

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**For the three and six months ended April 30, 2018**

## EVERTON RESOURCES INC.

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2018

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 27, 2018 should be read in conjunction with the Company's consolidated annual financial statements for the three and six months ended April 30, 2018 and the notes attached thereto. 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 April 30, 2018; 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 concessions 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, 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**

There were no events after the reporting period.

## 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 October 31, 2017, management reviewed its exploration plans for its second-tier properties in Canada and the Dominican Republic moving forward and determined and recorded an impairment of \$10,167,657 (October 31, 2016 - \$281,230) for the year ended October 31, 2017. No impairment on the Company properties was taken during the three and six months periods ended April 30, 2018.

Summary of exploration costs incurred per property for the three months ended April 30, 2018.

	Dominican Republic		Canada			Total
	Arroyo Carpintero (Ponton)	Cabirma del Cerro (Ampliacion)	Opinaca	Detour Lake	Chapais	
New concession name						
Former concession name						
Balance - beginning	\$ 528,153	\$ 1	\$ 2,842,085	\$ 176,585	\$ 119,882	\$ 3,666,705
<u>Additions</u>						
Drilling						
Project consulting						
Geological survey						
Assaying						
General field expenses						
Data and report preparation						
Renewal license & permits						
	0	0	0	0	0	0
Write-down of exploration properties and evaluation assets						
Balance - end	528,153	1	2,842,085	176,585	119,882	3,666,705

Summary of exploration costs incurred per property for the six months ended April 30, 2018

	Dominican Republic		Canada			Total
	Arroyo Carpintero (Ponton)	Cabirma del Cerro (Ampliacion)	Opinaca	Detour Lake	Chapais	
New concession name						
Former concession name						
Balance - beginning	\$ 506,903	\$ 1	\$ 2,842,085	\$ 148,485	\$ 0	\$ 3,497,473
<u>Additions</u>						
Drilling	17,822			4,350	119,882	142,054
Geochemical survey				650		650
Project consulting						
Geological survey						
Renewal of concessions				23,100		23,100
General field expenses						
Renewal license & permits	3,428					3,428
	21,250		0	28,100	119,882	169,232
Balance - end	528,153	1	2,842,085	176,585	119,882	3,666,705

Summary of exploration costs incurred per property for the three months ended April 30, 2017.

	Dominican Republic		Canada			Total
	Arroyo Carpintero (Ponton)	Cabirma del Cerro (Ampliacion)	Opinaca	Detour Lake	Chapais	
New concession name						
Former concession name						
	\$	\$	\$	\$	\$	\$
Balance - beginning	70,045	7,738,450	2,842,084	141,300	0	10,791,879
<u>Additions</u>						
Drilling	289,480	(45,696)				243,784
Project consulting	-	(6,667)				(6,667)
Geological survey	2,429	-				2,429
Assaying	13,435	-				13,435
General field expenses	64,550	4,462				69,012
Data and report preparation	-	-				-
Renewal license & permits	-	-				-
	369,894	(47,901)	0	0	0	321,993
Write-down of exploration properties and evaluation assets						
Balance - end	439,939	7,690,549	2,842,084	141,300	0	11,113,872

Summary of exploration costs incurred per property for the six months ended April 30, 2017

	Dominican Republic		Canada			Total
	Arroyo Carpintero (Ponton)	Cabirma del Cerro (Ampliacion)	Opinaca	Detour Lake	Chapais	
New concession name						
Former concession name						
	\$	\$	\$	\$	\$	\$
Balance - beginning	0	7,734,125	2,817,206	141,300	0	10,692,631
<u>Additions</u>						
Drilling	289,480	(45,696)	-			243,784
Geochemical survey	-	-	5,688			5,688
Project consulting	-	(6,667)	1,242			(5,425)
Geological survey	72,134	-	944			73,078
Assaying	13,435	-	-			13,435
Renewal of concessions	-	4,325	17,004			21,329
General field expenses	64,890	4,462	-			69,352
	439,939	(43,576)	24,878	0	0	421,241
Balance - end	439,939	7,690,549	2,842,084	141,300	0	11,113,872

## **Dominican Republic Properties**

During the three and six month periods ended April 30, 2018, the Company incurred \$Nil and \$21,250 (2017 – \$321,993 and \$393,393) on exploration expenditures on its Dominican exploration properties respectively.

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.

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 year ended October 31, 2017, the Ministry of Energy and Mines in Dominican Republic, renewed the Cabirma del Cerro concession.

During the year ended October 31, 2017, the Company wrote this property down to \$1, incurring a write-down on mineral exploration and evaluation assets of \$10,167,657.

## **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 year ended October 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.

On June 7, 2017, the Company announced 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.

## **Outlook**

In general, future exploration and development initiatives on the properties held in the Dominican Republic is subject to the Company's ability to secure financing and or obtaining a joint venture partners. 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 Properties**

During the three and six month periods ended April 30, 2018, the Company incurred \$Nil and \$147,982 (2017 – \$Nil and \$24,878) on exploration expenditures on its Canadian exploration properties respectively.

The Company's Canadian properties are as follows:

### **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 440 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 three months ended October 31, 2017, **Hecla Mining Company** has obtained encouraging results following a 2,945-metre diamond drilling program on the Opinaca B Property held by **Everton** and its partner **Azimut Exploration Inc.** Best result is 0.61 g/t Au over 30.7 m (starting in mineralization), including 2.38 g/t Au over 2.0 m and 3.21 g/t Au over 1.7 m in hole OP-17-51 (see attached figure). The drilling campaign comprised 12 holes for a total of 2,945 metres of drilling on the following targets: Dominic (4 holes), Fishhook (4 holes), D8 (2 holes), Eric (1 hole) and the eastern extension of Claude (1 hole).

The **Opinaca B Property**, comprising 248 claims covering 129.7 km<sup>2</sup>, is situated in a highly prospective part of the Eleonore mining camp where significant results have been recently released for the **Eleonore South Property** (Azimut-Goldcorp-Eastmain JV). The \$928,000 spent during this program has completed Hecla's requirement to earn a 50% interest in the Property. The Company has now a 25% interest in the Opinaca B property.

During the year ended October 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. On October 12, 2016, the Company staked an additional 25 claims related to this property, bringing the total number of claims to 159.

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.

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

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 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.

The 159 claims are in good standing, they will need to be renewed by May 25, 2018.

## **Chapais**

On December 5, 2017 the Company entered into an option agreement with Albert Mining Inc. ("Albert Mining") to earn up to a 75% interest in seven mining claims located in the Chapais mining district of Quebec. To earn the 75% interest, the Company will pay \$30,000 in cash, incur exploration expenditures totaling \$370,000 over a three-year period, and will issue to Albert Mining a total of 2,500,000 common shares at two separate dates during the three-year period. Albert Mining will retain a 2% NSR on the property. The Company reserves the right to purchase half of the NSR (1%) at any time by paying \$1,000,000 to Albert Mining. The Company and Albert Mining share common management.

During the six-month period ended April 30, 2018, the Company incurred exploration expenditures of \$119,882.

## **Outlook**

Hecla Mining Company will probably make a follow-up work program including mechanized trenching in 2018 on the Opinaca B property., held by Hecla Mining Company (50%), Everton (25%) and its partner Azimut Exploration Inc (25%).

## **FINANCIAL INFORMATION**

The following selected financial data is derived from the consolidated annual 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 April 30, 2018</b>	Three Months Ended April 30, 2017	<b>Six Months Ended April 30, 2018</b>	Six Months Ended April 30, 2017
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Statement of Comprehensive Loss</b>				
Loss from Operations	<b>(76,459)</b>	(149,939)	<b>(156,617)</b>	(332,134)
Interest and Other Income	<b>(12,484)</b>	(3,387)	<b>6,093</b>	10,633
Net Loss before taxes	<b>(98,818)</b>	(153,326)	<b>(160,399)</b>	(321,501)
Comprehensive loss after taxes	<b>(98,818)</b>	(153,326)	<b>(144,495)</b>	(320,648)
Basic and Diluted Loss Per Common Share	<b>(0.00)</b>	(0.00)	<b>(0.00)</b>	(0.00)
Basic and Diluted Weighted Average Number of Shares Outstanding	<b>93,134,470</b>	89,515,054	<b>89,260,231</b>	70,771,470



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.

	<b>Six Months Ended April 30, 2018</b>	Six Months Ended April 30, 2017
<b>Statement of Cash Flows</b>	<b>\$</b>	<b>\$</b>
Net Cash used in Operating Activities	<b>(6,604)</b>	(358,535)
Net Cash used in Investing Activities	<b>(169,233)</b>	(422,659)
Net Cash provided by Financing Activity	<b>10,000</b>	1,048,850
<b>Change in cash</b>	<b>(165,837)</b>	267,656

<b>Statement of Financial Position Summary</b>	<b>April 30, 2018</b>	October 31, 2017
Cash	<b>6,260</b>	172,097
Marketable securities	<b>13,000</b>	16,825
Mineral exploration properties	<b>346,440</b>	346,440
Exploration and evaluation assets	<b>3,666,705</b>	3,497,472
Current liabilities	<b>(422,530)</b>	(308,571)
Shareholders' equity	<b>3,626,542</b>	3,761,037
<b>Total assets</b>	<b>4,049,072</b>	4,069,608

### **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 SIX MONTHS ENDED APRIL 30, 2018**

#### **Operating Expenses**

During the three months ended April 30, 2018, the Company had a loss from operations of \$76,459 (2017 - \$149,939). Significant variances are explained below:

During the three months ended April 30, 2018, professional fees increased by \$3,767, general and administration expenditures decreased by \$39,101, travel and promotion expenses decreased by \$17,774. These decreases are mostly attributed to decrease in the Company's activity.

## **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
	\$	\$	\$
30/04/2018	16	(98,818)	-
31/01/2018	27	(45,677)	-
31/10/2017	(4,035)	(10,267,867)	(0.11)
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)	-

## **LIQUIDITY AND CAPITAL RESOURCES**

The Company's working capital deficit, excluding marketable securities and flow through premium liability, totals \$399,603 as at April 30, 2018 (deficit - \$83,796 as at October 31, 2017), including \$6,260 (\$172,097 as at October 31, 2017) in cash.

During the three and six months ended April 30, 2018, the Company expended \$7,967 and \$6,604 (2017 – expended \$399,366 and \$358,535) on operating activities, expended cash of \$Nil and \$169,233 (2017 – expended \$323,411 and \$422,659) in investing activities and received cash of \$Nil and \$10,000 (2017 – provided cash of \$1,048,850 and \$1,048,850) from 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 April 30, 2018, 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, enterprises that are controlled by these individuals.

### 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		Six months ended	
	April 30, 2018	April 30, 2017	April 30, 2018	April 30, 2017
Salaries and contractor fees <sup>(1)</sup>	\$ 43,500	\$ 62,613	\$ 87,000	\$ 108,139
Benefits	-	1,385	972	2,733
Share-based compensation	-	13,520	-	13,520
	<b>43,500</b>	<b>77,518</b>	<b>87,972</b>	<b>124,392</b>

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

During the six months ended April 30, 2018, management and consulting fees of \$60,000 (2017 – \$60,000), were paid to a Corporation owned by André Audet, the Company's CEO. Short-term benefits of \$972 (2017 - \$2,733) were paid on behalf of Mr. Audet. As at April 30, 2018, a balance of \$73,450 (2017 - \$Nil) is owed to him.

During the six months ended April 30, 2018, management and consulting fees of \$Nil (2017 – \$14,000) respectively, were paid to Sabino Di Paola, the Company's former CFO.

During the six months ended April 30, 2018, management and consulting fees of \$27,000 (2017 - \$9,000) were paid to a Corporation owned by Lucie Letellier, the Company's CFO.

During the six months ended April 30, 2018, director's fees of \$Nil were forgiven (2017 – \$12,500 were forgiven) respectively, to Michael Farrant, the Chairman of the Audit Committee. As at April 30, 2018, there was a balance of \$Nil (2017 - \$Nil) owed to him.

During the six months ended April 30, 2018, consulting fees of \$Nil (2017 - \$37,639) respectively, were paid to Salvador Brouwer, a former director of the Company.

### 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 six months ended April 30, 2018, Albert reimbursed Everton \$3,496 and \$6,166 of shared costs (2017 - \$5,541 and \$9,840).

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 six months ended April 31, 2018, Tetra reimbursed Everton \$Nil and \$Nil of shared costs (2017 - \$668 and \$6,176). During the year ended October 31, 2017, Everton ceased sharing expenses with Tetra Bio-Pharma Inc.

### Change in Management

On April 20, 2018, Mr. Salvador Brouwer tendered his resignation as a director of the Company. During his time with Everton, Mr. Brouwer was involved in the operations of the Company's Dominican Republic properties.

### **FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, marketable securities and warrants and accounts payable and accrued liabilities. The fair value of cash, 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 27, 2018, 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 \$0.20	4,970,000
Warrants	Up to February 21, 2019	\$0.07 to \$0.07	16,267,500
Finder's warrants	Up to February 21, 2019	\$0.05 to \$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 2017.

### *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 condensed consolidated interim 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.

## Approval

The Board of Directors of Everton Resources approved the disclosure contained in this MD&A on June 27, 2018. 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  
Michel Fontaine, 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 June 27, 2018. 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