NEW OROPERU RESOURCES INC.
(An Exploration Stage Company)

Consolidated Financial Statements
December 31, 2009 and 2008
(Expressed in US dollars)

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 Canadian generally accepted accounting principles 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 as at December 31, 2009 and 2008 and for the years then ended 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"	*"Aris Morfopoulos"*
K. Wayne Livingstone President	Aris Morfopoulos Chief Financial Officer

Vancouver, British Columbia
April 2, 2010

SmytheRatcliffe
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

TO THE SHAREHOLDERS OF NEW OROPERU RESOURCES INC.
(An Exploration Stage Company)

We have audited the consolidated balance sheets of New Oroperu Resources Inc. (an exploration stage company) as at December 31, 2009 and 2008 and the consolidated statements of operations, shareholders' equity 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, 2009 and 2008 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 2, 2010

7th Floor 355 Burrard St
Vancouver, BC V6C 2G8

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

	2009	2008
Assets		
Current		
Cash and cash equivalents	$ 703,279	$ 767,844
Accounts receivable	2,081	12,059
Prepaid expenses	6,498	6,929
	711,858	786,832
Mineral Properties (note 4)	1,004,912	1,179,913
	$ 1,716,770	$ 1,966,745
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 53,006	$ 58,201
Shareholders' Equity		
Capital Stock (note 5)	25,902,579	25,902,579
Contributed Surplus	518,893	504,090
Deficit	(24,757,708)	(24,498,125)
	1,663,764	1,908,544
	$ 1,716,770	$ 1,966,745

Nature of operations and going concern (note 1)

Approved by the Board:

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

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

See notes to consolidated financial statements.

NEW OROPERU RESOURCES INC.
(An Exploration Stage Company)
Consolidated Statements of Operations
Years Ended December 31
(Expressed in US dollars)

	2009	2008
Expenses		
Consulting fees (note 5(c))	$ 133,974	$ 361,882
General and administration (note 5(c))	129,488	193,639
Property maintenance	73,898	26,133
Directors' committee fees	31,674	33,854
Legal and audit	26,156	45,754
Insurance	11,557	11,877
Rent	7,912	8,240
Regulatory fees	7,238	10,457
Conferences	2,835	1,200
Loss Before Other Items	424,732	693,036
Other Items		
Write-off of receivable	7,726	3,923
Write-down of mineral properties and investments (note 4)	-	318,225
Interest income	(5,037)	(32,303)
Foreign exchange loss (gain)	(87,839)	204,399
Gain on sale of mineral property (note 4(c))	(79,999)	-
	(165,149)	494,244
Net Loss and Comprehensive Loss for Year	$ 259,583	$ 1,187,280
Loss Per Share, Basic and Diluted	$ 0.02	$ 0.07
Weighted Average Number of Common Shares Outstanding	16,248,318	16,248,318

See notes to consolidated financial statements.

NEW OROPERU RESOURCES INC.
(An Exploration Stage Company)
Consolidated Statements of Shareholders' Equity
Years Ended December 31
(Expressed in US dollars)

	Number of Shares		Capital Stock		Contributed Surplus		Deficit		Total Shareholders' Equity
Balance, December 31, 2007	16,248,318	$	25,902,579	$	310,617	$	(23,310,845)	$	2,902,351
Net loss for year	-		-		-		(1,187,280)		(1,187,280)
Stock-based compensation	-		-		193,473		-		193,473
Balance, December 31, 2008	16,248,318		25,902,579		504,090		(24,498,125)		1,908,544
Net loss for year	-		-		-		(259,583)		(259,583)
Stock-based compensation	-		-		14,803		-		14,803
Balance, December 31, 2009	16,248,318	$	25,902,579	$	518,893	$	(24,757,708)	$	1,663,764

NEW OROPERU RESOURCES INC.

(An Exploration Stage Company)
Consolidated Statements of Cash Flows
Years Ended December 31
(Expressed in US dollars)

	2009	2008
Operating Activities		
Net loss	$ (259,583)	$ (1,187,280)
Items not involving cash		
Stock-based compensation (note 5(c))	14,803	193,473
Unrealized foreign exchange loss	165,738	146,875
Gain on sale of mineral property (note 4(c))	(79,999)	-
Write-off of receivable	7,726	3,923
Write-down of mineral properties and investments	-	318,225
	(151,315)	(524,784)
Changes in non-cash working capital		
Accounts receivable	2,252	(14,107)
Prepaid expenses	431	27,503
Accounts payable and accrued liabilities	(5,195)	(6,923)
	(2,512)	6,473
Cash Used in Operating Activities	(153,827)	(518,311)
Investing Activities		
Expenditures on mineral properties	-	(54,011)
Proceeds from sale of mineral property	80,000	-
Proceeds from mineral property option	175,000	175,000
Cash Provided by Investing Activities	255,000	120,989
Foreign Exchange Effect on Cash	(165,738)	(146,875)
Decrease in Cash and Cash Equivalents	(64,565)	(544,197)
Cash and Cash Equivalents, Beginning of Year	767,844	1,312,041
Cash and Cash Equivalents, End of Year	$ 703,279	$ 767,844
Represented by		
Cash	$ 703,279	$ 29,613
Bankers' acceptance notes	-	738,231
	$ 703,279	$ 767,844
Supplemental Cash Flow Information		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -
Write-off of investment	$ -	$ -

See notes to consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

New Oroperu Resources Inc. (the "Company") was incorporated under the laws of British Columbia on October 12, 1994. The Company is in the business of acquiring and exploring mineral properties in Peru and Canada and has not yet determined whether its properties contain ore reserves that are economically recoverable. The Company is listed on the TSX Venture Exchange and is a reporting issuer in Ontario, Alberta and British Columbia.

The Company is not generating any operating revenue, has never paid any dividends, and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. As at December 31, 2009, the Company has an accumulated deficit of $24,757,708 (2008 - $24,498,125) and incurred a loss of $259,583 (2008 - $1,187,280) during the year then ended. The continuation of the Company as a going concern is dependent upon the ability of the Company to obtain the necessary equity financing to continue operations and to determine the existence and successful exploitation of economically recoverable reserves in its mineral properties, confirmation of the Company's interests in the underlying properties and the attainment of profitable operations, or realize proceeds from their sale. Management believes the Company has sufficient working capital and cash reserves to maintain current levels of operations and continue as a going concern for the following year.

The Company may periodically need to raise additional funds to fund projects and continue operations. While the Company has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles ("GAAP"), which are presented in US dollars.

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 integrated subsidiaries as follows:

Name	Country of Incorporation
S.A. Mining Ventures Ltd.	Bahamas
Minera Angelica S.A.C.	Peru
Angelica Mining Inc.	Bahamas
T.C. Mining Inc.	Bahamas
687211 B.C. Ltd.	Canada (British Columbia)
Aurifera Tres Cruces S.A.	Peru

All intercompany balances and transactions have been eliminated on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Cash and cash equivalents

The Company considers deposits that are highly liquid, readily convertible to known amounts of cash, redeemable on demand and have original maturities of less than three months from the date of purchase to be cash equivalents. Interest income is recorded as earned on the accrual basis at the stated rate of interest over the term of the investment.

(c) 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 developed, and will be depleted over the useful lives of the properties upon commencement of commercial production, or the Company's mineral rights are abandoned or allowed to lapse at which time they are written off. Costs to investigate new mineral properties where no acquisition is completed are expensed when incurred.

All deferred mineral property expenditures are reviewed, at least annually, 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 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 in value.

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 paid or received. Proceeds received on the sale or option of the Company’s property is recorded as a reduction of the mineral property cost. The Company recognizes in income those costs that are recovered on mineral properties when amounts received are in excess of the carrying amount.

(d) Asset retirement obligations (“ARO”)

The Company recognizes an estimate of the liability associated with an ARO in the financial statements at the time the liability is incurred, identified and is reasonably measurable. 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 liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to operations 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. As at December 31, 2009, the Company has determined that it has no material AROs.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Foreign currency translation

The Company's functional currency is the US dollar. Integrated foreign operations are translated using the temporal method. Amounts recorded in foreign currency are translated into US 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 rate of exchange on the date of the transaction.

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

(f) Loss per share

Basic earnings (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 earnings (loss) per share. Under this method the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

(g) 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.

(h) Stock-based compensation

The Company has a stock option plan that is described in note 5(b). The Company accounts for stock-based compensation using a fair value based method with respect to all stock-based payments to directors, employees and non-employees. For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is completed or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Stock-based compensation (continued)

The fair value of the options is accrued and charged to operations, with the offset credit to contributed surplus. For directors and employees, the options are recognized over the vesting period, and for non-employees the options are recognized over the related service period. If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to capital stock.

(i) Use of estimates

The preparation of financial statements in conformity with Canadian GAAP 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 net recoverable amount of mineral properties, determination of AROs, accrued liabilities, the variables used in the calculation of stock-based compensation and determination of valuation allowance for future income tax assets. Management has determined that the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

(j) Financial instruments and comprehensive income

All financial instruments are classified as one of the following: held-to-maturity, loans and receivables, held-for-trading, available-for-sale or other financial liabilities. Financial assets and liabilities held-for-trading are measured at fair value with gains and losses recognized in net loss. Financial assets held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) and reported in shareholders' equity. Any financial instrument may be designated as held-for-trading upon initial recognition.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as other than held-for-trading, which are expensed as incurred, are included in the initial carrying value of such instruments.

Comprehensive income (loss) is the overall change in the net assets of the Company for a period, other than changes attributable to transactions with shareholders. It is made up of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) consists of other gains and losses affecting shareholders' equity that under Canadian GAAP are excluded from net income (loss). The Company has no items of other comprehensive income (loss) in any period presented. Therefore, net income as presented in the Company's statements of operations equals comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Changes in accounting policies

(i) EIC-173, Credit Risk and the Fair value of Financial Assets and Financial Liabilities

In January 2009, the EIC issued EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities", which clarifies that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. EIC-173 is to be applied retrospectively without restatement of prior periods in interim and annual financial statements for periods ending on or after the date of issuance of EIC-173. The Company adopted this recommendation in its fair value determinations effective January 1, 2009 with no significant impact of this change on its consolidated financial statements.

(ii) Mining Exploration Costs

In March 2009, the EIC issued EIC-174, "Mining Exploration Costs", which provides guidance on capitalization of exploration costs related to mining properties. It also provides guidance for development and exploration stage entities that cannot estimate future cash flows from its properties in assessing whether impairment in such properties is required. EIC-174 also provides additional discussion on recognition for long-lived assets. There was no impact of this change on the consolidated financial statements as a result of the Company adopting this recommendation in its fair value determinations effective January 1, 2009.

(l) Future accounting changes

(i) International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that January 1, 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. The IFRS standards will be effective for the Company for interim and annual financial statements relating to the Company's fiscal year beginning on or after January 1, 2011. The effective date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the interim periods and year ended December 31, 2010. The Company has begun the planning and scoping phase of the transition to IFRS and intends to transition to IFRS financial statements during fiscal 2011. The Company has begun assessing the adoption of IFRS for fiscal 2011 and the financial reporting impact of the transition, but has not identified specific reporting differences or chosen initial adoption options.

(ii) Business Combinations

In January 2009, the CICA issued Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests". These sections replace the former Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for accounting for a non-controlling interest in a subsidiary.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Future accounting changes (continued)

(ii) Business Combinations (continued)

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred. Section 1601 establishes standards for the preparation of consolidated financial statements.

These new sections apply to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company is currently evaluating the impact of the adoption of these sections.

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company has designated its cash and cash equivalents as held-for-trading; and accounts payable and accrued liabilities as other financial liabilities. The Company's risk exposure and the impact on the financial instruments are summarized below.

(a) Financial instruments

The Company's financial instruments consist of cash and cash equivalents, and accounts payable and accrued liabilities.

(b) Fair value

The carrying values of cash and cash equivalents, and accounts payable and accrued liabilities approximate their fair values due to their short-term nature.

(c) Credit risk

The Company is exposed to credit risk with respect to its cash and cash equivalents. The Company manages credit risk, in respect of cash and cash equivalents, by purchasing highly liquid, short-term investment-grade securities held at major Canadian financial institutions.

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(c) Credit risk (continued)

Concentration of credit risk exists with respect to the Company's cash and cash equivalents as all amounts are held at two major Canadian financial institutions. The Company's concentration of credit risk and maximum exposure thereto is as follows:

	2009	2008
Bank accounts	$ 703,279	$ 29,613
Bankers' acceptance notes	-	738,231
Total	$ 703,729	$ 767,844

(d) Liquidity risk

Liquidity risk is the risk the Company will encounter difficulty in satisfying financial obligations as they become due. The Company ensures there is sufficient capital in order to meet short-term business requirements. The Company's cash is invested in business accounts, which are available on demand. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company has sufficient cash and cash equivalents at December 31, 2009 to meet existing short-term business requirements for the following year. At December 31, 2009, the Company had accounts payable and accrued liabilities of $53,006 (2008 - $58,201), which will be paid in the first three months of 2010.

(e) Market risk

Market risk is comprised of interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

The Company's cash and cash equivalents consists of cash held in bank accounts that earn interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates does not have a significant impact on estimated fair values as of December 31, 2009. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity.

(ii) Foreign currency risk

The Company's functional and reporting currency is the US dollar.

As at December 31, 2009, the majority of the Company's cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are denominated in Canadian dollars, the value of which is subject to fluctuation in exchange rates. Cash held in Canada and Peru in US dollars amounted to $93,006 at December 31, 2009 (2008 - $15,031).

(Expressed in US dollars)

3. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(e) Market risk (continued)

(ii) Foreign currency risk (continued)

At December 31, 2009, the Company is exposed to currency risk as follows:

		Cdn
Cash and cash equivalents	$	641,582
Accounts receivable		2,189
Accounts payable and accrued liabilities		(29,913)
Net foreign exposure	$	613,858

The Company does not utilize derivatives or other techniques to manage foreign currency risk.

Based on the above net foreign currency exposure as at December 31, 2009, and assuming all other variables remain constant, a 10% weakening or strengthening of the US dollar against the Canadian dollar would result in an increase/decrease of $58,409 in the Company's loss.

(iii) Other price risk

Mineral prices may fluctuate significantly from period to period, and even if commercial quantities of gold and other minerals are developed, a profitable market may not exist for the sale of such minerals. If a profitable market does not exist, the Company could have to cease operations. The Company is not exposed to any other price risk.

4. MINERAL PROPERTIES

	Tres Cruces	Estrella	Other Mineral Properties	Total
	(note 4(a))	(note 4(b))	(note 4(c))	
Balance, December 31, 2007	$ 1,354,908	$ 264,215	$ 4	$ 1,619,127
Project management	-	54,011	-	54,011
Expenditures for the year	1,354,908	318,226	4	1,673,138
Write-down	-	(318,225)	-	(318,225)
Option payment received	(175,000)	-	-	(175,000)
Balance, December 31, 2008	1,179,908	1	4	1,179,913
Sale of mineral property	-	-	(1)	(1)
Option payment received	(175,000)	-	-	(175,000)
Balance, December 31, 2009	$ 1,004,908	$ 1	$ 3	$ 1,004,912

4. MINERAL PROPERTIES (Continued)

(a) Tres Cruces Project, Peru

In September 2003, the Company entered into an option agreement with Minera Barrick Misquichilca S.A. ("Barrick") for Barrick to acquire up to a 70% interest in Aurifera, subject to:

1. Barrick incurring $1,700,000 in exploration expenditures by September 30, 2005 (incurred);
2. Barrick making payment to the Company of: $400,000 on execution of the option agreement (paid); $200,000 per year until completion of the $1,700,000 in exploration expenditures (paid); and $250,000 ($175,000, net of Peruvian withholding taxes) per year after completion of the $1,700,000 in exploration expenditures; and
3. Barrick making a production decision on or before December 31, 2020.

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, and following such production decision, the Company, through Aurifera, would retain a 30% interest subject to certain payback provisions, and would also retain a 2% royalty interest.

(b) Estrella Project, Peru

The Company has a 100% interest in the 1,800-hectare Estrella Project in Peru. The project is carried at a nominal value of $1.

(c) Other mineral properties

The Company owns a 100% interest in three separate mineral properties located in various regions of Peru known as Angelica, Trucha Dorada and El Espigon, which in fiscal 2003 were written down to a nominal value of $1 each. In 2009, the Company sold the Trucha Dorada property for $80,000 and recorded a $79,999 gain on the sale.

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, El Espigon and Ontario leases is $3.

In 2009, the Company incurred aggregate expenses of $68,059 (2008 - $54,011) for property management, administration and taxes on its Peru mineral properties.

(d) Investment in other mineral property interests

The Company holds a 20% share interest in Nuevo Condor Inc. ("Nuevo Condor"), a former subsidiary in the Bahamas. Nuevo Condor holds certain mineral properties and dormant mining interests in Peru. Management has determined that the interests have no measureable value and is not able to assess the likelihood of any residual value of the interest should Nuevo Condor restructure and resume operations. This investment has been fully written off, as management does not intend to further invest in this project.

4. MINERAL PROPERTIES (Continued)

(e) Title to mineral property interests

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.

(f) Realization of assets

The investment in and expenditures on mineral properties comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

(g) Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

(Expressed in US dollars)

5. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value

(b) Stock options

The Company has a stock option plan that authorizes the Board of Directors to grant options for the purchase of up to 3,249,465 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 December 31, 2009 and 2008 and changes during the years then ended is as follows:

	2009		2008	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding, beginning of year	1,820,000	$ 0.50	1,755,000	$ 0.49
Granted	-	-	65,000	$ 1.00
Outstanding, end of year	1,820,000	$ 0.50	1,820,000	$ 0.50
Options exercisable, end of year	1,820,000	$ 0.50	1,787,500	$ 0.49

Stock options outstanding and exercisable at December 31, 2009 are as follows:

Number of Options				
Outstanding	Exercisable	Exercise Price	Expiry Date	Weighted Average Contractual Life of Options Outstanding in Years
670,000	670,000	$ 0.38	February 3, 2011	1.09
1,085,000	1,085,000	$ 0.55	June 29, 2012	2.50
65,000	65,000	$ 1.00	January 29, 2013	3.08
1,820,000	1,820,000			2.00

(c) Stock-based compensation

In 2009, the Company recognized stock-based compensation of $14,803 (2008 - $193,473) related to stock options granted in 2008. Included in consulting fees is $Nil (2008 - $154,367), and $14,803 (2008 - $39,106) is included in general and administration. There is Cdn $Nil (2008 - Cdn $16,877) in unrecognized stock-based compensation, which will be recognized in future periods as the options vest.

(Expressed in US dollars)

5. CAPITAL STOCK (Continued)

(c) Stock-based compensation (continued)

The fair value of each option grant was estimated as at the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions and resulting fair value:

	2008
Grant date fair value	$0.89
Risk-free interest rate	3.32%
Expected option life in years	5
Annual volatility	90.86%
Dividend rate	-

6. INCOME TAXES

As at December 31, 2009, the Company has non-capital losses of approximately $1,222,400 that may be applied against future income for Canadian and Peruvian income tax purposes. The potential future tax benefit of these losses has not been recorded in these financial statements. The losses expire as follows:

2010	$	145,000
2011		41,000
2012		400
2014		140,000
2015		94,000
2026		226,000
2027		125,000
2028		241,000
2029		210,000
	$	1,222,400

Significant components of the Company's future tax assets and liabilities are as follows:

		2009		**2008**
Future income tax assets				
Tax value in excess of book value of equipment	$	1,001	$	893
Non-capital losses carried forward		328,581		233,238
		329,582		234,131
Valuation allowance		(329,582)		(234,131)
	$	-	$	-

(Expressed in US dollars)

6. INCOME TAXES (Continued)

The reconciliation of income tax provision computed at the Canadian statutory tax rate of 30% (2008 - 31%) to the reported income tax provision is as follows:

	2009	2008
Income tax benefit computed at Canadian statutory rates	$ 77,875	$ 368,057
Foreign tax rates different from statutory rates	(42,581)	(60,119)
Stock-based compensation	(4,441)	(59,977)
Foreign exchange	26,553	(63,654)
Unrecognized tax losses	(57,406)	(184,307)
	$ -	$ -

7. RELATED PARTY TRANSACTIONS

The following services were provided to the Company by companies with common directors or officers, or by directors or officers for the years ended December 31, 2009 and 2008:

	2009	2008
Consulting	$ 131,072	$ 193,947
General and administration	59,510	62,930
Committee consulting fees	31,675	33,854
	$ 222,257	$ 290,731

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount agreed upon by the related parties.

8. MANAGEMENT OF CAPITAL

The Company considers shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk.

The Board of Directors manages the capital structure and makes adjustments to its plan based on economic and market conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, or acquire or dispose of assets.

In order to facilitate the management of capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

8. MANAGEMENT OF CAPITAL (Continued)

Management believes current capital resources will be sufficient to support and maintain planned exploration and operations for the foreseeable future.

There were no changes in the Company's approach to management of capital during the year ended December 31, 2009. The Company is not subject to externally imposed capital requirements.

9. SEGMENTED DISCLOSURE

The Company operates in a single business segment, mineral exploration and development. Of the Company's assets, an amount totaling $1,013,965 (2008 - $1,185,842) is located in Peru and $702,805 (2008 - $780,903) is located in Canada.

10. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

NEW OROPERU RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS
For the year ended December 31, 2009
(All figures expressed in US dollars)

General

The information in this Management's Discussion and Analysis, or MD&A, is intended to assist the reader in the understanding and assessment of the trends and significant changes in the results of operations and financial conditions of New Oroperu Resources Inc. (the "Company" or "New Oroperu"). This MD&A should be read in conjunction with the audited consolidated financial statements of the Company, including the notes thereto, for the fiscal year ended December 31, 2009. This MD&A has taken into account information available up to and including April 23, 2010.

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 activities in Peru.

We are a reporting issuer in Ontario, British Columbia and Alberta and trade on the TSX Venture Exchange under the symbol ORO.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations. This MD&A contains forward-looking statements. Please refer to the cautionary language at the end of this document.

Company Overview

The Company's principal asset is the historical measured and indicated 1.7 million oz. gold Tres Cruces deposit in north central Peru. These historical resources pre-date the implementation of NI 43-101 regulations and are therefore deemed non-compliant and not to be relied on. In 2003, subsequent to this historical resource estimation, Oroperu optioned out 70% of its 100% interest (subject to a 1½% royalty) in the Company´s wholly owned subsidiary Aurifera Tres Cruces S.A. The Tres Cruces project is currently being further explored under the terms of an option agreement with Minera Barrick Misquichilca S.A. ("Barrick"), the operating Peruvian subsidiary of Barrick Gold Corporation. Barrick may earn a 70% interest in Aurifera subject to the underlying 1.5% royalty and 2% royalty to the Company and other terms described below. Barrick has completed about 39,000 meters of reverse-circulation and diamond drilling to date, bringing the total drilling on the project to about 73,000 meters.

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 and production started in June 2005. The Lagunas Norte project has produced in excess of 1 million oz. of gold per year since commencement of production, with 1 million oz of gold produced in 2009.

The Company believes 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, 2009 was $703,279 (2008 – $767,844) 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, 2009 was $658,852 (2008 - $728,631).

Outlook

The Company's main asset, the Tres Cruces project, is under option to Barrick and is dependent on Barrick to advance the project through to production. Barrick has maintained the option since 2003. We expect that Barrick will advance the project forward to a production decision.

MANAGEMENT DISCUSSION & ANALYSIS
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(All figures expressed in US dollars)

Tres Cruces Project

The Tres Cruces project is a grass roots discovery made by the Company. Oroperu has 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. Barrick's cost to maintain its option on the Tres Cruces property is $250,000 a year. All exploration expenditures deemed necessary by Barrick to make a production decision will be paid by Barrick at no cost to the Company. Following a production decision, we would retain a 30% fully financed interest in Aurifera, a 2% royalty interest and receive a US$1 million advance royalty payment.

In 2007 Barrick significantly increased its level of exploration activity at Tres Cruces. In early 2007, Barrick completed a 5,773 m. diamond drill program on the Tres Cruces Project. This program encountered better grades and also extended mineralization beyond the historical resources. Following the diamond drilling Barrick initiated reverse circulation drilling for the purpose of in-fill drilling and testing the limits of the existing mineralization, as well as some condemnation drilling. In addition, a program of geotechnical drilling was completed comprising 3,925 m. in 20 holes. In 2007 Barrick drilled a total of 24,462 meters. Including minor drilling in 2008 the total drilling on the project is about 73,000 meters.

Some of the deep holes completed by Barrick in 2007 encountered gold and silver mineralization as deep as 350 m. before technical difficulties caused termination of the hole. There is potential for deeper mineralization within the Tres Cruces low sulphidation system such as high grade feeder zones known to exist elsewhere in this type of deposit.

Barrick has completed certain engineering and piezometric studies and continues to monitor its environmental work required for the permitting process. No drilling was completed in 2009.

Other Mineral Properties

In 2009 we incurred costs of $68,058 maintaining our Estrella and other properties in Peru, which costs were allocated to Mineral Properties expense. No field work was conducted in the period. In April 2009 we sold a mineral property (Trucha Dorada I) in Peru for $80,000 cash, recording a net gain of $79,999 on the transaction.

We own 100% of the 900 hectare Angelica property, another prospective grassroots gold project, situated 5 km. from our Tres Cruces discovery in north central Peru. We also have three mineral leases located in Ontario, Canada. We continue to maintain our rights on these properties.

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

Results of Operations

The Company's net loss for the year ended December 31, 2009 was $259,583 (2008 – $1,187,280). Non-cash stock compensation expense related to the vesting of stock options issued during the previous year accounted for $14,803 (2008 – $193,473) of the loss. We incurred expenditures of $68,058 (2008 - $54,011) on mineral properties in Peru, which consisted of property maintenance and direct administration and management. The Company kept the majority of its cash in Canadian dollars during the year and the foreign exchange gain of $87,839 (2008 - $204,399 loss) was the result of fluctuation between the Canadian and US dollars.

Overhead and administration expenses of $424,732 were down from the preceding year (2008 - $693,036). The largest component of the decrease was the reduction of stock based compensation expenses, which were $14,803 in 2009 (2008 - $193,473). Excluding the effect of the non-cash stock based compensation expense, overhead and administration costs were still 15% lower than the preceding year.

(All figures expressed in US dollars)

In April 2009 we sold a mineral property in Peru (Trucha Dorada I) for a net gain of $79,999.

We continued to invest some of our cash resources in low-risk bankers' acceptance note securities, earning $5,037 interest income for the year (2008 - $32,303). Interest income decreased compared to last year, due to lower interest rates and lower cash balances in the Company.

Barrick continues to cover all project costs associated with the Tres Cruces project, and during the year paid New Oroperu its annual $250,000 payment (2008 - $250,000) (note: $175,000 net, after Peru withholding taxes) to maintain its option for another year. This amount was offset against mineral property costs.

Selected annual information from the audited financial statements for the years ended December 31, 2009, 2008 and 2007:

	2009	**2008**	**2007**
Loss before other items	$ 424,732	$ 693,036	$ 459,525
Loss for the year	259,583	1,187,280	774,332
Basic and diluted loss per share	0.02	0.07	0.05
Total assets	1,716,770	1,966,745	2,967,475
Total liabilities	53,006	58,201	65,124
Total shareholders' equity	1,663,764	1,908,544	2,902,351

Quarterly Financial Information

Results for the eight most recent quarters ending with the last quarter ending December 31, 2009:

For the quarterly periods ending	**December 31 2009**	**September 30 2009**	**June 30 2009**	**March 31 2009**
Loss for the quarter	$ 19,668	71,763	29,407	138,745
Basic loss per share	0.01	0.01	0.01	.01
For the quarterly periods Ending on	**December 31 2008**	**September 30 2008**	**June 30 2008**	**March 31 2008**
Loss for the period	655,564	165,111	255,880	110,725
Basic loss per share	0.04	0.01	0.01	0.01

Expenses for the fourth quarter were consistent with the previous quarters of 2009, however a year-end adjustment to foreign exchange of $68,888 (gain) reduced the fourth quarter loss to $19,668.

Financial Condition, Liquidity and Capital Resources

The Company is not in commercial production on any of its mineral properties and accordingly, it does not generate cash from operations. The Company finances its activities by raising capital through the equity markets.

MANAGEMENT DISCUSSION & ANALYSIS
For the year ended December 31, 2009
(All figures expressed in US dollars)

New Oroperu's cash decreased by $64,565 since December 31, 2008. In the past 12 months New Oroperu's sources of cash were from:

- $175,000 net from Barrick property option payment
- $80,000 from sale of mineral property in Peru
- $5,037 in interest income

The Company's total cash position at December 31, 2009 was $703,279 (2008 – $767,844), sufficient to meet property maintenance and corporate needs for the ensuing year. At the end of the year the Company held the majority of its cash in Canadian dollars. New Oroperu's working capital position at December 31, 2009 was $658,852 (2008 - $728,631).

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 $25,000 for the next year.

Off-Balance Sheet Arrangements

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

Outstanding Share Data

There are 16,248,318 shares of the Company outstanding as of the date of this report.

The following stock options are outstanding as of the date of this report:

No. of Options	Price per Share	Expiry Date
670,000	$0.38	February 3, 2011
1,085,000	$0.55	June 29. 2012
65,000	$1.00	January 29, 2013
1,820,000		

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:

	2009	2008
Consulting	$ 131,072	$ 193,947
Directors committee fees	31,675	33,854
General and administration	59,510	62,930
Total	$ 222,257	$ 290,731

At December 31, 2009, there were no amounts outstanding or payable to related parties.

Management of Capital

The Company manages its cash, common shares and stock options as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account.

The Company expects that its current capital resources will be sufficient to carry its exploration plans and operations through its current operating period.

Significant Accounting Policies

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles ("GAAP") which are presented in US dollars.

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

Basis of consolidation

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

Name	Country of Incorporation
S.A. Mining Ventures Ltd.	Bahamas
Minera Angelica S.A.C.	Peru
Angelica Mining Inc.	Bahamas
T.C. Mining Inc.	Bahamas
687211 B.C. Ltd.	Canada (British Columbia)
Aurifera Tres Cruces S.A.	Peru

Cash and Cash Equivalents

The Company considers deposits that are highly liquid, readily convertible to known amounts of cash, redeemable on demand and have original maturities of less than three months from the date of purchase to be cash equivalents. Interest income is recorded as earned on the accrual basis at the stated rate of interest over the term of the investment.

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 developed and depleted over the useful lives of the properties upon commencement of commercial production, or the Company's mineral rights are abandoned or allowed to lapse at which time they are written off. Costs to investigate new mineral properties where no acquisition is completed are expensed when incurred.

All deferred mineral property expenditures are reviewed, at least annually, 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 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 in value.

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 paid or received. Proceeds received on the sale or option of the Company's property is recorded as a reduction of the mineral property cost. The Company recognizes in income those costs that are recovered on mineral properties when amounts received are in excess of the carrying amount.

Asset Retirement Obligations ("ARO")

The Company recognizes an estimate of the liability associated with an 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 liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to operations 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. As at December 31, 2009, the Company has determined that it has no material AROs.

Foreign Currency Translation

The Company's functional currency is the US dollar. Integrated foreign operations are translated using the temporal method. Amounts recorded in foreign currency are translated into US 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 rate of exchange on the date of the transaction.

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

Loss Per Share

Basic earnings (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 earnings (loss) per share. Under this method the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

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.

Stock-based Compensation

The Company has a stock option plan that is described in note 5(b) of the audited financial statements. The Company accounts for stock-based compensation using a fair value based method with respect to all stock-based payments to directors, employees and non-employees. For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is completed or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable.

The fair value of the options is accrued and charged to operations, with the offset credit to contributed surplus. For directors and employees, the options are recognized over the vesting period, and for non-employees the options are recognized over the related service period. If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to capital stock.

Use of Estimates

The preparation of financial statements in conformity with Canadian GAAP 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 net recoverable amount of mineral properties, determination of AROs, accrued liabilities, the variables used in the calculation of stock-based compensation and determination of valuation allowance for future income tax assets. Management has determined that the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

Financial Instruments and Comprehensive Income

All financial instruments are classified as one of the following: held-to-maturity, loans and receivables, held-for-trading, available-for-sale or other financial liabilities. Financial assets and liabilities held-for-trading are measured at fair value with gains and losses recognized in net loss. Financial assets held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) and reported in shareholders' equity. Any financial instrument may be designated as held-for-trading upon initial recognition.

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as other than held-for-trading, which are expensed as incurred, are included in the initial carrying value of such instruments.

Comprehensive income (loss) is the overall change in the net assets of the Company for a period, other than changes attributable to transactions with shareholders. It is made up of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) consists of other gains and losses affecting shareholders' equity that under Canadian GAAP are excluded from net income (loss). The Company has no items of other comprehensive income (loss) in any period presented. Therefore, net income as presented in the Company's statements of operations equals comprehensive income.

Changes in Accounting Policies

EIC 173: Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the Emerging Issues Committee ("EIC") of the CICA issued EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities, which clarifies that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. EIC-173 is to be applied retrospectively without restatement of prior periods in interim and annual financial statements for periods ending on or after the date of issuance of EIC-173. The Company will adopt this recommendation in its fair value determinations effective January 1, 2009 and is currently assessing the impact of this change on its consolidated financial statements.

EIC 174: Mining Exploration Costs

In March 2009, the EIC issued EIC-174, Mining Exploration Costs, which provides guidance on capitalization of exploration costs related to mining properties. It also provides guidance for development and exploration stage entities that cannot estimate future cash flows from its properties in assessing whether impairment in such properties is required. EIC-174 also provides additional discussion on recognition for long-lived assets. The Company will adopt this recommendation in its fair value determinations during its first quarter ended March 31, 2009 and is currently assessing the impact of this change on its consolidated financial statements.

These standards were adopted by the Company during the year without significant effect. Other new standards were issued, but are not expected to have a material impact on the Company's financial requirements.

Future Accounting Changes

International financial reporting standards ("IFRS")

In February 2008 the Accounting Standards Board confirmed that International Financial Reporting Standards (IFRS) will replace Canadian GAAP for publicly accountable enterprises for financial periods beginning on and after January 1, 2011. The Company's first mandatory filing under IFRS, which will be the first quarter of 2011, will contain IFRS-compliant information on a comparative basis, as well as reconciliations for that quarter and as at the January 1, 2010 transition date. Although IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in recognition, measurement and disclosure. The Company has developed the framework of a plan for IFRS convergence and has started the implementation process. Detailed analysis of the differences between

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IFRS and the Company's accounting policies and assessment of the various alternatives for first time adoption of IFRS are in progress. Management's assessment to date indicates that there will be revisions to the Company's disclosures on adoption of IFRS, but there will be no major financial impact or accounting policy or procedural changes. However, it is recognized that the IFRS requirements, in particular related to the mining industry, are evolving in advance of the transition date, and such changes may alter this preliminary assessment.

Business Combinations

In January 2008, the CICA issued Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests". These sections replace the former Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for accounting for a non-controlling interest in a subsidiary

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 or otherwise realize net cash flows from the property for an amount exceeding the deferred costs, a provision is made for the impairment of value.

Management's estimates of mineral prices 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 no 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.

Forward-Looking Statements

Some of the statements in this document constitute "forward looking statements". Where New Oroperu expresses an expectation or belief as to future events or results, including management plans and objectives, and projections of exploration results, such expectation or belief is expressed in good faith and is believed to have a reasonable basis. The Company makes no representation that reasonable business people in possession of the same information would reach the same conclusions. While these statements represent our best current judgment, they are subject to risks and uncertainties that could cause actual results to vary, the specifics of which are detailed in disclosures with the heading "Risk Factors" in the Company's periodic filings with securities regulators. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Forward-looking statements in this MD&A are made as of the date of this MD&A or, in the case of documents incorporated by reference herein, as of the date of such documents, and New Oroperu does not assume the obligation to update any forward looking statement.

Risk Factors

Companies operating in the mining industry face many and varied kind of risks. Following are the risk factors most applicable to the Company.

Industry

Exploring and developing mineral resource projects bears a high potential for a variety 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.

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 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.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2009, the Company had a cash balance of $703,279 to settle

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current liabilities of $53,006. All of the Company's financial liabilities have maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company's cash and cash equivalents consists of cash held in bank accounts that earn interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates does not have a significant impact on estimated fair values as of December 31, 2009. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity.

(b) Foreign currency rate risk

The Company's functional and reporting currency is the US dollar.
As at December 31, 2009, the majority of the Company's cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are denominated in Canadian dollars, the value of which is subject to fluctuation in exchange rates. Cash held in Canada and Peru in US dollars amounted to $93,006 at December 31, 2009 (2008 - $15,031).

At December 31, 2009, the Company is exposed to currency risk as follows:

Cdn		
Cash and cash equivalents	$	641,582
Accounts receivable		2,189
Accounts payable and accrued liabilities		(29,913)
Net foreign exposure	$	613,858

The Company does not utilize derivatives or other techniques to manage foreign currency risk.

Based on the above net foreign currency exposure as at December 31, 2009, and assuming all other variables remain constant, a 10% weakening or strengthening of the US dollar against the Canadian dollar would result in an increase/decrease of $58,409 in the Company's loss.

(c) Other price risk

Mineral prices may fluctuate significantly from period to period, and even if commercial quantities of gold and other minerals are developed, a profitable market may not exist for the sale of such minerals. If a profitable market does not exist, the Company could have to cease operations. The Company is not exposed to any other price risk.

Sensitivity analysis

The carrying value of cash, receivables, accounts payable and accrued liabilities, and due to related parties approximate their fair values due to the relatively short periods to maturities of these financial instruments.

Based on management's knowledge of and experience in the financial markets, management does not believe that the Company's current financial instruments will be materially affected by credit risk, liquidity risk or market risk.

Disclosure Controls and Procedures

Management is responsible for the design, establishment and maintenance of disclosure controls and procedures over the public disclosure of financial and non-financial information regarding the Company and internal control over financial reporting to provide reasonable assurance regarding the integrity of the Company's financial information and reliability of its financial reporting. Management maintains appropriate information systems, procedures and controls to ensure integrity of the financial statements and to ensure that information used internally and disclosed externally is complete and reliable.

Corporate Governance

Management of the Company is responsible for the preparation and presentation of the interim and annual financial statements and notes thereto, MD&A and other information contained in this MD&A. Additionally, it is management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

The Company's management is held accountable to the Board of Directors ("Directors"), each member of which is elected annually by the shareholders of the Company. The Directors are responsible for reviewing and approving the annual audited financial statements and MD&A. Responsibility for the review and approval of the Company's unaudited interim financial statements and MD&A is delegated by the Directors to the Audit Committee, which is comprised of three directors, two of whom are independent of management. Additionally, the Audit Committee pre-approves audit and non-audit services provided by the Company's auditors.

The auditors are appointed annually by the shareholders to conduct an audit of the financial statements in accordance with generally accepted auditing standards. The external auditors have complete access to the Audit Committee to discuss the audit, financial reporting and related matters resulting from the annual audit as well as assist the members of the Audit Committee in discharging their corporate governance responsibilities.

Other

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