COLIBRI RESOURCE CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 30, 2006

AUDITORS' REPORT

To the Shareholders of
Colibri Resource Corporation

We have audited the consolidated balance sheets of Colibri Resource Corporation as at November 30, 2006 and 2005 and the consolidated statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2006 and 2005 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Accountants

February 27, 2007

COLIBRI RESOURCE CORPORATION
CONSOLIDATED BALANCE SHEETS
AS AT NOVEMBER 30

	2006	2005
ASSETS		
Current		
Cash	$ 1,143,193	$ 2,146,598
Receivables	32,092	17,617
Prepaid expenses	41,822	9,536
	1,217,107	2,173,751
Equipment (Note 3)	4,983	4,800
Mineral properties (Note 4)	2,037,465	934,458
	$ 3,259,555	$ 3,113,009
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 383,632	$ 61,705
Accounts payable to a related party (Note 5)	25,611	5,000
	409,243	66,705
Shareholders' equity		
Capital stock (Note 6)	3,266,604	3,234,104
Contributed surplus (Note 6)	198,963	148,117
Deficit	(615,255)	(335,917)
	2,850,312	3,046,304
	$ 3,259,555	$ 3,113,009

Nature and continuance of operations (Note 1)

Subsequent events (Note 11)

On behalf of the Board:

"Lance Geselbracht" Director *"William Walker"* Director

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

COLIBRI RESOURCE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
YEAR ENDED NOVEMBER 30

	2006	2005
GENERAL AND ADMINISTRATIVE EXPENSES		
Accounting and audit fees	$ 72,137	$ 30,989
Advertising and promotion	-	2,121
Amortization	1,425	1,240
Consulting	23,357	8,849
Foreign exchange	28,176	8,292
Legal	24,077	13,962
Management fees	40,000	59,250
Office and miscellaneous	34,116	6,948
Printing	-	619
Rent	30,682	12,622
Shareholder costs	766	699
Stock-based compensation	50,846	60,798
Telephone	3,857	2,125
Transfer agent and filing fees	6,245	10,765
Travel and related	11,556	10,209
Loss before other item	(327,240)	(229,488)
OTHER ITEM		
Interest income	47,902	16,135
Loss for the year	(279,338)	(213,353)
Deficit, beginning of year	(335,917)	(122,564)
Deficit, end of year	$ (615,255)	$ (335,917)
Basic and diluted loss per share	$ (0.01)	$ (0.02)
Weighted average number of shares outstanding	20,400,689	11,310,685

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

COLIBRI RESOURCE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED NOVEMBER 30

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (279,338)	$ (213,353)
Items not affecting cash:		
Amortization	1,425	1,240
Stock-based compensation	50,846	60,798
Accrued interest income	(11,765)	(13,800)
Change in non-cash working capital items:		
Increase in receivables	(2,710)	(2,219)
Increase in prepaid expenses	(32,286)	(3,324)
Increase (decrease) in accounts payable and accrued liabilities	16,573	(8,313)
Net cash used in operating activities	(257,255)	(178,971)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	-	3,016,890
Share issuance costs	-	(440,009)
Increase in accounts payable to a related party	20,611	452
Net cash provided by financing activities	20,611	2,577,333
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(1,608)	(1,540)
Acquisition of mineral properties and deferred exploration costs	(765,153)	(531,929)
Net cash used in investing activities	(766,761)	(533,469)
Increase (decrease) in cash during the year	(1,003,405)	1,864,893
Cash, beginning of year	2,146,598	281,705
Cash, end of year	$ 1,143,193	$ 2,146,598

Supplemental disclosure with respect to cash flows (Note 7)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated on February 20, 2004 in the province of British Columbia. The Company is pursuing opportunities in the exploration of mineral and natural resource properties in Mexico and is considered to be in the exploration stage.

The Company is in the process of acquiring and exploring its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Continued operations of the Company are dependent on the Company's ability to receive continued financial support, complete public equity financing, or generate profitable operations in the future.

		2006		2005
Working capital	$	807,864	$	2,107,046
Deficit	$	(615,255)	$	(335,917)

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the accounts of the Company and of its wholly owned subsidiary, Minera Halcones S.A. de C.V. (“Halcones”). Halcones was incorporated on March 30, 2004 in Mexico. All significant inter-company accounts and transactions have been eliminated upon consolidation.

Estimates

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the year. Actual results could differ from these estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Mineral properties

All costs related to the acquisition, exploration and development of mineral properties are capitalized by property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written-off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown for mineral properties do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing and permitting to complete the development of the properties, and future profitable production from the disposition of the metals produced from the properties.

Asset retirement obligations

The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in the statement of operations. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is recorded on a declining balance basis at an annual rate of:

Office furniture	20%
Computer equipment	30%

Foreign currency translation

The accounts of the Company's integrated foreign subsidiary are translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities are translated at the rate in effect at the balance sheet date. Non-monetary assets and liabilities and revenues and expenses are translated at the rates prevailing on the respective translation dates. Foreign exchange gains and losses are included in loss for the year.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Stock-based compensation

The fair value of stock options granted is determined using the Black-Scholes option pricing model and recorded as stock-based compensation expense over the vesting period of the stock options.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the years presented, this proved to be anti-dilutive.

Basic loss per common share is calculated using the weighted-average number of common shares outstanding during the year.

Future income taxes

Future income taxes are recorded using the asset and liability method. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Comparative figures

Certain comparative figures have been reclassified, where applicable, to conform with the current year's presentation.

3. EQUIPMENT

	2006			2005		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Office furniture	$ 3,085	$ 895	$ 2,190	$ 2,802	$ 382	$ 2,420
Computer equipment	5,448	2,655	2,793	4,122	1,742	2,380
	$ 8,533	$ 3,550	$ 4,983	$ 6,924	$ 2,124	$ 4,800

4. MINERAL PROPERTIES

Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has diligently investigated rights of ownership of all the mineral concessions in which it has an interest and, all agreements relating to such ownership rights are in good standing. However, this should not be construed as a guarantee of title. The concessions may be subject to prior claims, agreements or transfers and rights of ownership may be affected by undetected defects.

Colibri Property

On June 16, 2004 the Company agreed to an option agreement with Minera Cadenza S.A. de RL ("Cadenza"), a private Mexican company controlled by a director and a former director of the Company, to purchase a 90% interest in the Colibri property, located in the State of Sonora, Mexico. Upon signing the option agreement, the Company paid $50,000 and issued 200,000 common shares with a value of $30,000. The Company agreed to pay $300,000, issue a total of 1,200,000 common shares and incur a total of $1,800,000 in exploration expenditures by June 16, 2009, to earn its 90% interest. To date, the Company has paid $150,000 and issued 700,000 common shares with a total value of $100,000. The Company is required to incur $400,000 (incurred) in exploration expenditures on or before April 30, 2007, to pay $50,000 (subsequently paid $25,000), and to issue 300,000 common shares on or before June 16, 2007.

Once the terms of the option agreement have been completed, Cadenza has the option to maintain its remaining 10% interest or revert to a sliding scale Net Smelter Returns ("NSR") royalty. The Company has the option to purchase the NSR royalty at any time for $6,000,000.

As part of the Colibri property, on June 16, 2004, the Company agreed to an assignment of contract agreement to have the right to purchase a 100% interest in two mineral claims known as the San Francisco and the Juarez claims for a total of US$1,000,000 to be paid over a six year period ending January 1, 2010. All option payments made under this agreement will be applied to the purchase price of US$1,000,000 if the Company elects to purchase these two mineral claims. To date, the Company has paid US$62,000 (CDN$80,782). The Company is required to pay US$39,000 on or before November 30, 2007.

Ramaje Ardiente Property

On June 16, 2004, the Company agreed to an option agreement with Minera El Sahuaro S.A. de C.V. ("Sahuaro"), a wholly-owned subsidiary of Cadenza, to purchase a 100% interest in the Ramaje Ardiente property, located in the State of Sonora, Mexico. Upon signing the option agreement the Company paid $20,000 and issued 200,000 common shares with a value of $30,000. The Company agreed to pay $70,000, issue a total of 200,000 common shares, incur a total of $500,000 ($355,343 incurred to date) in exploration expenditures and initiate a scoping/pre-feasibility study by June 16, 2009, to earn its 100% interest. To date, the Company has paid $45,000 and issued 300,000 common shares with a value of $45,000. The Company is required to incur $125,000 (incurred) in exploration expenditures on or before April 30, 2007 and to pay $20,000 on or before June 16, 2007.

The property is subject to a 2.5% NSR royalty. The Company has the option to purchase 50% of the royalty for $1,000,000.

4. MINERAL PROPERTIES (cont'd…)

Leon Property

On June 16, 2004 the Company agreed to an option agreement with Minera La Pitahaya S.A. de C.V.("Pitahaya"), a private Mexican company, which is 50% owned by a former director of the Company, to purchase a 100% interest in the Leon property, located in the State of Sonora, Mexico. Upon signing the option agreement the Company paid $20,000 and issued 200,000 common shares with a value of $30,000. The Company agreed to pay a total of $190,000, issue a total of 200,000 common shares, incur a total of $500,000 ($85,627 incurred to date) in exploration expenditures and commence a scoping / pre-feasibility study by June 16, 2009, to earn its 100% interest. To date, the Company has paid $70,000 and issued 300,000 common shares with a value of $45,000. The Company is required to incur $250,000 (incurred $85,627) by June 16, 2006 and a further $125,000 by June 16, 2007 in exploration expenditures and to pay $40,000 (subsequently paid $20,000) on or before June 16, 2007.

The property is subject to a 2.5% NSR royalty. The Company has the option to purchase 50% of the royalty for $1,000,000.

2006	Colibri Property	Ramaje Ardiente Property	Leon Property	Total
Balance, beginning of year	$ 691,379	$ 141,046	$ 102,033	$ 934,458
Additions				
Mineral claims	122,296	15,000	34,380	171,676
Accommodation and meals	6,037	2,547	1,030	9,614
Assays and lab tests	30,850	8,393	8,041	47,284
Drilling / mobilization / demobilization	386,570	71,041	-	457,611
Field expenses and personnel	12,897	21,085	1,694	35,676
Geological consulting	84,104	160,658	34,784	279,546
Maps and reproduction	11,650	3,947	12,647	28,244
Miscellaneous	13,646	8,190	1,289	23,125
Property and claim taxes	13,205	5,690	6,111	25,006
Telephone	1,032	414	194	1,640
Travel and transport	13,449	7,332	2,804	23,585
	695,736	304,297	102,974	1,103,007
Balance, end of year	$ 1,387,115	$ 445,343	$ 205,007	$ 2,037,465

4. MINERAL PROPERTIES (cont'd…)

2005	Colibri Property	Ramaje Ardiente Property	Leon Property	Total
Balance, beginning of year	$ 173,958	$ 59,359	$ 59,302	$ 292,619
Additions				
Mineral claims	114,829	25,000	35,000	174,829
Accommodation and meals	8,402	3,295	-	11,697
Assays and lab tests	41,445	511	1,128	43,084
Drilling / mobilization / demobilization	171,578	11,334	-	182,912
Field expenses and personnel	6,190	796	-	6,986
Geological consulting	83,752	16,792	-	100,544
Geophysics	62,129	-	-	62,129
Maps and reproduction	3,002	-	-	3,002
Miscellaneous	5,423	3,596	-	9,019
Property and claim taxes	9,740	17,572	6,603	33,915
Telephone	777	421	-	1,198
Travel and transport	10,154	2,370	-	12,524
	517,421	81,687	42,731	641,839
Balance, end of year	$ 691,379	$ 141,046	$ 102,033	$ 934,458

5. RELATED PARTY TRANSACTIONS

Amounts due to related parties are non-interest bearing, with no fixed terms of repayment. The Company entered into the following transactions with related parties.

a) Paid or accrued management fees of $40,000 (2005 - $59,250) to a company controlled by a former director of the Company.

b) Paid or accrued $82,338 (2005 - $25,750) in geological consulting fees, of which $82,338 (2005 - $20,750) is included in deferred exploration costs, to a company controlled by a former director.

c) Paid or accrued $64,938 (2005 - $Nil) in geological mapping and consulting fees, of which $64,938 (2005 - $Nil) is included in deferred exploration costs, to a foundation in which a director of the Company is an associate.

d) As outlined in Note 4, Colibri Property, the Company paid $50,000 (2005 - $50,000) and issued 250,000 (2005 - 250,000) common shares with a value of $32,500 (2005 - $37,500) 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.

5. RELATED PARTY TRANSACTIONS (cont'd…)

e) As outlined in Note 4, Ramaje Ardiente Property, the Company paid $15,000 (2005 - $10,000) and issued Nil (2005 - 100,000) common shares with a value of $Nil (2005 - $15,000) to a private Mexican company controlled by former directors of the Company.

f) As outlined in Note 4, Leon Property, the Company paid $30,000 (2005 - $20,000) and issued Nil (2005 - 100,000) common shares with a value of $Nil (2005 - $15,000) to a private Mexican company which is 50% owned by a former director of the Company.

g) Paid $Nil (2005 - $40,460) in share issue costs, to a financial partnership in which a former director of the Company is a partner.

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

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Amount	Contributed Surplus
Authorized			
100,000,000 common shares without par value			
Issued			
Balance as at November 30, 2004	5,770,000	$ 678,832	$ -
Private placements	2,496,867	202,265	-
Pursuant to mineral property agreements (Note 4)	450,000	67,500	-
Pursuant to prospectus	11,358,500	2,839,625	-
Agent's commission paid with shares	4,500	1,125	-
Agent's warrants	-	(87,319)	87,319
Corporate finance fee	240,000	60,000	-
Stock-based compensation	-	-	60,798
Share issue costs	-	(527,924)	-
Balance as at November 30, 2005	20,319,867	3,234,104	148,117
Pursuant to mineral property agreements (Note 4)	250,000	32,500	-
Stock-based compensation	-	-	50,846
Balance as at November 30, 2006	20,569,867	$ 3,266,604	$ 198,963

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd…)

A total of 1,716,000 shares are subject to an escrow agreement with their release at the discretion or determination of the applicable regulatory authority.

Fiscal year ended November 30, 2006:

The Company issued 250,000 common shares as part of a mineral property option agreement outlined in Note 4.

Fiscal year ended November 30, 2005:

The Company completed a private placement of 200,000 common shares at $0.15 per share for total proceeds of $30,000.

The Company completed a private placement of 2,296,867 common shares at $0.075 per share for total proceeds of $172,265.

The Company completed an initial public offering on the TSX Venture Exchange ("TSX-V") and issued 10,000,000 units at $0.25 per unit for gross proceeds of $2,500,000. Each unit consisted of one common share and one transferable share purchase warrant. Two warrants entitle the holder to acquire one additional common share at an exercise price of $0.30 until July 28, 2007.

The Company granted the Agent an option (the "Greenshoe Option") exercisable until September 28, 2005 to purchase up to 1,500,000 units at $0.25 per unit. The Agent exercised 1,358,500 of the options for gross proceeds of $339,625. Each Unit consisted of one common share and one transferable share purchase warrant. Two warrants entitle the holder to acquire one additional common share at an exercise price of $0.30 until July 28, 2007.

The Company paid a commission to the Agent equal to 8.5% of the gross proceeds of the Offering (including units that may be sold pursuant to the Greenshoe Option) of $240,243 in cash and 4,500 units (the "Agent's Units"). Each Agent's Unit consisted of one common share of the Company, and one non-transferable share purchase warrant entitling the Agent to acquire one additional common share at an exercise price of $0.30 until July 28, 2007.

The Company issued to the Agent non-transferable share purchase warrants (the "Agent's Warrants") entitling the Agent to acquire 1,703,775 common shares of the Company. The Agent's Warrants are exercisable at a price of $0.30 until July 28, 2007. These warrants have a fair value of $87,319, which was allocated to contributed surplus.

The Company issued to the Agent, a corporate finance fee of 240,000 units. Each unit consisted of a common share and one non-transferable share purchase warrant entitling the Agent to acquire one additional common share at a price of $0.30 until July 28, 2007.

The Company paid additional share issue costs of $422,154 of which $26,790 related to deferred share issue costs incurred in 2004.

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd…)

Stock options

The Company grants stock options in accordance with the policies of the TSX-V under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common shares of the Company. Under the policies, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years and vest immediately on the date of grant or over a period of time determined by the board of directors.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, November 30, 2004	-	$ -
Options granted	550,000	0.25
Options expired/cancelled	-	-
Options exercised	-	-
Balance, November 30, 2005	550,000	0.25
Options granted	600,000	0.10
Options expired/cancelled	(550,000)	0.25
Options exercised	-	-
Balance, November 30, 2006	600,000	$ 0.10
Number of options currently exercisable	600,000	$ 0.10
Weighted average fair value per options granted during fiscal 2006 and 2005	$ 0.08	$ 0.11

At November 30, 2006, the following stock options were outstanding:

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

Stock-based compensation

The total stock-based compensation calculated under the fair value method was $50,846 (2005 - $60,798). The Company recognized $50,846 (2005 - $60,798) as stock-based compensation in the statement of operations with a corresponding amount recorded as contributed surplus in capital stock.

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd…)

Stock-based compensation (cont'd…)

The following weighted average assumptions were used for the Black-Scholes valuation of stock options and warrants granted during the years ended November 30, 2006 and 2005:

	2006	2005
Risk-free interest rate	4.08%	3.22%
Expected life of options/warrants	5 years	3.5 years
Annualized volatility	81.88%	50%
Dividend rate	0.00%	0.00%

Warrants

At November 30, 2006, the Company had non-publicly traded (non-transferable) 1,948,275 share purchase warrants outstanding enabling the holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
1,948,275	$ 0.30	July 28, 2007

At November 30, 2006, the Company had publicly traded (transferable) 11,358,500 share purchase warrants outstanding enabling the holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
5,679,250	$ 0.30	July 28, 2007

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	2006	2005
Cash paid during the year for income taxes	$ -	$ -
Cash paid during the year for interest	$ -	$ -

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (cont'd…)

The significant non-cash transactions during the year ended November 30, 2006 were as follows:

a) The Company issued 250,000 common shares with a value of $32,500 pursuant to option agreements on the mineral properties (Note 4).

b) Included in mineral property costs is $347,764 which related to accounts payable and accrued liabilities.

Significant non-cash transactions during the year ended November 30, 2005 were as follows:

a) The Company issued 166,667 common shares for $25,000 which were share subscriptions received at November 30, 2004.

b) The Company issued 450,000 common shares with a value of $67,500 pursuant to option agreements on the mineral properties (Note 4).

c) The Company issued 4,500 units with a value of $1,125 to the Agent as a commission pursuant to the initial public offering.

d) The Company issued 240,000 units with a value of $60,000 to the Agent as a corporate finance fee pursuant to the initial public offering.

e) Included in mineral property costs is $42,410 which relates to accounts payable and accrued liabilities.

f) The deferred share issue costs at November 30, 2004 of $26,790 were charged against capital stock after the closing of the initial public offering.

g) The Company recorded the fair value of $87,319 for the agents warrants issued in connection with the prospectus, which is included in contributed surplus.

8. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment being the acquisition, exploration and development of mineral properties located in Mexico. Geographic information is as follows:

	Equipment	Mineral Properties
2006		
Canada	$ 3,602	$ -
Mexico	1,381	2,037,465
	$ 4,983	$ 2,037,465
2005		
Canada	$ 4,800	$ -
Mexico	-	934,458
	$ 4,800	$ 934,458

9. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2006	2005
Loss for the year	$ (279,338)	$ (213,353)
Expected income tax (recovery)	$ (101,363)	$ (74,663)
Difference in foreign tax rates	6,197	5,535
Non deductible items	19,170	42,937
Deductible items	(348,002)	(37,761)
Unrecognized benefits of non-capital losses	423,998	63,952
Total income tax recovery	$ -	$ -

The significant components of the Company's future income tax assets and liabilities are as follows:

	2006	2005
Future income tax assets		
Share issuance costs	$ 98,000	$ 144,000
Equipment	1,000	200
Non-capital losses available for future years	286,000	153,000
	385,000	297,200
Less: valuation allowance	(385,000)	(297,200)
	$ -	$ -

The Company has non-capital losses for Canadian income tax purposes of approximately $498,000 which can be carried forward to reduce taxable income in future years. Unless utilized, these losses will expire through to 2026. In addition, the Company has exploration and development expenditures of approximately $805,000. Future tax benefits, which may arise as a result of these losses and resource expenditures have not been recognized in these financial statements due to the uncertainty of their realization.

10. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities and accounts 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.

11. SUBSEQUENT EVENTS

The following events occurred subsequent to November 30, 2006:

a) The Company issued an aggregate of 344,925 common shares from the exercise of agent warrants at a price of $0.30 for total proceeds of $103,478.

b) The Company issued an aggregate of 195,240 common shares from the exercise of 390,480 warrants at a price of $0.30 for every two warrants for total proceeds of $58,572.

COLIBRI RESOURCE CORPORATION

Form 51-102F1

Management's Discussion & Analysis
for the Year Ended November 30, 2006

The following Management Discussion and Analysis ("MD&A") for Colibri Resource Corporation ("the Company") prepared as of March 29, 2007 should be read together with the audited consolidated financial statements for the year ended November 30, 2006 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

1) On December 15, 2005, the Company paid $25,000 pursuant to a mineral property option agreement on the Colibri property.
2) On December 19, 2005, the Company paid $15,000 pursuant to a mineral property option agreement on the Leon property.
3) On January 17, 2006, the Company paid $6,364 for the San Francisco and Juarez claims which are part of the Colibri property.
4) On April 10, 2006, the Company paid $8,659 for the San Francisco and Juarez claims which are part of the Colibri property.
5) On June 21, 2006, the Company paid $15,000 pursuant to a mineral property option agreement on the Leon property.
6) On July 26, 2006, the Company paid $11,118 for the San Francisco and Juarez claims which are part of the Colibri property.
7) On August 16, 2006, the Company paid $25,000 and issued 250,000 shares for a value of $32,500 pursuant to a mineral property option agreement on the Colibri property.
8) On August 16, 2006, the Company paid $15,000 pursuant to a mineral property option agreement on the Ramaje Ardiente property.
9) On October 11, 2006, the Company announced the completion of geological mapping, rock sampling, road, and drill pad construction on the Ramaje Ardiente project which covers approximately 8,500 hectares of mineral claims.
10) On October 24, 2006, the Company paid $11,173 for the San Francisco and Juarez claims which are part of the Colibri 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 Year Ended November 30, 2006	For The Year Ended November 30, 2005	Period From Incorporation on February 20, 2004 to November 30,2004
Total revenues	$ 47,902	$ 16,135	$ 761
Net income (loss) before extraordinary items	(279,338)	(213,353)	(122,564)
Net income (loss)	(279,338)	(213,353)	(122,564)
Basic and diluted earnings (loss) per share	(0.01)	(0.02)	(0.05)
Total assets	3,259,555	3,113,009	613,424
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 Year Ended November 30, 2006

Operations in the year ended November 30, 2006 were focused on maintaining the Company's interests in the properties for which it has entered into option agreements. The Company did not generate any revenues from operations for the year ended November 30, 2006.

The net loss for the year ended November 30, 2006 was $279,338, 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 $327,240. A major component of the loss was stock-based compensation with an estimated fair value of $50,846 in the form of stock options granted to executive officers and directors. The Company also incurred $40,000 for management fees and $23,357 in consulting fees. Accounting and audit fees increased significantly as a result of more activity.

For The Year Ended November 30, 2005

Operations in the year ended November 30, 2005 were focused on the preparation of the Company's Initial Public Offering and in maintaining the Company's interests in the properties for which it has entered into option agreements. The Company has not generated any revenues from operations for the year ended November 30, 2005.

The net loss for the year ended November 30, 2005 was $213,353, which was a loss of $0.02 per share on both a basic and a fully diluted basis. This loss was primarily attributed to general and administrative expenses of $229,488. A major component of the loss was stock-based compensation with an estimated fair value of $60,798 in the form of stock options granted to executive officers and directors. The Company also incurred $59,250 for management fees and $8,849 in consulting fees. Accounting and audit fees increased significantly as a result of more activity primarily attributed to the Company's Initial Public Offering.

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

	November 30, 2006	August 31, 2006	May 31, 2006	February 28, 2006	November 30, 2005	August 31, 2005	May 31, 2005	February 28, 2005
Total assets	$ 3,259,555	$ 2,961,008	$ 2,959,633	$ 3,048,920	$ 3,113,009	$ 2,913,213	$ 724,781	$ 626,410
Mineral property costs	2,037,465	1,482,906	1,267,527	1,148,675	934,458	604,277	463,409	439,769
Working capital	807,864	1,435,612	1,645,395	1,843,719	2,107,046	2,255,798	148,088	64,073
Shareholders' equity	2,850,312	2,923,483	2,918,293	2,998,172	3,046,304	2,865,186	692,133	561,521
Revenues	11,164	16,654	9,385	10,699	14,969	529	272	365
Net income (loss)	(124,017)	(27,310)	(79,879)	(48,132)	(27,985)	(118,968)	(41,653)	(24,747)
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.

	November 30, 2006	November 30, 2005
Working capital	$ 807,864	$ 2,107,046
Deficit	(615,255)	(335,917)

Net cash used in operating activities during the year was $257,255 compared to $178,971 during the previous year. 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 $20,611 during the current year and $2,577,333 during the previous year.

Net cash used in investing activities was $766,761 during the current year and $533,469 in the previous year. Cash was expended on the acquisition and maintenance of mineral claims and exploration work conducted on the claims in Mexico.

Pending Private Placement

The Company has engaged Bolder Investment Partners as its lead Agent to conduct a brokered, private placement of up to 7,000,000 Units at a price of $0.40 per unit for gross proceeds of $2,800,000. Each unit will consist 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 for a period of one year.

A cash commission of 7.5% of the total proceeds raised is payable to the Agent, which the Agent may elect to be paid up to half in Units at the same price and having the same terms as the Units offered in the private placement. The Agent will also receive agent's warrants entitling them to purchase common shares totaling up to 10% of the number of Units issued under the private placement. Each agent's warrant will have the same terms as the warrants issued as part of the Units.

This placement is subject to the approval of the TSX Venture Exchange Inc. 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.

Capital Resources

The Company's sources of funds have been derived from private placement financings and most recently 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 2006 fiscal year, none of these warrants were exercised.

Additional disclosure concerning the Company's general and administrative expenses and resource property obligations and commitments are provided in the Company's audited 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 a pending 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
(4)	(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
(5)	To cover estimated general and administrative expenses for a 12-month period.	$	300,000
(6)	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

During the year ended November 30, 2006, the Company entered into the following transactions with related parties:

a) Paid or accrued management fees of $40,000 (2005 - $59,250) to a company controlled by a former director of the Company.

b) Paid or accrued $82,338 (2005 - $25,750) in geological consulting fees, of which $82,338 (2005 - $20,750) are included in deferred exploration costs, to a company controlled by a former director.

c) Paid or accrued $64,398 (2005 - $Nil) in geological mapping and consulting fees, of which $64,938 (2005 - $Nil) is included in deferred exploration costs, to a foundation in which a director of the Company is an associate.

d) Paid $50,000 (2005 - $50,000) and issued 250,000 (2005 - 250,000) common shares with a value of $32,500 (2005 - $37,500) 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. (Colibri property)

e) Paid $15,000 (2005 - $10,000) and issued Nil (2005 - 100,000) common shares with a value of $Nil (2005 - $15,000) to a private Mexican company controlled by former directors of the Company. (Ramaje Ardiente property)

f) Paid $30,000 (2005 - $20,000) and issued Nil (2005 - 100,000) common shares with a value of $Nil (2005 - $15,000) to a private Mexican company which is 50% owned by a former director. (Leon property)

g) Paid $Nil (2005 - $40,460) in share issue costs, to a financial partnership in which a former director of the Company is a partner.

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 an account payable to a 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 year 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 November 30, 2006	20,569,867

Stock options

At November 30, 2006, the following stock options were outstanding:

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

Stock-based compensation

During the year ended November 30, 2006, the Company granted a total of 600,000 stock options to directors and officers.

The estimated fair value of these options was recorded as $50,846 (2005 - $60,798). These amounts have been expensed as stock-based compensation in the statement of operations with a corresponding amount recorded as contributed surplus in capital stock.

The following weighted average assumptions were used for the Black-Scholes Pricing Model valuation of stock options and warrants granted during the year ended November 30, 2006:

Risk-free interest rate	4.08%
Expected life of options	5 years
Annualized volatility	81.88%
Dividend rate	0.00%

Warrants

At November 30, 2006, the Company had non-publicly traded (non-transferable) 1,948,275 share purchase warrants outstanding enabling the holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
1,948,275	$ 0.30	July 28, 2007

At November 30, 2006, the Company had the following publicly traded (transferable) 11,358,500 share purchase warrants outstanding enabling the holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
5,679,250	$ 0.30	July 28, 2007

Additional Disclosure for Venture Issuers Without Significant Revenue

	Year Ended November 30, 2006	Year Ended November 30, 2005
Capitalized or expensed Exploration and Development Costs	$ 1,103,007	$ 641,839
Expensed Research and Development Costs	$ -	$ -
General and Administrative Expenses	$ 327,240	$ 229,488
Material Costs	$ -	$ -

Capitalized or Expensed Exploration and Development Costs

For the Colibri property, we capitalized $695,736 during the year ended November 30, 2006 and $517,421 during the same period for 2005.

For the Ramaje Ardiente property, we capitalized $304,297 during the year ended November 30, 2006 and $81,687 during the same period for 2005.

For the Leon property, we capitalized $102,974 during the year ended November 30, 2006 and $42,731 during the same period for 2005.

Subsequent Events

The following events occurred subsequent to November 30, 2006:

a) The Company issued an aggregate of 344,925 common shares from the exercise of agent warrants at a price of $0.30 for total proceeds of $103,478.

b) The Company issued an aggregate of 462,740 common shares from the exercise of 925,480 warrants at a price of $0.30 for every two warrants for total proceeds of $138,822.

Additional Information

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