

**INTERNATIONAL MONTORO RESOURCES INC.**  
(formerly Montoro Resources Inc.)

**Form 51-102F1**

***Management's Discussion & Analysis  
for the 2<sup>nd</sup> Quarter ended February 28, 2007  
(and containing information as of April 20, 2007)***

**Item 1: INTERIM MD&A**

**Forward-looking Information**

This Management Discussion and Analysis ("MD&A") contains certain forward-looking statements and information relating to International Montoro Resources Inc. ("IMT" or the "Company") that are based on the beliefs of its management as well as assumptions made by and information currently available to IMT. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to IMT or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of IMT exploration properties. Such statements reflect the current views of IMT with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of IMT to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional important factors, if any, are identified here.

**1.1 Date**

The following discussion and analysis was approved by the Directors of the Company on April 20, 2007 and should be read in conjunction with the unaudited financial statements for the quarter ended February 28, 2007 and the related notes thereto. All figures are in Canadian dollars unless otherwise noted.

**1.2 Overall Performance**

- (i) The Company signed an option to acquire 100% interest in a 53 mineral claim units (938 hectares) cobalt/copper (**Malachite**) prospect in Bathurst, New Brunswick area. 75% interest had been earned as of November 30, 2004, and the Company has completed additional diamond drilling and ground geophysics during the 2004 exploration season. The further 25% interest was earned in 2006 following the payment of the final \$10,000 property payment.
- (ii) On April 10, 2003 the Company signed a Property Option Agreement with Jaroslav Ruza ("Ruza") to acquire a 16 unit claim block (**Shaver Lake**), Bateman/Shaver Twp. in the Red Lake Mining Division, northwestern, Ontario. On May 8, 2003 the Company signed an agreement with Belmont Resources Inc. ("Belmont"), a related party whereby they have agreed to joint venture the exploration programs on the Shaver prospect and nearby Red Lake prospects which Belmont has also optioned from Ruza, 16 units (**Walsh Lake**), and will therefore assign a 50% interest in each other's option as they are earned from Ruza. On October 28, 2003 the Company and Belmont signed a further agreement with Ruza to acquire two additional claims-14 units adjacent to the Shaver Lake block. Subsequently, the Company and Belmont arranged the staking of an additional 6 claims (81 units) in the Bateman and Shaver Twp. adjacent to and contiguous with the optioned properties. On August 25, 2005 the Company, Belmont and Ruza signed an Amended

Option Agreement to exercise their rights to acquire a 100% interest (each to 50%) in the properties. NI 43-101 Reports have been prepared on these properties and details of the 2004 summer program of ground geophysical exploration and drilling results on Walsh Lake and the spring 2006 program of drilling on Shaver Lake follow in this Management Discussion.

- (iii) On February 27, 2004 the Company and Belmont signed a Property Acquisition Agreement with Shewchuck/Patrie to acquire patented claim mineral rights covering an area of 21.5 hectares (**East Bay**) in the Red Lake Mining Division.
- (iv) On April 11, 2006 the Company together with Belmont Resources Inc (50/50 j.v.) signed an Option Agreement to acquire 100% interest in 750 hectare one claim block in northern **Saskatchewan** near Uranium City (**Crackingstone River** claim). The Companies have received and SEDAR filed a NI 43-101 geological report (dated July 11, 2006), which outlines additional details on the property and recommendations for further exploration.
- (v) On April 11, 2006 the Company together with Belmont Resources Inc. (50/50 j.v.) signed an Option Agreement to acquire 100% interest in three claim blocks in the Central Mineral Belt Uranium District, **Labrador (Stormy Lake & Partridge River)**. The Companies have received and SEDAR filed a NI 43-101 geological report (dated August 30, 2006) which outlines additional details on the properties and recommendations for further exploration.
- (vi) On April 30, 2006 the Company signed a Property Acquisition Agreement to acquire 100% interest in two mineral claims located in the Greenwood Mining Division of **British Columbia (Ballistic 1 & 2)**.
- (vii) During October 2006 the Company together with Belmont Resources Inc. (50/50 j.v.) arranged the staking of three additional claims totaling 11,109 hectares (**Orbit Lake**) adjacent to and surrounding the Crackingstone claim block. See the Company news release dated October 24, 2006 as filed on SEDAR for more specific details on the merits of this staking area.
- (viii) **On December 8, 2006 the Company signed a Property Acquisition Agreement to acquire 100% interest in nine mineral claims located in the Greenwood Mining Division adjacent to the two claims detailed in (vi) above. The claims are known as the Cup Lake/Donen uranium deposit in south-central British Columbia. The agreement has been filed and awaiting regulatory approval.**
- (ix) **On December 29, 2006 the Company signed a Property Option/Acquisition Agreement to acquire 100% interest in ten mining claims located in the Sault Ste. Marie Mining Division, Elliot Lake area, in Northern Ontario, known as the Serpent River property. On January 26, 2007 the TSX Venture Exchange has accepted for filing this agreement. The Company has received and SEDAR filed a NI 43-101 geological report (dated March 20, 2007) which outlines additional details on the property and recommendations for further exploration.**
- (x) **On April 16, 2007 the Company together with Belmont Resources Inc. (50/50 j.v.) entered into an option agreement with Ultra Uranium Corp. ("Ultra"), whereby Ultra can acquire a 65% interest in the Orbit Lake claims. Upon earning a 65% interest in the Orbit, Ultra will then have the right to also acquire an interest in the adjoining Crackingstone uranium property located in the Uranium City, Saskatchewan area. The agreement is subject to regulatory approval.**

- (xi) **On April 19,2007 the Company together with Belmont Resources Inc. (50/50 j.v.) entered into an option agreement with International Alliance Resources Inc. (“Alliance”), whereby Alliance can acquire a 51% interest in the Shaver Lake claims, Red Lake Mining Division, Ontario. The agreement is subject to regulatory approval.**

**Other**

There were no investor relations’ activities undertaken by or on behalf of the Company during the year except for the dissemination of press releases and exploration updates to the media, interested shareholders, investors, and brokers. In addition, the Company completed changes and updates to the website during the year.

On September 29, 2006 the President, Gary Musil conducted an interview on the Smartstox Online TV Talk show, an international internet news portal on small-cap companies. The web-streamed CEO interview and corporate profile can be reviewed at [www.smartstox.com](http://www.smartstox.com) The Company compensates Smartstox.com for production of the materials. **On December 14,2006 a further interview was conducted with Smartstox.**

During the first quarter ended November 30,2006 the Company has filed documentation for regulatory acceptance of the following **other** transactions:

Nil

During the second quarter ended February 28,2007 the Company has filed documentation for regulatory acceptance on the following **other** transactions:

Nil

**1.3 Selected Annual Information**

		<b>Year-Ended August 31, 2006</b>	Year-Ended August 31, 2005	Year-Ended August 31, 2004
a.	Net Sales or Total Revenues	\$Nil	\$Nil	\$Nil
b.	Income or (Loss) before discontinued operations and extraordinary items	<b>(\$216,610)</b>	(\$92,804)	(\$209,049)
c.	Net Income or (Loss) in total *	<b>(\$233,953)</b>	(\$92,804)	(\$209,049)
d.	Net Income or (Loss) per fully diluted share basis	<b>(\$0.04)</b>	(\$0.01)	(\$0.01)
e.	Total Assets	<b>\$853,629</b>	\$380,914	\$378,882
f.	Total long-term financial Liabilities	\$Nil	\$Nil	\$Nil
g.	Cash dividends declared per share	N/A	N/A	N/A

**1.4 Results of Operations during the quarter ended February 28,2007.**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may be different from those estimates. Additional significant accounting policies are detailed in Note 2 attached to the financial statements.

(a) **Financings:**

**On January 19,2007 the Company completed the 2<sup>nd</sup> tranche of the financing announced on May 5 and June 30,2006 and issued 1,220,000 shares and warrants and finders fees of 72,000 units as per the above terms.**

**During the first quarter ended November 30,2006 the Company issued 230,000 common shares @ \$0.20 pursuant to the exercise of warrants to net the treasury \$46,000. In addition 50,000 common shares @ \$0.155 were issued pursuant to the exercise of stock options for \$7,750.**

**During the second quarter ended February 28,2007 the Company issued 1,303,334 common shares @ \$0.20 pursuant to the exercise of warrants to net the treasury \$260,666.80 and 259,400 common shares @ \$0.30 to net the treasury \$77,820. In addition 55,000 common shares at \$0.155 were issued pursuant to the exercise of stock options for \$8,525.**

**Subsequent to the quarter ended February 28,2007 the Company issued 380,000 common shares @ \$0.20 pursuant to the exercise of warrants to net the treasury \$76,000.**

The following are highlights of the progress on the various projects, **during the current year** and in the past two years.

(b) **South Trend/Overtime-Ungava, Raglan area, Quebec:**

Canadian Royalties Inc. has completed the exploration expenditures commitment and has earned its 100% interest in the property. **The Company holds a 1% NSR royalty (with \$1 million buyout provision).**

(c) **Malachite-Bathurst, New Brunswick:**

In **May 2004** the Company continued exploration on its 100% owned (53 mineral claim units-938 hectares) cobalt/copper project. The grid and subsequent Magnetic & VLF surveys were extended northeast along strike of the expanded 16 claims, which were staked in April 2004. A further 5 hole drill program was completed totaling approximately 675 metres to follow-up the down dip and strike potential of the Main Zone, the Smith Zone and to test a newly delineated VLF anomaly from the recent survey. Significant drill intersections were reported in the August 31, 2004 year-end MD&A and have been filed in prior news releases on SEDAR. Based on these results International Montoro has confirmed an extension of the previously reported presence of significant cobalt mineralization on the Malachite property.

Drilling indicates that the cobalt, copper and gold mineralized zone within the altered rhyolite on the Malachite Property has a strike length of at least 600 metres and a vertical depth of approximately 70 metres. This recent round of drilling was concentrated around the Smith Zone and Main Zone. Analysis of the drill core indicates the mineralized zone is significantly anomalous in nickel and gold as well as the previously reported cobalt and copper. This zone is untested at depth and along strike.

**A Phase III exploration program consisting of a deep penetrating EM survey with follow-up drilling is recommended and is being planned for 2007.**

(d) **Shaver & Walsh Lake - Red Lake Mining Division – Northwestern, Ontario**

**In May 2004** the Company and Belmont announced the completion of three drill holes on its Walsh Lake, Bateman Twp. claims. The drilling (Holes BWL-04-01,-02, & 03) totaled 534 metres, and was targeted from the earlier completed detailed ground geophysical surveys (magnetic and VLF-

EM). No significant gold values were obtained.

On **May 31, 2004** the Company and Belmont received a preliminary geophysics report on its (Shaver Lake) northern claim blocks.

The groundwork comprised 45.5 km of line cutting and ground grid. A ground grid of lines was put in place to facilitate and control the first surveying. The geophysical survey comprised 42.4 km of magnetic and VLF surveying space 50 metres apart over the line grid. The geophysics interpretation has targeted 5 drill sites in the south central portion of the claim block. Further details of the geophysical survey can be seen on SEDAR on review of our July 29, 2004 news release.

On **August 25, 2005** the Company and Belmont signed a Property Acquisition/Amended Option Agreement with the vendor of the Red Lake properties and completed 100% ownership by each Company issuing 140,000 common treasury shares at a deemed price of \$0.05 per share and paying \$4,500 in cash.

During the **third quarter ending July 31, 2006** the Company and Belmont completed a 930 meter, 6-hole diamond drilling program on their 30 unit property located in the Bateman and Shaver Twps. The objective of the program was to drill test a number of structures interpreted by Excalibur International Consultants Ltd. from the 2004 combined VLF and magnetic survey.

The drilling program was successful in intersecting zones of sulphide mineralization and quartz veining contained within altered mafic volcanic and intermediate to felsic intrusive rocks. The quartz veining was mineralized with pyrite, pyrrhotite and magnetite. A wide zone of weakly disseminated sulphide and magnetite mineralization was intersected in holes BSL-6, however did not return significant gold values.

The geophysical surveys identified several more significant magnetic high and conductive anomalies in the southern and northern portion of the property. These targets have not been drill tested and represent additional drilling targets for discovery of copper-nickel-PGM mineralization.

**Subsequent to the quarter ended February 28, 2007 the Company together with Belmont Resources Inc. entered into an option agreement with International Alliance Resources Inc. (“Alliance”), whereby Alliance can acquire a 51% interest in the Shaver Lake claims, subject to regulatory approval.**

(e) **East Bay – Red Lake Mining Division –Northwestern Ontario**

Further to our February 2004 announced acquisition agreement, the Company and Belmont reported in September 2004 receiving notification from their solicitor in Red Lake that the Transfer/Deed of Land has been completed. The properties are strategically located in Bateman Township approximately 3 km south/southwest of and along strike from the Wolfden/Placer Dome GAZ (Green Altered Zone) discovery and north/northwest of claims being developed by Rubicon and Goldcorp.

The Company and Belmont have received a preliminary review conducted by John B. Boniwell, Geophysical Consultant of Excalibur International Consultants Ltd. and further details can be seen on SEDAR upon review of our September 28, 2004 news release.

**The Companies are preparing a budget for a recommended work program and expect to embark on the exploration in 2007.**

**(f) Crackingstone River area – Northern Mining District – Saskatchewan**

**April 17, 2006** – The Company announced that together with Belmont Resources Inc. they have signed an agreement to acquire 100% interest in one claim block in northern Saskatchewan near Uranium City.

This claim comprises approx. 750 hectares in the Northern Mining District, Crackingstone River area. Historic work in the area dates back to the 1950's. From 1953 to 1982, sixteen deposits were brought into production in the Uranium City area, with total output in the order of 25,000 tons of uranium.

Terms of the Montoro/Belmont Option Agreement are \$30,000 cash over two years and 100,000 treasury common shares (\$15,000 and 50,000 shares each from Montoro and Belmont). The property is also subject to a 2% NSR. The Company has paid its initial \$5,000 cash payment and issued the 50,000 shares. The shares will have a four month hold period expiring August 25, 2006.

The companies have received a NI 43-101 report (dated July 11,2006). Detailed merits of this prospect and a planned 2006/07 exploration program has been outlined in the report. See the **October 26, 2006** news release filed on SEDAR for more specific information on the Uranium potential of this property and the adjoining area.

**During the quarter ended February 28, 2007 the Companies have completed a 90 km line cutting program which consisted of establishing grid lines and the initiation of a Mag/VLF-EM ground geophysical survey over the entire 750 hectare property. Results are pending and a planned extensive sampling, trenching and drilling program are being planned for the summer of 2007.**

**(g) Central Mineral Belt Uranium District - Labrador**

**April 19, 2006** – The Company announced that together with Belmont Resources Inc. they have signed an agreement to acquire 100% interest in four claim blocks (126 units approx. 4000 ha) in the CENTRAL MINERAL BELT URANIUM DISTRICT (“CMB”), LABRADOR.

**September 14, 2006** – The Companies announced that during the preliminary evaluation and due diligence in preparation for initial sampling and exploration of the four claim blocks, it was discovered that the claims had lapsed. The vendor immediately arranged the staking of three new geologically and strategically located claim blocks (128 units – 32.0 square km.) in the CMB, Labrador. No new or additional changes were made in the terms of the original agreement. Specific details and further information can be reviewed in the September 14, 2006 new release filed on SEDAR.

Terms of the Montoro/Belmont Option Agreement are: \$60,000 cash over two years and 200,000 treasury common shares (\$30,000 and 100,000 shares each from Montoro and Belmont). The property is also subject to a 2% NSR with a one percent (1%) buy-out for \$500,000. The Company has paid the initial \$7,500 cash payment and issued the 100,000 shares. The shares are subject to a four-month hold period expiring August 25, 2006.

**September 20, 2006** – The Company news released and filed on SEDAR specific details of the NI 43-101 Report dated August 30, 2006.

**October 12, 2006** – The Company announced the completion of 411 line km. of helicopter-borne high resolution magnetic and radiometric surveying over the entire three claim blocks.

**The Companies received the survey results from Fugro Airborne Surveys, and contracted Intrepid Geophysics Ltd. and Encom Technology Pty Ltd. to completed the interpretation. A total of nine radiometric target anomalies have been identified. Detailed field mapping of the regional target areas, with subsequent refinement of the structural interpretation is recommended, and further field validation and sampling (stream, soil, and rock chip sampling) is being planned for 2007. Additional details and information can be reviewed in the March 22,2007 news release as filed on our website and SEDAR.**

**(h) Ballistic Mineral Claims – Greenwood Mining Division – British Columbia**

The TSX Venture Exchange has accepted for filing a purchase agreement, dated **April 30, 2006**, between the Company, and Andrew and Larry Sostad, pursuant to which the Company has the right to acquire up to 100% interest in **two uranium prospect mineral claims** located in the Greenwood Mining District of B.C.

The total consideration payable to the vendors is \$75,000 cash (paid) and 300,000 units (issued). Each unit comprises one common share and one warrant. Each warrant is exercisable into an additional common share at an exercise price of \$0.40 in the first year and \$0.50 in the second year.

**The Company has commissioned a NI 43-101 Report to better define the merits of the property and outline a proposed exploration program for 2007.**

**(i) Triangle and Orbit Lakes –Northern Mining District – Saskatchewan**

On October 24,2006 the Company and Belmont announced the completion of staking of 11,109 hectares adjoining the Companies 750 hectare Crackington River Property (“CRR”) property. Following the preliminary evaluation of the CRR property, additional staking was recommended to the west and north, based on the release of the results of a 2001 SNRC airborne magnetic and radiometric survey by the Saskatchewan Geological Survey of the Tazin Lake (Uranium City) area. **For further details of the merit of this staking, please refer to the Companies news releases dated October 24,2006 and March 26,2007 as filed on our website and SEDAR.**

Subsequent to the quarter ended February 28,2007, the Company together with Belmont Resources Inc. entered into an option agreement with Ultra Uranium Corp. Ultra can acquire a **65% interest in the Triangle and Orbit Lake claims.**

**(j) Cup Lake/Donen Claims – Greenwood Mining Division – British Columbia**

**On December 8, 2006 the Company announced it has entered into an agreement to acquire a 100% interest in nine additional claims in the Cup Lake area, adjoining the Ballistic mineral claims in (i) above. On December 8, 2006 the Company news released and filed on SEDAR more specific details of these claims, and previous exploration that was conducted on these claims.**

**The terms of the agreement include the issuance of a total of 6,000,000 common shares at prescribed intervals up to December 1, 2008; a total of \$1.0 million in total cash payments staged annually up to December 1, 2009; and minimum exploration expenditures of \$800,000 over four years to December 1, 2010. The agreement is subject to regulatory approval.**

The Company has commissioned a NI 43-101 Report along with (h) to better define the merits of these properties and outline a proposed exploration program for 2007.

**(k) Serpent River – Sault Ste. Marie Mining Division – Elliot Lake –Northern Ontario**

On December 29,2006 the Company entered into an agreement to acquire a 100% interest in ten mining claims in the Sault Ste. Marie Mining Division, Elliot Lake area, in Northern Ontario, known as the Serpent River property.

The terms of the agreement include the issuance of a total 500,000 common shares and \$500,000 in cash payments at prescribed intervals up to December 12,2010. In addition, there is a 2.0% net smelter return relating to the acquisition. The Company may at any time purchase 1.0% of the NSR for \$1.5 million. The Company received TSX acceptance for filing on January 26,2006.

On March 29,2007 the Company announced the receipt of and has filed a NI 43-101 compliant Technical Report completed by Scott Wilson Roscoe Postle Associates Inc. (“Scott Wilson RPA”). Highlights of the report can be reviewed in the news release filed on our website and on SEDAR.

A two stage recommended program is being planned for summer of 2007.

**(l) Operating Expenditures**

Overall operating expenses before write downs were higher by \$93,525 (89% increase), compared to the previous period ended February 28, 2006, with the largest increases in consulting and travel and promotion.

**Increases** were in: Stock based compensation – a non-cash item, was the largest single increase \$50,304 (\$42,068 in 2006) as these costs are now expensed on a quarterly basis, during the year as the options are granted – previously accrued at the year-end on an annual basis. Travel, Promotion, Shareholder communications \$58,222 compared to (\$4,360 in 2006), as the Company incurred additional costs on website updates, drafting maps etc. of new property acquisitions in preparation for mail out brochures, mining publication advertising, and online interviews (i.e. Smartstox); Consulting fees \$29,500 (\$nil in 2005) as a result of additional reviews and due diligence on further property acquisitions; Office, Rent, Telephone/fax costs of \$23,954, (\$4,981 in 2006) have increased as additional documentation is being prepared in house.

**Decreases** through the six months ended February 28, 2007 were in Professional services (Audit & Legal) \$2,975 (\$16,391 in 2006) as a result of regulatory and re-organization activity ongoing in 2006. Regulatory filing and transfer agent fees were \$12,852 (\$14,890 in 2006) also due to costs related to the name change and consolidation, additional property acquisition share issuances, additional private placement financings and related costs (i.e. TSX filing fees, printing and issuance of new share certificates, etc.).

## 1.5 Summary of Quarterly Results

The following table sets forth selected (unaudited) quarterly financial information for each of the last eight most recently completed quarters:

For the Quarter Periods Ending on	February 28 2007	November 30, 2006	August 31, 2006	May 31, 2006
Total Revenues	\$Nil	\$Nil	\$Nil	\$Nil
Net Income (Loss) before discontinued operations and extraordinary items	(\$88,794)	(\$110,280)	(\$45,516)	(\$65,545)
Total Net Income (loss)	(\$88,794)	(\$110,280)	(\$62,859)	(\$65,545)
Basic (Loss) per share	(\$0.008)	(\$0.012)	(\$0.007)	(\$0.008)

For the Quarter Periods Ending on	February 28, 2006	November 30 2005	August 31, 2005	May 31, 2005
Total Revenues	\$Nil	\$Nil	\$Nil	\$Nil
Net Income (Loss) before discontinued operations and extraordinary items	(\$79,313)	(\$26,018)	(\$28,667)	(\$16,512)
Total Net Income (loss)*	(\$79,313)	(\$26,018)	(\$28,667)	(\$16,512)
Basic (Loss) per share	(\$0.010)	(\$0.004)	(\$0.001)	(\$0.001)

- The final quarters of the year recorded significantly higher gains or (losses) due to Other Items accounted for at year-end as follows:
- At year ended August 31, 2006 a write-down on mineral interests of \$70,400;
- At year ended August 31, 2005 an audit accrual of \$7,000;

For the past four quarters the (losses) before extraordinary items have varied from a low of (\$45,516) to a high of (\$110,280), on average being (\$81,870). The quarterly (losses) for the previous quarters-ended February 28, 2006 varied from a low of (\$16,512) to a high (\$79,313) loss in February, 2005. The major differences in the four quarters ending February 28, 2007 were the result of calculating the Stock Based Compensation expense in the quarter ended November 30, 2006. In addition, there was significant activity during the previous quarter in field exploration, which created more expenditures relating to office services, travel and promotion, as well as the year-end stock based compensation expense accrued.

## 1.6 Liquidity

The Company has no history of profitable operations and its mineral projects are at an early stage. Therefore, it is subject to many risks common to comparable junior venture resource companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues.

At February 28 2007, the Company had working capital of \$442,724 compared to a working capital of \$127,213 at August 31, 2006. The Company's ability to continue as a going concern in the short term is dependent upon its ability to obtain financing. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable.

## 1.7 Capital Resources

The Company's sources of funds are derived from: (i) private placement financings (flow through and

non-flow through); (ii) shareholders loans; (iii) disposition of a portion or all of its mineral prospects; and (iv) mineral exploration provincial grants.

Additional disclosure concerning the Company's general and administrative expenses and resource property obligations and commitments are provided in the Company's Statement of Operations and Deficit and Notes therein for the August 31, 2006 year-end audited Financial Statements.

#### **1.8 Off-Balance Sheet Arrangements**

The Company has no off-Balance Sheet Arrangements.

#### **1.9 Transactions with Related Parties**

See Note 4 of the audited financial statements as at February 28, 2007.

The Company shares office facilities and has common management and directorships with a number of public and private corporations. The Company is charged for office rentals and office services on a proportional cost basis. Charges of \$11,510 (2006 – \$4,500) were incurred in the year with related companies. Management believes that the methods of cost allocations and resultant costs are reasonable. These related party transactions are considered to be in the normal course of business and are measured at their exchange amounts, being the amounts agreed to by the parties.

Amounts owing to related parties are unsecured, non-interest bearing and are recorded as non-current due to the uncertainty of timing of payment.

The Company had entered into a management services agreement with a director for \$3,500 per month. This agreement expires on February 1, 2008.

#### **1.10 Fourth Quarter**

Previously disclosed under Sections 1.3, 1.5 & 1.6.

#### **1.11 Proposed Transactions**

The previously reported Commitments on the various properties are reported in Note 3(h) of the unaudited financial statements as at February 28, 2007.

#### **1.12 Critical Accounting Estimates**

N/A

#### **1.13 Changes in Accounting Policies including Initial Adoption**

See Note 2 "Significant Accounting Policies" set out in the Company's unaudited financial statements for the period ended February 28, 2007.

#### **1.14 Financial & Other Instruments**

The carrying value of the Company's financial instruments, consisting of cash, amounts receivable, accounts payable and accrued liabilities and exploration advances payable approximates their fair value due to the short-term maturity of such instruments. The carrying value of term deposits and amounts due from and due to related parties also approximates fair value. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks

arising from these financial instruments.

### 1.15 Other MD&A Requirements

Additional Information related to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com) and our website at [www.MontoroResources.com](http://www.MontoroResources.com)

**On December 21,2006 the Company filed Advance Notice of its upcoming 2007 Annual General Meeting (“AGM”) to be held on Tuesday, February 20,2007 at 10:00 a.m. at #501 –905 West Pender Street, Vancouver, B.C. January 16,2007 was fixed in advance by the directors as the record date for the purposes of determining those shareholders entitled to receive notice of, and to vote at, the Meeting. As at the record date 10,756,776 common shares without par value were issued and outstanding, each such share carrying the right to one (1) vote at the Meeting.**

**The Company held its AGM on February 20,2007. At the meeting the shareholders re-elected Gary Musil, Bruce E. Bried and Roger Agyagos and newly elected Brent Griffin to the Board for the upcoming year. All other resolutions submitted by management to the shareholders for consideration were approved as presented, including the approval of the acquisition of 100% interest in the Cup Lake/Donen uranium claims.**

#### A. SUBSEQUENT EVENTS

- (i) **Warrants Exercised:** Subsequent to the quarter ended February 28, 2007 the Company issued 380,000 common shares at \$0.20 pursuant to the exercise of warrants to net the treasury \$76,000.
- (ii) **Mineral Property Transactions:** See Section 1.2 (x) and (xi) for further details.
- (iii) **Authorized and Issued Share Capital as at April 20, 2007:**  
**Authorized** – Unlimited common shares without par value  
**Issued and Outstanding:** 13,078,526 common shares

#### B. EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Based on our evaluation for the period ended February 28,2007, and up to the date of this Management Discussion and Analysis, we have concluded that our disclosure controls and procedures are sufficiently effective to provide reasonable assurance that material information required to be disclosed in the Company’s interim and annual filings and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that the material information is accumulated and communicated to Management of the Company, including the President and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.