

NEW OROPERU RESOURCES INC.

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in U.S. Dollars)
FOR THE THREE MONTHS ENDED MARCH 31, 2007**

(PREPARED BY MANAGEMENT WITHOUT AUDIT)

Note: These unaudited consolidated financial statements and accompanying notes hereto for the period ended March 31, 2007 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, 2007 AND DECEMBER 31, 2006
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(Expressed in U.S. dollars)**

	March 31	December 31
	2007	2006
Assets		(audited)
Current Assets		
Cash and cash equivalents	\$ 1,230,664	\$ 1,312,137
Accounts receivable	5,909	17,194
Prepaid expenses	9,095	2,052
	1,245,668	1,331,383
Mineral properties (Note 3)	2,122,414	2,108,201
Investment and advances receivable (Note 4)	2	2
	\$ 3,368,084	\$ 3,439,586
Liabilities		
Current		
Accounts payable and accrued liabilities	19,061	52,281
Shareholders' Equity		
Share capital (Note 5)	25,733,946	25,733,946
Stock based compensation	193,189	189,882
Deficit	(22,578,112)	(22,536,523)
	3,349,023	3,387,305
	\$ 3,368,084	\$ 3,439,586

"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, 2007 AND 2006
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(Expressed in U.S. dollars)

	<u>Three months ended</u>	
	<u>March 31</u>	
	2007	2006
Expenses		
Consulting fees	\$ 21,307	\$ 77,962
Regulatory fees	2,832	4,935
Legal and audit	-	12,966
Rent	-	1,768
General and administration	19,354	18,378
Foreign exchange	24	-
Property investigation & maintenance	9,232	5,645
	52,749	121,655
Interest Income	(11,160)	(13,739)
Net Loss for the Period	\$ 41,589	\$ 107,916
Deficit – Beginning of Period	22,536,523	22,164,017
Deficit - End of Period	\$ 22,578,112	\$ 22,271,933
Basic and diluted loss per share	<\$0.01	<\$0.01

NEW OROPERU RESOURCES INC.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS AND NINE MONTHS ENDED MARCH 31, 2007 AND 2006
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(Expressed in U.S. dollars)

	<u>Three months ended</u>	
	<u>March 31</u>	
	2007	2006
Cash provided by (used for)		
(Loss) Income for the period	\$ (41,589)	\$ (107,917)
Items not involving cash:		
Stock based compensation	3,307	59,962
Net changes in non- cash working capital items:		
Accounts receivable	11,285	(2,494)
Accounts payable	(33,220)	4,615
Prepaid expenses	(7,043)	(7,697)
	(67,260)	(53,528)
Investing activities		
Mineral properties expenditures	(14,213)	(41,710)
Increase (decrease) in cash	(81,473)	(95,238)
Cash and cash equivalents, beginning of period	1,312,137	1,854,508
Cash and cash equivalents, end of period	\$ 1,230,664	\$ 1,759,270

**NEW OROPERU RESOURCES INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2007
(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 Minera Angelica S.A.C. and Oromin S.A. ("Oromin"), two companies incorporated in Peru, and Angelica Mining Inc. ("Angelica"), a company incorporated in the Bahamas during 2003.

SA Mining also owns 100% of T.C. Mining Inc. ("TC Mining"), a company incorporated in the Bahamas. TC Mining owns 50% of Aurifera Tres Cruces S.A. ("Aurifera"), a company incorporated in Peru for the purposes of operating the Tres Cruces project (Note 3). The other 50% of Aurifera is owned by a British Columbia holding company that is wholly-owned by Operu.

The Company is listed on the TSX Venture Exchange 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 ("SA Mining"), a company incorporated in the Bahamas, which owns 100% of Oromin S.A. ("Oromin") and Minera Angelica S.A.C., two companies incorporated in Peru, and Angelica Mining Inc. ("Angelica"), a company incorporated in the Bahamas. All intercompany balances and transactions have been eliminated on consolidation.

SA Mining also owns 100% of T.C. Mining Inc. ("TC Mining"), a company incorporated in the Bahamas. TC Mining directly and indirectly owns a 100% interest in Aurifera Tres Cruces S.A. ("Aurifera") (50% of the interest is owned directly and the remaining 50% interest is owned indirectly through TC Mining's 100% interest in 687211 B.C. Ltd, a BC incorporated company), a company incorporated in Peru for the purposes of operating the Tres Cruces project (note 4).

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, 2006. 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, 2006.

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

The Company owns the Tres Cruces project through its wholly owned Aurifera subsidiary, whose accounts are consolidated in the accounts of the Company.

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 was obligated to spend \$1,750,000 on the project by September 30, 2005 (done) and pay \$200,000 annually until the exploration obligation was met (paid), and thereafter \$250,000 a year to maintain its option. All exploration expenditures will be payable by Barrick until a production decision is made. Upon making a production decision, Barrick must pay the Company a \$1,000,000 advance royalty payment, and following such production decision the Company would retain a 30% fully financed interest in Aurifera and a 2% royalty interest, subject to payback provisions.

The Aurifera acquisition was accounted for under the purchase method as a step-by-step purchase as follows:

Original share of net assets held prior to control of Aurifera	\$	179,908
<hr/>		
Net identifiable assets acquired		1,551,747
Residual amount assigned to mineral property interest		373,253
<hr/>		
Consideration paid by issuance of 3,500,000 shares for other 50% interest		1,925,000
Option payment received from Barrick on June 2, 2004		(200,000)
Option payment received from Barrick on May 31, 2005		(200,000)
Option payment received from Barrick on May 31, 2006 (less withholding taxes)		(175,000)
<hr/>		
Carrying value of Tres Cruces property interest at March 31, 2007	\$	1,529,908

Estrella Project, Peru

In January 2006 the Company completed a 100% acquisition of the 1,800 hectare Estrella Project in Peru, by purchase and concession application.

In February 2006 the Company entered into an agreement for an option to purchase an additional

300 hectare mineral claim in the area adjacent to its Estrella property interest. The Company subsequently abandoned the option and accordingly wrote off the \$30,958 paid.

At March 31, 2007 the Company's total expenditures on the project were \$592,502, made up as follows:

Balance, December 31, 2006		
Acquisition		8,500
Deferred exploration costs		569,789
		<hr/>
	\$	578,289
Additions during the period:		
Deferred exploration costs		
Project management		13,395
Geology/geophysical		815
		<hr/>
Balance, March 31, 2007	\$	592,502

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. 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 aggregate carrying value of the Angelica, Trucha Dorada, El Espigon and Ontario leases is \$4.

4. INVESTMENT AND ADVANCES RECEIVABLE

The Company has a 20% interest in Nuevo Condor Inc., a former subsidiary in Bahamas, which investment is recorded at a nominal value of \$2. The Nuevo Condor project is currently inactive.

The Company does not have significant influence or involvement or underlying mineral property interests in Nuevo Condor. Accordingly, the investment is recorded at a nominal carrying value due to uncertainty over recoverable value.

5. CAPITAL STOCK

(a) Authorized
Unlimited number of common shares without par value

(b) Issued and outstanding

	Number of Shares	Amount
Authorized 100,000,000 common shares without par value		
Issued and outstanding Balance, December 31, 2006	15,503,574	\$ 25,733,946
Balance, March 31, 2007	15,503,574	\$ 25,733,946

(c) Stock options

The Company has a stock option plan that authorizes the board of directors to grant options for the purchase of up to 3,100,714 common shares. Options granted under the plan vest over a period of 18 months from the date of 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 grant.

A summary of the status of the Company's stock options at March 31, 2007:

	Number of Shares	Weighted Average Exercise Price
Balance, December 31, 2006	1,413,750	\$ 0.26
Balance, March 31, 2007	1,413,750	\$ 0.26
Options exercisable, March 31, 2007	1,246,250	\$ 0.24

The options to acquire 743,750 shares expire on October 25, 2007. The options to acquire 670,000 shares expire on February 3, 2011 and vest over an 18-month period at a rate of 25% every six months starting on the date of grant.

(d) Stock-based compensation

The Company recognized stock-based compensation of \$3,307 (2006 - \$59,962) related to stock options granted. This amount has been charged to consulting fees. The fair value of stock options used to calculate compensation expense was estimated using the Black-Scholes option pricing model with the following assumptions:

	2006
Risk-free interest rate	5.0%
Expected dividend yield	-
Expected stock price volatility	66.94%
Expected option life in years	5

Option pricing models require the input of subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

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	\$	18,000
General and administration		<u>10,664</u>
Total	\$	28,664

At March 31, 2007, a total of \$1,000 (2006-\$31,000) included in accounts payable is due to related parties. These amounts are non-interest bearing and payable under normal business terms.

7. SEGMENTED DISCLOSURE

The Company has one operating segment, mineral exploration and development. Of the Company's assets, an amount of assets totaling \$2,122,416 (2006-\$1,858,006) is located in Peru and \$1,245,668 (2006-\$1,832,130) is located in Canada.

Note: These unaudited consolidated financial statements and accompanying notes hereto for the period ended March 31, 2007 have not been reviewed by the Company's auditors.

NEW OROPERU RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS (expressed in US dollars)

MARCH 31, 2007

This MD&A should be read in conjunction with the interim consolidated financial statements and notes for the period ended March 31, 2007, and includes information up to May 18, 2007. It is further assumed that the reader has access to the Company's audited consolidated financial statements for the year ended December 31, 2006.

Company Overview

New Oroperu Resources Inc. (the "Company", "New Oroperu") is an exploration stage company engaged in the acquisition and exploration of prospective gold and silver properties. The Company is currently focusing its exploration activities in Peru. It is a reporting issuer in Ontario, British Columbia and Alberta and trades on the TSX Venture Exchange under the symbol ORO.

Last year we acquired by application a grassroots land package in Peru for a prospective new silver project, which we announced in January 2006 as the Estrella silver property. It consists of a 1,800 hectare property and is 100% owned by New Oroperu. In February 2006 we also acquired an option to purchase an adjoining claim adjacent to this property. Geological, geophysical and geochemical surveys were completed and a drill program was initiated in August. Eleven holes (total 2134 meters) were drilled and indicated a widespread area of skarn alteration. No significant intercepts of base metal or precious metal mineralization were encountered. The option on the small adjacent property was terminated. We own 100% of the main area of interest and will evaluate the data for future exploration at greater depths.

We also own the 900 hectare Angelica property, another prospective grassroots gold project, situated 5 km. from our Tres Cruces resource discovery in central Peru.

Our principal asset is the measured and indicated 1.7 million oz. gold Tres Cruces deposit in north central Peru. We own 100% of the project which is currently under the terms of an option agreement with Minera Barrick Misquichilca S.A. (the operating Peruvian subsidiary of Barrick).

Nearby the Tres Cruces project, about 10 km. to the north, Barrick has invested US\$340 million in the development of its Lagunas Norte deposit. Reported reserves of Lagunas Norte at December 2006 were 8.8 million oz. gold. Production started in June 2005. By November 2006 Lagunas Norte had produced 1 million oz. for the year 2006 (source: Barrick Press Release).

We consider that the proximal location of the Tres Cruces to Barrick's operations would enhance the economics for the development of the Tres Cruces deposit.

The Company's total cash position at March 31, 2007 was \$1,230,664, and with all the proposed exploration expenditures on the Tres Cruces project being covered by Barrick under its option agreement with the Company, the Company's current cash position is sufficient to meet its projected exploration and corporate needs for the year. New Oroperu's working capital position at March 31, 2007 was \$1,226,607.

Tres Cruces Project

Our 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 over \$6 million has been spent on the property with 38,662 meters of reverse-circulation and diamond drilling completed. This work has outlined a historical measured and indicated resource of 1.7 million oz. gold in the northwest part of the property, as detailed in our NI 43-101 report titled "Summary Report of the Tres Cruces Property dated July 25, 2002" and filed on SEDAR on July 31, 2002. These resources were calculated and reported to the Company by Battle Mountain Gold Company in 1999. The Company's Qualified Person reviewed the data, methodology and interviewed the Battle

NEW OROPERU RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS (expressed in US dollars)

MARCH 31, 2007

Mountain personnel responsible for the calculation and determined that it was according to industry standards at the time.

In September 2003 we 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 met its obligation to spend \$1,750,000 on the project by December 31, 2005 and paid us \$200,000 in 2005 and in 2004 to maintain its option. Barrick's cost to maintain its option on the Tres Cruces property is now to \$250,000 a year (note: withholding taxes on this amount last year were \$75,000). All exploration expenditures will be incurred by Barrick until a production decision is made. Following a production decision, we would retain a 30% fully financed interest in Aurifera and a 2% royalty interest.

On March 31, 2004 we 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 issued, 1,000,000 shares were restricted and held in trust until March 15, 2006.

No further payments are required to be made by us 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 that was previously payable to Pan American.

In 2003, under the terms of our agreement, 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.

Barrick's 2004 drilling exploration program completed 5 drill holes on wide spaced centers along the SW extension of the mineralized zone. The altered sinter/sediment basin was intercepted several times but no mineralization was encountered underneath similar to the earlier found deposits. Barrick also twinned several holes in the known deposits for metallurgical testing. In June 2005 Barrick completed construction on the Alta Chicama project and produced 550,000 oz. gold in the first year. Meanwhile Barrick has moved the development of the Tres Cruces project from its exploration department to its technical services group in Peru.

Estrella Project, Peru

Work on the Estrella project to date has comprised a detailed surface geophysical study in the area of known mineralization. This work, combined with surface mapping and geochemical work, outlined various drill targets. The Company received a drill permit in mid-2006 and initiated a drill program in August. By October 10, 2006 a total of 2134 meters had been drilled in 11 diamond drill holes. All holes encountered skarn alteration and pyrite mineralization. No significant intercepts of base metal or precious metal mineralization were encountered. However, there is widespread pyritization with zones of silicification which were indicated by geophysics. Petrographic work indicated that the skarn alteration is low temperature and not zoned. The option on the small adjacent property was terminated at the end of 2006. We own 100% of the main area of interest and will evaluate the data for future exploration at greater depths. In the first quarter the Company spent \$14,210 on Estrella project, which has been added to deferred costs in the Mineral Properties section of the balance sheet.

NEW OROPERU RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS (expressed in US dollars)

MARCH 31, 2007

Other Mineral Properties

We also have three mineral leases located in Ontario, Canada, which in fiscal 2002 were written down to a nominal value of \$1. We will maintain our rights on these properties in 2007, but do not plan any exploration activities there this year.

We will continue to evaluate other precious metals properties in Peru and elsewhere.

Investment

We continue to have a 20% interest in Nueva Condor S.A., a former subsidiary in Peru, which investment has been written down to a nominal value of \$2.

Results of Operations

The Company's net loss and operating loss reported for the three month period ended March 31, 2007 was \$41,589 (2006 - \$107,916). Operating costs have typically been low in the first quarter, as the Company does not usually have field exploration activities in Peru during those months. In 2006, non-cash stock option compensation costs of \$59,962 accounted for the higher loss during the same period last year. This year stock option compensation expense was only \$3,307, and is included in Consulting fees of \$21,307 (2006-\$77,962). For the period ended March 31, 2007, general and administrative costs of \$19,354 remained low and as in the previous year (2006-\$18,378).

In the first quarter we continued to invest our cash in low-risk bankers' acceptance note securities, earning \$11,160 of interest income for the period.

In the first quarter we incurred expenditures of \$14,210 on mineral properties in Peru, which consisted primarily of project management and administration as there was no field program ongoing during the period.

Summary of Quarterly Results

Results for the eight most recent quarters ending with the last quarter ending March 31, 2007:

For the quarterly periods Ending on	Mar. 31 2007	Dec. 31 2006	Sept. 30 2006	June 30 2006
Loss (income) before adjustments	\$41,589	\$ 84,362	\$ 107,169	\$ 98,582
Loss (income) for the period	41,589	58,839	107,169	98,582
Basic loss (earnings) per share	0.01	0.01	0.01	0.01
For the quarterly periods Ending on	Mar. 31 2006	Dec. 31 2005	Sept. 30 2005	June 30 2005
Loss before adjustments	\$ (107,916)	\$25,463	\$ 61,455	\$ 94,960
Loss (income) for the period	(107,916)	(57,318)	61,455	94,960
Basic loss (earnings) per share	0.01	(0.01)	0.01	0.01

Liquidity

NEW OROPERU RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS (expressed in US dollars)

MARCH 31, 2007

Our cash and cash equivalents decreased by a net amount of \$542,371 since March 31, 2006. In the past 12 months the Company's sources of cash were from:

- \$175,000 option payment from Barrick
- \$71,585 in interest income

Our total cash position at March, 2007 was \$1,230,664, sufficient to meet project exploration and corporate needs for the ensuing year. The Company's total working capital position at March 31, 2007 was \$1,226,607 (March 31, 2006 - \$1,721,038). We are projecting receipt of \$250,000 (less withholding taxes) from Barrick in May, 2007 as payment to maintain their Tres Cruces option for the year.

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 during the quarter totaling in the aggregate \$21,000 (2006-\$21,000).

Morfopoulos Consulting Associates Ltd., 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 \$7,664 (2006-\$5,197).

Certification of Interim Filing

Based on their knowledge, the President and Chief Financial Officer of the Company have reviewed the interim filing and certified that the annual consolidated financial statements together with the other financial information included in the annual filings fairly present in all material respects the financial condition, results of operations and cash flows. The President and Chief Financial Officer are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting for the Company, and they believe:

- the disclosure controls and procedures provide reasonable assurance that material information relating to the Company, including its consolidated subsidiary, are made known to them, particularly during the period in which the annual filings are being prepared; and
- the internal control over financial reporting provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Canadian generally accepted accounting principles.

NEW OROPERU RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS (expressed in US dollars)

MARCH 31, 2007

Due to the small size of the Company, there is a lack of segregation of duties which may be an internal control weakness. Management mitigates this risk through direct involvement of senior management in day to day operations and board review and audit committee communications on major transactions. It is unlikely that this weakness can be properly addressed until the Company grows to a significant size. During the period March 31, 2007, there were no significant changes in the Company's internal control over financial reporting that occurred that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

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.

Estimates are also used in the determination of valuation allowances for future income tax assets. Management has made its best estimate of such allowances, however actual results may differ from those estimates and would impact future results of operations and cash flows.

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 Discussion and Analysis 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.

NEW OROPERU RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS
(expressed in US dollars)

MARCH 31, 2007

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. 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 stage 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.

Other

Additional information about the Company may be found on the SEDAR website at www.sedar.com.