EVERTON RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THIRD QUARTER ENDED JULY 31, 2007

The following Management Discussion and Analysis (“MD&A”) of the operating results, financial condition and future prospects of Everton Resources Inc. (the “Company” or “Everton”), current as of September 26, 2007, should be read in conjunction with the unaudited consolidated financial statements of the Company and notes to the unaudited consolidated financial statements for the three-month period ended July 31, 2007. Said financial statements were prepared in accordance with Canadian generally accepted accounting principles. The reporting currency is in Canadian dollars. Unless specified as $US, references in this MD&A to dollars and cents are to Canadian dollars and cents.

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

Nature of Business

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

Exploration Activities

During the period, the Company incurred deferred exploration expenses of $1,262,601 (before deduction of mining rights and tax credits) of which approximately 83% of the total was spent in Quebec and 17% in the Dominican Republic.

<u>Quebec</u>

Opinaca and Wildcat

During the quarter, the Company incurred exploration expenditures of $315,508 on Opinaca and $439,494 on Wildcat. Most of the expenses incurred on Opinaca during this period consist of geological surveys and sampling, mechanical trenching work and remote helicopter-borne logistic support.

Prior to the beginning of the 2007 exploration field season, which coincides with the current quarter, the Company released results from the 12-hole 2,624 meter diamond drilling program completed in March on the Claude Target located on the Opinaca B property, where hole OP-06-07 cut significant gold values during the fall of 2006. The initial drill-test hole OP-06-07 on the Claude Target had cut 221 ppb Au over 186.5 meters, including 1.0 g/t Au over 21.5 meters within an arsenopyrite-mineralized silica alteration zone (press release of Nov. 9, 2006). Results from the March program recognized the silica-altered zone of the Claude Target over a lateral extension of 350 meters. Hole OP-07-20 that was targeting the zone at depth encountered visible gold over 1.5 meters. Best gold assay values from the winter drilling program are summarized in the table below.

Hole #	From (m)	To (m)	Length (m)	Au g/t
OP-07-09	33.5	35.5	2.0	1.01
OP-07-10	49.0	51.0	2.0	2.22
OP-07-11	121.0	122.0	1.0	2.39
	149.0	151.0	2.0	6.73
OP-07-12	185.5	188.0	2.5	0.56
OP-07-17	109.0	110.0	1.0	3.56
	182.0	183.0	1.0	1.71
OP-07-20	207.0	208.0	1.0	1.01
	302.5	304.5	2.0	3.63
	incl. 303.5	304.5	1.0	6.36
	325.0	327.0	2.0	2.42

The encouraging results from the deepest drill hole warrant further follow-up work at the Claude Target

The summer 2007 exploration program on Opinaca and Wildcat commenced in mid-May and is planned to continue until mid-October. The success from previous prospecting programs has been derived from prospecting only about 10% of the company's claim area in the Opinaca region. The 2007 summer exploration program for Opinaca A & B and Wildcat properties 1-8 is designed to accelerate exploration work around existing targets as well as identifying other targets from new areas.

During the quarter, more than 4,000 outcrops on existing targets and new anomalous areas were prospected by the field crews, yielding a total of 1,100 rock samples, 465 till samples and 550 soil samples. Furthermore, a total of 20 different trenches were also mechanically dug in the Manuel Showing area, where new rock sampling returned gold values of 28.2 g/t Au, 18.6 g/t Au and 12.1 g/t Au on selected samples and 2.76 g/t over 1.5 meter on a channel cut. These new results are located east and west of the original "Manuel Showing" over a strike length of 35 meters.

Follow-up prospecting and sampling carried out this summer has led to the discovery of the Charles Target on Opinaca A where anomalous to high grade rock chip sample values ranging from 0.1 g/t to 24.6 g/t Au were returned over an area of at least 500 m long by 100 m wide. Results announced on August 9th, 2007 of 92 rock chip samples and 3 boulder samples collected within the mineralized zone are as follows:

- 10 samples yielded values higher than 1.0 g/t Au, including values of 24.6 g/t Au, 16.7 g/t Au, 2.4 g/t Au, 1.6 g/t Au, 1.4 g/t Au and 1.3 g/t Au. Visible gold was observed on the outcrop where the 16.7 g/t Au sample was collected;
- 7 samples returned values ranging from 0.5 to 1.0 g/t Au;
- 15 samples returned values ranging from 0.1 to 0.5 g/t Au; and
- 63 samples returned values less than 0.1 g/t Au.

An additional 66 rock chip samples have been collected and released on September 13, 2007. New rock chip sample results from the Charles Target, collected within an area of 50 meters x 10 meters, yielded results ranging from 1.0 g/t Au to 35.9 g/t Au. From the 66 new samples collected, 24 samples yielded values higher than 1.0 g/t Au, including 7 samples over 10.0 g/t Au (10.1 g/t Au, 10.4 g/t Au, 12.2 g/t Au, 21.6 g/t Au, 21.9 g/t Au, 28.0 g/t Au and 35.9 g/t Au).

A rock chip sample from an outcrop located 670 meters on strike to the northeast of the Charles Target returned a value of 2.7 g/t Au. Two other rock samples collected 160 meters and 350 meters to the southwest along the strike of the Charles Target returned respectively 4.0 g/t Au and 1.1 g/t Au. The total strike length of the Charles Target defines a corridor of approximately 1.3 kilometers in length. The lithologies identified in this corridor are composed of garnet and sulphide-rich, chloritized and silicified metasediments in contact with pegmatitic intrusions. The mineralization is comprised of up to 20% pyrite, arsenopyrite with minor pyrrhotite and chalcopyrite associated with garnet and chloritic zones. Another gold showing located 5 km southeast of the Charles Target was also discovered. Preliminary results returned 3.9 g/t Au in metasediments cross-cut by pegmatite veins.

The Company and its partner Azimut commenced a 1,500-2,000-meter drill program on September 6th at the Smiley Target to test coinciding Induced Polarization and gold-in-soil anomalies located 5 km north of the Eleonore gold discovery. The soil anomaly is supported by the presence of gold values of 2.41 g/t Au, 0.77 g/t Au and 0.18 g/t Au in three different till samples collected down-ice of the soil anomaly. Results from this program will be released this fall.

To follow-up geochemical anomalies and to identify new exploration targets, an extensive trenching program continues along the Claude-Manuel corridor in conjunction with ongoing prospecting and sampling programs on both Opinaca A and Opinaca B. Comprehensive prospecting and rock sampling along the 10 km Claude-Manuel corridor has identified additional new high-priority targets on Opinaca B. Several rock samples collected along that corridor returned significant gold values over a strike length of 3 kilometers grading up to 6.1 g/t Au, 4.5 g/t Au, 1.7 g/t Au and 1.2 g/t Au. The mineralization contains up to 5% pyrite and is associated with silicified and chloritized metasediments with quartz and pegmatite veins. This deformation zone coincides with lake-bottom sediment gold and arsenic anomalies lined up over its strike. All IP anomalies along the deformation corridor are being investigated by rock sampling or mechanical trenching to identify additional drill targets. Twelve other clusters of lake-bottom multi-element sediment anomalies and numerous gold-in-till anomalies outlined during the previous campaign are being currently followed-up by prospecting and soil sampling.

Star Lake, Eastmain and other James Bay projects

During the quarter, the Company incurred exploration expenditures of $310,455 on properties in James Bay outside of the Opinaca-Wildcat group.

Outside of the Opinaca region in James Bay, Everton has contracted the consulting firm IOS Geoscientifiques from Chicoutimi, Quebec, to conduct a comprehensive lake-bottom sediment survey totalling more than 1,150 samples over some of its 100%-owned properties located within a 200 kilometer radius from the Opinaca-Wildcat package, namely Candlestick, Conviac, Corvet Sud, Gauchet, Jobert, Lemoyne, Morand, Pine Hill Nord, Duncan and Wildcat 8. Samples collected are being processed at the laboratory. Follow-up prospecting and rock sampling on lake-bottom and till anomalies was also conducted at Star Lake, Eastmain, Eastmain Nord and Conviac properties. Results are pending.

Dominican Republic

In the Dominican Republic, the Company incurred exploration expenditures of $197,144 during the quarter, 81% of the expenditures were on the Linear Gold option Ampliacion Pueblo Viejo project, 13% on the Miches Group of concessions, 3% on the Maimon copper group of concessions, and 3% on the GlobeStar Mining options in the Central Dominican Republic (Cuance and Los Hojanchos)

At the end of 2006, the Company and its partner GlobeStar Mining Corp. launched a major airborne geophysical survey on all properties owned by the companies in the central Dominican Republic. This includes Cuance, Los Hojanchos, Jobo Claro, Loma el Mate and the Maimon Copper Group of concessions. The Ampliacion Pueblo Viejo property was also covered by the survey during this quarter following the signing of the agreement with Linear Gold.

The Company's portion of the survey covers about 300 km^2 and consists of approximately 2,700 line-kilometres of low level survey covering the Maimón Formation, host of the Cerro de Maimón copper/gold project and satellite deposits like Loma Pesada, and parts of the Los Ranchos Formation, host of the Barrick/Goldcorp's giant Pueblo Viejo gold deposit, all located in the central part of the Dominican Republic. The Los Ranchos Formation is host to large high sulphidation systems, and associated mineralization.

The survey was carried out by FUGRO Airborne Surveys Corp. and consisted of helicopter mounted Electromagnetic and Magnetic measurement equipment, with accurate surveying capable of achieving positional accuracy of 2 meters in static mode. This new survey penetrates to an estimated 300 metres. The survey was done at 100 metre spacing and final processing and leveling is near completion.

During the quarter, the Company and its partner GlobeStar received the leveled data from Fugro. The dataset is currently being processed by an independent geophysical firm for target evaluation in order to prepare a follow-up drill program during the next quarter.

Ampliacion Pueblo Viejo

The Ampliacion Concession consists of 4,045 hectares adjacent to the northern edge of Barrick/Goldcorp's 18 million ounce Pueblo Viejo deposit. Recent trench work by Linear Gold has encountered significant mineralization grading 11.3 g/t gold and 310 g/t silver over 18 meters.

A drilling program conducted in 2006 by Barrick/Goldcorp at the Pueblo Viejo deposit has outlined new mineralized trends that define a NNW corridor. Drill intercepts of 2.98 g/t gold over 117.7 meters (hole DPV06-04), 10.18 g/t gold over 9.87 meters (hole DPV06-12), 3.0 g/t gold over 108.4 meters (hole DPV06-03), and 5.31 g/t gold over 23.5 meters (hole DPV06-06) were cut in the extensions of the pits at Pueblo Viejo (Barrick presentation, NRSA, April 2-3, 2007). Gold-in-soil anomalies from a test line located on the Ampliacion concession north of the Pueblo Viejo mine suggests that the new mineralized trend found by Barrick/Goldcorp may extend onto the Ampliacion concession.

During the quarter, the Company and its partner Linear Gold commenced a comprehensive soil survey on the concession. The survey consists of the collection of at least 2,300 soil samples spaced over a 100 m x 100 m grid in two different areas within the concession. Rock samples are also being collected along the traverses as mineralized and/or hydro-thermally altered exposures are located. The first area being surveyed is located immediately adjacent to the western border of the Pueblo Viejo deposit. To date, 1,274 soil samples covering the entire south-western sector of the concession have returned values up to 2.19 g/t gold. While results for 406 samples from this survey are still pending, several anomalous areas are emerging. A detailed mapping program is also being conducted to establish the exact stratigraphy, alteration assemblage and mineralisation of the Ampliacion concession and the correlation with the Pueblo Viejo deposit.

The Company and its partner Linear Gold have completed an 8-trench program for 794 meters at the La Lechoza prospect, on the northern portion of the Ampliacion Pueblo Viejo concession located in the central part of the Dominican Republic, adjacent to the north-western edge of the Barrick/Goldcorp's Pueblo Viejo 18 million ounce gold deposit. The best intercept was obtained from trench LT-11 where 6.65 g/t gold and 18.8 g/t silver were cut over 22 meters, including 22.1 g/t gold and 48.6 g/t silver over 4 meters. Significant intercepts released on September 18, 2007, are listed in the table below:

Trench #	Length	From	To	Gold	Silver
LT-11	22 m	44 m	66 m	6.65 g/t	18.8 g/t
including	4 m	44 m	48 m	22.10 g/t	48.6 g/t
including	2 m	46 m	48 m	33.90 g/t	85.8 g/t
LT-13	18 m	130 m	148 m	1.13 g/t	-
LT-14	10 m	36 m	46 m	4.35 g/t	-
LT-17	16 m	32 m	48 m	0.20 g/t	-
	2 m	100 m	102 m	0.54 g/t	-
	10 m	106 m	116 m	0.12 g/t	-
LT-18				assays pending	assays pending

Several additional intercepts were cut in trenches LT- 13 and LT-14 yielding respectively 1.13 g/t gold over 18 meters and 4.35 g/t gold over 10 meters. These grades confirm and expand the zone of mineralization discovered by Linear Gold in previous trenching programs conducted in this area between 2003 and 2005.

The trenches were excavated to an average depth of 2 meters using an excavator and continuous 2-meter long channel samples were collected from the bottom of the trenches. From the 483 samples collected, a total of 460 samples have been received from the lab to date. The geology observed in the trenches consists mostly of strong argillicly altered volcanic dacites and minor andesites. The mineralization observed occurs as massive iron oxide gossan and as disseminated and stockwork veins of oxidized sulphides. The system has a complex geometry and mapping efforts are underway to construct the model of the mineralization.

Soil sampling and mapping continues in the central and northern sectors of the concession, including the area around the La Lechoza prospect. This comprehensive mapping and sampling program on the Ampliacion Pueblo Viejo concession should be completed this fall followed by drill testing the best targets in early 2008.

Maimon Copper

Everton holds a 100% interest in eight polymetallic concessions totalling 63.4 km^2 within the Maimon Formation. Compilation of historical work on some of the blocks indicates copper-, zinc- and gold-in-soil anomalies coincident with ground geophysical conductors. During the quarter, detailed mapping was conducted on two of the concessions, namely La Yautia and El Liano. The eight polymetallic concessions were also flown by airborne Mag/EM geophysical survey. An exploration program including diamond drilling will be proposed soon after the delivery of the airborne data.

Cuance and Los Hojanchos

Most of the field work conducted on the Cuance concession is related to the Las Tres Bocas target on the Loma el Mate concession since the soil and the IP anomalies extend onto both concessions.

During the previous quarter, the Company and its JV partner Globstar have extended the zone of enriched multi-element soil anomalies on Cuance by over 1.5 km SE of the Las Tres Bocas target located on the adjacent Loma El Mate concession (JV with Linear Gold). The new multi-element soil anomalies include: gold, copper, zinc, lead, and pathfinders cadmium, arsenic and barium, and are equally as strong as the soil anomalies that resulted in a high-grade drill intercept of 11.58 meters of 2.74 g/t Au, 96.73 g/t Ag, 1.87% Cu and 8.62% Zn at the Las Tres Bocas target (press release dated May 17, 2006). These soil anomalies are also on trend with the soil anomalies identified on the adjacent Los Hojanchos concession (JV with Globestar).

This survey is a continuation of exploration efforts that commenced in the summer of 2005 and to-date, 1,332 soil samples have been collected on the Cuance concession, including 661 samples taken since September 2006. Exposures of mineralised quartz-sericitic schists which are similar to the Maimon Formation around the Las Tres Bocas area have been identified, mapped and sampled.

The data from the comprehensive large-scale deep penetrating airborne magnetic and electromagnetic survey is currently being processed for the Cuance and Los Hojanchos concessions. A follow-up program consisting of additional definition soil and rock sampling was completed during the last quarter and will be processed in conjunction with the airborne geophysical data, to identify targets for drilling next quarter.

Selected Financial Data

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

Selected Consolidated Financial Information (unaudited)

	Three months Ended July 31, 2007	Three months Ended July 31, 2006	Nine months Ended July 31, 2007	Nine months Ended July 31, 2006
	$	$	$	$
Statement of Operations				
Management and consulting fees	150,191	94,678	318,213	265,251
Salaries and benefits	237,779	186,479	676,803	455,774
Total administrative expenses	469,156	376,914	1,478,091	1,123,618
Write-down of deferred exploration expenses	(106,229)	-	(118,107)	72,180
Interest income and other income	(88,648)	(12,198)	(177,260)	(13,772)
Net loss	486,737	348,933	1,418,939	1,120,909
Basic and diluted net loss per common share	0.01	0.01	0.02	0.03
Weighted average number of common shares outstanding	57,411,986	40,224,577	52,717,971	36,920,608
Statement of Deferred Exploration Expenses				
Deferred exploration expenses before write-down, tax credits and mining duties	1,262,601	632,849	3,970,803	1,695,060
Statement of Cash Flows				
Cash flows (used) in operating activities	(300,630)	(280,839)	(987,110)	(678,123)
Cash flows from (used) in investing activities	656,937	(445,154)	(9,458,731)	(1,553,387)
Cash flows from financing activities	-	1,549,650	12,709,299	4,028,456
Net increase in cash and cash equivalents	356,307	823,658	2,263,459	1,796,947

	July 31,2007	October 31, 2006
	$	$
Balance Sheet		
Cash and cash equivalents	3,718,823	1,455,364
Short term investments	5,403,347	-
Mineral exploration properties	2,660,915	1,011,875
Deferred exploration expenses	6,179,801	3,470,563
Shareholders' equity	20,037,815	7,458,114
Total assets	20,740,313	7,884,760

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

Results of Operation

Total loss for the period ended July 31, 2007 is $486,737, as compared to $348,933 for 2006.

Administrative expenses were $469,156 for the period, as compared to $376,914 for 2006. This increase is mostly due to higher stock based compensation cost further to the grant of options during the period ($249,342 for the period ended July 31, 2007 as compared to $120,607 for the period ended July 31, 2006).

During the period, the Company recorded a write-down of deferred exploration expenses on the Mirabelli project for $106, 229, as compared to nil for the period ended July 31, 2006.

Interest and other income was $88,648 for the period as compared to $12,198 for 2006. This increase is due to the investment of the private placement proceeds during the period as compared to the same period in 2006,

Quarterly information

The following selected financial data are derived from the unaudited interim financial statements of the Company.

Quarter Ended	Other Income	Net Loss	Basic and diluted net Loss per common share
	$	$	
31/07/2007	88,648	486,737	0.01
30/04/2007	78,233	400,308	0.01
31/01/2007	10,379	531,892	0.01
31/10/2006	4,182	292,536	0.01
31/07/2006	43,169	348,933	0.01
30/04/2006	32,694	380,870	0.01
31/01/2006	16,430	391,106	0.01
31/10/2005	24,431	1,006,950	0.04

Net loss is relatively steady over the last eight quarters except for the quarter ended October 31, 2005 when important write-downs of mineral properties were recorded for $748,260.

Liquidity

The Company's working capital stands at $11,151,944 as at July 31, 2007, as compared to $2,929,473 as at October 31, 2006. The increase in working capital is attributable to the February 2007 private placement proceeds which were invested in bankers acceptance with maturities of up to 6 months.

The Company’s principal requirements for cash during 2007 will be administrative expenditures and deferred exploration expenditures. The Company’s direct exploration expenditures in 2007 are expected to be in the order of $5 million and administrative expenditures will be approximately $1 million. In February 2007, the Company closed a private placement financing of $12.5 million. The Company will use the net proceeds from this placement to fund its exploration and development activities in the Opinaca region of James Bay, Quebec, to further advance the Company’s exploration activities in the Dominican Republic, and for general corporate purposes.

Capital Resources

The Company did not raise any new funds during the period. Nevertheless, in February 2007, the Company issued 10,000,000 common shares for total net proceeds of $11,567,173 further to the closing of a private placement. These funds, which were invested in bankers acceptance with maturities of up to 6 months yielding an average interest of 4%, are sufficient to enable the Company to fund all aspects of its operations for the next two years.

Off Balance Sheet Arrangements

As of July 31, 2007, the Company has no off balance sheet arrangements.

Related Party Transactions

Under an agreement between the Company and Majescor Resources Inc. (which shares common management), the Company pays the cost of shared salaries and benefits, rent and office expenses which are then reimbursed at cost by Majescor Resources Inc. During the three-month and nine-month periods ended July 31, 2007, the cost of shared salaries and benefits was respectively $43,842 and $160,130 ($48,494 and $133,944 in 2006) and rent and office expenses were respectively $8,280 and $24,840 (nil in 2006). Included in amounts due from related parties is $31,778 (October 31, 2006 - $46,168) due from Majescor Resources Inc.

Under an agreement between the Company and Uranium World Energy Inc. (which shares common management), the Company receives a quarterly compensation of $16,250 (2006 – Nil) from Uranium World Energy Inc. for administrative services provided by the Company's employees (bookkeeping, filings and other accounting services). Included in amounts due from related parties is nil (October 31, 2006 – $12,644) due from Uranium World Energy Inc.

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

Book Value of Mining Properties

At the end of each quarter, management reviews the carrying values of its resource properties to determine whether any write-downs are necessary. Following this analysis, the Company recorded during the quarter a write-down of deferred exploration expenses on the Mirabelli project in the amount of $106,229.

Changes in Accounting Policies

Effective November 1, 2006, the Company adopted the new accounting standards related to financial instruments, comprehensive income, equity and hedges that were issued by the Canadian Institute of Chartered Accountants. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are fully described in note 2 to the consolidated financial statements.

Outstanding Share Data

Common shares and convertible securities outstanding at September 26, 2007.

Securities	Expiry date	Average exercise price	Number of securities outstanding
Common shares	-	-	57,448,983
Warrants	August 20, 2008	$1.61	5,975,000
Options	Up to July 17, 2012	$0.64	4,983,850

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable. Management does not believe these financial instruments expose the Company to any significant interest, currency or credit risks. The fair market values of these instruments approximate their carrying value.

Disclosure controls and internal controls over financial

The Company's Chief Executive Officer and Chief Financial Officer (The Certifying Officers) are responsible for establishing and maintaining disclosure controls and procedures (the ``Procedures``) which provide reasonable assurance that information required to be disclosed by the Company under the various securities legislation (the ``required Filings``) is reported within the time periods specified. Without limitations, the Procedures are designed to ensure that material information relating to the Company is accumulated and communicated to management, including its Certifying Officers, as appropriate to allow for timely decisions regarding the Required Filings.

The Company's Certifying Officers are also responsible for establishing internal controls over financial reporting (``ICFR``) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP.

There was no material change in the Company's ICFR during the period from May 1, 2007 to July 31, 2007.

Risk and uncertainties

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

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

The 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. Movement in the Canadian dollar against the US dollar therefore has a direct impact on the Company's cost base. The Company does not use derivative instruments to reduce its exposure to foreign exchange risks

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

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

Subsequent event

In September 2007, the Company decided not to pursue further work on the Mitches project located in the Dominican Republic as it no longer fits the Company's development strategy. As at July 31, 2007, the Company had incurred total cost of $509,535 on this project ($187,021 included in Mineral properties and $322,514 included in deferred exploration expenses). These costs will be written-down in the quarter ended October 31, 2007.

Additional information and continuous disclosure

This Management's Discussion and Analysis has been prepared as of September 26, 2007. Additional information on the Company is available through regular filings of press releases and financial statements on SEDAR (www.sedar.com).

(s) André Audet	*(s) Marc Carbonneau*
Chairman of the Board and Chief Executive Officer	Chief Financial Officer