

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the three and six months ended April 30, 2016

## **EVERTON RESOURCES INC.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THREE AND SIX MONTHS ENDED APRIL 30, 2016**

The following Management Discussion and Analysis ("MD&A") of the operating results, financial condition and future prospects of Everton Resources Inc., together with its subsidiaries (the "Company" or "Everton"), current as of June 29, 2016, should be read in conjunction with the Company's condensed consolidated interim financial statements for the three and six months ended April 30, 2016, and the audited annual consolidated financial statements for the year ended October 31, 2015.

This MD&A contains or may refer to certain statements that may be deemed "forward-looking statements". Forward-looking statements include estimates and statements that describe the Company's future development plans, objectives or goals, including words to the effect that the Company expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "anticipates", "believes", "could", "estimates", "expects", "may", "shall", "will", or "would". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Forward-looking statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices for mineral commodities; exploration successes; new opportunities; continued availability of capital and financing; general economic, market or business conditions; and litigation, legislative, environmental or other judicial, regulatory, political and competitive developments. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. Everton does not undertake to update any forward-looking statement that may be made from time to time by Management or on its behalf, except in accordance with applicable public disclosure rules and regulations.

This MD&A includes but is not limited to, forward looking statements regarding: the potential and planned exploration on the Company's properties; the Company's ability to meet its working capital needs for the period ending October 31, 2016; the plans, costs, capital and timing of future exploration and development of the Company's property interests in the Dominican Republic; and the Company's ability to find strategic partnerships for its Cabirma del Cerro ("CdC") (Formerly APV) concession.

#### **Nature of Business**

Everton is a Canadian mineral exploration and development company incorporated under the Business Corporations Act (Alberta) and continued under the Canada Business Corporations Act. The Company is engaged in the acquisition and exploration of mineral properties, primarily in the Dominican Republic, while optioned out its other property located in 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 Venture Exchange ("TSX-V") under the symbol "EVR". The Company's head office is in Ottawa, Ontario.

#### **Exploration Activities**

Everton is actively exploring in the Dominican Republic adjacent to the US\$3.7 billion Pueblo Viejo Mine which achieved commercial production in January 2013. The Pueblo Viejo Mine is a joint venture between the Barrick Gold Corporation (60%) ("Barrick"), and Goldcorp Inc. (40%) ("Goldcorp") with Barrick acting as operator.

Details of the Company's exploration expenditures during three and six months ended April 30, 2016 and 2015, are included in the notes to the condensed consolidated interim financial statements and are capitalized (and assessed for impairment) under exploration and evaluation assets in accordance with the Company's accounting policies. The Company incurred exploration expenditures of \$1,950 (2015 - \$14,171) and \$4,602 (2015 - \$100,548) during the three and six months ended April 30, 2016 and 2015, respectively.

#### **Mineral Property Book Value**

At the end of each quarter, management reviews the carrying values of its resource properties to determine whether any indicators of impairment exist and if so, considers whether any write-downs are necessary. As at April 30, 2016, management has reviewed its exploration plans for Mermejil (Formerly La Cueva), Maimon, Cuanca, Los Hojanchos, Corralitos, Arroyo Carpintero (Formerly Ponton), and Jobo Claro properties in the Dominican Republic moving forward and due to current economic conditions as well as a lower ranking priority, an impairment of \$Nil (April 30, 2015 - \$2,762,683) was recorded.

On June 10, 2016, the Ministry of Energy and Mines in Dominican Republic, renewed the Arroyo Carpintero, CdC, and Mermejál concessions. The Company is currently in the process of completing a private placement which would allow it to carry out an exploration program on the Arroyo Carpintero concession. Based on the availability of funds, the depth of the exploration program and the subsequent results, management will assess if there is sufficient factors to determine if a reversal of impairment on this concession is appropriate.

### Dominican Republic

Summary of exploration costs incurred per property for the three months ended April 30, 2016.

New concession name Former concession name	Arroyo Carpintero (Ponton)	Mermejál (La Cueva)	Cabirma del Cerro (Ampliacion)	Other	Total
	\$	\$	\$	\$	\$
Balance - beginning	-	-	7,720,238	-	7,720,238
Additions					
Renewal of licenses and permits	-	-	1,950	-	1,950
Balance - end	-	-	7,722,188	-	7,722,188

Summary of exploration costs incurred per property for the six months ended April 30, 2016.

New concession name Former concession name	Arroyo Carpintero (Ponton)	Mermejál (La Cueva)	Cabirma del Cerro (Ampliacion)	Other	Total
	\$	\$	\$	\$	\$
Balance - beginning	-	-	7,717,586	-	7,717,586
Additions					
Renewal of licenses and permits	-	-	4,602	-	4,602
Balance - end	-	-	7,722,188	-	7,722,188

Summary of exploration costs incurred per property for the three months ended April 30, 2015.

New concession name Former concession name	Arroyo Carpintero (Ponton)	Mermejál (La Cueva)	Cabirma del Cerro (Ampliacion)	Pun	Other	Total
	\$	\$	\$	\$	\$	\$
Balance - beginning	683,363	1,004,550	7,736,027	392,102	-	9,816,042
Additions						
Assaying	-	-	-	-	-	-
Project consulting	38	38	390	-	-	466
Geological survey	3,436	1,485	6,416	-	-	11,337
Renewal of licenses and permits	561	655	1,132	-	-	2,348
General field expenses	-	-	-	-	20	20
	4,035	2,178	7,938	-	20	14,171
Deductions						
Write-downs	-	1,006,728	-	392,102	20	1,398,850
	-	1,006,728	-	392,102	20	1,398,850
Balance - end	687,398	-	7,743,965	-	-	8,431,363

Summary of exploration costs incurred per property for the six months ended April 30, 2015.

New concession name Former concession name	Arroyo Carpintero (Ponton)	Mermejál (La Cueva)	Cabirma del Cerro (Ampliación)	Pun	Other	Total
	\$	\$	\$	\$	\$	\$
Balance - beginning	678,043	999,193	7,675,380	392,102	-	9,744,718
<b>Additions</b>						
Assaying	-	-	(3,335)	-	-	(3,335)
Project consulting	38	38	390	-	-	466
Geological survey	8,327	6,842	70,052	-	-	85,221
Renewal of licenses and permits	990	655	1,478	-	-	3,123
General field expenses	-	-	-	-	2,573	2,573
	9,355	7,535	68,585	-	2,573	88,048
<b>Deductions</b>						
Write-downs	-	1,006,728	-	392,102	2,573	1,401,403
	-	1,006,728	-	392,102	2,573	1,401,403
Balance - end	687,398	-	7,743,965	-	-	8,431,363

Canada

The Company did not incur any exploration and evaluation expenses during the three and six months ended April 30, 2016, on any of its Canadian properties.

Summary of exploration costs incurred per property for the three months ended April 30, 2015.

	Opinaca	Wildcat	Total
	\$	\$	\$
Balance - beginning	2,754,707	1,614,355	4,369,062
<b>Deductions</b>			
Recovery of prior exploration expenditures	-	250,000	250,000
Write-downs	-	964,355	964,355
	-	1,214,355	1,214,355
Balance - end	2,754,707	400,000	3,154,707

Summary of exploration costs incurred per property for the six months ended April 30, 2015.

	Opinaca	Wildcat	Total
	\$	\$	\$
Balance - beginning	2,754,707	1,601,855	4,356,562
<b>Additions</b>			
Geological expenses	-	12,500	12,500
	-	12,500	12,500
<b>Deductions</b>			
Recovery of prior exploration expenditures	-	250,000	250,000
Write downs	-	964,355	964,355
	-	1,214,355	1,214,355
Balance - end	2,754,707	400,000	3,154,707

## **Dominican Republic Properties**

The Company is in the process of raising financing for an exploration program on its Arroyo Carpintero concession as well as seeking strategic partnerships to advance the exploration of its other Dominican Republic property portfolio. During the three and six months end April 30, 2016, the Company incurred \$1,950 and \$4,602 of the exploration expenditures on its Dominican exploration properties respectively.

The Companies Dominican Republic properties are as follows:

### Cabirma del Cerro

#### a) Acquisition history

In April 2007, the Company obtained an option to acquire from Primero an undivided 50% interest in the CdC concession (which includes the La Lechoza prospect).

On November 21, 2013, the Company signed a share purchase agreement whereby Everton has acquired Primero's remaining interest in the CdC, Mermejil and Arroyo Carpintero concessions located in the Dominican Republic (the "Concessions"). In connection therewith, Everton acquired all of the issued and outstanding common shares of Linear Gold Caribe, S.A. ("Linear Gold"), a wholly-owned subsidiary of Primero and registered titleholder of the Concessions.

Pursuant to the share purchase agreement (the "Agreement") entered into by the parties, Everton has acquired shares of Linear Gold (the "Acquisition") for a total consideration of \$175,000 in cash and 6,000,000 in common shares of Everton. In accordance with applicable laws of the Dominican Republic, Everton is also required to make a tax withholding payment on the Purchase Price.

On March 19, 2014, the Company received final approval from the TSX-V for the acquisition of Linear Gold Caribe and, as a result, holds an undivided interest in the CdC concession.

On June 10, 2016, the Ministry of Energy and Mines in Dominican Republic, renewed the CdC concession.

#### b) Location

The Cabirma del Cerro concession adjoins the Pueblo Viejo Mine (Barrick/Goldcorp) concession that reportedly contains approximately 15 million ounces of proven and probable gold reserves (reference: Pueblo Viejo Project Technical Report Ni 43-101, March 16, 2012). The proposed boundaries of the Pueblo Viejo open pit are only 700 m east and 1,450 m south of the Everton's Cabirma del Cerro concession boundaries

The South block is west of and adjacent to the Monte Negro pit of the Pueblo Viejo Mine. Monte Negro structures trend towards and appear to extend onto the South Block. These structures are locally associated with IP anomalies on Everton's concession and are priority exploration targets.

The Central Block: This block is 1,450 m north of the proposed northern extent of the Pueblo Viejo open pit and the Monte Negro deposit. Several north – south trending conductors have been identified by previous Everton IP surveys. These IP conductors are on strike of the Monte Negro deposit, and all of these conductors warrant further assessment.

The North block is in Los Ranchos Formation, which is more felsic than that of the Central and South blocks. It hosts a Volcanogenic Massive Sulphide (VMS) deposit (La Lechoza VMS Deposit, SGS 43-101 Report dated August 23, 2010). La Lechoza deposit has been only partly defined and will require further geophysical testing prior to drilling.

### Arroyo Carpintero

#### a) Arroyo Carpintero Acquisition history

In April 2007, the Company obtained an option to acquire from Primero an undivided 50% interest in the Arroyo Carpintero concession.

On March 19, 2014, the Company received final approval from the TSX-V for the acquisition of Linear Gold Caribe and, as a result, holds an undivided interest in the Arroyo Carpintero concession.

On June 10, 2016, the Ministry of Energy and Mines in Dominican Republic, renewed the Arroyo Carpintero concession.

b) Location

Located 27 km east of the Pueblo Viejo mine, this concession will be the initial focus of our renewed exploration efforts. This concession is interpreted to have the potential to host a world class gold-copper porphyry deposit. Soil geochemistry, trenching, and soil samples have previously defined significant anomalies, along with artisanal mining having been observed onsite. This very promising prospect is located in the Monte Plata Province and on one of the few regional volcanic centers on the "Los Ranchos Formation". The concession is not located near any ecologically restricted areas, has good access and a low population density. Surface geology, soil, and rock geochemistry sampling have returned values of 4.08 g/t Au, 30 g/t Ag, 0.63% Cu and 0.67% Zn. An IP survey followed by drilling is planned starting mid-summer 2016.

Mermejál

a) Acquisition history

On December 8, 2003, the Company entered into an earn-in agreement with Primero for the Mermejál Project, located in the Dominican Republic, which is contiguous to the southeast corner of the Pueblo Viejo Gold Mine concession. The Company had the option to acquire a 50% interest in the property by incurring cumulative expenditures of US\$500,000 (CAD\$567,000) over a two-year period, issuing 40,000 common shares and paying an option fee of US\$70,000 (CAD\$79,000). All of the above conditions were met and the Company acquired its 50% interest.

On March 19, 2014, the Company received final approval from the TSX-V for the acquisition of Linear Gold Caribe, as a result, holds an undivided interest in the Mermejál concession.

On June 10, 2016, the Ministry of Energy and Mines in Dominican Republic, renewed the Mermejál concession.

b) Location

The Mermejál concession ties on to the east side of the Pueblo Viejo Mine concession. This concession contains several prospective lithologies that locally host the Cerro de Maimón open pit mine as well as several Volcanogenic Massive Sulphide (VMS) deposits, such a Loma Pesada, Loma Barbuíto and Loma La Mina. The Mermejál Concession contains a gold rich VMS prospect that has been tested with 38 DDHs with its best intersection being 10.58 meters @ 2.03% Cu, 9.41% Zn, 2.96 g/t Au, and 104.9 g/t Ag. The mineralization has been interpreted to be related to a distal VMS setting and higher copper gold grade zone may be found if drill holes can be vectored using accumulated assay data and drill hole modelling.

**Outlook**

It is management's belief that the CdC project has the potential to host a significant economic gold mineral resource. The Company is currently seeking joint venture partners to continue to progress the exploration of this project. The Company does not currently have sufficient funds available to advance the CdC Project beyond the current stage. In general, completion of all of the Company's ongoing and future exploration and development initiatives are subject to obtaining a joint venture partner and raising additional funds. There is no guarantee that the Company will be successful in these regards or on terms that are acceptable to the Company (see "Risks and Uncertainties").

**Canadian Property**

During the three and six months ended April 30, 2016, the Company received option payments on its Opinaca property of \$Nil (2015 - \$Nil) and \$60,000 (2015 - \$60,000) respectively. During the three months ended April 30, 2016 the Company incurred property acquisition costs of \$108,996 (2015 - \$Nil) on its Detour Lake property.

Opinaca

The Opinaca A property is adjacent to the northern boundary of Goldcorp's Eleonore property hosting the Roberto gold deposit containing a significant proven and probable gold reserves estimate. The Opinaca B property is located about 8 km southeast of the Eleonore property. The Opinaca A and B properties comprise 327 and 206 claims respectively, covering 278 km<sup>2</sup>.

On November 7, 2013 the Company announced that Hecla Quebec Inc., a wholly owned subsidiary of Hecla, informed Everton of its intent to renew its option on the Opinaca A & B gold properties, located in the Eleonore mining camp, James Bay region, Quebec, for a third year.

Hecla has the option to earn up to 60% interest in the Opinaca properties from Everton and Azimut Exploration Inc., each company currently owning a 50% interest in the properties.

According to the original agreement (see news release of September 16, 2010), Aurizon Mines (now Hecla Quebec Inc.) was required to perform \$6,000,000 of work expenditures on Opinaca including 5,000 metres of diamond drilling over four years to earn an initial 50% interest. While the terms to earn the initial 50% interest on the Opinaca property remains the same, the work schedule has been extended by two years.

In December 2014, Hecla advised the company that it would drop its option on the Opinaca A property while retaining its option on the Opinaca B property.

### Detour Lake

On April 27, 2016, the Company staked 136 claims cover 7,437 ha (74.37 sq. km) in James Bay Quebec.

Everton has purchased a list of targets on the areas of interest by issuing 1,700,000 common shares and by paying \$25,000 on signing and \$25,000 in 90 days following the signing to Diagnos, as well as, a 2% royalty on the net return of the smelting revenues associated with the minerals and concentrates to be extracted from the concessions identified by DIAGNOS. The purchase agreement stipulates that Everton may, at any time, reduce the royalty from 2% to 1% by paying \$1,000,000.

The Detour Gold Quebec project area is a highly prospective area for gold deposits associated with the Sunday Lake and Lower Detour deformation zones. It is mostly known for hosting the Detour Lake Mine which has a gold reserve measured over 15.5 M ounces (reference: Detour Lake 2014, NI43-101 Technical Report) and the Casa Berardi Mine.

The claims were acquired using DIAGNOS' property Computer Aided Resource Detection System (CARDS) to target the gold potential in the Detour Lake area of Quebec. The CARDS system uses powerful pattern recognition algorithms to analyze digitally compiled exploration data, and identifies precise areas (gold targets) with, geological, topography and geophysical signatures similar to areas of known mineralization. The database modelling included: 1) levelled and merged High-Resolution Aeromagnetic Data Compilation of the Abitibi and the Ontario of the Detour Lake area; 2) topography; and 3) over 18,814 compiled assays (7,353 with Au = 1 g/t Au) from Quebec government-registered drill hole assays and surface samples. Based on analysis and on known lithology and structural geology in the region, over 6 high priority gold targets have been identified and staked. One of these priority gold targets is located 16 km north of the Casa Berardi Mine and overlaps the road.

### Blue Sky Jackpot

On May 17, 2016 the Company announced that it has entered into an option agreement with an arm's length vendor to acquire a 100% interest in the Blue Sky Jackpot lithium property in the Thunder Bay Mining District of Ontario. The 47 claim unit (752 hectares) property surrounds the 4 claim unit (64 hectares) Jackpot lithium property recently acquired by Alix Resources Corp. (News release dated April 13, 2016). The property is located approximately 150 kilometers northeast of Thunder Bay and is accessible by road.

This area which hosts numerous spodumene bearing pegmatite occurrences, has laid dormant since 1955 when the Ontario Lithium Corporation forfeited their patented mineral claims due to unpaid taxes. The patented claim group became available for staking on June 1, 2010.

The Blue Sky Jackpot lithium property hosts several reported occurrences of lithium bearing pegmatite dykes. The area was the subject of a geological report by E. G. Pye, 1965, "Geology and Lithium Deposits of the Georgia Lake Area, Thunder Bay District" Geological Report No.31. This report describes in part some of the occurrences on the Everton controlled property as follows ( these partial historical excerpts from E. G. Pye are presented to indicate the presence of lithium bearing pegmatites on the Everton controlled property and not as an evaluation of the lithium content):

"...It has been traced on the surface in a direction of N.80E. for 350 feet. It is exposed across horizontal widths of up to 30 feet and forms a north-facing escarpment, 10-15 feet high ... pegmatite is made up of elongated crystals of potash feldspar, up to 3 feet in length, and prismatic crystals of spodumene, up to 2 feet in length, Its spodumene content is about 25 percent ..."

"...The No. 6C pegmatite .... has been traced N.75E. in outcrops spaced at intervals of 30-150 feet, for a length of 440 feet. It dips 30N., with horizontal widths of up to about 30 feet. At the surface, the No. 6C pegmatite averages 10-15 percent spodumene...."

"...There are two dikes in the No. 6B area, about 400 feet S.45W. from the No. 6A outcrop. These dikes strike N.65E. and dip 20NW. One is exposed in two outcrops about 100 feet apart and has horizontal widths up to 30 feet; the other dike, 150 feet southeast of the first, is also exposed in two outcrops, in this case about 65 feet apart, and has widths up to 40 feet. Both dikes contain an appreciable amount of spodumene..."

The Blue Sky Jackpot lithium property also surrounds the Jackpot occurrence, also described by E. G. Pye in his 1965 report which reportedly hosts an estimated historic non-compliant National Instrument 43-101 mineral resource of 2 million tons of 1.09% lithium oxide. Everton proposes to initiate a ground program and to initiate the exploration permitting for a drilling program to test the extensions of documented lithium rich pegmatite dykes that occur within the outer boundary of the Everton controlled claim group. Vertical fence holes to test for the lateral strike and down dip extension of the Jackpot 1 or the Jackpot 2 lithium rich dykes on the Blue Sky Jackpot claim group is a very high priority.

All future analytical work will include a full suite of analysis for lithium as well as a full complement of rare earth elements and other rare metals.

Under the terms of the option to purchase agreement, which remains subject to TSX Venture Exchange Approval, the Blue Sky Jackpot lithium property is subject to a 2% net smelter return, 50% of which can be purchased by Everton for \$1,000,000. The Agreement also requires an aggregate issuance of 2,000,000 common shares of Everton over a two year period and maintenance of all of the claims in good standing for the duration of the Agreement. The Everton shares will be issued as follows: 400,000 common shares on signing and TSX Venture Exchange approval of the Agreement, 600,000 common shares on the first anniversary thereof and 1,000,000 common shares on the second anniversary thereof.

## **Outlook**

It is management's belief that the Opinaca project has the potential to host significant gold mineral resources. Hecla is encouraged by the exploration results so far and intends to continue advancing the Opinaca project. Everton is in the process of raising flow through funding to commence an exploration program on its newly acquired Detour Lake property.

## **Qualified Person**

Technical information contained in this MD&A pertaining the company projects in the Dominican Republic has been prepared by or under the supervision of Wade Kornik who is a "Qualified Person" for the purpose of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). He has verified the data comprising such technical information, including sampling, analytical, and test data underlying the information or opinions contained herein.



## FINANCIAL INFORMATION

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

### SELECTED CONSOLIDATED FINANCIAL DATA

	Three Months Ended April 30, 2016	Three Months Ended April 30, 2015	Six Months Ended April 30, 2016	Six Months Ended April 30, 2015
	\$	\$	\$	\$
<b>Statement of Comprehensive Loss</b>				
Loss From Operations	(166,344)	(2,969,917)	(258,535)	(3,095,157)
Interest and Other Income	2,299	(850)	(3,159)	2,928
Net Loss and Comprehensive loss	(2,970,767)	(2,970,767)	(261,694)	(3,092,229)
Basic and Diluted Loss Per Common Share	-	(0.06)	(0.01)	(0.06)
Basic and Diluted Weighted Average Number of Shares Outstanding	50,445,012	48,388,345	50,416,367	48,388,345
	<b>Three Months Ended April 30, 2016</b>	<b>Three Months Ended April 30, 2015</b>	<b>Six Months Ended April 30, 2016</b>	<b>Six Months Ended April 30, 2015</b>
<b>Statement of Cash Flows</b>				
	\$	\$	\$	\$
Net Cash (used In) provided by Operating Activities	(123,742)	14,488	(196,505)	(190,151)
Net Cash (used in ) provided by Investing Activities	(2,651)	(1,463)	(2,599)	213,929
Effect of exchange rate fluctuations on cash	-	(5,546)	-	(23,678)
Change in cash	(126,393)	7,479	(199,104)	100
<b>Statement of Financial Position Summary</b>				
	<b>April 30, 2016</b>	<b>October 31, 2015</b>		
Cash	97,042	296,506		
Marketable securities	23,400	25,100		
Mineral exploration properties	2,838,850	2,789,854		
Exploration and evaluation assets	10,539,395	10,534,792		
Current liabilities	(625,110)	(649,192)		
Shareholders' equity	12,909,679	13,059,873		
Total assets	13,534,789	13,709,065		

### Dividend Payment

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

### RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED APRIL 30, 2016

#### Operating Expenses

During the three months ended April 30, 2016 and 2015, the Company's loss from operations of \$166,344 and a loss from operations of \$2,969,917 respectively. Significant variances are explained below:

Management fees decrease from \$54,050 for the three months ended April 30, 2015 to \$41,500 for the same period in 2016. The decrease is due to temporary reduction in officer's salaries to preserve cash resources for the Company.

Stock based compensation has increased by \$60,500 for the three months ended April 30, 2016 to \$ - for the same period in 2015. During 2016 the Company granted 1,000,000 stock options to directors, officers and employees of the Company. There were no stock options granted during the three months ended April 30, 2015.

Write-down of mineral exploration properties and exploration and evaluation assets had decreased from \$2,860,130 during the three months ended April 30, 2015, to \$Nil for the same period in 2016. During the three months ended April 30, 2015, management continued to assess its exploration properties in the DR and as a result of that assessment the Mermejil property was downgraded to a second tier property and written off, as well the Pun option agreement was cancelled and the property returned to the Optionor. Finally the Wildcat property was written down to its net realizable value based on its sale to Helca in Q3 2015. In 2016 management assessed that only APV remained a first tier property and as a result no write-downs were taken in 2016

### **QUARTERLY INFORMATION**

The following summarized financial data has been prepared in accordance with IFRS and should be read in conjunction with the Company's annual and interim consolidated statements for those periods.

Quarter Ended	Interest and Other Income	Net income (Loss) Earnings after tax	Basic and Diluted Earnings (Loss) per Common Share
	\$	\$	\$
30/04/2016	2,299	(164,045)	-
31/01/2016	(683)	(97,649)	-
31/10/2015	(14,143)	(61,687)	-
31/07/2015	29,223	(1,299,936)	(0.03)
30/04/2015	(850)	(2,970,767)	(0.06)
31/01/2015	3,608	(118,962)	-
31/10/2014	676	(2,609,290)	(0.07)
31/07/2014	1,392	(180,901)	-
30/04/2014	1,921	(410,471)	(0.01)
31/01/2014	17,203	443,206	0.01

### **LIQUIDITY AND CAPITAL RESOURCES**

The Company's working capital deficit, excluding marketable securities, totals \$491,966 as at April 30, 2016 (\$289,873 as at October 31, 2015), including \$97,402 (\$296,506 as at October 31, 2015) in cash.

During the three and six months ended April 30, 2016, the Company expended \$123,742 and \$196,505 (April 30, 2015 - provided \$14,488 and expended \$190,151) on operating activities respectively, and expended cash of \$2,651 and \$2,599 (April 30, 2015 – expended \$1,463 and provided \$213,929) in investing activities respectively.

The Company does not have any exploration related obligations on its Dominican Republic properties. Any exploration projects undertaken by the Company are at the sole discretion of the Company.

### **OFF BALANCE SHEET ARRANGEMENTS**

As of April 30, 2016, the Company had no off balance sheet arrangements.

### **INVESTOR RELATIONS ACTIVITY**

The management of the Company provides all of the investor relations functions internally.

### **PROPOSED TRANSACTIONS**

In the normal course of business, the Company evaluates property acquisition transactions and, in some cases, makes proposals to acquire such properties. These proposals, which are usually subject to Board and sometimes regulatory and shareholder approvals, may involve future payments, share issuances, and property work commitments. These future obligations are usually contingent in nature and generally the Company is only

required to incur the obligation if it wishes to continue with the transaction.

## **RELATED PARTY TRANSACTIONS**

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

### Key management compensation

The following table reflects compensation of key management personnel, including the Chief Executive Officer (“CEO”), the Chief Financial Officer (“CFO”) and Directors:

	Three months ended April 30,		Six months ended April 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Salaries (including bonuses) (1)	<b>53,073</b>	45,900	<b>94,173</b>	89,650
Benefits	<b>1,348</b>	1,348	<b>2,696</b>	2,696
Share-based compensation	<b>58,988</b>	-	<b>58,988</b>	-
	<b>113,409</b>	47,248	<b>155,857</b>	92,346

(1) Includes directors’ fees, which have been included in Management and consulting fees in the consolidated statements of comprehensive income.

During the six months ended January 31, 2016, management and consulting fees of \$60,000 (2015 – \$60,000) were paid to Andre Audet, the Company’s CEO. As at April 30, 2016, there was a balance of \$Nil (2015 - \$Nil) owing to him. During the six months ended April 30, 2016, short-term benefits of \$2,696 (2015 - \$2,696) were paid on behalf of Mr. Audet.

During the six months ended April 30, 2016, management and consulting fees of \$17,600 (2015 – \$21,550) were paid to Sabino Di Paola, the Company’s CFO. As at April 30, 2016, there was a balance of \$Nil (2015 - \$Nil) owing to him.

During the six months ended April 30, 2016, director’s fees of \$5,000 (2015 – \$5,000) were accrued to Michael Farrant, the Chairman of the Audit Committee. As at April 30, 2016 there was a balance of \$5,000 (2015 - \$15,000) owing to him.

During the six months ended April 30, 2016, consulting fees of \$11,573 (2015 - \$3,100) were paid to Salvador Brouwer, a director of the Company. As at April 30, 2016 there was a balance of \$Nil (2015 - \$Nil) owing to him.

### Transactions with related companies

Everton entered into the following transactions with related companies:

Under an agreement, which was signed on March 25, 2013 between the Majescor Resources Inc. (“Majescor”) and Everton, the Company reimbursed the cost of shared salaries and benefits, rent and office expenses paid by Everton (which shares common management). During the three and six months ended April 30, 2016, Majescor reimbursed Everton \$4,491 and \$8,924 of shared costs (April 30, 2015 - \$4,429 and \$8,858) respectively.

GrowPros Cannabis Ventures Inc. (“GrowPros”) reimburses Everton for the cost of shared salaries and benefits, rent and office expenses paid by Everton (which shares common management) on a month by month basis. During the three and six months ended April 30, 2016, GrowPros reimbursed Everton \$4,554 and \$9,005 of shared costs (April 30, 2015 - \$4,429 and \$8,339) respectively.

## **FINANCIAL INSTRUMENTS**

The Company’s financial instruments consist of cash, marketable securities and warrants, accounts receivable, accounts payable, and accrued liabilities. The fair value of cash, accounts receivable, accounts payable, and accrued liabilities approximate their carrying value due to their short-term nature.

## **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

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

## **OUTSTANDING SHARE DATA**

Common shares and convertible securities outstanding at June 29, 2016, consist of:

<b>Securities</b>	<b>Expiry Date</b>	<b>Range of Exercise Price</b>	<b>Number of Securities Outstanding</b>
Common shares	-	-	51,368,345
Options	Up to April 14, 2021	\$0.05 to \$1.00	2,585,000
Warrants	Up to June 24, 2018	\$0.07 to \$0.08	4,441,250
Broker warrants	June 24, 2018	\$0.05	722,400

## **EVENTS AFTER THE REPORTING DATE**

### **Blue Sky Jackpot Lithium Property**

On May 17, 2016, the Company entered into an option agreement with an arm's length vendor to acquire a 100% interest in the Blue Sky Jackpot lithium property in the Thunder Bay Mining District of Ontario. The property is located approximately 150 kilometers northeast of Thunder Bay and is accessible by road.

The Agreement also requires an aggregate issuance of 2,000,000 common shares of Everton over a two year period and maintenance of all of the claims in good standing for the duration of the Agreement. Everton will issue the common shares as follows: 400,000 common shares on signing and TSX Venture Exchange approval of the Agreement, 600,000 common shares on the first anniversary thereof and 1,000,000 common shares on the second anniversary thereof.

Under the terms of the option to purchase agreement, the Blue Sky Jackpot lithium property is subject to a 2% net smelter return royalty, 50% of which can be purchased by Everton for \$1,000,000.

### **Concession renewals**

On June 10, 2016, the Ministry of Energy and Mines in Dominican Republic, renewed the Arroyo Carpintero (formerly Pontón), Mermejál (formerly La Cueva) and Cabirma del Cerro (formerly Ampliación Pueblo Viejo) concessions.

### **Private Placement**

On June 24, 2016, the Company announced the closing of the 1st tranche of its non-brokered private placement by issuing 8,070,000 units for gross proceeds of \$403,500. Each unit consisted of one common share at a price of \$0.05 and one-half common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one additional common share at a price of \$0.07 per common share for a period of twenty-four months.

The Company has also issued 1,210,000 flow through common shares at a price of \$0.05 per share for gross proceeds of \$60,500.

In connection with the private placement, the Company paid a cash finder's fee of \$36,120. A total of 722,400 broker warrants were also issued to the finders, with each broker warrant entitling the finder to purchase a broker unit of the Company at a price of \$0.05 per broker unit for a period of two years from the date of closing of the private placement. Each broker unit comprises one common share and one half of a broker unit warrant. Each broker unit warrant entitles the finder to purchase one common share at an exercise price of \$0.07 per common share for a period of twenty-four (24) months from the closing date.

## **RISK AND UNCERTAINTIES**

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

### **Financial Risk**

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

The 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 in US dollars and the Dominican Peso. Movements in the Canadian dollar against these currencies have a direct impact on the Company's costs. The Company does not use derivative instruments to reduce its exposure to foreign exchange risks.

#### *Risk on the Uncertainty of Title*

Although the Company has taken steps to verify title to mining properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Currently all of the Company's concessions in the Dominican Republic are under renewal. While the Company has taken all necessary steps to renew the claims there is no certainty that the claims will ultimately be renewed.

#### *Environmental Risk*

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

### **Additional Disclosure for Companies without Significant Revenue**

Additional disclosure concerning the Company's exploration and evaluation expenditures and mineral property costs is provided in note 5 of the Company's consolidated financial statements.

### **Going Concern Assumption**

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

The Company will require additional financing, through various means including but not limited to equity financing, to continue the exploration program on its properties and/or to acquire additional exploration properties and to meet its entire general and administrative costs. There is no assurance that the Company will be successful in raising the additional required funds. This material uncertainty casts significant doubt regarding the Company's ability to continue as a going concern.

### **Approval**

The Board of Directors of Everton Resources approved the disclosure contained in this MD&A on June 29, 2016. A copy of this MD&A will be provided to anyone who requests it from the Company.

### **Additional Information**

#### *Officers and Directors:*

Andre Audet, Chairman, Chief Executive Officer, and Director  
Sabino Di Paola, Chief Financial Officer and Corporate Secretary

#### *Independent Directors*

Michael Farrant, Director  
Keith Stein, Director  
Steven Mintz, Director  
Salvador Brouwer, Director

#### *Legal Counsel and Auditors*

McMillan LLP, Canadian Legal Counsel  
Distinctive Law, Dominican Republic Legal Counsel  
McGovern, Hurley, Cunningham, LLP, Auditors

**Disclaimer**

The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. It should be read in conjunction and in context with all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. No securities commission or regulatory authority has reviewed the accuracy of the information presented.

**ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE**

This Management's Discussion and Analysis has been prepared as of June 29, 2016. Additional information on the Company is available through regular filings of news releases and financial statements on SEDAR ([www.sedar.com](http://www.sedar.com)).

*(s) André Audet*

---

Chairman of the Board and Chief Executive Officer

*(s) Sabino Di Paola*

---

Chief Financial Officer