

NEW OROPERU RESOURCES INC.

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in U.S. Dollars)
FOR THE THREE MONTHS ENDED MARCH 31, 2004**

(PREPARED BY MANAGEMENT WITHOUT AUDIT)

Note: These unaudited consolidated financial statements and accompanying notes hereto for the period ended March 31, 2004 have not been reviewed by the Company's auditors.

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**NEW OROPERU RESOURCES INC.
CONSOLIDATED INTERIM BALANCE SHEETS
AS AT MARCH 31, 2004 AND DECEMBER 31, 2003
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(Expressed in U.S. dollars)**

	March 31	December 31
	2004	2003
Assets		(audited)
Current Assets		
Cash and cash equivalents	\$ 1,712,567	\$ 1,814,778
Accounts receivable	9,477	23,514
Prepaid expenses	54,986	3,198
	1,777,030	1,841,490
Investment in Aurifera (Note 3)	-	179,908
Mineral Properties (Note 3)	2,104,912	4
Investment and Advances Receivable (Note 4)	2	2
	\$ 3,881,944	\$ 2,021,404
Liabilities		
Current		
Accounts payable and accrued liabilities	84,514	102,803
	84,514	102,803
Shareholders' Equity		
Share capital (Note 5)	25,728,278	23,808,278
Stock Based Compensation	42,682	42,682
Deficit	(21,973,530)	(21,927,359)
	3,797,430	1,918,601
	\$ 3,881,944	\$ 2,021,404

"K. Wayne Livingstone"

Director

"Maynard E. Brown"

Director

NEW OROPERU RESOURCES INC.
CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE THREE MONTHS ENDED MARCH 31, 2004 AND 2003
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(Expressed in U.S. dollars)

	2004	2003
Expenses		
General and administration	26,571	35,808
Consulting fees	18,000	49,500
Regulatory fees	4,936	1,995
Legal and audit	2,952	17,481
Rent	2,870	1,193
Investor relations	-	32,500
Interest	-	9,520
Stock based compensation	-	5,371
	54,556	153,368
Interest Income	(8,385)	(2,895)
Net Loss for the Period	46,171	150,473
Deficit - Beginning of Period	21,927,359	20,332,238
Deficit - End of Period	\$21,973,530	\$20,482,711
Basic and diluted loss per share	\$0.01	\$0.015

NEW OROPERU RESOURCES INC.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2004 AND 2003
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(Expressed in U.S. dollars)

	2004	2003
Cash provided by (used for)		
Operations		
(Loss) for the period	\$(46,171)	\$(150,473)
Items not affecting cash		
Stock based compensation	-	5,371
	(46,171)	(145,102)
Net changes in non-cash working capital		
Account receivable	14,037	(10,964)
Prepaid expenses	(51,788)	1,769
Accounts payable and accrued liabilities	(18,289)	(10,581)
Bank loan	-	9,520
	(102,211)	(155,358)
Financing Activities		
Exercise of stock options and warrants for cash	-	21,806
Decrease in cash	(102,211)	(133,552)
Cash, beginning of period	1,814,778	1,474,948
Cash, end of period	\$1,712,567	\$1,341,396

**NEW OROPERU RESOURCES INC.
CONSOLIDATED INTERIM STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2004
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(Expressed in U.S. dollars)**

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND NATURE OF OPERATIONS

The Company is in the business of exploration and development of mineral properties and is considered to be in the exploration stage. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development, and future profitable production from the properties or proceeds of disposition.

Through its wholly-owned subsidiary, S.A. Mining Ventures Limited ("SA Mining"), the Company owns 100% of Oromin S.A. ("Oromin"), a company incorporated in Peru and Angelica Mining Inc. ("Angelica"), a company incorporated in the Bahamas during 2003. In 2003, the Company transferred three mineral properties in Peru (Note 3) from Oromin to Angelica.

SA Mining also owns 100% of T.C. Mining Inc. ("TC Mining"), a company incorporated in the Bahamas. TC Mining owns a 100% interest in Aurifera Tres Cruces S.A. ("Aurifera"), a company incorporated in Peru for the purposes of operating the Tres Cruces project (Note 3).

The Company was listed on the TSX Venture Exchange on October 25, 2002 and is a reporting issuer in Ontario, Alberta and British Columbia.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries:

S.A. Mining Ventures Limited
Angelica Mining Inc.
Oromin S.A.
T.C. Mining Inc.
Aurifera Tres Cruces S.A.

Interim Financial Reporting

The accompanying unaudited interim consolidated financial statements are prepared in accordance with generally accepted accounting principles ("GAAP") in Canada with respect to the preparation of interim financial statements. Accordingly, they do not include all of the information and disclosures required by Canadian GAAP in the preparation of annual consolidated financial statements. The accounting policies used in the preparation of the accompanying unaudited interim consolidated financial statements are the same as those described in the annual consolidated financial statements and the notes thereto for the year ended December 31, 2003. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements including the notes thereto for the year ended December 31, 2003.

Management estimates

The preparation of financial statements in conformity with generally accepted accounting principles in Canada requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. MINERAL PROPERTIES

Tres Cruces Project

In October 1998, the Company entered into a joint venture agreement with Pan American Silver Corp. ("Pan American") to pool each company's property interests in the Tres Cruces project. After each company had earned an equal interest in the other's property, Aurifera was formed to hold and develop the properties with each company owning 50% of Aurifera.

On May 22, 2002 the Company obtained an option from Pan American to acquire Pan American's 50% interest in the shares of Aurifera in consideration of share issuances and \$1,750,000 in work expenditures to earn the right to exercise the option, and thereafter \$100,000 in annual payments and a 2% Net Smelter Royalty ("NSR"), of which a \$1,000,000 advance royalty is payable upon a production decision. In 2002, 500,000 shares of the Company, valued at \$50,000, were issued to Pan American and in 2003, \$12,600 cash was paid for Tres Cruces property expenses as part of the earn-in to exercise the option.

On September 16, 2003 the Company finalized an agreement with Minera Barrick Misquichilca S.A. ("Barrick") for an option to acquire up to a 70% interest in Aurifera and received an initial payment of \$400,000 from Barrick. Barrick is obligated to spend \$1,750,000 on the project by September 30, 2005 and pay \$200,000 annually until the exploration obligation is met, and thereafter \$250,000 a year to maintain its option. All exploration expenditures will be payable by Barrick until a production decision is made. Following a production decision, the Company would retain a net 21% fully financed interest in Aurifera and a 1½% royalty interest.

On October 31, 2003 the Company entered into a new agreement with Pan American which replaced the May 22, 2002 agreement. The new agreement, which closed on March 30, 2004, accelerated the purchase of the 50% of Aurifera held by Pan American with the issuance of 3,500,000 common shares of the Company and the granting of a 1½% NSR to Pan American. The agreement was approved at an extraordinary meeting of shareholders held on February 27, 2004, as the issuance of 3,500,000 shares resulted in the creation of a control position in the Company by Pan American. Of the 3,500,000 shares issued, 1,000,000 of the shares will be held in escrow for a two year period.

By consolidating 100% of the interest in the Tres Cruces property, the Company's interest in the Barrick agreement increased from 21% to 30% and its royalty interest increased from 1½% to 2%. No further payments will be required to be made by the Company to Pan American and all annual option payments required of Barrick will be payable to the Company, including the \$1,000,000 advance royalty payment.

The company acquired control of Aurifera on March 30, 2004 as noted above. Accordingly the accounts and operations of Aurifera have been consolidated in the accounts of the Company as of the acquisition date.

3. Mineral Properties

Tres Cruces Project (continued)

The acquisition has been accounted for under the purchase method as a step-by-step purchase as

follows:

Original share of net assets held prior to control	\$ 179,908
Net identifiable assets acquired	1,551,747
Residual amount assigned to mineral property interest	373,253
Consideration paid by issuance of 3,500,000 shares (Note 5(a))	1,925,000
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Carrying value of Tres Cruces property interest	\$ 2,104,908

Other Mineral Properties

The Company owns a 100% interest in three separate mineral properties located in various regions of Peru. The properties were acquired as a result of regional exploration programs in prior years. The Angelica and Trucha Dorada properties are located in Libertad province, 5 km and 25 km from the Company's Tres Cruces project. The El Espigon property is located near Huancavalica, Peru. During 2003, due to uncertainty over the Company's future plans for the properties and lack of objective methodology in measuring recoverable value, the Company wrote down the carrying value of these properties by \$1,482,506, to a nominal value of \$1 each.

The Company also owns three mineral leases located in Ontario, Canada, which in fiscal 2002 were written down to a nominal value of \$1.

The carrying value of the Company's other mineral properties is as follows:

	Angelica	Trucha Dorado	El Espigon	Ontario Leases	Total
Balance, December 31, 2003	\$ 1	\$ 1	\$ 1	\$ 1	\$ 4
Balance, March 31, 2004	\$ 1	\$ 1	\$ 1	\$ 1	\$ 4

4. INVESTMENT AND ADVANCES RECEIVABLE

On June 21, 2000 the Company sold an 80% interest in its wholly owned subsidiaries Nuevo Condor Inc. and Nueva Condor S.A., which owned the Nueva Condor mine and property in Peru, in consideration of \$1 and advances receivable of \$4,300,000. The receivable will be converted into an equity interest in Nueva Condor if that company is successfully re-capitalized by its new owners.

The Company also has the right to participate in up to 30% of any future equity financings of Nueva Condor up to an aggregate limit of \$6 million. The Company's 20% interest in Nuevo Condor, recorded at a nominal value of \$1, may be diluted in the event of a future equity public financing in that company.

Due to the uncertainty of recoverability of the receivable of \$4,300,000 as well as certain advances to Nueva Condor in the amount of \$308,566, which are owed to Oromin, S.A., the amounts were written down to \$2 as at December 31, 2001. As at March 31, 2004, the Nueva Condor mine has not been refinanced. Management has reassessed its interests in Nueva Condor and will continue to maintain these assets at a nominal value.

5. CAPITAL STOCK

	Number of Shares	Amount
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Authorized		
100,000,000 common shares without par value		
Issued and outstanding		
Balance, December 31, 2003	11,978,574	\$ 23,803,278
Issued during the period		
For Aurifera purchase (Note 3)	3,500,000	1,925,000
<u>Balance, March 31, 2004</u>	<u>15,478,574</u>	<u>\$ 25,728,278</u>

(a) On March 30, 2004 the Company issued 3,500,000 shares to Pan American to complete the purchase of the 50% of Aurifera that it did not already own (Note 3). The shares were issued at a deemed price of \$0.55 per share.

(b) Warrants

At March 31, 2004 the Company had 2,679,240 warrants outstanding to purchase 2,679,240 common shares at a price of \$0.80 per share until their expiry date on October 25, 2004.

(c) Stock options

The Company has a stock option plan which authorizes the board of directors to grant options for the purchase of up to 2,250,314 common shares. Options granted under the plan vest over a period of 18 months from the date of the grant.

Stock options to purchase common shares have been granted to directors, employees and consultants at exercise prices determined by reference to the market value on the date of the grant. The options granted during fiscal 2002 were not granted under the Company's stock options plan but were granted pursuant to the policies of the TSX Venture Exchange. The options vest in varying stages to April 25, 2004.

A summary of the status of the Company's stock options at March 31, 2004 is as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2003	768,750	\$0.15
Outstanding at March 31, 2004	768,750	\$0.15
Options exercisable at March 31, 2004	556,250	\$0.15

The options to acquire 768,750 shares expire on October 25, 2007.

6. RELATED PARTY TRANSACTIONS

The following services were provided to the Company by companies with common directors or officers or by the directors or officers themselves:

Consulting	13,500
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General and administration	\$	7,630
Professional fees (legal)		<u>2,952</u>
Total	\$	24,082

7. SEGMENTED DISCLOSURE

The Company has one operating segment, mineral exploration and development. Of the Company's assets, an amount of assets totaling \$2,104,909 is located in Peru and \$1,777,031 is located in Canada.

These unaudited consolidated financial statements and accompanying notes hereto for the period ended March 31, 2004 have not been reviewed by the Company's auditors.

FORM 51-109FT2
CERTIFICATION OF FILING
MARCH 31, 2004 CONSOLIDATED INTERIM FINANCIAL STATEMENTS

I, Aris Morfopoulos, Chief Financial Officer, New Oroporu Resources Inc., certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of New Oroporu Resources Inc., for the interim period ending March 31, 2004;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings.

Date: May 27, 2004

"Aris Morfopoulos"

Chief Financial Officer

FORM 51-109FT2
CERTIFICATION OF FILING
MARCH 31, 2004 CONSOLIDATED INTERIM FINANCIAL STATEMENTS

I, K. Wayne Livingstone, Chief Executive Officer, New Oropuru Resources Inc., certify that:

4. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) of New Oropuru Resources Inc., for the interim period ending March 31, 2004;
5. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings; and
6. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings.

Date: June 11, 2004

"K. Wayne Livingstone"

Chief Executive Officer

NEW OROPERU RESOURCES INC.

FORM 51-102F1
MANAGEMENT DISCUSSION & ANALYSIS
(expressed in US dollars)

MARCH 31, 2004

Description of Business and Report Date

New Oroperu Resources Inc. (the "Company", "New Oroperu") is an exploration stage company engaged in the acquisition and exploration of prospective gold properties. The Company is currently focusing its exploration activities in Peru. The Company is a reporting issuer in British Columbia and Alberta and trades in U.S. dollars on the TSX Venture Exchange under the symbol ORO.U. The following discussion and analysis of the financial position and results of operations for the Company should be read in conjunction with the financial statements and the notes thereto for the quarter ended March 31, 2004.

The following management discussion and analysis is for the period ended March 31, 2004 and includes information up to May 21, 2004 ("Report Date").

Highlights

- February, 2004, the Company held an extraordinary general meeting of shareholders approving the Tres Cruces project acquisition.
- March, 2004, the Company completed the Tres Cruces project acquisition and issued 3,500,000 shares to Pan American Silver Corp. ("Pan American"), thus creating a control block of shares in the Company by Pan American.
- Plans for the next drilling program on Tres Cruces project are finalized (with drilling permit approved in May, 2004 and drilling activity currently underway).

With the completion of the acquisition of 100% of the Tres Cruces project in the first quarter, and its September 2003 option agreement with Minera Barrick Misquichilca S.A. (a subsidiary of Barrick Gold Corp. ("Barrick")), New Oroperu is well positioned to capitalize on the existing and potential gold resources at Tres Cruces.

The Company's total cash position at March 31, 2004 was \$1,712,567, and with all the proposed exploration expenditures on the Tres Cruces project this year being covered by Barrick under its option agreement with the Company, the Company's current cash position is sufficient to meet its project and corporate needs for the year. New Oroperu's working capital position at March 31, 2004 was \$1,692,516.

Tres Cruces Project

The Company's principal asset is the Tres Cruces mineral project in north central Peru.

The Tres Cruces property is underlain by Tertiary Calipuy volcanics which host gold mineralization in the area. To date about \$7 million has been spent on the property with 38,662 meters of reverse-circulation and diamond drilling completed. This work has outlined a measured and indicated resource of 1.7 million oz. gold in the northwest part of the property.

In September 2003 the Company finalized an agreement with Barrick granting them an option to acquire up to a 70% interest in Aurifera Tres Cruces S.A., the subsidiary that holds the Tres Cruces project. An initial payment of \$400,000 was received from Barrick in respect of this option during the period. Barrick is obligated to spend \$1,750,000 on the project by September 30, 2005 and pay \$200,000 annually until the exploration obligation is met, and thereafter \$250,000 a year to maintain its option. All exploration expenditures will be incurred by Barrick until a production decision is made. Following a production decision, the Company would retain a net 30% fully financed interest in Aurifera and a 2% royalty interest.

NEW OROPERU RESOURCES INC.

FORM 51-102F1
MANAGEMENT DISCUSSION & ANALYSIS
(expressed in US dollars)

MARCH 31, 2004

On March 30, 2004 the Company completed an agreement with Pan American for the purchase of the 50% of Aurifera previously held by Pan American, with the issuance of 3,500,000 common shares of the Company and the granting of a 1½% NSR to Pan American. Of the shares to be issued, 1,000,000 shares will be held in escrow for a two year period. At an extraordinary meeting of shareholders held on February 27, 2004 the shareholders approved the agreement and issuance of the shares.

No further payments are required to be made by the Company to Pan American and all annual option payments required of Barrick will be payable to the Company, including a \$1,000,000 advance royalty payment previously payable to Pan American.

Last year, under the terms of its agreement with the Company, Barrick completed an initial phase program on the Tres Cruces property. The Barrick exploration program was comprised of geological mapping, re-logging of existing drill core, IP and gravity geophysical studies and the drilling of 14 diamond drill holes for a total of 4,029 metres. Barrick's main thrust for this phase of work was to evaluate lateral extensions of known mineralization as defined by prior drilling and IP targets immediately outside the known resource to the west and to a lesser degree, the east, with limited success. This leaves the southwest extension of the mineralization open towards Cerro Colorado. Barrick hole DTC202 intersected 186 metres of 1.20 g/t Au on the east margin of the south zone deposit. The waste boundaries in these areas had been generally defined by prior drilling. The Company continues to believe that potential to find additional reserves exists to the south west of the known deposits towards Cerro Colorado and expects that this will be tested in the next phase of Barrick's work. Both companies' surface work indicates a northeast/southwest control on mineralization, thus reconfirming the potential towards Cerro Colorado. Barrick has obtained an exploration permit to drill this area and has now begun drilling.

Other Mineral Properties

The Company owns a 100% interest in three separate grassroots mineral properties located in various regions of Peru. The properties were acquired as a result of regional exploration programs in prior years. Two of the properties are located in Libertad province, 5 km and 25 km, respectively, from the Tres Cruces project. The other property is located near Huancavelica, Peru. In 2003, due to uncertainty over the Company's future plans for the properties and lack of objective methodology in measuring recoverable value, the Company wrote down the carrying value of these properties by \$1,482,506, to a nominal value of \$1 each.

The Company also owns three mineral leases located in Ontario, Canada, which in fiscal 2002 were written down to a nominal value of \$1.

Currently, there is no exploration program or expenditures delineated for any of these properties.

Investments and Advances Receivable

On June 21, 2000 the Company sold an 80% interest in its wholly owned subsidiaries Nuevo Condor Inc. and Nueva Condor S.A., which owned the Nueva Condor mine and property in Peru, in consideration of \$1 and advances receivable of \$4,300,000. The receivable will be converted into an equity interest in Nueva Condor if that company is successfully re-capitalized by its new owners. The Company also has the right to participate in up to 30% of any future equity financings of Nueva Condor up to an aggregate limit of \$6 million. The Company's 20% interest in Nuevo Condor, recorded at a nominal value of \$1, may be diluted in the event of a future equity public financing in that company.

NEW OROPERU RESOURCES INC.

FORM 51-102F1
MANAGEMENT DISCUSSION & ANALYSIS
(expressed in US dollars)

MARCH 31, 2004

Due to the uncertainty of recoverability of the receivable of \$4,300,000 as well as certain advances to Nueva Condor in the amount of \$308,566, which are owed to Oromin, S.A., the amounts were written down to \$2 as at December 31, 2001. As at March 31, 2004, the Nueva Condor mine has not been refinanced. Management has reassessed its interests in Nueva Condor and will continue to maintain these assets at a nominal value.

Selected Annual Information

Selected annual information from the audited financial statements for the years ended December 31, 2003, 2002 and 2001.

	2003	2002	2001
Loss before adjustments	\$ 296,903	\$ 292,799	\$ 203,911
Loss for the year	1,595,121	265,071	4,991,476
Basic and diluted loss per share	0.14	0.04	1.11
Total assets	2,021,404	3,544,620	2,012,703

Results of Operations

The Company's net loss for the 3 months ended March 31, 2004 of \$46,171 was significantly lower than for the same period last year of \$150,473. For the 3 months ended March 31, 2004, general and administrative costs of \$26,571 remained low and actually decreased in comparison to the same period last year (2003 - \$35,808). This was primarily due to lower corporate and administration costs for the Company's subsidiaries in Bahamas and Peru.

Consulting expense of \$18,000 was also lower this year (2003 - \$49,500) as the Company's only consulting expense during the period was for technical services provided by K. Wayne Livingstone, president of the Company.

Legal fees expense of \$2,952 was also lower than last year's \$17,481, when the Company incurred higher legal costs in regard to legal work required in advance of the acquisition of the rest of the Tres Cruces project.

The Company did not incur any investor relations expense in the first quarter (2003 - \$32,500), however it did pay a \$50,000 deposit for planned investor relations work which has been booked as a prepaid expense in the quarter.

There was no stock based compensation expense during the quarter (2003 - \$5,371) because there were no stock options vested during this period.

NEW OROPERU RESOURCES INC.

FORM 51-102F1
MANAGEMENT DISCUSSION & ANALYSIS
(expressed in US dollars)

MARCH 31, 2004

Summary of Quarterly Results

Results for the eight most recent quarters ending with the last quarter ending March 31, 2004.

For the quarterly periods ending on	Mar. 31 2004	Dec. 31 2003	Sept. 30 2003	June 30 2003
Loss before adjustments	\$ 46,171	\$ 29,340	\$ 56,747	\$ 105,472
Loss (gain) for the period	46,171	1,510,220	11,622	(77,190)
Basis loss (gain) per share	0.01	0.13	0.01	(0.01)
For the quarterly periods ending on	Mar. 31 2003	Dec. 31 2002	Sept. 30 2002	June 30 2002
Loss before adjustments	\$ 150,473	\$ 124,619	\$ 88,044	\$ 50,561
Loss for the period	150,473	96,891	88,044	50,561
Basic loss per share	0.02	0.01	0.01	0.01

Liquidity

The Company's total cash position at March 31, 2004 was \$1,712,567, sufficient to meet its project and corporate needs for the year. The Company's total working capital position at March 31, 2004 was \$1,692,516 (2003 - \$1,738,687).

Capital Resources

The Company has no material commitments for capital expenditures at this time. All holding costs and exploration expenditures planned for the Tres Cruces project this year are being covered by Barrick under its option agreement with the Company. Holding costs for the Company's other mineral properties are anticipated to be approximately \$18,000 this year.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet financing arrangements.

Related Party Transactions

N.S. Star Enterprises, a company owned by K. Wayne Livingstone, president of New Oroperu, provided technical management services and administrative services to the Company in the quarter totaling in the aggregate \$21,000 (2003-\$21,000).

Maynard Brown, legal counsel for the Company and a director of the Company since 1994, provided legal services to the Company in the quarter totaling \$2,952 (2003-Nil).

Morfopoulos Consulting Associates Inc., a company 50% owned by Aris Morfopoulos, C.F.O. of New Oroperu, provided accounting and administration services to the Company during the quarter totaling \$4,630 (2003-\$3,000).

NEW OROPERU RESOURCES INC.

FORM 51-102F1
MANAGEMENT DISCUSSION & ANALYSIS
(expressed in US dollars)

MARCH 31, 2004

Critical Accounting Estimates

The most significant accounting estimate for the Company relates to the carrying value of its mineral property assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment of value.

Management's estimates of mineral prices, recoverable proven and probable reserves, and operating, capital and reclamation costs are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its properties.

Another significant accounting estimate relates to accounting for stock-based compensation. The Company uses the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimates, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the year.

Financial Instruments

The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the short term to maturity of these instruments.

Forward-Looking Statements

Certain statements contained in this Management's Discussion and Analysis (MD&A) and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below.

Risk Factors

Companies operating in the mining industry face many and varied kind of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the risk factors most applicable to the Company.

Industry

Exploring and developing mineral resource projects bears a high potential for all manner of risks.

NEW OROPERU RESOURCES INC.

FORM 51-102F1
MANAGEMENT DISCUSSION & ANALYSIS
(expressed in US dollars)

MARCH 31, 2004

Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is not feasible or practical to proceed. The Company closely monitors its risk based activities and employs experienced consulting, engineering, insurance and legal advisors to assist in its risk management reviews.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stag of exploration of such properties, these procedures do not guarantee the company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Metal Prices

The principal activity of the Company is the exploration and development of gold resource properties. The feasible development of such properties is highly dependent upon the price of gold. A sustained and substantial decline in commodity gold prices could result in the write-down, termination of exploration and development work or loss of its interests in identified resource properties. Although such prices cannot be forecasted with certainty, the Company carefully monitors factors which could affect gold commodity prices in order to assess the feasibility of its resource projects.

Political Risk

The resource properties on which the Company is actively pursuing its exploration and development activities are all located in Peru, South America. While the political climate is considered by the Company to be stable, there can be no assurances that this will continue indefinitely. To alleviate such risk, the Company funds its Peru operations on an as-needed basis. The Company does not presently maintain political risk insurance for its foreign exploration projects.

Environmental

Exploration and development projects are subject to the environmental laws and regulations of the country within which the Company is conducting its operations. As such laws are subject to change, the Company carefully monitors proposed and potential changes and management believes the Company remains in compliance with current environmental regulations in the relevant jurisdictions.