NEW OROPERU RESOURCES INC.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in US dollars)

FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011

Prepared by Management

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NEW OROPERU RESOURCES INC.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Notice to Reader

These interim financial statements of New Oroperu Resources Inc. have been prepared by management and reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

NEW OROPERU RESOURCES INC.
Condensed Consolidated Statements of Financial Position
(Expressed in US dollars)
As at June 30, 2012 and December 31, 2011
(Prepared by Management)

		June 30 2012		December 31 2011
Assets				
Current				
Cash and cash equivalents	$	**148,667**	$	176,517
Receivables		**26,732**		31,310
Prepaid expenses		**4,174**		7,422
		179,573		215,249
Non-current				
Exploration and evaluation properties (Note 4)		**569,346**		739,033
	$	**748,919**	$	954,282
Liabilities				
Current				
Trade payables and accrued liabilities (Note 5)	$	**17,517**	$	72,698
Equity				
Share capital (Note 6)		**25,993,269**		25,993,269
Stock option reserves (Note 6c)		**897,001**		881,000
Deficit		**(26,158,868)**		(25,992,685)
		731,402		881,584
	$	**748,919**	$	954,282

Approved and Authorized for Issue by the Board on August 22, 2012:

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

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

The accompanying notes form an integral part of these consolidated financial statements.

NEW OROPERU RESOURCES INC.
Condensed Consolidated Statements of Loss and Comprehensive Loss
(Expressed in US dollars)
For the six months ended June 30, 2012 and 2011
(Prepared by Management)

	June 30 2012	June 30 2011
Expenses		
Consulting fees (Note 6c)	$ 61,276	$ 75,852
Directors fees	17,902	18,428
General and administration (Note 6c)	70,357	195,483
Insurance	6,361	3,001
Legal and audit	12,179	21,176
Property maintenance	21,866	27,269
Regulatory fees	9,356	9,394
Rent	5,968	4,863
Loss Before Other Items	(205,265)	(355,466)
Other Items		
Foreign exchange gain	12,542	22,487
Expense recoveries (Note 4)	42,047	-
Write-off of receivables	(15,508)	(12,920)
Net Loss and Comprehensive Loss for the Period	$ (166,183)	$ (345,899)
Loss Per Share, Basic and Diluted	$ (0.01)	$ (0.02)

The accompanying notes form an integral part of these consolidated financial statements.

NEW OROPERU RESOURCES INC.
Condensed Consolidated Statements of Equity
(Expressed in US dollars)
For the six months ended June 30, 2012 and 2011
(Prepared by Management)

	Share Capital				Reserves				
	Number of Shares		Amount		Stock options		Deficit		Total Equity
Balance, December 31, 2010	16,248,318	$	25,902,579	$	711,986	$	(25,341,752)	$	1,272,813
Common shares issued on exercise of stock options	150,000		57,000				-		57,000
Transfer to share capital on exercise of options			33,690		(33,690)		-		-
Share-based payments	-		-		144,453		-		144,453
Net loss for the period	-		-		-		(345,899)		(345,899)
Balance, June 30, 2011	16,398,318	$	25,993,269	$	822,749	$	(25,687,651)	$	1,128,367
Share-based payments	-		-		58,251		-		58,251
Net loss for the period	-		-		-		(305,034)		(305,034)
Balance, December 31, 2011	16,398,318		25,993,269		881,000		(25,992,685)		881,584
Share-based payments (Note 6c)	-		-		16,001		-		16,001
Net loss for the period	-		-		-		(166,183)		(166,183)
Balance, June 30, 2012	16,398,318	$	25,993,269	$	897,001	$	(26,158,868)	$	731,402

The accompanying notes form an integral part of these consolidated financial statements.

NEW OROPERU RESOURCES INC.
Consolidated Statements of Cash Flows
(Prepared by Management)
For the six months ended June 30, 2012 and 2011
(Expressed in US dollars)

		June 30 2012		June 30 2011
Operating activities				
Net loss	$	(166,183)	$	(345,899)
Items not involving cash:				
Share-based payments (Note 6c)		16,001		144,453
Unrealised foreign exchange		28		(9,327)
Write-off of exploration properties (Note 4)		2		-
Write-off of receivable		15,508		12,920
Changes in non-cash working capital:				
Accounts receivables		(10,930)		(30,131)
Prepaid expenses		3,248		201
Accounts payable and accrued liabilities		(55,181)		(34,854)
Cash Used in Operating Activities		(197,507)		(262,637)
Investing activities				
Proceeds from mineral property option		175,000		175,000
Mineral property expenditures (Note 4)		(5,315)		(44,704)
Cash Provided (used) by Investing Activites		169,685		130,296
Financing activities				
Proceeds from exercise of stock options		(0)		57,000
Cash Provided by Financing Activities		(0)		57,000
		(27,822)		(75,341)
Effect of Foreign Exchange on Cash and Cash Equivalents		(28)		9,327
Decrease in Cash and Cash Equivalents	$	(27,850)	$	(66,014)
Cash and Cash Equivalents, Beginning of Period		176,517		485,644
Cash and Cash Equivalents, End of Period	$	148,667	$	419,630
Supplemental Cash Flow Information				
Interest paid	$	-	$	-
Income taxes paid	$	-	$	-

The accompanying notes form an integral part of these 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 from operations in the immediate or foreseeable future. As at June 30, 2012 the Company has an accumulated deficit of $26,158,868 (2011 - $25,521,825) and incurred a loss of $166,183 (2011 - $180,073) during the six months ended June 30, 2012. 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 exploration and evaluation properties, confirmation of the Company's interests in the underlying properties and the attainment of profitable operations, or realize proceeds from their sale.

The Company is dependent on raising funds through the issuance of shares and/or obtaining debt financing. Management believes that additional financing is available and may be sourced in time to allow the Company to continue its current planned activities in the normal course. There can, however, be no assurance the Company will be able to raise funds in the near future.

The Company has been receiving a net annual advance royalty payment of $175,000 in connection with the Tres Cruces Project in Peru (note 4a). Although it is anticipated that this annual payment will continue under the related option agreement, there is no certainty that the optionee will continue to maintain the option.

The head office and principal address of the Company is situated at Suite 320 – 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Approval of Consolidated Financial Statements

The consolidated financial statements of the Company for the six months ended June 30, 2012 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on August __, 2012.

c) Adoption of New and Revised Standards and Interpretations

The IASB issued a number of new and revised IAS, IFRS, amendments and related interpretations which are effective for the Company's financial years beginning on or after January 1, 2012. For the purpose of preparing and presenting the financial information for the relevant periods, the Company has consistently adopted all of these new standards for the relevant reporting periods.

At the date of authorization of these financial statements, the IASB and IFRS Interpretations Committee ("IFRIC") have issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods.

- IFRS 9, *Financial Instruments: Classification and Measurement* – effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.

- IFRS 10, *Consolidated Financial Statements* – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

- IFRS 11, *Joint Arrangements* – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.

- IFRS 12, *Disclosure of Interests in Other Entities* – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

- IFRS 13, *Fair Value Measurement* – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides guidance on the measurement of fair value and related disclosures through a fair value hierarchy.

- IAS 1, (Amendment) *Presentation of Financial Statements* – effective for annual periods beginning on or after July 1, 2012, includes amendments regarding presentation of items of other comprehensive income.

- IAS 19, (Amendment) *Employee Benefits* – effective for annual periods beginning on or after January 1, 2013, revises recognition and measurement of post-employment benefits.

- IAS 27, (Amendment) *Separate Financial Statements*– effective for annual periods beginning on or after January 1, 2013, prescribes the accounting for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

- IAS 28, (Amendment) *Investments in Associates and Joint Ventures* – effective for annual periods beginning on or after January 1, 2013, prescribes the accounting for investments in associates and sets out the requirements for investments in associates and joint ventures.

- IFRIC 20, *Stripping Costs in the Production Phase of a Producing Mine* – effective for annual periods beginning on or after January 1, 2013, prescribes the accounting for stripping costs in the production of a surface mine.

The Company has not early-adopted these standards, amendments and interpretations; however, the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

(Expressed in US dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

		Percentage owned	
	Country of incorporation	**June 30, 2012**	June 30, 2011
S.A. Mining Ventures Ltd.	Bahamas	100%	100%
Minera Angelica S.A.C.	Peru	100%	100%
Angelica Mining Inc.	Bahamas	100%	100%
T.C. Mining Inc.	Bahamas	100%	100%
687211 B.C. Ltd.	Canada (B.C.)	100%	100%
Aurifera Tres Cruces S.A.	Peru	100%	100%

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

These condensed interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's annual financial statements for the year ended December 31, 2011.

The preparation of financial statements 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 estimates where management's judgment is applied include asset valuation, asset retirement obligations, income taxes, contingent liabilities, share-based payments and ability to continue as a going concern. Actual results may differ from those estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and further periods if the review affects both current and future periods.

4. EXPLORATION AND EVALUATION PROPERTIES

	Tres Cruces	Estrella	Other Mineral Properties	Total
	(Note 4a)	(Note 4b)	(Note 4c)	
Balance, January 1, 2011	$ 829,908	$ 1	$ 3	$ 829,912
Geological services	84,121	-	-	84,121
Option payment received	(175,000)	-	-	(175,000)
Balance, December 31, 2011	$ 739,029	$ 1	$ 3	$ 739,033
Geological services	5,315	-	-	5,315
Write-off exploration properties	-	-	(2)	(2)
Option payment received	(175,000)	-	-	(175,000)
Balance, June 30, 2012	$ 569,344	$ 1	$ 1	$ 569,346

(Expressed in US dollars)

(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:

(i) Barrick incurring $1,700,000 in exploration expenditures by September 30, 2005 (incurred);
(ii) 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 as advance royalty ($175,000, net of Peruvian withholding taxes) per year after completion of the $1,700,000 in exploration expenditures; and
(iii) 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

In January 2006, the Company acquired 100% of the 1,800-hectare Estrella Project in Peru. In 2007, the project's value was written down by $390,688 as a result of an asset impairment review by management. There was no exploration work done on the property in 2011 or 2012 and its carrying value at June 30, 2012 is $1.

(c) Other Exploration and Evaluation Properties

The Company owns one mineral lease located in Ontario, Canada, which has previously been written down to a nominal value of $1.

In the six months ended June 30, 2012 the Company incurred aggregate expenses of $20,532 (2011 - $25,564) for property management, administration and taxes on its Peru mineral properties. The Company also recorded a $42,047 write-off of accounts payable in regard to an expense reversal of accrued property maintenance costs for 5 mineral claims in Peru that have been abandoned.

5. TRADE PAYABLES AND ACCRUED LIABILITIES

As at		**June 30, 2012**		December 31, 2011
Trade payables	**$**	**10,017**	$	45,698
Accrued liabilities		**7,500**		27,000
	$	**17,517**	$	72,698

(Expressed in US dollars)

6. SHARE CAPITAL

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 3,100,714 common shares pursuant to a 20% fixed stock option plan. 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 June 30, 2012 and December 31, 2011 and changes during the periods is as follows:

	Six months ended June 30, 2012		Year ended December 31, 2011	
	Number of Shares	**Weighted Average Exercise Price**	Number of Shares	Weighted Average Exercise Price
Outstanding, beginning of year	2,350,000	$ 0.52	3,020,000	$ 0.48
Granted	-	-	-	-
Expired	(1,085,000)	$0.55	(520,000)	$ 0.38
Exercised	-	-	(150,000)	$ 0.38
Options outstanding	**1,265,000**	**$ 0.48**	**2,350,000**	**$ 0.51**
Options exercisable	**1,265,000**	**$ 0.48**	**2,050,000**	**$ 0.52**

Stock options outstanding as at June 30, 2012 are as follows:

Number of Options		**Exercise**		**Weighted Average Contractual Life of Options Remaining**
Outstanding	**Exercisable**	**Price**	**Expiry Date**	**in Years**
65,000	65,000	$1.00	January 29, 2013	0.58
1,200,000	1,200,000	$0.45	October 6, 2015	3.27
1,265,000	1,265,000			3.13

(Expressed in US dollars)

Stock options outstanding as at December 31, 2011 are as follows:

Number of Options		Exercise		Weighted Average Contractual Life of Options Remaining
Outstanding	**Exercisable**	**Price**	Expiry Date	**in Years**
1,085,000	1,085,000	$0.55	June 29, 2012	0.24
65,000	65,000	$1.00	January 29, 2013	0.83
1,200,000	900,000	$0.45	October 6, 2015	3.52
2,350,000	2,050,000			1.93

c) Share-based Payments and Stock Option Reserves

In the six months ended June 30, 2012 the Company recognized the cost of share-based payments of $16,001 (2011 - $144,453) related to stock options which were granted in 2010. For the six months ended June 30, 2012 share-based amounts of $1,335 (2011 - $10,780) related to consulting fees and $14,666 (2011 - $133,677) related to general and administration were added to share-based payments reserve for the period.

For the 1,200,000 stock options granted in October 2010, the fair value of each option granted to employees 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:

Risk-free interest rate	1.76%
Expected life of the options in years	5
Annualized volatility	93.58%
Dividend rate	-
Grant date fair value	$0.35

7. RELATED PARTY TRANSACTIONS

Key management personnel compensation consists of the Chief Executive Officer and Chief Financial Officer. Aggregate compensation consists of the following:

For the six months ended June 30		**2012**		2011
Short term employee benefits	**$**	**167,665**	$	56,186
Share-based payments		**14,895**		81,083
	$	**182,560**	$	137,269

8. MANAGEMENT OF CAPITAL

The Company's common shares and stock options are considered to be capital under management. There has been no change in the nature of the Company's capital structure during the quarter ended June 30, 2012. 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 mineral properties and to maintain a flexible capital structure 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 issue new shares, issue debt and may acquire or dispose of assets.

In order to facilitate the management of capital, the Company prepares expenditure budgets that are updated as necessary depending on factors determined by the Board of Directors.

There were no changes in the Company's approach to management of capital during the quarter ended June 30, 2012.

The Company is not subject to any external capital restrictions.

9. FINANCIAL INSTRUMENTS

The Company has classified its cash and cash equivalents as held-for-trading; and trade payable and accrued liabilities, as other financial liabilities.

Fair value

The carrying values trade payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.
The Company's risk exposure and the impact on the Company's financial instruments are as follows:

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations.

The Company is exposed to concentration of credit risk with respect to its cash and cash equivalents; however, the risk is minimized as cash and cash equivalents are placed with major Canadian financial institutions.

The Company's concentration of credit risk and maximum exposure thereto is $148,667 as at June 30, 2012.

b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient assets and cash flows to meet liabilities when due. As at June 30, 2012 the Company has working capital of $162,056. As at June 30, 2012 the Company has trade payables and accrued liabilities of $17,517, which are due in the normal course of business.

c) Market Risk

Market risk is the risk that the fair value of or future cash flows from the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and equity prices. Management closely monitors individual interest rate and foreign currency movements to determine the appropriate course of action to be taken by the Company.

(i) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(ii) Foreign currency risk

As at June 30, 2012 the majority of the Company's cash and cash equivalents and trade payables and accrued liabilities are denominated in US dollars, the value of which is subject to fluctuation in exchange rates. Cash held in Canada and Peru in US dollars at June 30, 2012 amounted to $142,165 (2011 - $173,794).

The Company's net foreign currency exposure as at June 30, 2012 is as follows:

Cash and cash equivalents	$	1,412
Trade payables and accrued liabilities		(14,077)
Net foreign exposure	$	(12,665)

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

Based on the above net foreign currency exposure as at June 30, 2012 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 $1,266 in the Company's loss.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to any significant price risk.

10. SEGMENTED DISCLOSURE

The Company has one operating segment, mineral exploration and development. The Company's assets by geographical location at June 30, 2012 and 2011 are as follows:

As at		**2012**		2011
Canada	**$**	**174,459**	$	422,930
Peru		**574,460**		704,045
Total	**$**	**748,919**	$	1,126,975

The Company's operating losses by geographical location at June 30, 2012 and 2011 are as follows:

For the six months ended June 30		**2012**		2011
Canada	**$**	**(213,657)**	$	(178,966)
Peru		**47,474**		(1,107)
Total	**$**	**(166,183)**	$	(180,073)

NEW OROPERU RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS
For the six months ended June 30, 2012
(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 unaudited interim financial statements of the Company, including the notes thereto, for the six months ended June 30, 2012 and the audited financial statements of the Company for the year ended December 31, 2011 and the MD&A of such financial statements, and other information relating to the Company on file with the Canadian provincial securities regulatory authorities on SEDAR at www.sedar.com. The Company's interim financial statements for the six months ended June 30, 2012 and the annual audited financial statements for the year ended December 31, 2011 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A has taken into account information available up to and including August 22, 2012.

New Oroperu is an exploration stage company engaged in the identification, evaluation, acquisition and exploration primarily of gold properties in Peru. The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades on the TSX Venture Exchange under the symbol ORO.

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 Tres Cruces property in north central Peru which has a historical resource estimate of 1.7 million oz. gold. In 2003 the Company optioned a 70% interest in the Tres Cruces project to a subsidiary of Barrick Gold Corporation.

The Tres Cruces property has an estimated historical measured and indicated resource of 1.7 million oz. gold. This historical resource pre-dates the implementation of National Instrument 43-101 regulations and is therefore deemed non-compliant and not to be relied on. In 2003, subsequent to the historical resource estimation, Oroperu optioned 70% of its 100% interest 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 an underlying 1.5% royalty and 2% royalty to the Company.

Nearby the Tres Cruces project, about 10 km to the north, Barrick invested an estimated $340 million in the development of its Lagunas Norte deposit where production started in June 2005. Since then the Lagunas Norte project has reportedly produced an average of 1 million oz. of gold per year, and currently has reported proven and probable reserves of 6.2 million oz. gold at December 31, 2011.

Permitting studies and metallurgical evaluation of the Tres Cruces project are in progress. Barrick is also evaluating its own Lagunas Norte sulphide mineralization as part of a pre-feasibility study.

The Company believes that the proximal location of the Tres Cruces project to Barrick's operations would enhance the economics for the development of the Tres Cruces deposit.

The Company's total cash position at June 30, 2012 was $148,667 (2011– $419,630) and although all the proposed exploration expenditures on the Tres Cruces project are being covered by Barrick under its option agreement with the Company, the Company's current cash position may not be sufficient to meet its projected cash requirements for the year. New Oroperu's working capital position at June 30, 2012 was $162,056 (2011- $428,751).

MANAGEMENT DISCUSSION & ANALYSIS
For the six months ended June 30, 2012
(Expressed in US dollars)

Outlook

The Company's Tres Cruces project is dependent on Barrick's plans and decisions relating to its option and ultimately to advance the project through to production. Barrick has maintained the option since 2003, and although there is no certainty, New Oroperu expects that Barrick will continue to maintain its option and advance the project forward to a production decision.

The current NI 43-101-compliant resource estimate work by the Company, which includes reviewing all of the drill hole and metallurgical data on the Tres Cruces project, is expected to be completed in the second half of 2012.

Tres Cruces Project

The Tres Cruces project is a grass roots discovery made by the Company. New 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. The annual payment is subject to a 30% Peruvian withholding tax. 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, the Company 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 meters 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 2011.

Other Mineral Properties

The Company owns 100% of the Estrella property in central Peru. New Oroperu also has one mineral lease located in Ontario, Canada and it continues to maintain its rights on this property. No field work has been conducted during the past year.

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

Results of Operations

The Company's net loss for the six months ended June 30, 2012 was $166,183 (2011 – $180,073). The Company incurred expenditures of $20,532 (2011 - $25,564) on mineral properties, which consisted of property maintenance and taxes, and direct administration and management.

MANAGEMENT DISCUSSION & ANALYSIS
For the six months ended June 30, 2012
(Expressed in US dollars)

In the six months ended June 30, 2012 the Company kept the majority of its cash in U.S. dollars and incurred a foreign exchange gain of $12,542 (2011-$19,104) as a result of fluctuations in the Canadian dollar and Peruvian sole.

For the six months ended June 30, 2012, operating expenses were $205,265 (2011-$186,976), which included $16,001 (2011-$144,453) in non-cash share-based payments. Share-based payments for the period were attributed as to $14,666 (2011-$133,677) to general and administrative expenses and $1,335 ($2011-$10,780) to consulting fees.

The Company's operating expenses were consistent with the preceding year, and continue to remain low for a company of its size.

Barrick is continuing to cover project costs related to exploration and maintenance of the Tres Cruces property, as per the terms of its exploration agreement with the Company.

Summary of Quarterly Results

Results for the eight most recent quarters ending with the last quarter ending June 30, 2012:

For the quarterly periods ending	**June 30 2012**	**March 31 2012**	**December 31 2011**	**September 30 2011**
Loss for the quarter	$43,569	$ 122,614	$ 140,876	$ 164,158
Basic loss per share	$0.00	$ 0.01	$ 0.01	$ 0.01
For the quarterly periods ending	**June 30 2011**	**March 31 2011**	**December 31 2010**	**September 30 2010**
Loss for the period	$ 165,826	$ 180,073	$ 290,174	$ 74,881
Basic loss per share	$ 0.01	$ 0.01	$ 0.02	$ 0.00

The Company's second quarter loss ($43,569) includes a non-recurring expense recovery of $42,047 for reversal of an accrual of Peru property maintenance at the end of 2011. The Company's overhead and operating expenses continue to remain low for a mineral exploration company of its size.

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.

New Oroperu's cash position decreased by $81,056 since December 31, 2011. In the past 12 months, New Oroperu's only source of cash was from the $175,000 (net) property option payment it received from Barrick in regard to the Tres Cruces project.

The Company's total cash position at June 30, 2012 was $148,667 (2011–$410,630). The current cash position will not be sufficient to meet property maintenance and corporate operating requirements for the ensuing year, without the infusion of additional capital. The Company may seek additional financing during the year.

At June 30, 2012 the Company held the majority of its cash in U.S. dollars. New Oroperu's working capital position at June 30, 2012 was $162,056 (2011 - $428,751).

The Company is dependent on raising funds through the issuance of shares, obtaining debt financing, receiving its annual option payment from Barrick, and/or attracting joint venture partners in order to

MANAGEMENT DISCUSSION & ANALYSIS
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undertake further exploration and development of its mineral properties. Management believes that additional financing is available and may be sourced when needed to allow the Company to continue its planned activities in the normal course. There can, however, be no assurance the Company it will be able to raise funds in the near future.

Off-Balance Sheet Arrangements

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

Outstanding Share Data

There are 16,398,318 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
65,000	$1.00	January 29, 2013
1,200,000	$0.45	October 5, 2015
1,265,000		

* In CAD funds.

Related Party Transactions

Key management personnel compensation consists of the Chief Executive Officer and Chief Financial Officer. Aggregate compensation consists of the following at June 30, 2011:

For the six months ended June 30		**2012**		2011
Short term employee benefits	**$**	**167,665**	$	56,186
Share-based payments		**14,895**		81,083
	$	**182,560**	$	137,269

Proposed Transactions

There are no proposed transactions at this time.

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 maintain and 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 issue new shares, issue debt, or may 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.

The Company does not expect to pay out dividends in the foreseeable future. The Company's investment policy is to keep its cash on deposit in an interest bearing major Canadian chartered bank account.

The current cash position may not be sufficient to meet property maintenance and corporate operating requirements for the ensuing year, without the infusion of additional capital. The Company may seek additional financing during the year as required.

Financial Instruments

The Company has classified its cash and cash equivalents as held-for-trading; and trade payable and accrued liabilities, as other financial liabilities.

Fair value

The carrying values of cash and cash equivalents and trade payables and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The Company's risk exposure and the impact on the Company's financial instruments are as follows:

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations.

The Company is exposed to concentration of credit risk with respect to its cash and cash equivalents; however, the risk is minimized as cash and cash equivalents are placed with major Canadian financial institutions.

The Company's concentration of credit risk and maximum exposure thereto is $148,667.

b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient assets to meet liabilities when due. As at June 30, 2012, the Company has working capital of $162,056 (2011- $428,751). As at June 30, 2012, the Company has trade payables and accrued liabilities of $17,517 which are due in the normal course of business.

c) Market Risk

Market risk is the risk that the fair value of or future cash flows from the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and equity prices. Management closely monitors individual interest rate and foreign currency movements to determine the appropriate course of action to be taken by the Company.

d) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not exposed to significant interest rate risk.

e) Foreign currency risk

As at June 30, 2012, the majority of the Company's cash and cash equivalents and trade payables and accrued liabilities are denominated in U.S. dollars, the value of which is subject to fluctuation in exchange rates. Cash held in Canada and Peru in US dollars amounted to $142,165 (2011 - $173,794) at June 30, 2012.

	Cdn
Cash and cash equivalents	$ 1,412
Trade payables and accrued liabilities	(14,077)
Net foreign exposure	$(12,665)

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

Based on the above net foreign currency exposure as at June 30, 2012, 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 approximately $1,610 in the Company's loss.

f) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to any significant price risk.

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.

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 consolidated 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 consolidated financial statements and MD&A. Responsibility for the review and approval of the Company's unaudited interim consolidated 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.

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The auditors are appointed annually by the shareholders to conduct an audit of the consolidated 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.

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.

Other

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