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

Form 51-102F1

Management's Discussion & Analysis
for the Year ended August 31, 2007
(and containing information as of December 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 December 20, 2007 and should be read in conjunction with the audited financial statements for the year ended August 31, 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.

(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.

(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.

(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.

(xii) On May 1, 2007 the Company together with Belmont Resources Inc. (50/50 j.v.) entered into an option agreement with Crosshair Exploration & Mining Corp. ("Crosshair"), whereby Crosshair can acquire a 75% interest in the **Central Mineral Belt (Stormy Lake & Partridge River)** Labrador claims.

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, December 14, 2006 and **September 11, 2007** the President, Gary Musil conducted interviews 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 The Company compensates Smartstox.com for production of the materials.

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

During the third quarter ended May 31, 2007 the Company has filed documentation for regulatory acceptance on the following **other** transactions:

March 15, 2007 the Company received acceptance for filing the annual renewal of its Rolling 10% Stock Option Plan, which was approved by the Company's shareholders at the Annual General Meeting that was held on February 20, 2007. The Company is to provide the TSX Venture Exchange with a Summary Form at the end of each calendar month in which stock options are granted.

During the fourth quarter ended August 31, 2007 the Company has filed documentation for regulatory acceptance on the following **other** transactions:

Nil

1.3 Selected Annual Information

		Year-Ended August 31, 2007	Year-Ended August 31, 2006	Year-Ended August 31, 2005
a.	Net Sales or Total Revenues	**$5,820**	$Nil	$Nil
b.	Income or (Loss) before discontinued operations and extraordinary items	**($646,250)**	($216,610)	($92,804)
c.	Net Income or (Loss) in total *	**($646,250)**	($233,953)	($92,804)
d.	Net Income or (Loss) per fully diluted share basis	**($0.05)**	($0.04)	($0.02)
e.	Total Assets	**$2,926,192**	$853,629	$380,914
f.	Total long-term financial Liabilities	**$Nil**	$Nil	$Nil
g.	Cash dividends declared per share	**N/A**	N/A	N/A

1.4 Results of Operations up to, during, and following the year ended August 31, 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:

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.

On January 19, 2007 the Company completed the 2nd tranche of the financing announced on May 5 and June 30, 2006 and issued 1,220,000 shares at $0.25 to net the treasury $305,000 with two years warrants at $0.30 (first year) and $0.40 (second year) and finders fees of 72,000 units as per the private placement terms.

During the third quarter ended May 31, 2007 the Company issued 380,000 common shares at $0.20 pursuant to the exercise of warrants to net the treasury $76,000.

During the fourth quarter ended August 31, 2007 the Company issued:

(i) 116,000 common shares at $0.30 pursuant to the exercise of warrants to net the treasury $34,800.

(ii) 2,044,000 common treasury shares relating to the completion in three tranches a 1,022,000 unit financing at $0.90 for gross proceeds of $919,800. Each unit consisted of one non flow-through share at a price of $0.35, one flow-through share at a price of $0.55, and one two-year warrant exercisable at $0.65 in the first year and $0.90 in the second year.

(iii) 100,000 common shares at $0.25 pursuant to the exercise of incentive stock options to net the treasury $25,000.

See Section 1.7 'Capital Resources' and Section 1.15 –A 'Subsequent Events' following for further financings completed after August 31, 2007

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 considered for the summer of 2008.

(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.

On April 19, 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. Terms of the agreement require Alliance to issue 500,000 common shares and incur $500,000 in exploration expenditures in stages, on or before July 31, 2010 and a $25,000 cash payment on or before March 15, 2008. Upon Alliance having exercised the First Option, they have been granted a Second Option to earn an additional 19% interest for issuance of a further 300,000 common shares and incurring a further $1,500,000 in exploration by September 30, 2011. The agreement is also subject to acceptance for graduation of Alliance from NEX to Tier 2 on the TSX Venture Exchange.

(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 the summer of 2008.

(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 had 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 completed a 87 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. On May 17, 2007 the Companies reported that the data has been correlated with known structures and recommends a soil sampling program on the highest priority anomalies, followed by horizontal loop electromagnetic surveys over key areas which will further identify targets for diamond drilling. The surveys also identified regional faults and shear zones that co-relates with known uranium showings, and the potential to identify targets associated with main structural events at depth is excellent.

On April 10, 2007 the Companies each paid the vendor the $5,000 1st anniversary property payment. A second and final $5,000 2nd anniversary property payment is due on April 11, 2008 at which time the Companies will have earned 100% interest in the claims.

On April 5, 2007 the Companies each paid the same vendor $2,500 to acquire an adjoining 232 hectare claim ("Onnie Lake").

During the months of August, September and October 2007 the Companies mobilized a six person crew including two consulting geologists to follow-up on the February 2007 ground geophysical program. The program consisted of a channel and grab sampling program and a radon gas survey on the highest priority anomalies to further identify targets for diamond drilling. See the September 20, 2007 news release on the Company website and filed on SEDAR for an update on the program. Further results are forthcoming.

During October 2007 the Companies contracted MPX Geophysics Ltd. to conduct a helicopter airborne magnetic and radiometric survey on the Crackingstone and Orbit (see section (i) following) claims. On October 22, 2007 the Companies reported the completion of 1,391 km of 100 meter flight line spacing survey. Further details can be reviewed on the Company website and filed on SEDAR.

(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 licences (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 licences, it was discovered that the licences had lapsed. The vendor immediately arranged the staking of three new geologically and strategically located licences (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 complete 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.

On March 13, 2007 the Companies arranged the staking of an additional licence comprising 11 claims ("Otter Lake") adjacent to the Stormy Lake.

On April 10, 2007 the Companies each paid the vendor \$7,500 –1st anniversary property payments and are required to each pay a further \$15,000 –2nd anniversary property payments on April 11, 2008 to earn 100% interest in the claims.

On May 1, 2007 the Companies entered into an agreement with Crosshair Exploration & Mining Corp. ("Crosshair"), whereby Crosshair can acquire a 75% interest in the four mineral licences totalling 139 claims by incurring \$800,000 in exploration expenditures, issuing to the Companies up to 175,000 common shares over a three-year period and making the cash payment to the vendor as detailed in the previous paragraph. Crosshair received acceptance for filing the agreement on May 28, 2007.

On May 31, 2007 the Companies each received the first payment of 25,000 common shares of Crosshair as per the agreement. The Crosshair shares are subject to a hold period until September 30, 2007.

The Companies are awaiting results from Crosshair of the fall ground exploration program.

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

On July 19, 2007 the Company announced the receipt of the Cup Lake/Donen report dated May 31, 2007. See further details in section (j) following.

(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 (the "Orbit") adjoining the Companies 750 hectare Crackingstone 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.**

On April 16, 2007 the Company together with Belmont Resources Inc. entered into an option agreement with Ultra Uranium Corp. ("Ultra"). Ultra can acquire a 65% interest in the Triangle and Orbit Lake claims by making cash payments totaling $150,000, issuing 175,000 common shares of Ultra and completing $2 million in exploration expenditures over three years, with a minimum of $300,000 in exploration to occur in the first year. Upon Ultra earning a 65% interest in the Orbit, it will have the right to acquire a 65% interest in the Companies CRR. Specific details of the second option are detailed in the news release dated April 16, 2007 as filed on our website and SEDAR.

On June 5, 2007 Ultra received TSX Venture Exchange acceptance for filing documentation of the letter of agreement dated April 16, 2007. On June 25, 2007 the Company and Belmont each received 37,500 common shares of Ultra (subject to a hold period until October 9, 2007) and $25,000 cash payments as required under the agreement.

During the months of August, September and October 2007 the Companies mobilized a six person crew including two consulting geologists to follow-up on the February 2007 ground geophysical program. The program consisted of a channel and grab sampling program and a radon gas survey on the highest priority anomalies to further identify targets for diamond drilling. See the September 20, 2007 news release on the Company website and filed on SEDAR for an update on the program. Further results are forthcoming.

See (f) above for further exploration program details.

(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 (h) 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.

On July 19, 2007 the Company announced that it has received and will file on SEDAR, a NI 43-101 Technical Report (the "Report") dated May 31, 2007, by Dr. Peter A. Christopher, PhD., P.Eng., on the Cup Lake/Donen (""Cup Lake") uranium properties, located in the Greenwood Mining Division in south-central British Columbia. The Cup Lake covers 11 claims totalling 1026.2 ha. Dr. Christopher recommends a success contingent staged evaluation program for further testing the uranium mineralization. A $250,000 Phase 1 program containing specific work is detailed in the news release dated July 19, 2007 as filed on our website and SEDAR and in the Report.

On July 27, 2007 the TSX Venture Exchange accepted for filing documentation relating to the Purchase Agreement dated December 8, 2006 and the Company issued 2,000,000 common treasury shares (with a statutory hold period ending November 28, 2007) at a deemed price of

$0.30 per share and paid $250,000 to the vendors as the initial agreed property payments. A property exploration program is being planned for early 2008.

(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, and issued the first tranche of 100,000 common shares at a deemed price of $0.40 (with a statutory hold period of four months until May 27, 2007), and paid the initial cash payments of $100,000.

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.

On July 16, 2007 the Company announced the commencing of the first phase program. Specific details can be reviewed in the news release as filed on our website and SEDAR. On August 30, 2007 the Company announced the contracting of a drilling company to conduct a minimum 2,500 meters of diamond drilling. The Company completed the necessary road work and access to the drill sites and retained the services of a consulting geologist to supervise the drilling program. The drilling 12 holes of NQ core commenced approximately September 24, 2007 on the Pecors Channel (the west side of the property) to better define the mineralized zone outlined by previous companies. The drilling of an additional 4 holes followed in the Whiskey Channel on the east side of the property designed to verify the extension of the channel. See further updates on the progress of the drilling in news releases dated September 24, November 12, and December 17, 2007 on the Company website and filed on SEDAR.

On December 18, 2007 the Company announced the engaging of Geotech Ltd. to conduct an airborne "VTEM" electromagnetic survey on the property. The work is expected to commence during the month of December 2007. See news release on the Company website and filed on SEDAR for further details of the expected results from the survey.

(l) Operating Expenditures

Overall operating expenses before Other Items (write downs) were higher by $391,835 (180.9% increase), compared to the previous year ended August 31, 2006.

The largest increase was Stock based compensation – a non cash item $256,056 in 2007 ($42,068 in 2006) accounting for $213,988 (98.8% of the increase over 2006), over one-half of the total. During the year the Company granted a total 1,230,000 incentive stock options (500,000 at $0.25 –October 31,2006 and 730,000 at $0.35 –July 31, 2007) to directors, officers and consultants/employees; as compared to 370,000 at $0.155 in the previous year ended August 31, 2006. The Company measures stock based compensation costs using the fair value-based method of the options at the grant date using the Black-Scholes option-pricing model, which requires input of highly subjective assumptions. For further details refer to Notes 7 (e) following the August 31, 2007 audited financial statements.

Increases were in: Travel, Promotion, Shareholder communications $101,834 compared to ($36,470 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 in (Planning for Profits-Report on Mining, Ontario Mineral Exploration Review, Northern Miner, 2007 Asian Mining Investment Guide, UxConsulting, CIM Conference Guide, etc.) and online interviews (i.e. Smartstox). In addition the President traveled to the PDAC in Toronto meeting various financial investment groups and introducing the Company to the eastern market, to Elliot Lake-Ontario and Uranium City-Saskatchewan along with a fellow director to review the exploration programs and meet the various contractors working on the properties. Consulting and finders fees $75,390 ($8,300 in 2005) as a result of additional reviews and due diligence on further property acquisitions, and introductions to numerous financing entities and fund managers in eastern Canada; Office, Salaries & Benefits, Rent, Telephone/fax costs of $54,003 ($19,060 in 2006) have increased as additional staff was hired, more documentation is being prepared in house, and a shared rent and office service increase was received in early 2007. Regulatory filing and transfer agent fees were $42,584 ($28,640 in 2006) as a result of increased share issuances (financings and property transactions) and the filing fees attributed to these same transactions. Professional services (Audit & Legal) $39,060 in 2007 compared to $38,248 in 2006 increased marginally.

Decreases through the year ended August 31, 2007 were in Management Fees $38,500 ($42,000 in 2006) and Bank charges and interest $1,018 ($1,824 in 2006). This is further offset by $5,820 in interest income received as interest is being received on our current account balance.

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	August 31, 2007	May 31, 2007	February 28, 2007	November 30, 2006
Total Revenues	$5,820	$Nil	$Nil	$Nil
Net Income (Loss) before discontinued operations and extraordinary items	($378,785)	($68,391)	($88,794)	($110,280)
Total Net Income (loss)	($378,785)	($68,391)	($88,794)	($110,280)
Basic (Loss) per share	($0.025)	($0.005)	($0.008)	($0.012)

For the Quarter Periods Ending on	August 31, 2006	May 31, 2006	February 28, 2006	November, 30 2005
Total Revenues	$Nil	$Nil	$Nil	$Nil
Net Income (Loss) before discontinued operations and extraordinary items	($115,916)	($65,545)	($79,531)	($26,018)
Total Net Income (loss)*	($62,859)	($65,545)	($79,531)	($26,018)
Basic (Loss) per share	($0.007)	($0.008)	($0.019)	($0.006)

- 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, 2006 a future income tax recovery of $53,057
- At year ended August 31, 2007 a write-down of $43,625 in marketable securities

For the past four quarters the (losses) before extraordinary items have varied from a low of ($68,391) to a high of ($378,785), on average being ($161,563). The quarterly (losses) for the previous quarters-ended August 31, 2006 varied from a low of ($26,018) to a high ($115,916). The major differences in the four quarters ending August 31, 2007 were the result of calculating the Stock Based Compensation expense in the quarters ended November 30, 2006, and an additional calculation in the quarter ended August 31, 2007 which accounted for $205,752.

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 August 31, 2007, the Company had working capital of $839,447 compared to 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 May 31, 2007 unaudited Financial Statements.

1.8 Off-Balance Sheet Arrangements

The Company has no off-Balance Sheet Arrangements.

1.9 Transactions with Related Parties

See Note 5 of the audited financial statements as at August 31, 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 $23,099 (2006 – $10,635) 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, accordingly, fair value cannot be determined.

The Company had entered into a management services agreement with a director for $3,500 per month. During the year a total of $38,500 (2006 - $42,000) was accrued/paid. 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 4(j) of the audited financial statements as at August 31, 2007. Share Issue Commitments are reported in Note 7 (c) and (d) and Note 10 relating to flow-through share renunciations.

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 audited financial statements for the year ended August 31, 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 and our website at www.MontoroResources.com

On November 30, 2007 the Company filed Advance Notice of its upcoming 2008 Annual and Special General Meeting ("AGM") to be held on Thursday, January 31, 2008 at 10:00 a.m. at #501 –905 West Pender Street, Vancouver, B.C. December 27, 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.

A. SUBSEQUENT EVENTS

(i) **Warrants Exercised:** Nil

(ii) **Options Exercised:** Subsequent to August 31, 2007, the Company issued 25,000 shares pursuant to the exercise of options at $0.25 for total proceeds of $6,250.

(iii) **Grant of Options:** Subsequent to August 31, 2007, the Company granted a total of 360,000 options with a fair value of $54,257, at prices between $0.36 and $0.50 for two years.

(iv) **Termination of Options:** Subsequent to August 31, 2007, 25,000 options at $0.25 were terminated.

(v) **Other Transactions:** On November 16, 2007 the Company announced that it had engaged CHF Investor Relations ("CHF") to provide investor relations and market-making services for an initial period of twelve months ending November 14, 2008. CHF will be paid a monthly fee of $7,500 plus allowable disbursements. Additionally, subject to regulatory approval and the dictates of the Company's stock option plan, CHF will be granted incentive stock options to purchase 130,000 common shares at a price of $0.40 per share and another 130,000 shares at a price of $0.50 per share, valid for a period of two years. The transaction is awaiting regulatory approval.

B. AUTHORIZED AND ISSUED SHARE CAPITAL AS AT DECEMBER 20, 2007

Authorized – Unlimited common shares without par value
Issued and Outstanding: 17,363,526 common shares

C. EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Based on our evaluation for the year ended August 31, 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.

It is important to recognize that the Company has very limited administrative staffing. As a result, internal controls which rely on segregation of duties in many cases are not appropriate or possible. The Company relies heavily on senior management review and approval to ensure that the controls are effective as possible.

D. CORPORATE GOVERNANCE DISCLOSURE

The Company has submitted to its members and shareholders details in the Information Circular dated January 16, 2007 Corporate Governance Disclosure guidelines that have been presented to the Board of Directors for periodic review. Some of these guidelines are: Outlining the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Management of the Company periodically updates directors with regulatory policy changes. The Management encourages and promotes a culture of ethical business conduct. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interest of the Company.

E. RISKS AND UNCERTAINTIES

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but no limited to, environmental, metal prices, political and economical.

The Company has no significant source of operating cash flow and no revenue from operations. The Company has either not yet determined whether its mineral properties contain mineral reserves that are economically recoverable or where reserves have been determined, mining operations have not yet commenced. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

The property interests in which the Company has an option to earn an interest are in the exploration stages only, are without and may not result in any discoveries of commercial mineralization, and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines, the result being the Company will be forced to look for other exploration projects.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters.