COLIBRI RESOURCE CORPORATION

Form 51-102F1

Management's Discussion & Analysis
for the Year Ended November 30, 2005

The following Management Discussion and Analysis ("MD&A") for Colibri Resource Corporation ("the Company") prepared as of March 22, 2006 should be read together with the audited consolidated financial statements for the year ended November 30, 2005 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 www.sedar.com.

Performance Summary

1) The Company was incorporated on February 20, 2004, in the province of British Columbia.

2) The Company incorporated its wholly owned subsidiary Minera Halcones S.A. de C.V. ("Halcones") on March 30, 2004 in Mexico.

3) The Company formally filed a technical report dated July 8, 2005 related to its Colibri Project in Mexico with the British Columbia Securities Commission.

4) On July 13, 2005, the Company filed its final long form prospectus and it was accepted by the British Columbia Securities Commission on July 28, 2005. The common shares of the Company began trading on August 5, 2005 under the symbol CBI and the share purchase warrants began trading under the symbol CBI.WT.

   The prospectus resulted in the Company completing an initial public offering on the TSX-V. Through its Agent, the Company issued 10,000,000 units at $0.25 per unit for gross proceeds of $2,500,000. Each unit consists of one common share and one transferable common share purchase warrant. Two whole warrants will entitle the holder to acquire one additional common share until July 28, 2007 at an exercise price of $0.30. The warrants were also listed for trading on the TSX-V.

5) On August 19, 2005, the Company issued 201,000 common shares pursuant to the exercise of Agent's options for gross proceeds of $50,250.

6) On September 22, 2005, the Company issued 1,157,500 common shares pursuant to the exercise of Agent's options for gross proceeds of $289,375. The Company also issued 173,625 Agent's warrants, which represents 15% of the balance of the Green Shoe Options exercised. These warrants are non-transferable and entitle the holder to purchase one additional common share at $0.30 until July 28, 2007.

7) On September 28, 2005, the remaining 141,500 Agent's options expired unexercised.

8) On October 13, 2005, the Company announced that it began the first 5,000 metre phase of a planned 10,000 metre reverse circulation drill program at the Colibri property.

9) On October 13, 2005, the Company announced that it has commenced an initial small-core diamond drilling program on the Ramaje Ardiente (Ramard) property.

Selected 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, 2005	Period From Incorporation on February 20, 2004 to November 30,2004
Total revenues	$ 16,135	$ 761
Net income (loss) before extraordinary items	(213,353)	(122,564)
Net income (loss)	(213,353)	(122,564)
Basic and diluted earnings (loss) per share	(0.02)	(0.05)
Total assets	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.

Period from incorporation on February 20, 2004 to November 30, 2004

Operations in the period from incorporation on February 20, 2004 to November 30, 2004 were focused on the incorporation of the Company, the establishment of its management team and the investigation of the properties for which it has entered into agreements to acquire interests in. The Company has not generated any revenues, except for interest revenue in the period from incorporation on February 20, 2004 to November 30, 2004 and does not expect to do so in the near future.

The net loss for the period from incorporation on February 20, 2004 to November 30, 2004 was $122,564 which was a loss of $0.05 per share on both a basic and a fully diluted basis. This loss was primarily attributed to general and administrative expenses of $123,325, the major component of which was management fees of $63,750 paid to a company controlled by the Company's President. In addition, the Company paid or accrued geological consulting fees of $16,050 to a company controlled by a director of the Company, which amount has been included in deferred explorations costs.

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 seven most recently completed quarters, as the Company was incorporated on February 20, 2004:

	Three Months Ended			
	November 30, 2005	August 31, 2005	May 31, 2005	February 28, 2005
Total assets	$ 3,113,009	$ 2,913,213	$ 724,781	$ 626,410
Mineral property costs	934,458	604,277	463,409	439,769
Working capital	2,107,046	2,255,798	148,088	64,073
Shareholders' equity	3,046,304	2,865,186	692,133	561,521
Revenues	14,969	529	272	365
Net income (loss)	(27,985)	(118,968)	(41,653)	(24,747)
Earnings (loss) per share	(0.01)	(0.01)	(0.01)	(0.01)

	Three Months Ended			
	November 30, 2004	August 31, 2004	May 31, 2004	February 29, 2004
Total assets	$ 613,424	$ 456,157	$ 279,261	$ -
Mineral property costs	292,619	169,540	26,832	-
Working capital (deficiency)	257,359	246,635	235,910	-
Shareholders' equity	581,268	434,441	267,986	-
Revenues	265	265	231	-
Net Income (loss)	(8,711)	(28,339)	(85,514)	-
Earnings (loss) per share	(0.01)	(0.01)	(0.03)	-

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, 2005	November 30, 2004
Working capital	$ 2,107,046	$ 257,359
Deficit	(335,917)	(122,564)

Net cash used in operating activities during the year was $178,519 compared to $97,334 during the previous comparable period. 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 $2,576,881 during the current year and $587,042 during the previous comparable period from the issuance of common stock and the exercise of Agent's options.

Net cash used in investing activities was $533,469 during the current period and $208,003 in the previous comparable period. Cash was expended on the acquisition of mineral claims and exploration work conducted on the claims in Mexico.

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. The Company has granted Canaccord Capital Corporation (the "Agent") an option (the "Greenshoe Option") exercisable within 60 days of the closing of the Offering to acquire from the Company, at the Offering Price, 1,500,000 Units which is equal to 15% of the number of Units sold pursuant to the Offering. In the event the Agent exercises the Greenshoe Option in full, up to 1,500,000 additional Shares and 750,000 Warrant Shares may be issued for gross proceeds to the Company of $375,000. During the 2005 fiscal year, the Agent exercised 1,358,500 for gross proceeds of $339,625 and allowed the remaining 141,500 Greenshoe Options to expire.

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:

	Description		
(1)	To make property option payments on the San Francisco and Juarez claims on the Colibri gold property, collectively for the sum of US$5,000 on 01 January, 2006, and US$9,000 on each of 01 April, 2006, 01 July, 2006, and 01 October 2006 **Note:** C$/US$ foreign exchange assumption = 1.25	$	40,000
(2)	To make property option payments of C$ due per schedule below	$	55,000

	16 June, 2006
Colibri property	$25,000
Leon property	$15,000
Ramard property	$15,000

(3)	To make mineral property tax estimated payments due per schedule below	$	27,908

	01 January, 2006	01 July 2006
Colibri property	$5,851	$6,436
Leon property	$2,439	$2,682
Ramard property	$5,000	$5,500

Note: Mexican peso/C$ foreign exchange assumption = 8.5

(4)	(a) To conduct the Phase I exploration – Colibri property	$	1,000,000
	(b) To conduct the Phase I exploration program on the Ramard Property (consisting of $50,000 for line cutting, soil sampling and geological mapping; $100,000 for ground geophysics; and $100,000 for a 1,000 meter drill program)	$	250,000
	(c) To conduct a basic exploration program on the Leon Property to maintain it in good standing and Mexican Mining Regulations.	$	40,000
(5)	To cover estimated general and administrative expenses for a 12-month period	$	264,684
(6)	To provide general working capital	$	639,022

Transactions with Related Parties

Accounts payable to a related party of $5,000 (2004 - $4,548) is comprised of management fees due to a company controlled by a director.

During the year ended November 30, 2005, the Company entered into the following transactions with related parties:

a) Paid or accrued management fees of $59,250 (2004 - $63,750) to a company controlled by a director of the Company.

b) Paid or accrued $25,750 (2004 - $16,050) in consulting fees, of which $20,750 are included in deferred exploration costs as geological consulting fees, to a company controlled by a former director.

c) As outlined in Note 4, Colibri Property, the Company paid $50,000 (2004 - $50,000) and issued 250,000 (2004 - 200,000) common shares with a value of $37,500 (2004 - $30,000) to a private Mexican company controlled by a director of the Company and a former director.

d) As outlined in Note 4, Ramaje Ardiente Property, the Company paid $10,000 (2004 - $20,000) and issued 100,000 (2004 - 200,000) common shares with a value of $15,000 (2004 - $30,000) to a private Mexican company controlled by a director of the Company and a former director.

e) As outlined in Note 4, Leon Property, the Company paid $20,000 (2004 - $20,000) and issued 100,000 (2004 - 200,000) common shares with a value of $15,000 (2004 - $30,000) to a private Mexican company which is 50% owned by a former director.

f) Paid $40,460 (2005 - $Nil) in share issuance costs, to a financial partnership in which a director 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 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.

Outstanding Share Data

Capital stock

	Number of Shares	Amount	Contributed Surplus
Authorized			
100,000,000 common shares without par value			
Issued			
Founders shares	1,250,000	$ 12,500	$ -
Private placements	3,920,000	588,000	-
Pursuant to mineral property agreements (Note 4)	600,000	90,000	-
Share issuance costs	-	(11,668)	-
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	-
Corporate finance fee	240,000	60,000	-
Agent's commission paid with shares	4,500	1,125	-
Agent's warrants	-	(87,319)	87,319
Stock-based compensation	-	-	60,798
Share issue costs	-	(527,924)	-
Balance as at November 30, 2005	20,319,867	$ 3,234,104	$ 148,117

Stock options

At November 30, 2005, the following stock options were outstanding:

Number of Options	Exercise Price	Expiry Date
550,000	$ 0.25	July 28, 2010

Stock-based compensation

During the year ended November 30, 2005, the Company granted a total of 550,000 stock options to directors and officers.

The estimated fair value of these options is recorded as $60,798. This amount has been expensed as stock-based compensation in the statement of operations with a corresponding amount recorded as contributed surplus in shareholders' equity.

The following weighted average assumptions were used for the Black-Scholes Pricing Model valuation of stock options and warrants granted during the period:

Risk-free interest rate	3.22%
Expected life of options	3.5 years
Annualized volatility	50.00%
Dividend rate	0.00%

Warrants

At November 30, 2005, the Company had non-publicly traded (non transferable) share purchase warrants outstanding enabling the holders to acquire common shares as follows:

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

At November 30, 2005, the Company had the following publicly traded (transferable) share purchase warrants outstanding enabling the holders to acquire common shares as follows:

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

Subsequent Events

The following events occurred subsequent to November 30, 2005:

a) Paid $15,000 pursuant to a mineral property option agreement on the Leon Property.

b) Paid $25,000 pursuant to a mineral property option agreement on the Colibri Property.