFRS as issued by the IASB.

The policies set out in the Summary of Significant Accounting Policies section (Note 3) have been applied in preparing the unaudited condensed consolidated interim financial statements for the three months ended January 31, 2012 and in the preparation of an opening IFRS statement of financial position at November 1, 2010 (the Company's Transition Date).

The preparation of these unaudited condensed consolidated interim financial statements resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under Canadian GAAP. The accounting policies (Note 3) have been applied consistently to all periods, presented in the financial statements. They also have been applied in preparing an opening IFRS statement of the financial position as at November 1, 2010, the Company's Transition Date, for the purposes of the transition to IFRS, as required by IFRS 1. The accounting policies have been selected to be consistent with IFRS as is expected to be effective on October 31, 2012, the Company's first annual IFRS reporting date. The standards and interpretations within IFRS are subject to change and accordingly, the accounting policies for the annual period that are relevant to these unaudited condensed consolidated interim financial statements will be finalized only when the first full IFRS financial statements are prepared for the year ending October 31, 2012. Below is a summary discussion of some of the key impacts of conversion to IFRS:

## First-time Adoption of IFRS

The Company applied IFRS 1 in preparing these first IFRS consolidated financial statements. The effects of the transition to IFRS on equity, comprehensive income and reported cash flows already established are presented in this section and are further explained in the notes accompanying the tables.

Upon transition, IFRS 1 dictates certain mandatory exceptions and certain optional exemptions from full retrospective application. The exceptions and exemptions adopted by the Company are set out below:

Mandatory Exceptions

The estimates established by the Company in accordance with IFRS at the date of transition to IFRS are consistent with estimates made for the same date in accordance with Canadian Generally Accepted Accounting Principles ("CGAAP"), after adjustments to reflect any difference in accounting principles, if applicable.

Financial assets and liabilities that were derecognized before November 1, 2010, under pre-changeover accounting standards, were not recognized under IFRS.

Optional Exemptions

The Company has chosen not to apply IFRS 2, "Share-based Payments", retrospectively to options that had completely vested before the date of transition to IFRS.

The Company has elected not to apply IFRS 3, "Business Combinations", retrospectively to business combinations that occurred before the date of transition to IFRS.

## Changes to Accounting Policies to be Consistent with IFRS

The Company has changed certain accounting policies to be consistent with IFRS. The changes to its accounting policies have resulted in certain changes to the recognition and measurement of assets, liabilities, equity, revenue and expenses within these financial statements.

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

Share-Based Payment (IFRS 2):

Unlike Canadian GAAP, IFRS 2 requires that the forfeiture 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 forfeiture 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 did not impact the November 1, 2010 statement of financial position, except for stock options, whose rights vested after the date of transition.

| | October 31, 2011 | January 31, 2011 | November 1, 2010 |
|---|---|---|---|
| | $ | $ | $ |
| Contributed surplus | 62,450 | 18,250 | 20,602 |
| Deficit | (62,450) | (18,250) | (20,602) |
| | - | - | - |

Impairment of Assets

On transition to IFRS, the adoption of IAS 36, "Impairment of Assets", had no impact on the Company.

## Transition Date and Comparative Unaudited Condensed Consolidated Interim Financial Statements

The changes in accounting policies resulting from the Company's adoption of IFRS had the following impact on the unaudited condensed consolidated statement of comprehensive loss, on the condensed consolidated statement of financial position and on the unaudited condensed consolidated statement of cash flows for the three months ended January 31, 2011 and the year ended October 31, 2011.

**Impact On Condensed Interim Statements of Financial Position**

| | October 31, 2011 | January 31, 2011 | November 1, 2010 |
|---|---|---|---|
| | $ | $ | $ |
| Adjustment to contributed surplus | 62,450 | 18,250 | 20,602 |
| Adjustment to deficit | (62,450) | (18,250) | (20,602) |
| | - | - | - |

**Impact On Condensed Interim Statements of Comprehensive Income**

| | Year Ended October 31, 2011 | 3 Months Ended January 31, 2011 |
|---|---|---|
| | $ | $ |
| Adjustment to stock-based compensation | 41,848 | (2,352) |
| Adjustment to net (loss) earnings | 41,848 | (2,352) |

**Impact On Condensed Interim Statements of Cash Flow**

| | Year Ended October 31, 2011 | 3 Months Ended January 31, 2011 |
|---|---|---|
| | $ | $ |
| Adjustment to net (loss) earnings | 41,848 | (2,352) |
| Adjustment to share-based compensation | 41,848 | (2,352) |

**Presentation**

Certain amounts in the unaudited condensed consolidated interim statements of financial position, statements of comprehensive income and statements of cash flows have been reclassified to conform to the presentation adopted under IFRS.

**Outstanding Share Data**

Common shares and convertible securities outstanding at April 20, 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 | 15,997,860 |

**Subsequent Event**

Everton Terminates Agreement for the Sale of Shoal Lake Gold Properties to Kaskattama Inc.

Refer to 'Corporate Development Highlights' section for details.

Everton Retains Caracle Creek International Consulting and Appoints Dr. Scott Jobin-Bevans as Senior Technical Advisor

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 and STK.V). The investments were valued at approximately $3.6 million at January 31, 2012. 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.

**Additional Information and Continuous Disclosure**

This Management's Discussion and Analysis has been prepared as of April 20, 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 |