

NEW OROPERU RESOURCES INC.

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in U.S. Dollars)
FOR THE NINE MONTHS ENDED SEPT 30, 2007**

(PREPARED BY MANAGEMENT WITHOUT AUDIT)

Note: These unaudited consolidated financial statements and accompanying notes hereto for the period ended September 30, 2007 have not been reviewed by the Company's auditors.

201 – 15225 Thrift Ave.
White Rock, British Columbia
V4B 2K9

Tel: (604) 535-4451
Fax: (604) 538-6558

NEW OROPERU RESOURCES INC.
CONSOLIDATED INTERIM BALANCE SHEETS
AS AT SEPTEMBER 30, 2007 AND DECEMBER 31, 2006
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(Expressed in U.S. dollars)

	September 30	December 31
	2007	2006
Assets		(audited)
Current Assets		
Cash and cash equivalents	\$ 1,269,044	\$ 1,312,137
Accounts receivable	10,268	17,194
Prepaid expenses	10,841	2,052
	1,290,153	1,331,383
Mineral properties (Note 3)	1,692,539	2,108,201
	\$ 2,982,692	\$ 3,439,586
Liabilities		
Current		
Accounts payable and accrued liabilities	21,060	52,281
Shareholders' Equity		
Share capital (Note 5)	25,767,956	25,733,946
Stock based compensation	294,698	189,882
Deficit	(23,101,022)	(22,536,523)
	2,961,632	3,387,305
	\$ 2,982,692	\$ 3,439,586

NEW OROPERU RESOURCES INC.
CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(Expressed in U.S. dollars)

	<u>Three months ended</u>		<u>Nine Months ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	2007	2006	2007	2006
Expenses				
	\$	\$	\$	\$
Consulting fees	18,000	18,000	54,000	54,000
Foreign exchange	(13)	753	145	8,699
General and administration	28,956	6,442	70,865	30,780
Investor relations	-	1,284	-	4,852
Legal and audit	13,886	19,337	48,572	50,465
Property investigation & maintenance	271	7,625	13,346	9,508
Regulatory fees	-	14,286	2,832	83,190
Rent	387	2	599	7,821
Stock based compensation	14,364	56,774	116,326	116,736
	75,851	124,502	306,685	366,051
Interest Income	(14,403)	(17,333)	(42,188)	(52,383)
Loss before Other Items	\$ 61,448	\$ 107,169	\$ 264,497	\$ 313,668
Writedown of mineral properties and investments	-	-	300,002	-
Loss for the period	\$ 61,448	\$ 107,169	\$ 564,499	\$ 313,668
Deficit – Beginning of Period	23,039,574	22,370,515	22,536,523	22,164,016
Deficit - End of Period	\$ 23,101,022	\$ 22,477,684	\$ 23,101,022	\$ 22,477,684
Basic and diluted loss per share	<\$0.01	<\$0.01	<\$0.01	<\$0.01

NEW OROPERU RESOURCES INC.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(Expressed in U.S. dollars)

	<u>Three months ended</u> <u>September 30</u>		<u>Nine months ended</u> <u>September 30</u>	
	2007	2006	2007	2006
Cash provided by (used for)				
(Loss) Income for the period	\$ (61,448)	\$ (107,169)	\$ (564,499)	\$ (313,668)
Items not involving cash:				
Stock based compensation	14,363	56,774	116,326	116,736
Writedown min. properties investments	-	-	300,002	-
Net changes in non- cash working capital items:				
Accounts receivable	(2,486)	(16,996)	6,932	(22,619)
Accounts payable	(5,504)	(22,404)	(31,221)	(23,661)
Prepaid expenses	(3,211)	(1,235)	(8,789)	39,252
	(58,286)	(91,030)	(181,249)	(203,960)
Investing activities				
Mineral properties expenditures	(12,501)	-	(59,344)	175,000
Payment on Aurifera option (Note 3)	-	(104,699)	175,000	(175,787)
Financing activities				
Stock options exercised	22,500	-	22,500	-
Increase (decrease) in cash	(48,287)	(195,729)	(43,093)	(204,747)
Cash and cash equivalents, beginning of period	1,317,331	1,845,490	1,312,137	1,854,508
Cash and cash equivalents, end of period	\$ 1,269,044	\$ 1,649,761	\$ 1,269,044	\$ 1,649,761

**NEW OROPERU RESOURCES INC.
CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2007
(PREPARED BY MANAGEMENT WITHOUT AUDIT)
(Expressed in U.S. dollars)**

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND NATURE OF OPERATIONS

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

Through its wholly-owned subsidiary, S.A. Mining Ventures Limited ("SA Mining"), the Company owns 100% of Minera Angelica S.A.C. and Oromin S.A. ("Oromin"), two companies incorporated in Peru, and Angelica Mining Inc. ("Angelica"), a company incorporated in the Bahamas during 2003.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, S.A. Mining Ventures Limited ("SA Mining"), a company incorporated in the Bahamas, which owns 100% of Oromin S.A. ("Oromin") and Minera Angelica S.A.C., two companies incorporated in Peru, and Angelica Mining Inc. ("Angelica"), a company incorporated in the Bahamas. All intercompany balances and transactions have been eliminated on consolidation.

SA Mining also owns 100% of T.C. Mining Inc. ("TC Mining"), a company incorporated in the Bahamas. TC Mining directly and indirectly owns a 100% interest in Aurifera Tres Cruces S.A. ("Aurifera") a company incorporated in Peru for the purposes of operating the Tres Cruces project (Note 3). Fifty percent of the interest is owned directly and the remaining 50% interest is owned indirectly through TC Mining's 100% interest in 687211 B.C. Ltd, a BC incorporated company.

Interim Financial Reporting

The accompanying unaudited interim consolidated financial statements are prepared in accordance with generally accepted accounting principles ("GAAP") in Canada with respect to the preparation of interim financial statements. Accordingly, they do not include all of the information and disclosures required by Canadian GAAP in the preparation of annual consolidated financial statements. The accounting policies used in the preparation of the accompanying unaudited

interim consolidated financial statements are the same as those described in the annual consolidated financial statements and the notes thereto for the year ended December 31, 2006. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements including the notes thereto for the year ended December 31, 2006.

Management estimates

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

3. MINERAL PROPERTIES

Tres Cruces Project

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

In September 2003 the Company finalized an agreement with Minera Barrick Misquichilca S.A. ("Barrick") for an option to acquire up to a 70% interest in Aurifera and received an initial payment of \$400,000 from Barrick. Barrick was obligated to spend \$1,750,000 on the project by September 30, 2005 (done) and pay \$200,000 annually until the exploration obligation was met (paid), and thereafter \$250,000 a year to maintain its option. All exploration expenditures will be payable by Barrick until a production decision is made. Upon making a production decision, Barrick must pay the Company a \$1,000,000 advance royalty payment, and following such production decision the Company, through Aurifera, would retain a 30% fully financed interest subject to certain payback provisions, and would also retain a 2% royalty interest.

Carrying value of Tres Cruces property interest at December 31, 2006	\$	1,529,908
Option payment received May 31, 2007 (less withholding taxes)		(175,000)
Carrying value of Tres Cruces property interest at September 30, 2007	\$	1,354,908

Estrella Project, Peru

At September 30, 2007 the Company's total expenditures on the project were \$651,559. Pursuant to an asset impairment review completed by management, the project's value was written down by \$300,000 in the second quarter of this year.

Balance, December 31, 2006		
Acquisition		8,500
Deferred exploration costs		569,789
		<hr/>
	\$	578,289
Additions during the period:		
Deferred exploration costs		
Project management and administration		45,740
Geology/geophysical		1,103
		<hr/>
		625,132
Writedown of property value		(300,000)
		<hr/>
Balance, September 30, 2007	\$	325,132

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. The properties were acquired as a result of regional exploration programs in prior years. During 2003, due to uncertainty over the Company's future plans for the properties and lack of objective methodology in measuring recoverable value, the Company wrote down the carrying value of these properties by \$1,482,506, to a nominal value of \$1 each.

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

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

4. INVESTMENT AND ADVANCES RECEIVABLE

The Company has a 20% interest in Nuevo Condor Inc., a former subsidiary in Bahamas, which investment was recorded at a nominal value of \$2 at December 31, 2006. The Nuevo Condor project is currently inactive and the remaining value was written off during the current year.

5. CAPITAL STOCK

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

(b) Issued and outstanding

	Number of Shares	Amount
Authorized		
100,000,000 common shares without par value		
Issued and outstanding		
Balance, December 31, 2006	15,503,574	\$ 25,733,946
Stock options exercised	150,000	34,010
		<hr/>
Balance, September 30, 2007	15,653,574	\$ 25,767,956

(c) Stock options

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

Stock options to purchase common shares have been granted to directors, employees and consultants at exercise prices determined by reference to the market value on the date of grant.

A summary of the Company's options outstanding as at September 30, 2007 is as follows:

	Number	Vested (exercisable)	Exercise Price per Share	Expiry Date
Issued in 2002	593,750	593,750	\$0.15	October 25, 2007
Issued in 2006	670,000	502,500	\$0.38	February 3, 2011
Issued in 2007	1,085,000	271,250	\$0.55CAD	June 29, 2012
	2,348,750	1,367,500	\$0.38*	

* Weighted average exercise price in US funds.

An amount of 150,000 options were exercised during the 9 months ended September 30, 2007.

(d) Stock-based compensation

An amount of \$11,510 was transferred from stock-based compensation to share capital in recognition of 150,000 stock options exercised during the period.

The Company recognized stock-based compensation of \$116,326 (2006 - \$116,736) related to stock options granted. The fair value of stock options used to calculate compensation expense was estimated using the Black-Scholes option pricing model with the following assumptions:

For \$0.38 US Stock Options issued in March 2006	2006
Risk-free interest rate	5.0%
Expected dividend yield	-
Expected stock price volatility	66.94%
Expected option life in years	5
For \$0.55 CAD Stock Options issued in June 2007	2007
Risk-free interest rate	4.66%
Expected dividend yield	-
Expected stock price volatility	82.52%
Expected option life in years	3

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

6. RELATED PARTY TRANSACTIONS

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

Consulting	\$	54,000
General and administration		<u>33,277</u>
Total	\$	87,277

At September 30, 2007, there were no outstanding amounts payable to related parties.

7. SEGMENTED DISCLOSURE

The Company has one operating segment, mineral exploration and development. Of the Company's assets, an amount of assets totaling \$1,692,538 (2006-\$1,817,083) is located in Peru and \$1,290,154 (2006-\$1,695,763) is located in Canada.

Note: These unaudited consolidated financial statements and accompanying notes hereto for the period ended September 30, 2007 have not been reviewed by the Company's auditors.

NEW OROPERU RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS (expressed in US dollars)

SEPTEMBER 30, 2007

This MD&A should be read in conjunction with the interim consolidated financial statements and notes for the period ended September 30, 2007, and includes information up to November 23, 2007. It is further assumed that the reader has access to the Company's audited consolidated financial statements for the year ended December 31, 2006.

Company Overview

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

Our principal asset is the measured and indicated 1.7 million oz. gold Tres Cruces deposit in north central Peru. We own 100% of the project subject to a 1½% royalty. The Tres Cruces project is currently being further explored under the terms of an option agreement with Minera Barrick Misquichilca S.A. (the operating Peruvian subsidiary of Barrick) and is further described below.

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. Reported reserves of Lagunas Norte at December 2006 were 8.8 million oz. gold. By November 2006 Lagunas Norte had produced 1 million oz. for the year 2006 (source: Barrick Press Release).

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

The Company's total cash position at September 30, 2007 was \$1,269,044, 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 September 30, 2007 was \$1,269,093.

Tres Cruces Project

The Tres Cruces project is a grass roots discovery made by the Company. An initial 11,000 meters of drilling outlined several zones of mineralization which attracted a joint venture with Battle Mountain Gold. Infill drilling and exploration led to the discovery of another mineralized area. After an expenditure totaling US\$6 million which included about 30,000 meters of reverse circulation and diamond drilling by both companies, a resource calculation was made by Battle Mountain. This historical resource of 1.7 million oz. gold is detailed in our NI 43-101 report titled "Summary Report of the Tres Cruces Property dated July 25, 2002" and filed on SEDAR on July 31, 2002. These resources were calculated and reported to the Company by Battle Mountain Gold Company in 1999. The Company's Qualified Person reviewed the data, methodology and interviewed the Battle Mountain personnel responsible for the calculation and determined that it was according to industry standards at the time. Although standard techniques for calculating the resources were used, the calculation is deemed "historical" by NI-43-101 standards and should not be relied on.

In September 2003 we finalized an agreement with Barrick granting them an option to acquire up to a 70% interest in Aurifera Tres Cruces S.A., the subsidiary that holds the Tres Cruces project. An initial payment of \$400,000 was received from Barrick in respect of this option during the period. Barrick met its obligation to spend \$1,750,000 on the project by December 31, 2005 and paid us \$200,000 in 2005 and in 2004 to maintain its option. Barrick's cost to maintain its option on the Tres Cruces property is now to \$250,000 a year (note: less withholding taxes of \$75,000). All exploration expenditures will be incurred

NEW OROPERU RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS (expressed in US dollars)

SEPTEMBER 30, 2007

by Barrick until a production decision is made. Following a production decision, we would retain a 30% fully financed interest in Aurifera and a 2% royalty interest and receive a US\$1 million advance royalty payment.

On March 31, 2004 we completed an agreement with Pan American for the purchase of the 50% of Aurifera previously held by Pan American, with the issuance of 3,500,000 common shares of the Company and the granting of a 1½% NSR to Pan American.

In 2003, under the terms of our agreement, Barrick completed an initial phase program on the Tres Cruces property. The Barrick exploration program was comprised of geological mapping, re-logging of existing drill core, IP and gravity geophysical studies and the drilling of 14 diamond drill holes for a total of 4,029 metres. Barrick's main thrust for this phase of work was to evaluate lateral extensions of known mineralization as defined by prior drilling and IP targets immediately outside the known resource to the west and to a lesser degree, the east, with limited success.

Barrick's 2004 drilling exploration program completed 5 drill holes on wide spaced centers southwest from the mineralized zone. The altered sinter/sediment basin was intercepted several times but no mineralization was encountered underneath similar to the earlier found deposits. Barrick also twinned several holes in the known deposits for metallurgical testing.

In 2003 Barrick announced the discovery of its 8 million oz. gold deposit at Alto Chicama which is near our Tres Cruces deposit. By June 2005 after an expenditure of about \$340 million the project was placed into production. Recent production levels of about 1,000,000 oz./year have been announced by Barrick.

This year Barrick has significantly increased its level of exploration activity at Tres Cruces. Two diamond drill campaigns totaling about 11,000 meters have been completed. This work has defined additional mineralization adjacent to the existing mineralized zones in the historical measured and indicated resources. A 7,300 meter reverse circulation drill program is currently in progress. Geotechnical drilling programs have been completed. Baseline environmental studies are in progress. Additional infill and condemnation drilling is planned. The results of a 5,508 meter diamond drill program were announced in the Company's June 18, 2007 news release, which expanded the area of prior known mineralization. On August 13, 2007 the Company released results of a second 5,776 meter diamond drill program. This program encountered better grades and also extended mineralization beyond the historical resources.

The success of these drilling programs has led to the need for additional drilling.

The current reverse circulation drill program was designed to continue the in-fill and delineation work. This program started in mid-July and was planned for about 7,300 meters in 40 holes. This phase of drilling has already drilled over 40 holes and is still in progress and may continue until the end of this year. We continue to be encouraged by this level of activity on our Tres Cruces project and we believe that the close proximity of our project with Barrick's operations 12 km. to the north could enhance the economics of the Tres Cruces mineralization.

Other Mineral Properties

We own the 900 hectare Angelica property, another prospective grassroots gold project, situated 5 km. from our Tres Cruces resource discovery in central Peru. We also have three mineral leases located in Ontario, Canada, which in fiscal 2002 were written down to a nominal value of \$1. We will maintain our rights on these properties in 2007, but do not plan any exploration activities there this year.

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

NEW OROPERU RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS (expressed in US dollars)

SEPTEMBER 30, 2007

Results of Operations

The Company's operating loss reported for the nine month period ended September 30, 2007 was \$264,497 (2006 - \$313,668). Non-cash stock compensation expense related to 1,085,000 stock options issued during the period accounted for \$116,326 (2006 - \$116,376) of the loss during the period. General and administrative costs for the period of \$70,865 (\$30,780) remained low in view of the fact that the Company did not conduct any significant field exploration programs in 2007.

We incurred expenditures of \$59,344 on mineral properties in Peru, which consisted primarily of project management, administration and property maintenance payments, as there were no field programs conducted during the period.

We continued to invest our cash in low-risk bankers' acceptance note securities, earning \$42,188 of interest income during the period.

Summary of Quarterly Results

Results for the eight most recent quarters ending with the last quarter ending September 30, 2007:

For the quarterly periods Ending on	Sept. 30 2007	June 30 2007	Mar. 31 2007	Dec. 31 2006
Loss (income) before adjustments	61,448	\$161,462	\$41,589	\$ 84,362
Loss (income) for the period	61,448	161,462	41,589	58,839
Basic loss (earnings) per share	0.01	0.01	0.01	0.01
For the quarterly periods Ending on	Sept. 30 2006	June 30 2006	Mar. 31 2006	Dec. 31 2005
Loss before adjustments	\$ 107,169	\$ 98,582	\$ (107,916)	\$25,463
Loss (income) for the period	107,169	98,582	(107,916)	(57,318)
Basic loss (earnings) per share	0.01	0.01	0.01	(0.01)

Liquidity

Our cash and cash equivalents increased by a decreased amount of \$43,093 since September, 2006. In the past 12 months the Company's sources of cash were from:

- \$175,000 option payment from Barrick (\$250,000 less \$75,000 withholding taxes)
- \$42,188 in interest income
- Exercise of stock options - \$22,500

Our total cash position at September 30, 2007 was \$1,269,044, sufficient to meet project exploration and corporate needs for the ensuing year. The Company's total working capital position at September 30, 2007 was \$1,269,093 (September 30, 2006 - \$1,612,951).

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 \$22,000 this year.

NEW OROPERU RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS
(expressed in US dollars)

SEPTEMBER 30, 2007

Off-Balance Sheet Arrangements

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

Related Party Transactions

N.S. Star Enterprises, a company owned by K. Wayne Livingstone, president of New Oroperu, provided technical management services and administrative services to the Company during the period totaling an aggregate of \$63,000 (2006-\$63,000).

Morfopoulos Consulting Associates Ltd., a company 50% owned by Aris Morfopoulos, C.F.O. of New Oroperu, provided accounting and administration services to the Company during the period totaling \$24,277 (2006-\$15,910).

Certification of Interim Filing

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

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

Due to the small size of the Company, there is a lack of segregation of duties which may be an internal control weakness. Management mitigates this risk through direct involvement of senior management in day to day operations and board review and audit committee communications on major transactions. It is unlikely that this weakness can be properly addressed until the Company grows to a sufficient size to warrant the cost of, and need for, such controls. During the period September 30, 2007, there were no significant changes in the Company's internal control over financial reporting that occurred that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Critical Accounting Estimates

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

NEW OROPERU RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS (expressed in US dollars)

SEPTEMBER 30, 2007

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

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

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

Financial Instruments

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

The Company has adopted in the quarter, new accounting guidelines for reporting and measuring financial instruments which became effective for the 2007 fiscal year. There was no effect on prior periods and the Company does not have held for sale assets as defined in the new standard. Accordingly, there are no comprehensive income adjustments arising from adoption of the standard.

Forward-Looking Statements

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

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 all manner of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is not feasible or practical to proceed.

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.

NEW OROPERU RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS
(expressed in US dollars)

SEPTEMBER 30, 2007

Metal Prices

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

Political Risk

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

Environmental

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

Other

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