EVERTON RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEARS ENDED OCTOBER 31, 2010 AND 2009.

The following Management Discussion and Analysis ("MD&A") of the operating results, financial condition and future prospects of Everton Resources Inc. (the "Company" or "Everton"), current as of February 28, 2011, should be read in conjunction with the Company's audited financial statements and notes thereto for the fiscal years ended October 31, 2010 and 2009. Said financial statements were prepared in accordance with Canadian generally accepted accounting principles. The reporting currency is in Canadian dollars. Unless specified as $US, references in this MD&A to dollars are to Canadian dollars.

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

Nature of Business

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

Business development highlights

Everton is partnered with Brigus Gold (''Brigus'') on actively exploring in the Dominican Republic adjacent to the US$3 billion Pueblo Viejo project, currently being developed by the world's largest gold mining company, Barrick Gold Corporation (60%) (NYSE/TSX: ABX) in partnership with Goldcorp (40%) ("Goldcorp") (NYSE: GG, TSX: G).

During the year 2010, the Company adopted a new strategy based on a concentration of the corporate activities on its Dominican Republic operations, and divesting/optioning its Canadian assets. The Company's new focus on exploring in Dominican Republic started by earning 50% in the Ampliacion Pueblo Viejo (''APV'') project from Brigus and negotiating to earn an extra 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. Also, the Company earned 50% interest in Globestar's Cuance and Los Hojanchos concessions and became operator of the projects. In addition to net proceeds of $5.2 million raised by the Company during the year, planned divestiture of the Company's 100%-owned subsidiary Hays Lake Gold containing the Shoal Lake Gold Project in Kenora, Ontario is expected to provide internal funding of approximately $7.9 million to advance the APV project. Also, the Company recently partnered with Aurizon Mines Ltd. (''Aurizon''), by optioning its Opinaca and Wildcat projects in Quebec to Aurizon, which 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.

In addition, Everton has increased its exposure to other commodities (REE, lithium, graphite) through common share ownership in other publicly traded companies (NQ.V, FMS.V, STK.V, NMX.V, IPO Co.). The investments are currently valued at approximately $7.6 million. This investments' portfolio was formed through the sale of the Company's 100% interest in the Labrador Trough properties (Quebec) to Focus Metals Inc., and most recently, the sale of its Sirmac Lithium project (Quebec) to Nemaska Exploration Inc. as well as 6 claims in Schreiber area (Ontario) to Strike Minerals Inc. (see subsequent events).

The Company's most significant events that occurred during the year are as follows:

Amendment to Dominican Republic option agreements

On August 12, 2010, the Company announced the amendment of its joint venture option agreements with Brigus, relating to three exploration projects in the Domincan Republic. Under the amended agreements, Everton can earn an additional 20% interest in the APV and the La Cueva (Loma El Mate) projects by incurring an additional US$2.5 million in exploration related to APV and US$1.0 million related to La Cueva. Everton was also granted a one year extension, until April 10, 2011, to meet the remaining exploration commitment in order to earn its initial 50% interest in the Ponton (Loma Hueca) project, the third joint venture between the two companies.

Optioning of the Wildcat property

On October 19, 2010, the 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 the October 15, 2010 private placement as described below) and incurring exploration expenditures of $3,250,000 (see exploration activities section for more details).

Signing of a letter of intent to Option the Opinaca property

On September 16, 2010, the Company and Azimut Exploration (''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, by making total cash payments of $880,000 and incurring expenditures of $9.0 million (see exploration activities section for more details).

Signing of a binding letter agreement to sell the Shoal Lake properties

On September 27, 2010, the Company announced the signing of a binding letter agreement to sell all of the issued and outstanding shares of its wholly-owned subsidiary Hays Lake Gold Inc. ("HLG") to Kaskattama Inc. ("Kaskattama") for a total consideration of approximately $7.6 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 (see exploration activities section for more details).

Completion of the sale of the Labrador Trough properties

On May 21, 2010, concurrent with the listing of Focus Metals Inc. (''Focus") securities on the TSX-V, the Company completed the sale of its 100% interest in the Labrador Trough properties, located in the Labrador Trough region of Quebec, to Focus and received 6,000,000 common shares of Focus, valued at $360,000 and subject to a 36-month staged release escrow.

Subsequent to year-end (see subsequent events), the Company sold 600,000 shares of Focus for net proceeds of approximately $278,000. As at this date, the remaining 5,400,000 shares represent a 9.4% ownership interest in Focus, with a market value of approximately $7.0 million.

Closing of five private placements for total net proceeds of approximately $5.2 million

(1) In April, 2010, the Company completed a non-brokered private placement for gross proceeds of $3,067,500. The private placement was comprised of 12,270,000 Units at a price of $0.25 per Unit. Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.40 until April 1, 2012 (480,000), April 9, 2012 (940,000) and April 26, 2012 (4,715,000). The Company paid finders' fees of $233,000 and issued 932,000 warrants, each warrant entitling the holder to purchase one common share of the Company at a price of $0.25 until April 1, 2012 (28,800), April 9, 2012 (150,400) and April 26, 2012 (752,800). Other share issuance costs total $36,968.

(2) On June 28, 2010, the Company completed a non-brokered private placement for gross proceeds of $275,000. The private placement was comprised of 1,100,000 Units at a price of $0.25 per Unit. Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.40 until June 28, 2012.

(3) On September 9, 2010, the Company completed a non-brokered private placement for gross proceeds of $250,000. The private placement was comprised of 1,000,000 Units at a price of $0.25 per Unit. Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.40 until September 9, 2012. The Company paid finders' fees of $20,000 and issued 80,000 warrants, each warrant entitling the holder to purchase one common share of the Company at a price of $0.25 until September 9, 2012. Other share issuance costs total $5,093.

(4) On October 15, 2010, the Company completed a non-brokered private placement for gross proceeds of $250,000. The private placement was comprised of 1,000,000 Units at a price of $0.25 per Unit. Each Unit is comprised of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.40 until October 15, 2012.

(5) On October 29, 2010, the Company completed a non-brokered private placement for gross proceeds of $1,816,500. The private placement was comprised of 7,266,000 Units at a price of $0.25 per Unit. Each Unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.40 until October 29, 2012. The Company paid finders' fees of $181,950 and issued 726,600 warrants, each warrant entitling the holder to purchase one common share of the Company at a price of $0.25 until October 29, 2012. Other share issuance costs total $12,939.

Exploration Activities

Details of the Company's Deferred Exploration Expenditures during the year ended October 31, 2010 is included in Mining Property Book Values. The Company incurred Deferred Exploration Expenditures of $3,161,688 during the year, of which approximately 39% was spent in the Dominican Republic, 58% in Ontario and 2.4% in British Colombia. Also during the year, the Company made property option payments for $989,472 and issued 500,000 shares to Brigus, valued at $140,000.

Deferred Exploration Expenses - 2010

Dominican Republic

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

Canada

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

Deferred Exploration Expenses – 2009

Dominican Republic

	Cuance	Los Hojanchos	La Cueva	Jobo Claro	Maimon Copper	Ampliacion	Fresso	Other	Total
	$	$	$	$	$	$	$	$	$
Balance - beginning	1,012,353	316,342	898,380	509,084	1,046,809	1,076,406	206,319	109,574	5,175,267
Additions									
Drilling	-	-	3,900	595	2,976	485,969	107,947	3,075	604,462
Project consulting	-	-	-	-	-	504	7,115	15,093	22,712
Geological survey	-	-	19,046	7,483	34,668	385,880	152,950	94,291	694,318
Geochemical survey	-	-	1,191	841	4,371	27,186	15,133	11,681	60,403
Report preparation	-	-	-	-	-	-	487	-	487
Renewal of licenses	-	-	100	21	49	3,717	931	306	5,124
General field expenses	-	-	131	29	1,163	25,225	15,833	999	43,380
	-	-	24,368	8,969	43,227	928,481	300,396	125,445	1,430,886
Balance - end	1,012,353	316,342	922,748	518,053	969,718	2,004,887	506,715	208,354	6,459,170

Canada

	Shoal Lake West	Shoal Lake East (Machin)	Shoal Lake East (KPM)	Hays Lake	Opinaca	Wildcat	Other	Total
	$	$	$	$	$	$	$	$
Balance - beginning	-	-	-	-	2,942,074	1,294,707	344,106	4,580,887
Additions								
Project consulting	28,710	100,948	6,839	32,269	-	-	-	168,766
Geological survey	2,680	840	840	10,350	580	39,445	36,516	91,251
Report preparation	31,940	-		-	18,695	14,082	7,552	72,269
Renewal of licenses	-	3,424		-	22,701	27,253	25,270	78,648
General field expenses	1,478	-	7,331	2,580	369	62,052	6,117	79,927
	64,808	105,212	15,010	45,199	42,345	142,832	75,455	490,861
Deductions								
Tax credits	-	-	-	-	9,055	53,283	20,964	83,302
Write-downs	-	-	-	-	240,399	263,115	97,037	600,551
	-	-	-	-	249,454	316,398	118,001	683,853
Balance - end	64,808	105,212	15,010	45,199	2,734,965	1,121,141	301,560	4,387,895

Dominican Republic

In the Dominican Republic, the Company incurred $1,223,820 in exploration expenditures during the year, mostly on the Brigus option APV project for 80% of the expenses. Option payments on Ampliacion Pueblo Viejo totaled US$300,000 ($312,930) during the year. The other concessions were kept on care and maintenance with the minimum exploration work required to keep them in good standing. An NI 43-101 compliant report by Minera Camargo of Mazatlan, Mexico, was initiated during the year and completed in August 2010. This report covered the five central concessions, namely Ampliacion Pueblo Viejo, Jobo Claro, Loma El Mate (now La Cueva), Cuance and Los Hojanchos.

Ampliacion Pueblo Viejo

The Ampliacion Concession consists of 4,045 hectares adjacent to the northern edge of Barrick/Goldcorp's 22.4 million ounce Pueblo Viejo mine. The Company incurred exploration expenses of $978,526 on APV during the year, essentially in detailed follow-up mapping and rock sampling, comprehensive Pima (portable infrared mineral analyzer) survey and diamond core drilling program.

Based on an agreement with Brigus announced on April 12, 2007, the Company could earn an undivided 50% interest in the Ampliacion Concession by making cash payments totaling US$700,000, work commitments of US$2,500,000 and issuing 1,200,000 Everton common shares over a three-year period. All these conditions were met and the Company earned its initial 50% interest in the property.

On August 12, 2010, the Company and Brigus signed an amended agreement whereby Everton can earn an additional 20% interest in the concession by incurring an additional US $2,500,000 in exploration work by April 10, 2012.

A drilling program conducted in 2006 by Barrick/Goldcorp at the Pueblo Viejo Mine has outlined new mineralized trends that define a NNW corridor. Drill intercepts of 2.98 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 Ampliacion concession north of the Pueblo Viejo mine suggests that the new mineralized trend found by Barrick/Goldcorp may extend onto the Ampliacion concession.

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

To date, Everton and Brigus completed an integrated and aggressive exploration program on the APV concession including a thorough 100-meter spaced line helicopter-borne electromagnetic and magnetic survey totaling 710 line-km, a comprehensive mapping survey including the collection of 1,760 rock samples, a 3,000-soil sample survey, a total of 31 line-km of induced polarization ("IP") survey and 15 line-km of horizontal loop electromagnetic ("HLEM") survey, 794 meters of trenching on the La Lechoza Target, detailed mapping, a comprehensive mineral study using a portable infrared spectrometer (PIMA) and 79 diamond 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 gold project.

During the year, the Company and its partner Brigus have continued the 8,000 meter diamond drilling program previously announced in June, 2009 with a third phase of drilling program. The partners also announced the discovery of the new gold-silver-copper Pon Hill Zone which is located at the western end of the main La Lechoza Prospects in the northern part of the APV concession.

The third phase of the 8,000 meter drilling program started in mid-January 2010 (APV10-01 to APV10-12) was continued on the fourth trimester of 2010 with 21 holes for 2,575 meters (APV10-13 to APV10-33). The drill program was designed to test mineralization previously drilled with AirTrack drilling in the 1980s and core drilling in 2003, 2004, 2009 and early 2010. The drilling was targeted around the main La Lechoza Prospect in the sectors named North Hill (original surface showing), Spanish Pit, Jasper Field, and the newly discovered sector Pon Hill is located a further 200 meters southwest of Spanish Pit. The total extension of the mineralization is estimated to be 450 meters by 200 meters. Individual sample assey values up to 31.58 g/t Au, 1,548 g/t Ag, 9.97% Cu and 22.12% Zn were returned from this drilling campaign.

Results released to date form the third drilling phase include:

Hole APV10-13: 2.56 g/t Au, 47.2 g/t Ag, 1.42% Cu and 4.44% Zn over 7.50 m.

Hole APV10-14: 0.50 g/t Au, 10.2 g/t Ag, 0.21% Cu and 0.79% Zn over 9.00 m.

Hole APV10-15: 1.30 g/t Au, 43.4 g/t Ag, 0.46% Cu and 6.63% Zn over 6.90 m.

Hole APV10-16: 1.85 g/t Au, 35.6 g/t Ag, 0.28% Cu and 2.92% Zn over 13.42 m.

Hole APV10-18: 0.37 g/t Au, 5.2 g/t Ag, 0.21% Cu and 0.62% Zn over 16.91 m.

Hole APV10-19: 0.49 g/t Au, 5.34 g/t Ag, 0.14% Cu and 1.14% Zn over 10.50 m.

Hole APV10-20: 0.23 g/t Au, 8.34 g/t Ag, 0.20% Cu, 0.73% Zn over 129.00 m.

Hole APV10-26: 5.11 g/t Ag, 0.43% Cu and 0.18% Zn over 9.00 m.

Hole APV10-27: 0.27% Cu over 27.00 m.

Hole APV10-30: 4.76 g/t Au and 23.07 g/t Ag over 23.37 m.

Hole APV10-33: 1.81 g/t Au and 99.0 g/t Ag over 26.0 m and 0.58% Cu over 40.5 m.

Additional drilling conducted in January 2011 includes 21 holes (APV11-01 to APV11-21) totaling over 2,200 m (drilling still in progress). Selected results from this phase include:

Hole APV11-01: 0.34 g/t Au, 7.69 g/t Ag, 0.45% Cu and 0.26% Zn over 33.00 metres.

Hole APV11-02: 2.46 g/t Au, 26.73 g/t Ag over 27.00 metres.

Hole APV11-04: 2.89 g/t Au and 28.58 g/t Ag over 17.50 metres.

Assays from holes APV11-05 to APV11-21 are in process and are being validated for QA/QC.

The Company is also evaluating the potential to develop a gold-copper resource at the La Lechoza Prospect in the light of the recent assay results from drilling. The plan is to delineate a resource estimate by systematic core and reverse circulation ("RC") drilling. A 10,000 to 15,000 meter RC program is being considered to test the near surface oxide potential resource as well as the potential of underlying supergene secondary mineralization yet deeper primary hypogene mineralization. Drill holes are also planned in the southwestern part of APV where a comprehensive surface and drill core study on the alteration minerals related to the epithermal system using the PIMA was conducted over the alteration lithocap on the APV concession. In the southern sector of the concession, a total of 2,149 samples were collected for PIMA readings from traverses along ridges and drainages where outcropping advanced argillic alteration and silicification are best exposed. An additional 371 readings were made from soil samples collected in a regular 50 m x 50 m grid in a promising target area located NNW of the Monte Negro pit at the Pueblo Viejo Mine.

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

On February 2011 the company signed a contract for 20,000 meters of drilling in holes ranging from 400 to 1,200 meters to test the South block of the concession and the possibility of mineralization beneath the lithocap.

Ponton (Loma Hueca)

During the year, follow-up on stream sediment anomalies, including prospecting, mapping, soil sampling and PIMA reading was conducted on the Loma Hueca project. Exploration expenses totaled $64,778.

The Company was granted an extension, until April 10, 2011, to meet the remaining exploration commitment in order to earn its initial 50% interest in the Ponton (Loma Hueca) project.

Other properties

Minimum work to keep concessions in good standing was conducted during the quarter on Fresso, Cuance, Los Hojanchos, La Patilla, Corralitos, Piedra Blanca, Maimon Group of concessions, La Cueva (former Loma el Mate), Jobo Claro, and La Mireya. Those projects are all being reviewed and work programs should be proposed sometime in 2011.

On August 12, 2010, the Company and Brigus signed an amended agreement whereby Everton can earn an additional 20% interest in the La Cueva concession by incurring an additional US$1,000,000 in exploration work.

Also, during the year, the Company made two cash payment totaling US$35,000 ($37,465) to Asesores Internationales Expecializados, for two successive six-month extension periods on the Fresso property. Subsequent to year-end, the Company made a US$20,000 ($20,400) payment to extend the evaluation payment by 6 months to May 28, 2011, and also agreed to increase the final cash payment to acquire a 100% interest in the property by US$10,000 ($10,200) to US$150,000 ($152,800).

<u>Ontario</u>

Shoal Lake

In Ontario, the Company incurred exploration expenditures of $1,832,761 during the year with 83% on the Shoal Lake West project, optioned from Halo Resources Ltd., for the winter drill program and the completion of the related reports, 9.5% on the Machin's option Shoal Lake East project on ground and airborne geophysics as well as the related reports and 6% for the calculation of a new resource estimate and maintaining KPM's option Shoal Lake East property. Option payments in Ontario totaled $470,000 during the year (including $117,000 reimbursed by Kaskattama as per the binding letter agreement between the Company and Kaskattama).

On September 27, 2010, and as amended by a formal agreement subsequent to year-end, the Company announced the signing of a binding letter agreement to sell all of the issued and outstanding shares of its wholly-owned subsidiary HLG to 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.

The $7.9 million consideration is allocated as follows:

- a non-refundable amount of $234,000 which was paid to the Company;
- a non-refundable amount of $57,000 payable to the Company on or before March 31, 2011;
- $2.0 million in cash to be paid upon execution of a final Sale and Purchase Agreement
- 14.0 million shares of Kaskattama at a minimum price of $0.40 per common share

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. Kaskattama has until March 1, 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.

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

Everton had purchased HLG on September 17, 2009 through the issuance of 11,999,938 common shares at a fair value of $0.17 per share plus certain other costs for a total purchase price of $2.4 million. Including the cost of the acquisition and all property related payments and exploration expenditures capitalized to date, the current carrying value of properties being sold to Kaskattama is approximately $4.5 million. Based on the above purchase price, Everton expects to realize a minimum gain of $3.1 million using a value of $0.40 per Kaskattama common share.

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

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

	Undiluted Mineral Resources - Variable Cut-Off Grades					
	Indicated			**Inferred**		
Cut-off (g/t Au)	**Tonnes**	**Grade (g/t Au)**	**Ozs**	**Tonnes**	**Grade (g/t Au)**	**Ozs**
1	1,000,000	4.18	134,400	3,050,000	3.25	318,700
3	430,000	7.56	104,500	1,080,000	5.99	208,100
5	252,000	10.07	81,600	480,000	8.80	135,800

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

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

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

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

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

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

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

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. A reconnaissance field program was conducted at a cost of $25,017 during this year. It consisted of geological mapping, rock and stream sediment sampling and to keep the properties' claims in a good standing. The Property is adjoined by historic gold (silver) past producers of high-grade, narrow vein, shear zone hosted quartz veins to the south and east. During the April 2010 work program, a total of 52 rock samples and 31 stream sediment samples were collected. No significant values were returned.

Subsequent to year end, on December 8, 2010, the Company announced the execution of a Memorandum of Understanding to sell or transfer ownership of options to give Strike Minerals Inc. ("Strike") a 100% undivided interest in the Hemlo West Properties (See subsequent events).

<u>Quebec</u>

All properties in Quebec, including Opinaca, Wildcat and Sirmac were maintained on care and maintenance during the year at minimum costs.

Opinaca

The Opinaca A property is adjacent to the northern boundary of Goldcorp's Eleonore property hosting the Roberto gold deposit containing an estimated 3.0 million ounces of proven and probable gold reserves at an average grade of 7.56 g/t Au and 4.2 million ounces of inferred gold resources at an average grade of 10.60 g/t Au; (Source: Goldcorp - MD&A, for the year ended December 31, 2009). The Opinaca B property is located about 8 km southeast of the Eleonore property. The Opinaca A and B properties comprise 429 and 220 claims respectively covering 338 km2. Everton earned its 50% interest after completing exploration programs totalling $4,800,000 and cash payments totalling $540,000 over a 5-year period. Also, during this year, the Company made a final cash payment of $200,000 to Azimut as the Company elected not to increase its interest in the property from 50% to 65%.

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 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 grams of gold per tonne, 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 eight different blocks totalling 755 claims for 395 km2. Exploration work conducted to date by Everton led to the discovery of the Inex Extension gold zone, which is located on trend with the Inex prospect along a 2.8 km long gold corridor, and the Manuel gold prospect which returned 12.0 g/t Au over 4.6 m in a channel sampling.

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 grams of gold per tonne, 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 plans to initiate an exploration program of surface sampling, geophysical surveys and drilling at the Opinaca-Wildcat properties in 2011 at a budgeted cost 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.

British Columbia

Hot Springs

The Hot Spring property is located in the Sloquet Creek area of the south-western 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 up to 0.238 oz/ton Au over 1 meter and 0.174 oz/ton 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.

During the year, the Company completed a reconnaissance survey including a small geochemical and geological program to further assess the precious metal potential of the property. Soil samples assayed up to 837 ppb gold along a 300-m long stretch of line on the south end of a large low grade gold-bearing hydrothermal system. The exploration expenditures totaled $77,260 including the preparation of a technical report.

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

Qualified person

The above technical information was confirmed and/or reviewed by Robert Wheatley, a qualified person under NI 43-101.

Selected Financial Data

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

Selected Consolidated Financial Information

	2010	2009	2008
	$	$	$
Statement of Operations and Deficit summary			
Total operating expenses	2,283,747	2,064,814	1,808,582
Write-down of deferred exploration expenses	319,340	887,533	65,326
Interest and other income	20,349	79,754	209,413
Net loss	2,419,400	2,429,386	2,177,194
Basic and diluted net loss per common share	0.03	0.04	0.04
Weighted average number of common shares outstanding	84,740,437	60,832,584	57,813,226
Statement of Deferred Exploration Expenses Summary			
Deferred exploration expenses before write-down, tax credits and mining duties	3,161,688	1,921,747	4,633,380
Statement of Cash Flows summary			
Cash flows used in operating activities	1,295,177	1,018,758	701,162
Cash flows (used in) from investing activities	(3,670,139)	(2,047,746)	1,973,868
Cash flows from financing activities	5,266,940	796,075	142,270
(Decrease) increase in cash and cash equivalents	(1,332,926)	(2,270,429)	1,414,976
Balance Sheet summary			
Cash and cash equivalents	1,983,410	1,681,786	3,952,215
Long-term investment	1,277,862	195,889	621,975
Mineral exploration properties	5,885,288	5,171,724	1,766,905
Deferred exploration expenses	13,751,411	10,847,065	9,756,154
Shareholders' equity	22,842,295	18,269,858	17,498,238
Total assets	23,104,522	18,435,355	17,675,108

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

Results of Operations

During the year ended October 31, 2010, operating expenses were $2,283,747 as compared to $2,064,814 for the year ended October 31, 2009 and $1,808,582 for the year ended October 31, 2008.

The increase in 2010 operating expenses as compared to 2009 is mostly attributable to the following changes:

- The recognition of a higher stock-based compensation during 2010 for $684,907 ($195,297 in 2009) further to the grant of 4,182,000 stock options (1,305,000 only in 2009) to Officers, Directors, employees and consultants of the Company, at a higher weighted average fair value of $0.16 ($0.06 in 2009).

- A significant increase in travel and marketing costs during 2010 as the Company carried out an aggressive marketing campaign for total cost of $332,815 ($83,005 in 2009).

- Lower write downs of mineral properties and deferred exploration expenses during 2010 for $319,340 as compared to $887,533 in 2009

The increase in 2009 operating expenses as compared to 2008 is mostly attributable to the following changes:

- The recognition of a lower stock-based compensation during 2009 for $195,297 ($680,847 in 2008) further to the grant of 1,305,000 stock options during 2009 (1,250,000 in 2008) at a lower weighted average fair value of $0.06 ($0.10 in 2008).

- Higher write downs of mineral properties and deferred exploration expenses during 2009 for $887,533 as compared to $65,326 only in 2008.

Share of net loss of Company subject to significant influence decreased from $578,025 in 2008 to $426,086 in 2009 and $176,779 in 2010, due to a continuous decrease in the Company's ownership interest in NQ Exploration Inc. over the last three years (44% in 2008, 38% in 2009 and 34% in 2010).

Interest and other income for the year ended October 31, 2010 was $20,349 as compared to $79,754 for 2009 and $209,413 for 2008. This decrease is attributable to a significant decline in interest rates on short term investments and to a decrease in the investments portfolio as the Company advances in its exploration program.

Quarterly information

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

Quarter Ended	Other Income	Net Loss	Basic and diluted net Loss per common share
	$	$	$
31/10/2010	1,951	620,247	0.007
31/07/2010	-	475,824	0.005
30/04/2010	1,086	736,470	0.010
31/01/2010	17,312	586,859	0.008
31/10/2009	5,718	870,954	0.013
31/07/2009	3,276	549,701	0.010
30/04/2009	54,960	364,242	0.006
31/01/2009	15,800	644,489	0.011

Liquidity and capital resources

The Company's working capital stands at $1.9 million at October 31, 2010 (approximately $2.0 million at October 31, 2009). During the year ended October 31, 2010, the Company completed five non-brokered private placements for total net proceeds of approximately $5.2 million, received refund of tax credits and mining duties for a total of $235,387, received proceeds from the exercise of warrants and options for total amount of $104,460 and realized $125,290 from sale of marketable securities and Long term investment. These raised funds were spent on cash payments made on the Company's properties option agreements (approximately $1.0 million), the advancement in its exploration program during the year ($3.0 million) and also operating expenses incurred in the normal course of business (approximately $1.3 million).

The Company's working capital stands at $1.9 million at October 31, 2010 as compared to $472,841 at July 31, 2010. This significant increase is mostly attributable to the completion of three non-brokered private placements during the quarter ended October 31, 2010 for total net proceeds of approximately $2.1 million. Also, the Company received proceeds from the exercise of warrants and options for total amount of $27,110. A portion of the total funds was spent on exploration work for $259,000 and on administrative and general expenses for $361,000.

The Company's principal requirements for cash for the next twelve months will be administrative and general expenses for approximately $800,000, option payments for US$150,000 and exploration expenditures for $2.0 million. In addition, further to the acquisition of Hays Lake Gold Inc. on September 17, 2009, the Company has the remaining cash payments and exploration work commitments as follows (in $ thousands):

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

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

On September 1, 2010, the Company signed a binding letter agreement to sell the Shoal Lake properties to Kaskattama (see exploration activities section), which will relieve the Company from the remaining cash payments and exploration work commitments included in the table above, once the sale transaction with Kaskattama is finalized. As per this agreement, Kaskattama has been nonetheless committed to make the ongoing option payments and therefore it had made cash payments totalling $234,000 as at this date.

As at October 31, 2010, the Company had a working capital of $1.9 million, including $1.9 in cash and $262,227 in current liabilities. Together with $1.5 million net proceeds from the completion of a private placement, the sale of Marketable securities and a portion of long term investments (see subsequent events), the Company anticipates having sufficient cash to meet its current option payment obligations, undertake a potion of its drilling program on the Company's Dominican properties and meet its corporate administrative expenses for several months. In addition, the Company holds investments in other publicly traded companies, currently valued at approximately $7.6 million, which will provide the Company with additional funding. However, this investments' portfolio is subject to fluctuations in market prices and 87% of it is subject to a 36-month staged release escrow.

The planned divestiture of the Company's 100%-owned subsidiary Hays Lake Gold Inc. (''HLG'') containing the Shoal Lake properties is expected to close on March 31, 2011 and provide internal funding of approximately $7.9 million to the Company. However, should this transaction not be successful, the Company will be required to find other financing alternatives, through various means including but not limited to divesting HLG to another Company and/or through equity financing, to meet its option payments and exploration expenditures obligations, to continue its exploration program on its Dominican properties and to meet all of its payment obligations and its general and administrative costs. There is no assurance that the Company will be successful in raising the additional required funds.

Off Balance Sheet Arrangements

As of October 31, 2010, the Company has no off balance sheet arrangements.

Related Party Transactions

Under an agreement between the Company and Majescor Resources Inc. (“Majescor”) (which shares common management), the Company charges Majescor for shared salaries and benefits, rent and office expenses. During the year, the cost of shared salaries and benefits was $62,000 ($66,166 in 2009) and rent and office expenses were $2,856 ($16,038 in 2009). Included in amount due from related party is $Nil ($Nil as at October 31, 2009) due from Majescor.

Under an agreement between the Company and Adventure Gold Inc. (“Adventure”) (which shares common management), the Company charges Adventure for shared salaries and benefits, rent and office expenses. During the year, the cost of shared salaries and benefits was $90,000 ($90,616 in 2009) and rent and office expenses were $6,000 ($7,184 in 2009). Included in amount due from related party is $Nil ($50,057 as at October 31, 2009) due from Adventure.

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

Under an 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 year, the cost of shared salaries and benefits was $28,350 ($Nil 2009) and rent and office expenses were $11,650 ($Nil in 2009). Included in amount due from related party is $Nil ($Nil as at October 31, 2009) due from Focus.

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

The amounts due from related party are without interest or specific terms of repayment.

Mineral Property Book Values

At the end of each quarter, management reviews the carrying values of its resource properties to determine whether any write-downs are necessary. Following this analysis, the Company recorded a write-down of $319,340 during the year ended October 31, 2010 ($887,533 in 2009 and $65,326 in 2008), on the following properties:

- Porcupine and Destor property – Ontario for $256,630 further to the expiry of the option agreement on this property on April 4, 2010.
- Coulon Property – Quebec for $62,710 further to the abandonment of all its remaining claims as the property no longer fits the strategy of the Company.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, marketable securities, accounts receivable, amount due from related party and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value. It is management's opinion that the Company is not exposed to significant credit risks arising from these financial instruments. The fair value of marketable securities and long-term investments over which the Company does not exercise significant influence are based on unadjusted quoted prices in active markets.

Critical Accounting Policies and Estimates

The preparation of the Company’s consolidated financial statements in accordance with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. The most significant items requiring the use of management estimates and valuation assumptions are related to the recoverable value of mining assets (mineral exploration properties and deferred exploration expenses), the ability to continue as a going concern and the valuation of stock-based compensation, warrants and tax credits and mining duties receivable. The estimates and valuation assumptions related to the recoverable value of mining assets were made by management using careful judgment, based on the most current geological information available and its planned course of action, as well as on assumptions about future business, economic and capital market conditions. The estimates that are inherent in the calculation of stock-based compensation and warrants are based on management’s current judgment of future dividend disbursements, the volatility of the Company’s stock price, interest rates and the expected life of the options and warrants. Actual results could differ from estimates used in preparing these consolidated financial statements and such differences could be material.

Changes in Accounting Policies

Future accounting standards

International Financing Reporting Standards

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

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

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

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

- *Design, planning and solution development phase*: this phase involves the development of the detailed plan for convergence and implementation, analyses of policy alternatives allowed under IFRS, the specification of changes required to existing accounting policies, and the development of solutions for information systems and business processes. The Company is at the stage of completing its detailed analysis of the standards and expects to complete this phase by the end of the first period ending April 30, 2011. To date, the Company has identified a number of accounting differences and policy alternatives, including one-time accounting alternatives under IFRS. As part of its analysis of potential changes to significant accounting policies, the Company is assessing what changes may be required to its accounting systems and processes. The Company believes that the changes identified to date are minimal and the current systems and processes will be able to accommodate the necessary changes. The Company's staff which is involved in the preparation of financial statements is being trained on the relevant aspects of IFRS and the anticipated changes to accounting policies.

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

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

Outstanding Share Data

Common shares and convertible securities outstanding at February 28, 2011 consist of:

Securities	Expiry date	Average exercise price	Number of securities outstanding
Common shares	-	-	103,768,458
Options	Up to February 15, 2016	$0.30	7,557,000
Warrants	Up to November 12, 2012	$0.36	16,201,832

Subsequent events

Closing of a private placement

On November 12, 2010, the Company completed the second tranche of a non-brokered private placement for gross proceeds of $220,000. The private placement was comprised of 880,000 units at a price of $0.25 per unit. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.40 until November 12, 2012. The Company paid finder’s fees totalling $16,000 and issued 64,000 non-transferable finder’s fee warrants, each warrant entitling the holder to acquire one common share of the Company at a price of $0.25 until November 12, 2012. All securities issued in connection with the private placement are subject to a four month and one day hold period from the closing date. Two insiders participated in the private placement for an amount of $20,000. The proceeds from the placement will be used to continue drilling several gold-copper targets on the APV project in the Dominican Republic.

Memorandum of Understanding with Strike Minerals

On December 8, 2010, the Company announced the execution of a Memorandum of Understanding to sell or transfer ownership of options to allow Strike Minerals Inc. (“Strike”) to earn a 100% undivided interest in a package of gold exploration properties at Hays Lake near Schreiber, Ontario.

Subject to regulatory approval, necessary corporate approvals and closing, Strike can acquire a 100% interest in the property for $100,000 in cash and the issuance of 5,700,000 common shares of Strike. The Company retains a 0.5% NSR on the property that can be purchased by Strike for $500,000 at any time.

Sale Agreement with Nemaska

On November 5, 2010, the Company signed an agreement with Exploration Nemaska (“Nemaska”) to sell its 100% interest in the Sirmac Lithium property to Nemaska. On January 7, 2011, the agreement was executed and the Company received $30,000 in cash, 500,000 shares and 500,000 share purchase warrants of Nemaska. Each share purchase warrant entitles the Company to purchase one common share of Nemaska at a price of $0.60 until January 7, 2013.

Stock options

Subsequent to year end, 232,500 stock options were exercised at an average price of $0.21 for proceeds of $48,000.

On February 15, 2011, 1,740,000 stock options were granted to directors, employees and consultants at an exercise price of $0.32, expiring on February 15, 2016.

Exercise of warrants

Subsequent to year end, 1,286,100 warrants were exercised at $0.25 for proceeds of $321,535.

Sale of long-term investments

In January, 2011, Everton sold 6,100,000 shares of NQ Exploration for net proceeds of $611,897.

In January, 2011, Everton sold 600,000 shares of Focus Metals for net proceeds of $277,977.

Other

In November, 2010, pursuant to a one-year service agreement between the Company and a consultant, whereby the consultant's services were rendered in consideration for $111,600 payable in common shares, the Company issued 485,625 common shares to the consultant at a deemed price of $0.23.

On December 20, 2010, the Company announced the issuance of 40,000 common shares of the Company to the Optionors of the Hays Lake property in exchange for a six-month extension, until May 19, 2011, to incur the $30,000 exploration work commitment on the property.

Risk and uncertainties

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

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

The Company holds investments in other publicly traded companies (NQ.V, FMS.V, STK.V, NMX.V, IPO Co.). The investments are currently valued at approximately $7.6 million. However, this investments' portfolio is subject to fluctuations in market prices and may result in a significant decrease of its 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. Movement in the Canadian dollar against these currencies therefore has a direct impact on the Company's cost base. The Company does not use derivative instruments to reduce its exposure to foreign exchange risks

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

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

Risk on the uncertainty of closing on-going transaction
The planned divestiture of the Company's 100%-owned subsidiary HLG containing the Shoal Lake properties is expected to close on March 31, 2011 and provide internal funding of approximately $7.9 million to the Company. However, there is no assurance that the closing of the transaction will be successful.

Additional information and continuous disclosure

This Management's Discussion and Analysis has been prepared as of February 28, 2011. Additional information on the Company is available through regular filings of press releases and financial statements on SEDAR (www.sedar.com).

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