

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the three and nine months ended July 31, 2017

## EVERTON RESOURCES INC.

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED JULY 31, 2017 AND 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 August 23, 2017, should be read in conjunction with the Company's condensed consolidated interim financial statements for the three and nine months ended July 31, 2017 and the notes attached thereto and the audited financial statements of the Company and the notes attached thereto for the year ended October 31, 2016. Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

### Forward looking statements

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. Readers are cautioned not to place undue reliance on forward looking statements.

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 July 31, 2017; the plans, costs, capital and timing of future exploration and development of the Company's properties; and the Company's ability to find strategic partnerships for its Cabirma del Cerro ("CdC") (Formerly APV) concession in the Dominican Republic.

The Company's audit committee meets with management quarterly to review the financial statements including the MD&A.

### Nature of Business

Everton is a Canadian mineral exploration and development company incorporated November 7, 1996 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 optioning 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.

## Events after reporting period

None

## 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 July 31, 2017, management has reviewed its exploration plans for its second-tier properties in Canada and the Dominican Republic moving forward and has determined that no impairment of its properties is needed for the three and nine month periods ended July 31, 2017 (July 31, 2016 – \$Nil).

Summary of exploration costs incurred per property for the three months ended July 31, 2017.

	Dominican Republic			Canada			Total
	Arroyo Carpintero (Ponton)	Memejal (La Cueva)	Cabirma del Cerro (Ampliacion)	Opinaca	Detour Lake	Blue Sky Jackpot	
New concession name							
Former concession name							
	\$	\$	\$	\$	\$	\$	\$
Balance - beginning	439,939	0	7,690,549	2,842,084	141,300	0	11,113,872
<u>Additions</u>							
Drilling	19,748						19,748
Project consulting							
Geological survey							
Assaying							
General field expenses	40,913		4,209				45,122
Data and report preparation					7,185		7,185
	60,661	0	4,209	0	7,185	0	72,055
Balance - end	500,600	0	7,694,758	2,842,084	148,485	0	11,185,927

Summary of exploration costs incurred per property for the nine months ended July 31, 2017.

	Dominican Republic			Canada			Total
	Arroyo Carpintero (Ponton)	Memejal (La Cueva)	Cabirma del Cerro (Ampliacion)	Opinaca	Detour Lake	Blue Sky Jackpot	
New concession name							
Former concession name							
	\$	\$	\$	\$	\$	\$	\$
Balance - beginning	0	0	7,734,125	2,817,206	141,300	0	10,692,631
<u>Additions</u>							
Drilling	309,228		(45,696)				263,532
Project consulting			(6,667)	1,242			(5,425)
Geochemical survey				5,688			5,688
Geological survey	72,134			944			73,078
Assaying	13,435						13,435
Renewal of concessions			4,325	17,004			21,329
General field expenses	105,803		8,671				114,474
Data and report preparation					7,185		7,185
	500,600	0	(39,367)	24,878	7,185	0	493,296
Balance - end	500,600	0	7,694,758	2,842,084	148,485	0	11,185,927

Summary of exploration costs incurred per property for the three months ended July 31, 2016.

New concession name Former concession name	Dominican Republic			Canada			Total
	Arroyo Carpintero (Ponton)	Mermejil (La Cueva)	Cabirma del Cerro (Ampliacion)	Opinaca	Wildcat	Detour Lake	
Balance - beginning	\$ -	\$ -	\$ 7,722,187	\$ 2,817,207	\$ -	-	\$ 10,539,394
<u>Additions</u>							
Geological survey	-	-	-	-	4,300	-	4,300
Data and report preparation	-	-	-	-	750	50,000	50,750
Renewal of licenses and permits	-	-	2,714	-	-	-	2,714
General field expenses	-	-	-	-	7,040	-	7,040
Balance - end	-	-	7,724,901	2,817,207	12,090	50,000	10,604,198

Summary of exploration costs incurred per property for the nine months ended July 31, 2016.

New concession name Former concession name	Dominican Republic			Canada			Total
	Arroyo Carpintero (Ponton)	Mermejil (La Cueva)	Cabirma del Cerro (Ampliacion)	Opinaca	Wildcat	Detour Lake	
Balance - beginning	\$ -	\$ -	\$ 7,717,585	\$ 2,817,207	\$ -	-	\$ 10,534,792
<u>Additions</u>							
Geological survey	-	-	-	-	4,300	-	4,300
Data and report preparation	-	-	-	-	750	50,000	50,750
Renewal of licenses and permits	-	-	7,316	-	-	-	7,316
General field expenses	-	-	-	-	7,040	-	7,040
Balance - end	-	-	7,724,901	2,817,207	12,090	50,000	10,604,198

### Dominican Republic Properties

During the three and nine months ended July 31, 2017, the Company incurred \$64,870 and \$461,233 (2016 – \$2,714 and \$7,316) on exploration expenditures on its Dominican exploration properties respectively. The Company completed a private placement which allowed it to carry out an exploration program on the Arroyo Carpintero concession.

The Company's Dominican Republic properties are as follows:

#### Cabirma del Cerro (CdC)

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.

## **Cabirma del Cerro (CdC)** (Cont'd)

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.

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.

During the nine month period ended July 31, 2017, the Ministry of Energy and Mines in Dominican Republic, renewed the Cabirma del Cerro concession.

## **Arroyo Carpintero** (formerly Ponton)

Everton acquired 100% interest in the Arroyo Carpintero concession in the Dominican Republic from Brigus Gold Corporation in 2012. Surface reconnaissance identified anomalous mineralization in the south-central sector of Arroyo Carpintero in 2012. Further to these results, surface sampling and trenching returned 15m of 0.3 g/t including 1.17 g/t gold over 1m.

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.

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

In the nine month period ended July 31, 2017, an I.P. survey was done, it covered some 12,700 meters of survey lines in 9 lines, 200 meters apart. The results of the "Insight" Induced Polarization survey have been received and indicate that there is a large, deep, and strong chargeability anomaly that is centered on Majagual Hill. Additionally, there is a strong resistivity signature which has a strong correlation with the chargeability. This signature could be indicative of a large-scale copper porphyry system. There is a positive correlation between the locations of both the resistivity and chargeability anomalies with elevated concentrations of gold and copper in the soil and rocks.

## Arroyo Carpintero (formerly Ponton) (Cont'd)

On June 7, 2017, the Company announce that it completed the first ever drilling in its 100% owned Arroyo Carpintero (formerly Ponton) concession, Monte Plata Province, in the Dominican Republic. This Phase I of the drill program, announced in N.R. March 3, 2017, consisted of 5 diamond core holes totaling 1,666.17 metres (table 1 summary of drill hole collar and depth data).

Hole ID	Easting	Northing	Elevation	Az	Dip	Total Depth
	Metres (UTM Datum NAD27)		Metres a.s.l.			metres
AC17-01	407,673.00	2,089,621.00	162.00	60	-60	431.29
AC17-02	407,176.60	2,089,781.00	296.00	60	-60	234.70
AC17-03	407,384.00	2,089,433.00	234.00	240	-80	335.71
AC17-04	407,764.00	2,089,894.00	134.00	240	-60	262.13
AC17-05	407,702.00	2,089,405.00	194.00	60	-60	402.34

The mineralization in Hole AC17-01 occurs within a broad interval of 134 metres averaging 0.27% copper and 197 ppb gold. The mineralization, which in part may reflect near surface secondary enrichment, is associated with strong sulfide mineralization mostly disseminated and stock work veins of pyrite, silicification, local argillic alteration, anhydrite with strong presence of magnetite. The rock types are volcanic tuffs and breccias of andesitic composition part of the middle member of Los Ranchos Formation. The holes were collared in order to test geophysical anomalies outlined after the recently concluded induced polarization survey and geochemical anomalies generated from past exploration surveys in the concession done by Everton. As part of these past exploration efforts Everton did trenching and a hand dug pit in the area, obtaining values of 15 m of 0.32 g/t gold including a 1 metre interval of 1.17 g/t gold in the pit and 100 metres in trench T1 at 0.15 g/t gold, 80 m @ 0.17 g/t gold in T2 and 60 m @ 0.2 g/t gold in T3. Trenches total combined length is 250 metres. T4 and T5 returned sporadic anomalous gold and copper values. (see June 7, 2017 press release for more information)

### **Qualified Person:**

Hugo Dominguez, M.Sc., C.P.G. (AIPG #11424), an independent consultant and a qualified person in accordance with National Instrument 43-101, has reviewed and approved the information contained in the June 7, 2017 news release.

## Mermejal

On December 8, 2003, the Company entered into an earn-in agreement with Primero for the Mermejal 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 and, as a result, holds an undivided interest in the Mermejal concession.

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

The Mermejal 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 as Loma Pesada, Loma Barbuito and Loma La Mina. The Mermejal 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**

In general, completion of ongoing and future exploration and development initiatives on the Cabirma del Cerro (CdC) is subject to obtaining a joint venture partner. 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**

### **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.

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.

During the months of July, August and September 2016, the Energie et Ressources Naturelles Québec, renewed the Opinaca A claims.

On June 19, 2017, the Company announced that Hecla Mining Company ("Hecla") (NYSE-HL) has commenced a 2,500-metre diamond drilling program on the Opinaca B Gold Property held by Everton and its partner Azimut Exploration Inc. (TSXV: AZM).

The aim of the 7-hole drilling program is to test two targets with strong gold discovery potential: the Dominic area and the Fishhook structure. Hecla greatly improved the definition of these targets during the 2016 program, which included a detailed interpretation of previous magnetic data and comprehensive field work (see press release dated January 23, 2017).

During the nine month period ended July 31, 2017 the Energie et Ressources Naturelles Québec, renewed the Opinaca claims.

### **Detour Lake**

On April 27, 2016, the Company staked 136 claims covering 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.

## **Detour Lake** (cont'd)

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 side 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 had 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.

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.

Everton conducted a field program in summer 2016 to validate reported pegmatite outcrop areas on the property and to confirm the lithium bearing nature of these pegmatites. The results received validate visual observations of spodumene during the field program and confirms the presence of a two-kilometer trend about 300 meters wide consisting of several distinct outcrop areas of spodumene bearing pegmatite. Multiple sub parallel spodumene bearing pegmatite dykes are present associated with a generally northeast - southwesterly trending structural corridor. The pegmatite outcrops are commonly situated in distinct subcrop trends that infer bedrock continuity in excess of 200 meters. While it is not possible to establish the orientation or widths of the individual pegmatite dykes at this time, observations indicate that there is considerable variation from sub-horizontal to sub-vertical. There is a general trend to observed intrusive contacts with an overall northeast-southwest strike. Overburden cover usually obscures the evaluation of the width of the pegmatite dykes, however the observations of widths reported by E.G. Pye 1965, "Geology and Lithium Deposits of the Georgia Lake Area, Thunder Bay District" Geological Report No. 31 have been validated. Locally structure, topography combined with intermittent bedrock outcrop and observed intrusive contact of a pegmatite dykes locally provides some evidence to indicate substantial widths of steeply dipping spodumene bearing intrusive.

A previously undocumented 100-meter-long intermittent series of outcrops of pegmatite was encountered 200 meters southwest of the Alix Resources claim group trending N65E. Sample 876038 returned the equivalent of 2.96% lithium oxide from this dyke. The width and orientation of the dyke could not be determined as no contacts or other bedrock was observed. Everton's Blue Sky Jackpot Lithium property surrounds the Jackpot Occurrence, a small four claim unit group in the center of the Everton property that is also described by E. G. Pye in his 1965 report as reportedly hosting a historic non-compliant resource of 2 million tons of 1.09% lithium oxide.

Everton proposes 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 probably 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, 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

Hecla Mining Company is investing \$925,000 in an exploration program on the Opinaca B gold property, held by Everton and its partner Azimut Exploration Inc.

The 2017 program will consist of a helicopter-borne magnetic survey, followed by 2,500 metres of diamond drilling that will focus on two targets with strong potential for gold discoveries: the Dominic area and the Fishhook structure. Hecla greatly improved the definition of these targets during the 2016 program, which included a detailed interpretation of previous magnetic data and comprehensive field work. The Opinaca B property, comprising 248 claims covering 129.7 km<sup>2</sup>, is located in a highly prospective part of the Eleonore mining camp.

The Company is planning to do some exploration work on it's Detour Lake property in the fall of 2017.

## 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

	<b>Three Months Ended July 31, 2017</b>	Three Months Ended July 31, 2016	<b>Nine Months Ended July 31, 2017</b>	Nine Months Ended July 31, 2016
	\$	\$	\$	\$
<b>Statement of Comprehensive Loss</b>				
Loss from Operations	<b>(104,266)</b>	(116,183)	<b>(439,829)</b>	(374,718)
Interest and Other Income	<b>(16,190)</b>	7,696	<b>(2,128)</b>	4,537
Net Loss before taxes	<b>(120,456)</b>	(108,487)	<b>(441,957)</b>	(370,181)
Comprehensive loss after taxes	<b>(120,456)</b>	(105,585)	<b>(441,104)</b>	(367,279)
Basic and Diluted Loss Per Common Share	-	-	<b>(0.01)</b>	(0.01)
Basic and Diluted Weighted Average Number of Shares Outstanding	<b>93,134,470</b>	57,987,910	<b>85,779,987</b>	52,201,386

## **FINANCIAL INFORMATION** (Cont'd)

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**

	<b>Nine Months Ended July 31, 2017</b>	Nine Months Ended July 31, 2016
<b>Statement of Cash Flows</b>	<b>\$</b>	<b>\$</b>
Net Cash (used in) Operating Activities	<b>(530,767)</b>	(496,390)
Net Cash (used in) Investing Activities	<b>(494,713)</b>	(19,590)
Net Cash provided by Financing Activity	<b>1,048,850</b>	849,230
Change in cash	<b>23,370</b>	333,250

  

<b>Statement of Financial Position Summary</b>	<b>July 31, 2017</b>	<b>October 31, 2016</b>
Cash	295,574	272,204
Marketable securities	25,440	28,278
Mineral exploration properties	2,815,841	2,815,841
Exploration and evaluation assets	11,185,927	10,692,631
Current liabilities	(346,761)	(496,217)
Shareholders' equity	14,038,904	13,417,638
Total assets	14,385,665	13,913,855

### **Dividend Payment**

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

### **RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED JULY 31, 2017**

#### **Operating Expenses**

During the three months ended July 31, 2017 and 2016, the Company had a loss from operations of \$104,266 (2016-\$116,183) respectively. Significant variances are explained below:

During the three months ended July 31, 2017, professional fees decreased by \$5,964, travel and promotion expenses increased by \$7,947 and general administrative expenses decreased by \$3,971. The increase in travel and promotion was mostly attributed to the Dominican concessions.

## **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
	\$	\$	\$
31/07/2017	126	(120,456)	-
30/04/2017	(1,393)	(153,326)	-
31/01/2017	(1,452)	(167,322)	-
31/10/2016	(4,867)	(239,036)	-
31/07/2016	(1,204)	(105,585)	-
30/04/2016	2,299	(164,045)	-
31/01/2016	(683)	(97,649)	-
31/10/2015	(14,143)	(131,687)	-
31/07/2015	29,223	(2,317,185)	(0.03)

## **LIQUIDITY AND CAPITAL RESOURCES**

The Company's working capital surplus, excluding marketable securities and flow through premium liability, totals \$26,961 as at July 31, 2017 (deficit - \$101,577 as at October 31, 2016), including \$295,574 (\$272,204 as at October 31, 2016) in cash.

During the nine months ended July 31, 2017, the Company expended \$530,767 (2016 – expended \$496,390) on operating activities, expended cash of \$494,713 (2016 – expended \$19,590) in investing activities and provided cash of \$1,048,850 (2016 - \$849,230) on financing activities.

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 July 31, 2017, the Company did not have any 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		Nine months ended	
	July 31, 2017	July 31, 2016	July 31, 2017	July 31, 2016
	\$	\$	\$	\$
Salaries and contractor fees <sup>(1)</sup>	63,335	56,440	171,474	150,613
Benefits	1,458	1,348	4,191	4,044
Share-based compensation	-	-	13,520	58,988
	64,793	57,788	189,185	213,645

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

During the nine months ended July 31, 2017, management and consulting fees of \$90,000 (2016 – \$90,000), were paid to a Corporation owned by André Audet, the Company’s CEO. Short-term benefits of \$4,191 (2016 - \$4,044) were paid on behalf of Mr. Audet.

During the nine months ended July 31, 2017, management and consulting fees of \$14,000 (2016 – \$29,800) respectively, were paid to Sabino Di Paola, the Company’s former CFO.

During the nine months ended July 31, 2017, management and consulting fees of \$22,500 (2016 - \$Nil) were paid to a Corporation owned by Lucie Letellier, the Company’s CFO.

During the nine months ended July 31, 2017, director’s fees of \$12,500 were forgiven (2016 – \$7,500 were accrued) respectively, to Michael Farrant, the Chairman of the Audit Committee. As at July 31, 2017 there was a balance of \$Nil (2016 - \$15,000) owing to him.

During the nine months ended July 31, 2017, consulting fees of \$57,474 (2016 - \$23,313) respectively, were paid to Salvador Brouwer, a director of the Company. As at July 31, 2017 there was a balance of \$Nil (2016 - \$2,000) 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 Albert Mining Inc. (“Albert”) (formerly Majescor Resources Inc.) 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 nine months ended July 31, 2017, Albert reimbursed Everton \$6,771 and \$16,611 of shared costs (2016 - \$6,789 and \$15,713).

Tetra Bio-Pharma Inc. (“Tetra”) (formerly GrowPros Cannabis Ventures Inc.) 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 nine months ended July 31, 2017, Tetra reimbursed Everton \$5 and \$6,181 of shared costs (2016 - \$6,511 and \$15,516). During the nine month period ending July 31, 2017, Everton ceased sharing expenses with Tetra Bio-Pharma Inc.

## **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 August 23, 2017, consist of:

<b>Securities</b>	<b>Expiry Date</b>	<b>Range of Exercise Price</b>	<b>Number of Securities Outstanding</b>
Common shares	-	-	93,134,470
Options	Up to February 24, 2022	\$0.05 to \$0.50	5,465,000
Warrants	Up to February 21, 2019	\$0.07 to \$0.35	18,162,500
Finder's warrants	Up to February 21, 2019	\$0.07	1,822,400

## **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. The Company's concessions in the Dominican Republic were all renewed in 2016.

### *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 6 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 may 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.

## **Approval**

The Board of Directors of Everton Resources approved the disclosure contained in this MD&A on August 23, 2017. A copy of this MD&A will be provided to anyone who requests it from the Company.

## **Additional Information**

### *Officers and Directors:*

André Audet, Chairman, Chief Executive Officer, and Director  
Lucie Letellier, Chief Financial Officer and Corporate Secretary

### *Independent Directors*

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

### *Legal Counsel and Auditors*

McMillan LLP, Canadian Legal Counsel  
Distinctive Law, Dominican Republic Legal Counsel  
DeVisser Gray, 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 August 23, 2017. 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*

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Chairman of the Board and Chief Executive Officer

*(s) Lucie Letellier*

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Chief Financial Officer