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.