EVERTON RESOURCES INC.
(An exploration stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine month periods ended July 31, 2012

EVERTON RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTH PERIODS ENDED JULY 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 September 28, 2012, should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and notes thereto for the three and nine month periods ended July 31, 2012 as well as the audited consolidated financial statements and notes thereto for the fiscal years ended October 31, 2011 and 2010.

Effective November 1, 2010, the Company adopted International Financial Reporting Standards ("IFRS"). The unaudited condensed consolidated interim financial statements for the three and nine month periods ended July 31, 2012 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") 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 in 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) and continued under the Canada Business Corporations Act. 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 at July 31, 2012, the Company had a working capital of $405,334, including $524,448 in cash, primarily the result of the sale of marketable securities for net proceeds of $654,477, long-term investments for proceeds of $1,099,014 and short-term investments for proceeds of $301,121 during the nine months ended July 31, 2012. The Company anticipates having sufficient funds to discharge its current liabilities and 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. In addition, the Company earned a 50% interest in Perilya'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. The transaction is expected to be finalized upon the receipt of final Exchange approval.

In September 2010 the Company 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 Graphite Inc. (formerly Focus Metals Inc.), (TSX-V: FMS and OTCQX :FCSMF) and warrants of Exploration Nemaska Inc., (TSX-V: NMX). The investments are valued at approximately $2.2 million as of July 31, 2012. This investment portfolio was formed through the sale of the Labrador Trough properties in Quebec to Focus Graphite Inc. (Focus), and the sale of the Sirmac Lithium project in Quebec to Exploration Nemaska Inc. (Nemaska).

Significant Events During the Three Months Ended July 31, 2012

<u>Sale of Investments for Total Proceeds of $654,580</u>

During the three months ended July 31, 2012, the Company received total net proceeds of $654,580 from the sale of 900,000 shares of Focus.

Exploration Activities

Details of the Company's exploration expenditures during the period ended July 31, 2012 are included in notes to the financial statements and are capitalized under Exploration and Evaluation Assets in accordance with the Company`s accounting policies. The Company incurred exploration expenditures of $177,559 during the three month period ended July 31, 2012. Of these exploration expenditures, $174,895 representing 98.5% were on properties located in the Dominican Republic.

Exploration and Evaluation Assets – 9 months ended July 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	993	993	1,770	772	2,690	397,037	3,903	85,305	493,463
Project consulting	-	-	-	-	-	2,233	-	17,016	19,249
Geophysical survey	-	-	-	-	-	4,918	-	-	4,918
Geological survey	136	108	3,733	-	-	163,819	-	73,499	241,295
Geochemical survey	-	-	389	-	-	30,598	-	119,822	150,809
Report preparation	-	-	795	-	-	48,638	300	-	49,733
Sampling	-	-	-	-	-	52,452	-	48,373	100,825
Assaying	-	-	4,123	-	-	51,305	-	9,482	64,910
Resources estimate	-	-	-	-	-	-	6,101	-	6,101
Renewal of licenses and permits	-	-	227	-	90	1,828	-	342	2,487
General field expenses	-	-	-	-	-	14,835	-	30,217	45,052
	1,129	1,101	11,037	772	2,780	767,663	10,304	384,056	1,178,842
Balance - end	1,022,521	325,775	951,603	537,229	872,607	6,305,177	919,056	774,372	11,708,340

Canada

	Shoal Lake West	Shoal Lake East (Machin)	Shoal Lake East (KPM)	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							
Report preparation	-	-	-	-	-	2,500	2,500
Renewal of licenses and permits	205	102	103	-	-	11,834	12,244
	205	102	103	-	-	14,334	14,744
Deductions							
Option payments	-	-	-	41,500	-	-	41,500
Write-downs	1,598,429	-	-	-	-	-	1,598,429
	1,598,429	-	-	41,500	-	-	1,639,929
Balance - end	-	278,523	125,588	2,713,206	1,125,390	134,097	4,376,804

Exploration and Evaluation Assets – 9 months ended July 31, 2011

Dominican Republic

	Cuance	Hojanchos	La Cueva	Claro	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	1,585	-	21	1,085,252	697,097	183,420	15,583	1,983,498
Project consulting	-	-	950	-	-	8,547		-	16,214	25,711
Geological survey	280	265	1,751	-	2	310,986	154,499	32,215	39,348	539,346
Geochemical survey	3	1	5	-	1	39,612	1,368	1,973	7,951	50,914
Report preparation	-	-	7	-	-	2	2	15	433	459
Renewal of licenses and permits	-	-	-	318	414	16,773	36	15	47	17,603
General field expenses	-	-	-	-	-	3,515		-	19,301	22,816
	600	489	4,298	318	438	1,464,687	853,002	217,638	98,877	2,640,347
Deductions										
Write-downs	-	-	-	-	119,167	-	-	-	564	119,731
	-	-	-	-	119,167	-	-	-	564	119,731
Balance - end	1,021,392	324,674	940,402	536,457	869,827	4,441,594	859,508	780,359	429,393	10,203,606
* Excludes La Lechoza										

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	-	-	-	-	-	-	5,113
General field expenses	4,225	-	-	-	-	-	-	4,225
	9,356	-	-	-	8,924	-	8,752	27,032
Deductions								
Tax credits	-	-	-	-	4,269	-	-	4,269
Mineral properties sold	-	-	-	-	-	-	20,597	20,597
	-	-	-	-	4,269	-	20,597	24,866
Balance - end	1,598,224	278,421	125,485	70,216	2,754,706	1,125,390	118,145	6,070,587

Dominican Republic

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 geological, geophysical and geochemical programs on the La Lechoza target and the South Sector also known as APVS. 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 totaling 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, 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 totaling 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 totaling 31 line-km, a horizontal loop electromagnetic ("HLEM") survey totaling 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 108 drill holes totaling approximately 17,961 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 ended July 31, 2012, the Company compiled information generated from the previous drill programs and commenced producing maps and sections and processing the results of geophysical surveys completed in the past. These exercises will generate specific targets on the APV, APVS, shallow lithocap and deeper intrusives.

APV Project and La Lechoza Drilling Program

Highlights of the assay results from drill holes APV11-16 to 11 to APV11-30 completed in the previous quarters 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.

Everton completed 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 14 holes completed totaling 7,200 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. Readers should refer to MS thesis by University of Barcelona completed in August 2012 on the petrology and geochemistry of the intrusive rocks below the lithocap.

The 20,000 meter drill program initiated last year was 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. 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 and 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. The study commenced during the quarter ended April 30, 2012.

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. The transaction is expected to be finalized upon the receipt of final Exchange approval.

Pun

In September 2011 the Company entered into an option to purchase agreement for the Pun exploration concession adjacent to Ponton to the West. The Pun concession covers an area of 3,675 Ha. During the fiscal year Everton has conducted data compilation from previous exploration programmes, new geologic mapping, systematic stream sediments, soils and rock sampling and trenching. The results of these activities outline a significant geochemical anomalies in the central and northern parts of the concession, extensions of known anomalies in the Ponton concession, which are targeted to be follow up by drilling as soon as environmental permits are obtained.

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 on December 23, 2011. The transaction is expected to be finalized upon the receipt of final Exchange approval.

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.

Sufficient work has been performed on the Cuance, Los Hojanchos, 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.

Canada

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

Hays Lake Gold (HLG) holds the Shoal Lake Gold properties which comprise 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. 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 the Company`s wholly-owned subsidiary HLG to Kaskattama Inc. (Kaskattama), for a total consideration of approximately $7.9 million. On March 23, 2012 the Company announced it had terminated the agreement with Kaskattama as Kaskattama had not met the conditions of the agreement.

Prior to the termination of the agreement on March 23, 2012, in June 2011, the agreement between Everton, and Kaskattama was amended by a formal agreement. Under the terms of the revised agreement, Everton expected 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 million consideration was 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 was 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 was 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 had 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 now pursuing other options for the Shoal Lake project.

On July 5, 2012, the Company signed a mutual release and quitclaim deed with Halo Resources in which the Company released all of its claims in the Shoal Lake West (Duport) property. Under the quitclaim deed the Company no longer has any commitments or obligations with respect to Halo Resources and the Shoal Lake West (Duport) property. In association with the return of the Duport claims the Company has recognized a write off of deferred exploration expenditures of $3,249,322.

Hemlo West Properties

On May 17, 2011, the Company 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.

The Hemlo West Properties are located 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.

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 km^2. Everton earned its 50% interest after completing exploration expenditures totaling $4,800,000 and making 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 totaling $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 totaling $300,000, to Everton and Azimut, over three years from the election date, incurring expenditures totaling $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, to Everton and Azimut, 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 $300,000 and incurring exploration 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 totaling $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. During the summer of 2012 Aurzion spent approximately $1,000,000 in exploration. The program consists of surface sampling and geochemical analysis, geochemical surveys at the Opinaca-Wildcat properties.

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.

On June 5, 2012, Everton signed an option agreement with Electra Gold Ltd. (Electra), whereby Electra can acquire the Company`s 100% interest in the property. Under the terms of the agreement, Electra has the right to acquire a 100% interest in the property by issuing 20,000,000 common shares of Electra, making cash payments totaling $1,900,000 to Everton and incurring exploration expenditures totaling $500,000, in accordance with the following timeline:

Date	Common shares	Cash payments	Exploration expenditures
		$	$
On approval from the TSX Venture Exchange	2,000,000	25,000	-
On or before 1st anniversary	2,000,000	25,000	100,000
On or before 2nd anniversary	2,000,000	50,000	200,000
On or before 3rd anniversary	2,000,000	100,000	200,000
On or before 4th anniversary	2,000,000	200,000	-
On or before 5th anniversary	10,000,000	500,000	-
On completion of a feasibility study	-	1,000,000	-
	20,000,000	1,900,000	500,000

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 July 31, 2012	**Three Months Ended July 31, 2011**	**Nine Months Ended July 31, 2012**	**Nine Months Ended July 31, 2011**
	$	$	$	$
Statement of Comprehensive Income				
Loss From Operations	(3,717,918)	(572,480)	(4,394,406)	(1,583,430)
Interest and Other Income	717	149,046	8,834	155,921
Net Income (Loss)	(3,131,177)	601,558	(3,543,810)	437,374
Comprehensive Income	(5,192,552)	157,027	(4,308,866)	4,013,774
Basic and Diluted Net Income (Loss) Per Common Share	(0.028)	0.006	(0.032)	0.004
Basic and Diluted Weighted Average Number of Shares Outstanding	111,691,725	105,414,969	111,691,725	105,414,969

	Nine Months Ended July 31, 2012	**Nine Months Ended July 31, 2011**
Statement of Cash Flows	$	$
Net Cash Used In Operating Activities	(699,823)	(1,415,799)
Net Cash Provided By (Used in) Investing Activities	280,796	(500,247)
Net Cash Provided By Financing Activities	-	775,501
Decrease In Cash	(422,516)	(1,142,847)

Statement of Financial Position Summary	July 31, 2012	October 31, 2011	November 1, 2010
Cash	524,448	946,964	1,983,410
Long-term Investment	2,211,000	3,312,000	1,277,862
Mineral Exploration Properties	4,008,691	5,434,083	5,885,288
Exploration and Evaluation Assets	16,085,145	16,531,487	13,751,411
Shareholders' Equity	22,827,044	26,945,517	22,842,295
Total Assets	23,227,770	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 and Nine Month Periods Ended July 31, 2012

Net Earnings (Loss)

During the three and nine month periods ended July 31, 2012, the Company realized net losses of $3,131,177 ($0.028 loss per common share) and $3,543,810 ($0.032 loss per common share) respectively. For the three and nine month periods ended July 31, 2011, there were net incomes of $601,558 ($0.006 per common share) and $437,374 ($0.004 per common share). This change in net income is mostly attributable to the following:

- The gain on the sale of long- term investments of $600,580 and $1,009,014 respectively for the three and nine month periods ended July 31, 2012 on the sale of shares of Focus. In the three month period ended July 31, 2012 the Company sold 900,000 shares of Focus for net proceeds of $654,580, realizing a gain of $600,580. In the nine month period ended July 31, 2012 the Company sold 1,500,000 shares of Focus for net proceeds of $1,099,014, realizing a gain of $1,009,014. In the comparative period a gain on the sale of long- term investments of $500,509 and $1,316,704 was recognized as the Company sold 6,100,000 shares of NQ and 600,000 shares of Focus.

- The recognition of a loss on the sale of marketable securities of $NIL and $116,332 respectively for the three and nine month periods ended July 31, 2012 from the sale of shares of Nemaska and Strike. In the nine month period ended July 31, 2012 the Company sold 398,000 shares of Nemaska and 5,700,000 shares of Strike for net proceeds of $654,477, realizing a loss of $116,332. In the comparative period a loss on the sale of marketable securities of $551,345 and $551,345 was recognized.

- The recognition of interest and other income of $717 and $8,834 respectively for the three and nine month periods ended July 31, 2012 ($3,458 and $9,715 recognized in the three and nine month periods ended July 31, 2011).

- The recording of unrealized loss on financial assets at fair value through profit and loss of $14,556 and $50,920 respectively for the three and nine month periods ended July 31, 2012 ($26,872 and $58,927 recognized in the three and nine month periods ended July 31, 2011).

Operating Expenses

During the three and nine month periods ended July 31, 2012, the Company's losses from operations were $3,717,918 and $4,394,406 respectively ($572,480 and $1,583,430 for the three and nine month periods ended July 31, 2011). This increase was mostly attributable to the following changes:

- Management and consulting fees were $28,062 and $111,665 respectively for the three and nine month periods ended July 31, 2012, ($57,056 and $178,458 for the three and nine month periods ended July 31, 2011). The decrease in fees is attributed to a decrease in consulting fees.

- Travel and promotion expenses during the three and nine month periods ended July 31, 2012 were $88,906 and $182,871 respectively ($94,063 and $375,285 in the three and nine month periods ended July 31, 2011). The decrease was attributed to fewer trade shows and conferences attended during the period.

- Stock-based compensation for the three and nine month periods ended July 31, 2012 was $142,765 and $190,389 respectively ($86,428 and $570,973 for the three and nine month periods ended July 31, 2011). The Company granted 2,500,000 options during the nine month period ended July 31, 2012.

Quarterly Information

The following summarized financial data has been prepared in accordance with IFRS except for three quarters ended July 31, 2011 and October 31, 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
		$	$	$
31/07/2012	IFRS	717	(3,131,177)	(0.028)
30/04/2012	IFRS	5,234	(194,981)	(0.002)
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	IFRS	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)

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 a gain 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

As at July 31, 2012, the Company had a working capital of $405,334, including $524,448 in cash, as compared to a working capital of $1,553,202 at October 31, 2011.

During the quarter the Company expended $699,823 on operating activities, provided by $280,796 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 $200,000 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. During the quarter on March 23, 2012, the Company announced it terminated the share purchase agreement with Kaskattama. Everton is pursuing other options for the Shoal Lake project.

With a working capital surplus of $405,334 and the Company's ability to monetize its long-term investment if needed, the Company anticipates having sufficient cash to meet its current obligations, and corporate administrative expenses for several months. The long-term investments in other publicly traded companies are currently valued at approximately $1.95 million at September 18, 2012. This excludes proceeds generated from the sale of long-term investment subsequent to quarter end (refer to subsequent events for details). This investment portfolio is subject to fluctuations in market prices and the remaining investment is subject to a staged escrow release over the next 12 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 assurance the Company will be successful in raising the additional required funds.

Off Balance Sheet Arrangements

As of July 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 and office expenses. During the three and nine months ended July 31, 2012, the cost of shared salaries and benefits was $28,957 and $56,432 respectively (2011 - $17,010 and $34,020) and office expenses was $11,807 and $26,988 respectively (2011 - $6,990 and $13,980). Included in amount due from related party is $2,992 ($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 July 31		Nine months ended July 31	
	2012	2011	**2012**	2011
	$	$	$	$
Salaries (including bonuses) (1)	**90,385**	139,904	**264,384**	342,704
Benefits	**1,850**	1,203	**4,579**	4,495
Share-based compensation	**51,000**	48,000	**51,000**	348,765
	143,235	189,107	**319,963**	695,964

(1) Includes directors' fees which have been included in 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 the Shoal Lake West (Duport) property was impaired and required a right down following the quitclaim deed executed by the Company on July 5, 2012. The Company wrote off a total of $3,249,322 of deferred mineral property and exploration and evaluation assets relating to the Duport property.

Financial Instruments

The Company's financial instruments consist of cash, 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, 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 three and nine month periods quarter ended July 31, 2012.

Change in Accounting Policies

The Company prepared its unaudited condensed consolidated interim financial statements for the three and nine month periods ended July 31, 2012 in accordance with IFRS. These are the Company's second 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 and nine month periods ended July 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:

<u>First-time Adoption of IFRS</u>

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS that are in effect at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional and mandatory exceptions to this retrospective treatment. The exceptions and exemptions adopted by the Company are set out below:

<u>Mandatory Exceptions</u>

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) in effect before changeover date, 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	July 31 2011	November 1, 2010
	$	$	$
Contributed surplus	62,450	36,311	20,602
Deficit	(62,450)	(36,311)	(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 April 30, 2011 and the year ended October 31, 2011.

Impact On Condensed Interim Statements of Financial Position

	October 31, 2011	July 31 2011	November 1, 2010
	$	$	$
Adjustment to contributed surplus	62,450	36,311	20,602
Adjustment to deficit	(62,450)	(36,311)	(20,602)
	-	-	-

Impact On Condensed Interim Statements of Comprehensive Income

	Year Ended October 31, 2011	3 Months Ended July 31 2011	9 Months Ended July 31 2011
	$	$	$
Adjustment to stock-based compensation	41,848	19,566	17,214
Adjustment to net loss	41,848	19,566	17,214

Impact On Condensed Interim Statements of Cash Flow

	Year Ended October 31, 2011	3 Months Ended July 31 2011	9 Months Ended July 31 2011
	$	$	$
Adjustment to net loss	41,848	19,566	17,214
Adjustment to share-based compensation	41,848	19,566	17,214

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 September 18, 2012 consists of:

Securities	Expiry Date	Range of Exercise Price	Number of Securities Outstanding
Common shares	-	-	131,654,225
Options	Up to July 30, 2017	$0.10 to $1.38	8,512,000
Warrants	Up to August 24, 2014	$0.25 to $0.40	31,154,535

Subsequent Event

On August 27, 2012, the Company announced it had completed a non brokered private placement of 19,962,500 units ("Unit") at a price of $0.08 per Unit for gross proceeds of $1,597,000 (the "Offering"). Each Unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.15 per share for a period of 24 months ending August 24, 2014. Insiders participated in the Offering for total gross proceeds of $102,000.

In connection with the Offering, the Corporation paid finders' fees totaling $60,270 and issued 1,068,375 nontransferable warrants, each warrant entitling the holder thereof the right to acquire one common share of the Corporation at a price of $0.08 for a period of 24 months ending August 24, 2014. All securities issued in connection with the Offering are subject to a four month hold period expiring December 25, 2012. The proceeds of the private placement will be used to advance the exploration of the Company's Dominican properties and for general corporate and administrative purposes.

On August 31, 2012, the Company announced that its Stock Option plan has been amended to increase the time allowed for directors, officers, consultants, or employees to exercise their options from 60 days to 12 months from the date they cease to be a director, officer, consultant, or employee of the company.

The company increased the maximum number of common share reserved for issuance under its stock option plan from 10,277,629 to 13,152,922, representing 10% of the outstanding common shares as at August 31, 2012. These options may be granted to the Company's employees, officers, directors and persons providing ongoing services to the Company, subject to regulatory approval.

On August 31, 2012, the Company announced the appointment of Sabino Di Paola as new Chief Financial Officer effective August 31, 2012. Mr. Di Paola is replacing Ms. Judith Mazvihwa-MacLean who resigned her position as CFO on August 31st 2012 to pursue other interests.

On September 25, 2012 the Company announced that the TSX Venture Exchange (the "Exchange") has granted its acceptance to extend warrants issued in connection with a non-brokered private placement completed in October, 2010. The original expiry date of these warrants was October 29, 2012 and they had been extended last year to expire October 29, 2013. The expiry of these warrants will now be extended by an additional twelve months.

As a result, the Company will extend the expiry date of 3,633,000 share purchase warrants to October 29, 2013. The exercise price will remain at $0.40 per warrant.

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). The investments were valued at approximately $1.95 million at September 18, 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. Movements 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 September 18, 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) Sabino Di Paola*
Chairman of the Board and Chief Executive Officer	Chief Financial Officer