

NEW OROPERU RESOURCES INC.

2006 ANNUAL REPORT

LETTER TO SHAREHOLDERS

June 18, 2007

In 2006 New Oroperu Resources Inc. (“Oroperu”, the “Company”) saw its Tres Cruces project advance significantly. This project is the main asset of Oroperu and was a grassroots discovery made by the Company in north central Peru in 1998.

Discovery drill holes were made in the initial phase of Oroperu’s drilling, where three of four holes drilled are in the presently defined mineralized zones. Subsequent drilling by Oroperu and Battle Mountain Gold has defined a historical measured and indicated resource of 1.7 million oz. of gold. This resource was developed by Oroperu and Battle Mountain Gold and reviewed by the Company’s qualified person to make an independent technical report. The details of the report, entitled “Summary Report of the Tres Cruces Property dated July 25, 2002”, were filed on SEDAR (www.sedar.com) on July 31, 2002. The deposit is estimated at 34.5 million tonnes of 1.59 g/t Au at a 0.75 g/t cut-off. The Tres Cruces project, held by Oroperu’s wholly owned subsidiaries, is subject to a 1½% NSR royalty.

Currently the project is under the terms of an agreement with Minera Barrick Misquichilca S.A., (“Barrick”), a Peruvian operating subsidiary of Barrick Gold, which entered into a Share Purchase Option and Joint Participation Agreement with the Company on the Tres Cruces project dated May 31st. 2002. In order to exercise its option Barrick must make a production decision. Following a production decision the respective interests are Barrick 70% and Oroperu 30% and a payment of US\$1 million advance royalty would be made towards a 2% NSR royalty held by the Company. The Company’s 30% interest would be financed by Barrick subject to certain pay back provisions. To maintain the option Barrick is required to make an annual US\$250,000 payment and to pay for all exploration expenses required for a production decision.

In 2003 Barrick announced the discovery and delineation of the 7.3 million oz. Lagunas Norte deposit located about 12 km. North of Oroperu’s Tres Cruces project. Barrick commenced production in mid-2005 after a capital investment of about US\$330 million and in 2006 produced 1.1 million oz. of gold from the Lagunas Norte deposit.

I have recently visited the Barrick operations and reviewed the Tres Cruces project with Barrick’s personnel. Barrick has diamond drilled over 10,000 meters on the Tres Cruces project and is currently drilling geotechnical holes for pit slope engineering and as a part of its environmental evaluation. The Company has been advised that the program of infill drilling and exploration drilling will be reviewed after the results of the initial 10,000 meters has been evaluated. The drilling by Barrick has increased the area of mineralization adjacent to the historical resources. When there is sufficient drilling to delineate the limits of the presently known mineralized area and the results of the geotechnical work can be considered the Company is advised that an update resource calculation can be made. We are optimistic that the historical

resources could be enhanced when an update is made. Also concurrent with this work is a continuing program of metallurgical test work.

The close proximity of the Tres Cruces project to Barrick's nearby operations and the financial arrangements in place with Barrick allows Oroperu to participate in the existing synergies of a larger project with Barrick as sole operator. We look forward to the further advancement of the Tres Cruces project by Barrick.

The Company wishes to thank its shareholders and the board of directors for its continued support and guidance.

ON BEHALF OF THE BOARD OF DIRECTORS

“K. Wayne Livingstone”

President

NEW OROPERU RESOURCES INC.

**Consolidated Financial Statements
December 31, 2006 and 2005
(Expressed in US dollars)**

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of New Oroperu Resources Inc. are the responsibility of the Company's management. The consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal control through an audit committee, which is comprised primarily of non-management directors. The Audit Committee reviews the results of the audit and the annual consolidated financial statements prior to their submission to the Board of Directors for approval.

The consolidated financial statements have been audited by Smythe Ratcliffe LLP, Chartered Accountants, and their report outlines the scope of their examination and gives their opinion on the consolidated financial statements.

"K. Wayne Livingstone" (signed)

K. Wayne Livingstone
President

Vancouver, British Columbia
April 16, 2007

AUDITORS' REPORT

TO THE SHAREHOLDERS OF NEW OROPERU RESOURCES INC.

We have audited the consolidated balance sheets of New Oroperu Resources Inc. as at December 31, 2006 and 2005 and the consolidated statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2006 and 2005 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"Smythe Ratcliffe LLP" (signed)

Chartered Accountants

Vancouver, British Columbia
April 16, 2007

NEW OROPERU RESOURCES INC.
Consolidated Balance Sheets
December 31
(Expressed in US dollars)

	2006	2005
Assets		
Current		
Cash and cash equivalents	\$ 1,312,137	\$ 1,854,508
Accounts receivable	17,194	10,701
Prepaid expenses	2,052	51,967
	1,331,383	1,917,176
Mineral Properties (note 4)	2,108,201	1,816,295
Investment (note 5)	2	2
	\$ 3,439,586	\$ 3,733,473
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 52,281	\$ 106,473
Shareholders' Equity		
Capital Stock (note 6)	25,733,946	25,733,946
Contributed Surplus (note 6)	189,882	57,070
Deficit	(22,536,523)	(22,164,016)
	3,387,305	3,627,000
	\$ 3,439,586	\$ 3,733,473

Approved by the Board:

"K. Wayne Livingstone"
..... Director
K. Wayne Livingstone

"Maynard E. Brown"
..... Director
Maynard E. Brown

NEW OROPERU RESOURCES INC.
Consolidated Statements of Operations and Deficit
Years Ended December 31
(Expressed in US dollars)

	2006	2005
Expenses		
Consulting fees (note 6(e))	\$ 210,077	\$ 72,000
Investor relations	86,465	0
General and administration	75,145	97,680
Legal and audit	58,306	29,648
Property investigation and maintenance	47,158	7,215
Regulatory fees	8,699	5,216
	485,850	211,759
Other Expenses (Income)		
Foreign exchange loss (gain)	(7,754)	545
Interest income	(74,164)	(52,806)
Expense recoveries	(62,383)	0
Write-off of mineral property expenditures	30,958	0
	(113,343)	(52,261)
Net Loss for Year	372,507	159,498
Deficit, Beginning of Year	22,164,016	22,004,518
Deficit, End of Year	\$ 22,536,523	\$ 22,164,016
Basic Loss Per Share	\$ 0.02	\$ 0.01
Weighted Average Number of Common Shares Outstanding	15,503,574	15,503,574

NEW OROPERU RESOURCES INC.
Consolidated Statements of Cash Flows
Years Ended December 31
(Expressed in US dollars)

	2006	2005
Operating Activities		
Net loss	\$ (372,507)	\$ (159,498)
Items not involving cash		
Stock-based compensation	132,812	0
Write-off of mineral property expenditures	30,958	0
Expense recoveries	(62,383)	0
	(271,120)	(159,498)
Changes in non-cash working capital		
Accounts receivable	(8,825)	(1,503)
Prepaid expenses	49,915	(51,712)
Accounts payable and accrued liabilities	16,572	(5,585)
	57,662	(58,800)
Cash Used in Operating Activities	(213,458)	(218,298)
Investing Activities		
Mineral property option payments received	175,000	200,000
Mineral property expenditures	(503,913)	(111,383)
Cash Provided by (Used in) Investing Activities	(328,913)	88,617
Decrease in Cash and Cash Equivalents	(542,371)	(129,681)
Cash and Cash Equivalents, Beginning of Year	1,854,508	1,984,189
Cash and Cash Equivalents, End of Year	\$ 1,312,137	\$ 1,854,508
Supplemental Cash Flow Information		
Interest income	\$ 74,164	\$ 52,806

NEW OROPERU RESOURCES INC.
Notes to Consolidated Financial Statements
Years Ended December 31, 2006 and 2005
(Expressed in US dollars)

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 carrying amounts 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.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of these consolidated financial statements:

(a) 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).

(b) Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, cash held at banks and term deposits maturing within 90 days from acquisition.

(c) Investments

Investments where the Company does not exert significant influence are accounted for on a cost basis.

(d) Mineral properties

The Company capitalizes all costs related to investments in mineral property interests on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Company's mineral rights are abandoned or allowed to lapse. Costs to investigate new mineral properties where no acquisition is completed are expensed when incurred.

All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any events or changes in circumstances that may indicate impairment. When the carrying value of a property is determined by management to exceed its net recoverable amount provision is made for impairment. Impairment is assessed based on criteria, which include management's intent to continue funding for exploration and development, estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or assessment of the ability to sell the property interest for an amount exceeding the carrying amount.

NEW OROPERU RESOURCES INC.
Notes to Consolidated Financial Statements
Years Ended December 31, 2006 and 2005
(Expressed in US dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Mineral properties (Continued)

Where a mineral property interest is determined to be commercially viable, carrying costs will be depleted over the useful lives of the properties upon commencement of commercial production.

The Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts that would be payable or receivable to maintain option rights are not recorded. Option payments are recorded as property costs or recoveries when the option payments are received or committed.

(e) Asset retirement obligations

The Company recognizes an estimate of the liability associated with an asset retirement obligation ("ARO") in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on a straight-line basis over the estimated life of the asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded. At present the Company has no material AROs to record in the financial statements.

(f) Foreign currency translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

- (i) Monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;
- (ii) Non-monetary assets, at historical exchange rates; and
- (iii) Revenue and expenses, at the average rate of exchange for the year.

Gains and losses arising from this translation of foreign currency are included in net loss for the year.

(g) Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted loss per share. However, diluted loss per share is not presented where the effects of various conversions and exercise of options and warrants would be anti-dilutive. Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

NEW OROPERU RESOURCES INC.
Notes to Consolidated Financial Statements
Years Ended December 31, 2006 and 2005
(Expressed in US dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and losses carried forward. Future tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted or substantially assured. The amount of future income tax assets is limited to the amount of the benefit that is more likely than not to be realized.

(i) Stock-based compensation

The Company accounts for stock-based compensation expense using a fair value based method with respect to all stock-based payments to directors, employees and non-employees, including awards that are direct awards of stock and call for settlement in cash or other assets, or stock appreciation rights that call for settlement by the issuance of equity instruments. Under this standard, stock-based payments are recorded as an expense over the vesting period or when the awards or rights are granted, with a corresponding increase to contributed surplus under shareholders' equity. When stock options are exercised, the corresponding fair value is transferred from contributed surplus to capital stock.

(j) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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. Significant areas requiring the use of estimates include the recovery of mineral property interests, asset retirement obligation accrual, estimate of accrued liabilities, the assumptions used in the determination of the fair value of stock-based compensation, and determination of valuation allowance for future income tax assets. Management determined that the estimates are reasonable; however, actual results could differ from those estimates and would impact future results of operations and cash flows.

3. FINANCIAL INSTRUMENTS

(a) Fair value

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. The carrying value of the investment best approximates the fair value in so far as practicable to do so (note 5).

(b) Credit risk

The Company is exposed to credit risk with respect to its cash and cash equivalents. To minimize this risk, cash and cash equivalents have been placed with major financial institutions.

NEW OROPERU RESOURCES INC.
Notes to Consolidated Financial Statements
Years Ended December 31, 2006 and 2005
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3. FINANCIAL INSTRUMENTS (Continued)

(c) Derivatives

The Company retains certain carried interest rights and net smelter royalties, the value of which is derived from future events and commodity prices. These rights are derivative instruments. However, the mineral interests to which they relate are not sufficiently developed to reasonably determine value.

4. MINERAL PROPERTIES

The Company holds mineral property interests in countries where legal and title registrations systems may not be as secure as Canadian systems. 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 and jurisdictions 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.

The operations of the Company may in the future be impacted by changes in environmental regulations, including those for future removal and site restoration costs. Management has developed policies and practices designed to follow environmental laws, regulations and industry standards in respect of environmental compliance in jurisdictions where the Company operates. There is no certainty that all future environmental costs or outcomes can be complied with and measured.

Tres Cruces Project

The Company holds the Tres Cruces Project through its wholly-owned subsidiary, Aurifera.

On October 31, 2003, the Company amended a purchase agreement with Pan American, to accelerate acquisition of Pan American's 50% interest in the shares of Aurifera with the issuance of 3,500,000 common shares of the Company and the granting of a 1.5% net smelter royalty to Pan American.

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 and pay \$200,000 annually until the exploration obligation was 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. 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 2003 acquisition was accounted for using the purchase method as a step-by-step acquisition. Subsequent payments from Barrick have been applied to reduce the carrying value of the underlying mineral interest:

Carrying value of Tres Cruces property interest - December 31, 2004	\$ 1,904,908
Option payment received from Barrick on May 31, 2005	(200,000)
Carrying value of Tres Cruces property interest - December 31, 2005	1,704,908
Option payment received from Barrick on May 31, 2006 (less withholding taxes)	(175,000)
Carrying value of Tres Cruces property interest - December 31, 2006	\$ 1,529,908

NEW OROPERU RESOURCES INC.
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4. MINERAL PROPERTIES (Continued)

Estrella Project, Peru

During 2005, the Company carried out an evaluation of the 1,800-hectare Estrella Project in Peru. In January 2006, the Company completed a 100% acquisition of this property 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. Subsequent to December 31, 2006, the Company abandoned the option and accordingly, wrote-off the \$30,958 paid.

Expenditures on the project for the years ended December 31, 2006 and 2005 was as follows:

Additions during year		
Acquisition costs	\$	8,500
Deferred exploration costs		
Project management		37,864
Travel		18,535
Geology/Geophysical		41,391
Transportation		2,982
Assaying		2,111
Balance, December 31, 2005		111,383
Addition during year		
Acquisition costs		30,958
Deferred exploration costs		
Project management		27,455
Geology/Geophysical		413,099
Transportation		24,094
Assaying		2,258
		609,247
Write-off		(30,958)
Balance, December 31, 2006	\$	578,289

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 conducted 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.

NEW OROPERU RESOURCES INC.
Notes to Consolidated Financial Statements
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5. INVESTMENT

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

The Company does not have significant influence, 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.

6. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value

(b) Issued and outstanding

	Number of Shares	Amount	Contributed Surplus
Balance, December 31, 2004	15,503,574	\$ 25,733,946	\$ 0
Stock-based compensation	0	0	57,070
Balance, December 31, 2005	15,503,574	25,733,946	57,070
Stock-based compensation	0	0	132,812
Balance, December 31, 2006	15,503,574	\$ 25,733,946	\$ 189,882

(c) Warrants

At December 31, 2005, the Company had 2,679,240 warrants outstanding to purchase 2,679,240 common shares at a price of \$0.80 per share, which expired on October 25, 2006.

(d) 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.

NEW OROPERU RESOURCES INC.
Notes to Consolidated Financial Statements
Years Ended December 31, 2006 and 2005
(Expressed in US dollars)

6. CAPITAL STOCK (Continued)

(d) Stock options (Continued)

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 December 31, 2006 and 2005 and changes during the years then ended is as follows:

	2006		2005	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding, beginning of year	743,750	\$ 0.15	743,750	\$ 0.15
Granted	670,000	\$ 0.38	0	\$ 0.00
Outstanding, end of year	1,413,750	\$ 0.26	743,750	\$ 0.15
Options exercisable, end of year	1,078,750	\$ 0.26	743,750	\$ 0.15

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.

(e) Stock-based compensation

The Company recognized stock-based compensation of \$132,812 (2005 - \$Nil) related to stock options granted. This amount has been charged to consulting fees. There is \$17,670 in unrecognized stock-based compensation, which will be recognized in future periods as the options vest.

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	2005
Risk-free interest rate	5.0%	N/A
Expected dividend yield	-	N/A
Expected stock price volatility	66.94%	N/A
Expected option life in years	5	N/A

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.

NEW OROPERU RESOURCES INC.
Notes to Consolidated Financial Statements
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(Expressed in US dollars)

7. INCOME TAXES

As at December 31, 2006, the Company has non-capital losses of approximately \$611,000 that may be applied against future income for Canadian income tax purposes. The potential future tax benefits of these losses have not been recorded in these financial statements. The losses expire as follows:

2009	\$	66,000
2010		131,000
2014		126,000
2015		84,000
2026		204,000
	\$	611,000

Significant components of the Company's future tax assets and liabilities, after applying enacted corporate income tax rates, are as follows:

	2006	2005
Future income tax assets		
Book value in excess of tax value of equipment	\$ 1,235	\$ 1,235
Receivables and properties written-down for accounting purposes	2,405,981	2,405,981
Non-capital losses carried forward	218,027	207,108
	2,625,243	2,614,324
Valuation allowance for future income tax assets	(2,625,243)	(2,614,324)
	\$ 0	\$ 0

The reconciliation of income tax provision computed at statutory rates to the reported income tax provision is as follows:

	2006	2005
	34.12%	34.12%
Income tax benefit computed at Canadian statutory rates	\$ 138,793	\$ 54,421
Foreign tax rates different from statutory rates	(28,303)	(32,510)
Stock-based compensation	(45,315)	
Share issue costs	4,396	4,396
Unrecognized tax losses	(69,571)	(26,307)
	\$ 0	\$ 0

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Notes to Consolidated Financial Statements
Years Ended December 31, 2006 and 2005
(Expressed in US dollars)

8. RELATED PARTY TRANSACTIONS

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

	2006	2005
Consulting	\$ 72,000	\$ 72,000
General and administration	\$ 37,564	\$ 31,882
Professional fees	\$ 14,490	\$ 506
Directors' fees	\$ 5,264	\$ 0

- (b) At December 31, 2006, a total of \$22,458 (2005 - \$21,000) included in accounts payable is due to related parties. These amounts are non-interest bearing and payable under normal business terms.
- (c) The president and chief financial officer receive \$7,000 per month and \$2,000 per month, respectively, under month-to-month arrangements.

These transactions are in the normal course of operations and are measured at the exchange amount, which is management's determination of fair value of the consideration established and agreed to by the related parties.

9. SEGMENTED DISCLOSURE

The Company has one operating segment, mineral exploration and development. A total amount of \$2,108,201 (2005 - \$1,816,297) in carrying value of mineral properties, are located in Peru. The remaining assets totaling \$1,331,385 (2005 - \$1,917,176) are located in Canada.

10. COMMITMENT

The Company currently has the following ongoing month-to-month commitments:

- (a) \$6,000 per month in technical consulting services fees paid to a company owned by the president of the Company;
- (b) \$1,000 per month in administration services fees paid to a company owned by the president of the Company;
- (c) \$3,000 per month in administration and accounting service fees paid to a company 50% owned by an officer of the Company;
- (d) \$3,000 per month for office and administration service fees in Peru; and
- (e) \$1,700 per month for office premises rental in White Rock, British Columbia.

NEW OROPERU RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS (expressed in US dollars)

DECEMBER 31, 2006

This MD&A should be read in conjunction with the audited financial statements and notes for the year ended December 31, 2006, and includes information up to April 25, 2007.

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 December 31, 2006 was \$1,312,137, 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 December 31, 2006 was \$1,279,102.

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

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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 30, 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

In January 2006 we completed the acquisition of the 1800 hectare Estrella Project in central Peru, by purchase and concession application at a cost of \$15,000 for a 100% interest.

In February 2006 we purchased an option to purchase an additional 300 hectare mineral claim in the area adjacent to the Estrella property for a total cost of \$30,958. The property was evaluated and abandoned at the end of the year and the cost of the option was written off.

In 2006 the Company has spent \$466,906 on mineral exploration work which has been added to deferred costs for the Estrella project in the Mineral Properties section of the balance sheet.

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

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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. We own 100% of the main area of interest and will evaluate the data for future exploration at greater depths.

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 2006, 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.

Selected Annual Information

Selected annual information from the audited financial statements for the years ended December 31, 2006, 2005 and 2004.

	2006	2005	2004
Loss before adjustments	\$ 372,507	\$ 159,498	\$ 77,159
Loss for the year	372,507	159,498	77,159
Basic and diluted loss per share	0.02	0.01	0.01
Total assets	3,439,586	3,733,473	3,898,556
Total liabilities	52,281	106,473	112,058
Total shareholders' equity	3,387,305	3,627,000	3,786,498

Results of Operations

The Company's net loss and operating loss reported for the year ended December 31, 2006 of \$372,507 was higher than last year (2005 - \$159,498), primarily as a result of non-cash stock option compensation expense of \$132,812 (2005-Nil) during the year and investor relations expenses of \$86,465 (2005-Nil). Stock option compensation costs are included in Consulting fees of \$210,077 for the year. For the year ended December 31, 2006, general and administrative costs of \$75,145 remained low and decreased from the previous year (2005-\$97,680). This was primarily due to lower general and administration costs at the corporate level.

In 2006 we continued to invest our cash in low-risk bankers' acceptance note securities, earning \$74,164 of interest income during the year.

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In 2006 we incurred expenditures of \$466,906 on mineral exploration work in Peru, including the acquisition (and subsequent disposal) of an option on some additional property in the Estrella project at a cost of \$30,958.

Summary of Quarterly Results

In the fourth quarter the Company's operating loss of \$84,362 (2005-\$25,463) increased over the same period last year due to a number of factors. Professional fees of \$27,526 were \$18,517 higher than for the same period last year, reflecting industry-wide increases in audit costs and increased legal fees with respect to the Company's Peru properties.

Increased mineral property investigation and maintenance expenses of \$39,337 (2005-\$7,215) were due to increased travel and maintenance costs related to existing and prospective property that the Company investigated during the year.

A number of adjustments were booked during the fourth quarter, which affected the quarterly results for the period:

- There was a \$10,174 gain on foreign exchange on some of our holdings in Peru
- A gain of \$62,383 was recorded on the write-off of certain accounts payable from one of our subsidiaries in Peru
- There was an expense of \$30,958 recorded for the write-off of an optioned property in Peru

General and administrative expenses during the quarter were higher at \$19,828 (2005-\$13,617), reflecting increased costs for accounting and administrative services. We spent \$322,077 on the Estrella silver project during this quarter. During the fourth quarter we earned \$21,780 of interest income.

Results for the eight most recent quarters ending with the last quarter ending December 31, 2006:

For the quarterly periods ending on	Dec. 31 2006	Sept. 30 2006	June 30 2006	Mar. 31 2006
Loss (income) before adjustments	\$ 84,362	\$ 107,169	\$ 98,582	\$ (107,916)
Loss (income) for the period	58,839	107,169	98,582	(107,916)
Basic loss (earnings) per share	0.01	0.01	0.01	0.01
For the quarterly periods ending on	Dec. 31 2005	Sept. 30 2005	June 30 2005	Mar. 31 2005
Loss before adjustments	\$25,463	\$ 61,455	\$ 94,960	\$ 60,402
Loss (income) for the period	(57,318)	61,455	94,960	60,402
Basic loss (earnings) per share	(0.01)	0.01	0.01	0.01

Liquidity

Our cash and cash equivalents decreased by a net amount of \$542,371 over the year. In 2006 the Company's sources of cash were from:

- \$175,000 option payment from Barrick
- \$74,164 in interest income

Our total cash position at December 31, 2006 was \$1,312,137, sufficient to meet project exploration and corporate needs for the ensuing year. The Company's total working capital position at December 31, 2006 was \$1,279,102 (December 31, 2005 - \$1,810,703). We are projecting receipt of \$250,000 (less

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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 in the year totaling in the aggregate \$84,000 (2005-\$84,000).

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 year totaling \$25,565 (2005-\$19,882).

A law firm owned by one of our directors was paid \$13,951 (2005-Nil) for legal services during the year.

A chartered accounting firm of which one of our directors is a partner was paid \$539 during the year for services rendered.

Directors' fees totaling \$5,264 (2005-Nil) were paid to a director during the year.

Certification of Annual Filing

Based on their knowledge, the President and Chief Financial Officer of the Company have reviewed the annual 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.

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

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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 year ended December 31, 2006, 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.

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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.