EVERTON RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE-MONTH PERIOD ENDED JANUARY 31, 2011.

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 March 28, 2011, should be read in conjunction with the Company's interim financial statements and notes thereto for the three-month period ended January 31, 2011, as well as 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).

Since 2010, the Company has 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 a working capital of $3.5 million, 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.

The Company's most significant events that occurred during the period ended January 31, 2011 are as follows:

Sale of long-term investments for total proceeds of approximately $890,000

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

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

Closing of a private placement for gross proceeds of $ 220,000

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. Two insiders participated in the private placement for an amount of $20,000.

Exercise of Stock options and warrants, for total proceeds of $370,000

During the period, 1,286,100 warrants were exercised at $0.25 for proceeds of $321,525, and 232,500 stock options were exercised at an average price of $0.21 for proceeds of $48,000.

Completion of the sale of the Lithium property Sirmac

On January 7, 2011, the Company completed the sale of its Sirmac Lithium property to Exploration Nemaska (''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 entitling the Company to purchase one common share of Nemaska at a price of $0.60 until January 7, 2013.

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 100% of the Company's 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.

Exploration Activities

Details of the Company's Deferred Exploration Expenditures during the period ended January 31, 2011 is included in Mining Property Book Values. The Company incurred Deferred Exploration Expenditures of $736,196 during the period, of which 98% was spent in the Dominican Republic. Also during the period, the Company made property option payments for $60,382 and issued 40,000 shares (valued at $14,200) to the optionors of the Hays Lake property in exchange for a six-month extension to May 19, 2011 to incur $30,000 in exploration expenses.

Deferred Exploration Expenses – 1st Quarter ended January 31, 2011

Dominican Republic

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

Canada

	Shoal Lake West	Shoal Lake East (Machin)	Shoal Lake East (KPM)	Hays Lake	Opinaca	Wildcat	Other	Total
	$	$	$	$	$	$	$	$
Balance - beginning	1,588,868	278,421	125,485	70,216	2,750,051	1,125,390	129,990	6,068,421
Additions								
Geological survey	18	-	-	-	-	-	3,752	3,770
Report preparation	-	-	-	-	-	-	5,000	5,000
Renewal of licenses and permits	5,113	-	-	-	-	-	-	5,113
General field expenses	1,037	-	-	-	-	-	-	1,037
	6,168	-	-	-	-	-	8,752	14,920
Deductions								
Mineral properties sold	-	-	-	-	-	-	20,597	20,597
	-	-	-	-	-	-	20,597	20,597
Balance - end	1,595,036	278,421	125,485	70,216	2,750,051	1,125,390	118,145	6,062,744

Deferred Exploration Expenses – 1st Quarter ended January 31, 2010

Dominican Republic

	Cuance	Los Hojanchos	La Cueva	Jobo Claro	Maimon Copper	Ampliacion	Fresso	Other	Total
	$	$	$	$	$	$	$	$	$
Balance - beginning	1,012,353	316,342	922,748	518,053	969,718	2,004,887	506,715	208,354	6,459,170
Additions									
Drilling	-	102	1,247	1,074	3,034	282,763	1,132	11,176	300,528
Project consulting	-	-	-	-	-	8,614	-	5,824	14,438
Geological survey	-	218	2,959	3,541	7,567	96,891	-	41,161	152,337
Geochemical survey	-	9	198	827	518	15,018	-	2,079	18,649
General field expenses	-	4	93	49	441	7,617	-	576	8,780
	-	333	4,497	5,491	11,560	410,903	1,132	60,816	494,732
Balance - end	1,012,353	316,675	927,245	523,544	981,278	2,415,790	507,847	269,170	6,953,902

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	-	-	-	-	-	-	-	-
Project consulting	31,950	21,564	24,209	986	1,055	1,714	6,187	87,665
Geological survey	132	65	66	(950)	-	270	-	(417)
Report preparation	-	-	4,797	-	196	1,200	96	6,289
Renewal of licenses and permits	11,049	1,669	3,271	2,452	1,654	1,004	451	21,550
General field expenses	74,595	-	(3,027)	(325)	-	1,804	1,474	74,521
	117,726	23,298	29,316	2,163	2,905	5,992	8,208	189,608
Deductions								
Tax credits	-	-	-	-	577	2,299	2,004	4,880
	-	-	-	-	577	2,299	2,004	4,880
Balance - end	182,534	128,510	44,326	47,362	2,737,293	1,124,834	307,764	4,572,623

Dominican Republic

In the Dominican Republic, the Company incurred $721,276 in exploration expenditures during the period, mostly on the Brigus option APV project for 97% of the expenses. The other concessions were kept on care and maintenance with the minimum exploration work required to keep them in good standing.

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 totaling 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 assay 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 the period January through March, 2011 includes30 holes (APV11-01 to APV11-21) totaling over 3,300 metres (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.

Hole APV11-07: 0.31 g/t Au, 0.38% Cu and 1.05% Zn over 18.50 metres.

Hole APV11-08: 1.44 g/t Au and 85.98 g/t Ag over 6.00 metres.

Hole APV11-12: 1.72% Zn over 10 metres and 0.78% Zn over 7.5 metres.

Hole APV11-14: 1.35 g/t Au, 31.66 g/t Ag, 6.59% Cu and 0.35% Zn over 7.5 metres.

Hole APV11-15: 22.94 g/t Au and 0.48% Cu over 7.5 metres.

Assays from holes APV11-16 to APV11-30 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 and 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. This program was started on March 24, 2011 with a 600 metres capable Longyear 44 rig operated by Geocivil in partenership with Cubanex and Heath and Sherwood. A second drill for this program is due to arrive in the country in late April for holes targeted from 800 to 1200 metres deep.

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. Environmental permitting has been started for an initial drilling campaign in this concession.

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, in November 2010, the Company made a US$20,000 ($20,400) payment to Asesores Internationales Expecializados, to extend the Fresso 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>

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 these properties' divestiture.

Shoal Lake

On September 27, 2010, and as amended by a formal agreement in February 2011, 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.

Hemlo West Properties

The HLG portfolio also includes a package of highly prospective properties, Hemlo West Properties, approximately 70 km west along the Trans Canada Highway from the multi-million ounce Hemlo gold deposit in the Schreiber Hemlo greenstone belt. The Property is adjoined by historic gold (silver) past producers of high-grade, narrow vein, shear zone hosted quartz veins to the south and east.

On 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% of the Company's undivided interest in the Hemlo West Properties, in exchange 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. This transaction is subject to regulatory approval, necessary corporate approvals and closing,

<u>Quebec</u>

Opinaca

The Opinaca A property is adjacent to the northern boundary of Goldcorp's Eleonore property hosting the Roberto gold deposit containing an estimated 3.0 million ounces of proven and probable gold reserves at an average grade of 7.56 g/t Au and 4.2 million ounces of inferred gold resources at an average grade of 10.60 g/t Au; (Source: Goldcorp - MD&A, for the 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.

Sirmac Lithium property

On January 7, 2011, the Company completed the sale of its Sirmac Lithium property 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 entitling the Company to purchase one common share of Nemaska at a price of $0.60 until January 7, 2013.

<u>British Columbia</u>

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.

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

<u>Qualified person</u>

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

	Three months Ended January 31, 2011	Three months Ended January 31, 2010
	$	$
Statement of Operations and Deficit summary		
Total operating expenses	486,659	609,282
Write-down of deferred exploration expenses	53,455	-
Interest and other income	2,763	17,312
Net earnings (loss)	806,288	(586,859)
Basic and diluted net earnings (loss) per common share	0.01	(0.01)
Basic weighted average number of common shares outstanding	102,521,555	77,134,966
Diluted weighted average number of common shares outstanding	105,414,969	77,134,966
Statement of Deferred Exploration Expenses Summary		
Deferred exploration expenses before write-down, tax credits and mining duties	736,196	684,340
Statement of Cash Flows summary		
Cash flows used in operating activities	191,410	361,206
Cash flows from (used in) investing activities	52,917	(436,557)
Cash flows from financing activities	566,144	18,870
Increase (decrease) in cash and cash equivalents	427,391	(773,525)

	January 31, 2011	October 31, 2010
	$	$
Balance Sheet summary		
Cash	2,410,801	1,983,410
Marketable securities	1,160,190	5,500
Long-term investment	2,808,000	1,277,862
Mineral exploration properties	5,959,630	5,885,288
Deferred exploration expenses	14,413,555	13,751,411
Shareholders' equity	26,676,534	22,842,295
Total assets	26,927,514	23,104,522

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 period ended January 31, 2011, the Company realized net earnings of $806,288 as compared to a net loss of $586,859 for the period ended January 31, 2010. This significant increase in due to the following changes:

A decrease in operation expenses:

During the period ended January 31, 2011, operating expenses were $486,659 as compared to $609,282 for the period ended January 31, 2010. This decrease is mostly attributable to the following changes:

- The recognition of a lower stock-based compensation during the period for $42,326, further to the extension of certain stock options' expiry date, while no new stock options were granted during the period ($233,425 in 2010 further to the grant of 1,830,000 stock options to Officers, Directors and Consultants).

- The recognition of write-downs of mineral properties and deferred exploration expenses during 2011 for $53,455 as compared to $Nil in 2010

The recognition of a Gain on sale of the Sirmac Lithium property (''the Property'')

On January 7, 2011, the Company completed the sale of its 100% interest in property to Exploration Nemaska ("Nemaska") for $30,000 cash, 500,000 shares valued at $275,000, and 500,000 share purchase warrants, each warrant entitling the Company to purchase one common share of Nemaska at a price of $0.60 until January 7, 2013. The warrants were recorded at a value of $123,025, based on the Black-Scholes option pricing model. The Company recorded a gain of $407,188 on the sale of the property.

Gain on sale of long term investments

During the period ended January 31, 2011, the Company realized a gain on sale of long term investments (for $816,195 ($16,143 in 2010 further to the sale of 255,352 shares of Adventure Gold Inc.) as follows:

1) NQ Exploration Inc. (''NQ''):

   In January 2011, the Company sold 6,100,000 shares of NQ for net proceeds of $611,897, realizing a gain of $574,218. In addition, during the period, the Company recognized its share of net gain of NQ for $55,761 (as compared to a loss of $11,032 in 2010) due to a continuous decrease in the Company's ownership interest in NQ (38% in 2010 and 12% in 2011).

2) Focus Metals Inc. (''Focus''):

   In January, 2011, the Company sold 600,000 shares of Focus for net proceeds of $277,977 and realized a gain of $241,977.

Interest and other income for the period ended January 31, 2011 was $2,763 as compared to $17,312 for 2010. 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 Earnings (Loss)	Basic and diluted net earnings (Loss) per common share
	$	$	$
31/01/2011	2,763	806,288	0.007
31/10/2010	1,951	(620,247)	(0.007)
31/07/2010	-	(475,824)	(0.005)
30/04/2010	1,086	(736,470)	(0.010)
31/01/2010	17,312	(586,859)	(0.008)
31/10/2009	5,718	(870,954)	(0.013)
31/07/2009	3,276	(549,701)	(0.010)
30/04/2009	54,960	(364,242)	(0.006)

Liquidity and capital resources

The Company's working capital stands at approximately $3.5 million at January 31, 2011 ($1.9 million at October 31, 2010). This increase is attributable to net proceeds from:

- The sale of long term investment during the period for approximately $890,000
- The completion of a non-brokered private placement on November 12, 2010 for net proceeds of $197,000
- The exercise of warrants and options during the period for $370,000
- The sale of the Lithium property Sirmac, in exchange for cash payment of $30,000, 500,000 common shares of Exploration Nemaska (''Nemaska'') valued at $275,000, and 500,000 warrants of Nemaska valued at $123,025, each warrant entitling the Company to purchase one common share of Nemaska at a price of $0.60
- The reclassification of the Company's investment in NQ from Long term investment to Marketable securities, and the change in the valuation of these shares from the equity method to the cost method which resulted in an increase in the fair value of these shares. The fair value of these shares as at January 31, 2011 is $727,000 .

Also, during the period, the Company incurred $762,000 on its exploration program in Dominican Republic, made $60,000 cash payments on its properties option agreements and spent $191,000 on its operating expenses incurred in the normal course of business.

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, as amended by a formal agreement in February 2011, 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.

With a working capital of approximately $3.5 million, including $2.4 million in cash and $250,980 in current liabilities, 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 January 31, 2011, 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 period, the cost of shared salaries and benefits was $14,250 ($14,250 in 2010) and rent and office expenses were $714 ($714 in 2010). Included in amount due from related party is $Nil ($Nil as at October 31, 2010) due from Majescor.

Under an agreement between the Company and Adventure Gold Inc. (“Adventure”) (which shared common management), which was terminated effective Dec 1, 2010, the Company charged Adventure for shared salaries and benefits, rent and office expenses. During the period, the cost of shared salaries and benefits was $7,500 ($22,500 in 2010) and rent and office expenses were $500 ($1,500 in 2010). Included in amount due from related party is $Nil ($Nil as at October 31, 2010) due from Adventure.

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 period, the cost of shared salaries and benefits was $17,010 ($Nil in 2010) and rent and office expenses were $6,990 ($Nil in 2009). Included in amount due from related party is $Nil ($Nil as at October 31, 2010) 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 $53,455 during the period ended January 31, 2011 ($Nil in 2010) on 2 abandoned claims in Dominican Republic (Tocoa for $52,891 and Loma Ceiba de Agua for $564), as they no longer fit the strategy of the Company.

Financial Instruments

The Company's financial instruments consist of cash, marketable securities, accounts receivable, long term investment, accounts payable and accrued liabilities and other current 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 investment 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 March 28, 2011 consist of:

Securities	Expiry date	Average exercise price	Number of securities outstanding
Common shares	-	-	104,413,385
Options	Up to February 15, 2016	$0.30	7,557,000
Warrants	Up to November 12, 2012	$0.36	15,556,905

Subsequent event

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.

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 March 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
Chairman of the Board and Chief Executive Officer

(s) Khadija Abounaim
Chief Financial Officer