COLIBRI RESOURCE CORPORATION

Management's Discussion & Analysis
for the Quarter Ended August 31, 2007

The following Management Discussion and Analysis ("MD&A") for Colibri Resource Corporation ("the Company") prepared as of October 29, 2007 should be read together with the unaudited consolidated financial statements for the three month period ended August 31, 2007 and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles. All figures are in Canadian dollars unless otherwise noted.

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company 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 the Company exploration properties. Such statements reflect the current views of the Company 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 the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Description of Business

The Company was incorporated on February 20, 2004 in the province of British Columbia. On August 5, 2005, the Company's common shares and purchase warrants began trading on the TSX Venture Exchange under the symbols CBI and CBI.WT respectively.

Through its Subsidiary, Minera Halcones S.A. de C.V., the Company is engaged in the acquisition, exploration, and if warranted, development of gold, silver, copper, molybdenum and other metal deposits in Mexico. Halcones has the right to acquire a majority interest in three large mineral properties located in Sonora, Mexico. Sonora is the northernmost state in Mexico and borders the United States of America. All of the Company's property interests are located within or adjacent to, a free trade zone within the State, a fact that facilitates cross-border access and general business. The properties are characterized by ease of accessibility, well developed infrastructure, access to a ready and skilled labour pool and a large degree of common logistics due to their relative proximity to each other.

The Company's mineral property interests are the Colibri Property, the Leon Property, and the Ramaje Ardiente (Ramard) Property. These properties are in the exploration stage only and are without a known body of commercial ore.

Additional information related to the Company is available for view on the Company's website at www.colibriresourcecorp.com and on SEDAR at http://www.sedar.com.

Overall Performance

On June 5, 2007, the Company paid $25,000 pursuant to a mineral property option agreement on the Colibri property.

On June 20, 2007, the Company paid $22,614 pursuant to a mineral property option agreement on the Leon property.

On June 5, 2007, the Company paid $20,000 pursuant to a mineral property option agreement on the Ramard property.

Annual Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the Financial Statements.

	For The Quarter Ended August 31, 2007	For The Quarter Ended August 31, 2006
Total revenues	$ 31,743	$ 16,654
Net income (loss) before other items	(117,409)	(43,964)
Net income (loss)	(85,666)	(27,310)
Basic and diluted earnings (loss) per share	(0.01)	(0.01)
Total assets	7,212,573	2,961,008
Total long-term liabilities	-	-
Cash dividends	-	-

The Company earns interest revenue from cash held in banks. It has no intention of paying dividends on its common shares as it anticipates that all available funds will be invested to finance the growth of its business.

Results of Operations

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.

For The Quarter Ended August 31, 2007

Operations in the period from June 1, 2007 to August 31, 2007 were focused on maintaining the Company's interests in the properties for which it has entered into option agreements. The Company also conducted a drill program on the Colibri and the Ramaje properties and built access roads on the Leon property. The Company has not generated any revenues except for interest revenue during the period.

The net loss for the three month period ended August 31, 2007 was $85,666 which was a loss of $0.01 per share on both a basic and a fully diluted basis. This loss was primarily attributed to general and administrative expenses of $117,409. Major components of the loss were $40,829 for legal fees and $22,500 for management fees.

For The Quarter Ended August 31, 2006

Operations in the period from June 1, 2006 to August 31, 2006 were focused on maintaining the Company's interests in the properties for which it has entered into option agreements. The Company also conducted a drill program on the Colibri property. The Company has not generated any revenues except for interest revenue during the period.

The net loss for the three month period ended August 31, 2006 was $27,310 which was a loss of $0.01 per share on both a basic and a fully diluted basis. This loss was primarily attributed to general and administrative expenses of $43,964. Major components of the loss were $10,112 for rent and $9,762 for foreign exchange loss.

Summary of Quarterly Results

The following table sets forth selected unaudited quarterly (except periods ended November 30) financial information for each of the last eight most recently completed quarters:

Three Months Ended

	August 31, 2007	May 31, 2007	February 28, 2007	November 30, 2006	August 31, 2006	May 31, 2006	February 28, 2006	November 30, 2005
Total assets	$7,212,573	$5,655,482	$ 3,082,599	$ 3,259,555	$ 2,961,008	$ 2,959,633	$ 3,048,920	$ 3,113,009
Mineral property costs	3,052,711	2,786,801	2,380,801	2,037,465	1,482,906	1,267,527	1,148,675	934,458
Working capital	4,049,928	2,795,754	575,568	807,864	1,435,612	1,645,395	1,843,719	2,107,046
Shareholders' equity	7,155,326	5,598,941	2,987,032	2,850,312	2,923,483	2,918,293	2,998,172	3,046,304
Revenues	31,743	9,385	7,321	11,164	16,654	9,385	10,699	14,969
Net income (loss)	(85,666)	(68,323)	(25,330)	(124,017)	(27,310)	(79,879)	(48,132)	(27,985)
Earnings (loss) per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

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.

The Company's ability to continue as a going concern in the short term is dependent upon its ability to obtain financing. The Company has obtained financing by the issuance of share capital. 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 favourable.

	August 31, 2007	August 31, 2006
Working capital	$ 4,049,928	$ 1,435,612
Deficit	(794,574)	(491,238)

Net cash used in operating activities during the quarter was $89,320 compared to $28,830 during the quarter ended August 31, 2006. Net cash used in operating activities primarily consists of the operating loss and a change in non-cash working capital.

Financing activities provided net cash of $1,637,051 during the current quarter and $32,500 during the quarter ended August 31, 2006. Net cash from financing activities was provided by exercised warrants.

Net cash used in investing activities was $300,752 during the current quarter and $215,380 in the quarter ended August 31, 2006. Cash was expended on the acquisition and maintenance of mineral claims and exploration work conducted on the claims in Mexico.

Private Placement

Capital Resources

The Company's sources of funds have been derived from private placement financings and the completion of the Company's IPO. The Company closed its IPO on July 28, 2005, pursuant to which it received gross proceeds of $2,500,000 from the sale of 10,000,000 units (the "Units") with each Unit consisting of one common share in the capital of the Company (a "Share") and one transferable common share purchase warrant (a "Warrant"). Two whole Warrants will entitle the holder thereof to acquire one additional common share of the Company (a "Warrant Share") until July 28, 2007 at an exercise price of $0.30 per Warrant Share. During the three month period ended August 31, 2007, 7,729,950 of these warrants were exercised.

Also on April 19, 2007, the Company closed a brokered, private placement of 7,013,000 Units at a price of $0.40 per Unit for gross proceeds of $2,805,200. Each Unit consists of one common share and one full, non-transferable share purchase warrant. Each warrant will entitle the holder to purchase an additional common share of the Company at a price of $0.70 per share until April 20, 2008. The Units were subject to a hold period that expired August 20, 2007.

Bolder Investment Partners Ltd. acted as agent in respect of the placement. Bolder was paid a cash commission of $162,933 and 118,643 Units or 7.5 % of the total gross proceeds and was issued broker's warrants authorizing the purchase of up to 701,300 common shares at $0.70 per share until April 20, 2008 on the same terms as the warrants issued as part of the Units under the private placement.

The proceeds of the private placement will be used primarily for exploration and drilling on the Company's Sonora, Mexico claim properties, as well as for general working capital.

Additional disclosure concerning the Company's general and administrative expenses and resource property obligations and commitments are provided in the Company's consolidated statements of operations and deficit and notes therein.

The Company does not have any commitments for specific capital expenditures, as the agreements under which it may earn the interests in the mineral exploration properties are option agreements. However, the Company anticipates incurring the following expenditures from its available funds and proceeds of the private placement:

	Description		
(1)	To make property option payments and mineral property tax estimated payments on the Colibri, Leon, and Ramard properties and on the San Francisco and Juarez claims situated on the Colibri property.	$	180,000
(2)	(a) To conduct continuing exploration and drilling on the Colibri Property.	$	475,000
	(b) To conduct continuing exploration and drilling on the Ramard Property.	$	1,100,000
	(c) To conduct continuing exploration and drilling on the Leon Property.	$	300,000
(3)	To cover estimated general and administrative expenses for a 12-month period	$	300,000
(4)	To provide general working capital	$	200,000

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Transactions with Related Parties

Accounts payable to related parties of $27,011 (November 30, 2006 - $25,611) is comprised of reimbursable travel costs to a former director of the Company, management fees due to companies controlled by directors of the Company, and reimbursable travel costs due to directors of the company.

During the three month period ended August 31, 2007, the Company entered into the following transactions with related parties:

a) As outlined in Note 4, Colibri Property, the Company paid $25,000 (2006 - $25,000) and issued 300,000 shares (2006 – 250,000 shares) for a value of $100,500 (2006 - $32,500) to a private Mexican company wholly-owned by Cadence Resource Corporation, a Canadian private company controlled by a director and former director of the Company.

b) As outlined in Note 4, Leon Property, the Company paid $22,614 (2006 - $15,000) to a private Mexican company, which is 50% owned by a former director of the Company.

c) As outlined in Note 4, Ramaje Ardiente Property, the Company paid $20,000 (2006 - $15,000) to a private Mexican company controlled by a former director of the Company, of which a director of the Company is also a director of the private company.

d) Paid or accrued $24,550 (2006 - $29,000) in geological consulting fees, of which $13,760 (2006 - $29,000) are included in deferred exploration costs, to a company controlled by a former director.

e) Paid or accrued $8,041 (2006 - $NIL) in geological consulting fees, of which $8,041 (2006 - $NIL) are included in deferred exploration costs, to a director of the Company.

f) Paid or accrued $22,500 (2006 - $NIL) in management fees to companies controlled by directors of the Company.

g) Paid or accrued $2,250 (2006 - $NIL) in office rent to a company controlled by a director of the Company.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Financial Instruments and Other Instruments

The Company’s financial instruments consist of cash, receivables, accounts payable and accrued liabilities and account payable to related party. In management’s opinion, the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Internal Controls

There has been no change in the Company’s internal control over financial reporting that occurred during the Company’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

Outstanding Share Data

Capital stock

	Number of Shares
Authorized	
Common shares without par value	100,000,000
Issued and Outstanding as at August 31, 2007	33,961,010

Stock options

At August 31, 2007, the following stock options were outstanding to directors and officers:

Number of Options	Exercise Price	Expiry Date
600,000	$ 0.10	October 20, 2011

Warrants

At August 31, 2007, the Company had non-publicly traded (non transferable) 7,832,943 share purchase warrants outstanding enabling the holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
7,832,943	$ 0.70	April 20, 2008

Additional Disclosure for Venture Issuers Without Significant Revenue

	Quarter Ended August 31, 2007	Quarter Ended August 31, 2006
Capitalized or expensed Exploration and Development Costs	$ 265,910	$ 215,379
Expensed Research and Development Costs	$ -	$ -
General and Administrative Expenses	$ 117,409	$ 43,964
Material Costs	$ -	$ -

Capitalized or Expensed Exploration and Development Costs

For the Colibri property, we capitalized $144,435 during the period from June 1, 2007 to August 31, 2007 and $80,125 during the same period for 2006.

For the Ramaje Ardiente property, we capitalized $28,929 during the period from June 1, 2007 to August 31, 2007 and $91,277 during the same period for 2006.

For the Leon property, we capitalized $92,546 during the period from June 1, 2007 to August 31, 2007 and $43,977 during the same period for 2006.

Subsequent Events

The following events occurred subsequent to August 31, 2007:

a) On September 4, 2007, 150,000 stock options were exercised at a price of $0.10 each, providing gross proceeds of $15,000.

b) The Company signed a drilling contract for a minimum of 2,000 metres of HQ/NW diamond core drilling, with drilling expected to commence November 1, 2007. A US$100,000 deposit has been paid to the drilling company.

Additional Information

Additional information relating to our Company is available for viewing on the SEDAR website at http://www.sedar.com.