COLIBRI RESOURCE CORPORATION

Form 51-102F1

Management's Discussion & Analysis
for the Nine Month Period Ended August 31, 2005

The following Management Discussion and Analysis ("MD&A") for Colibri Resource Corporation ("the Company") prepared as of October 17, 2005 should be read together with the unaudited consolidated financial statements for the nine month period ended August 31, 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. 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 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 also be listed for trading on the TSX-V.

Selected Interim Information

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

	Three months ended August 31, 2005	Three months ended August 31, 2004	Nine months ended August 31, 2005	Period ended November 30, 2004
Total revenues	$ 529	$ 265	$ 1,166	$ 761
Net income (loss) before extraordinary items	(118,968)	(28,339)	(185,368)	(122,564)
Net income (loss)	(118,968)	(28,339)	(185,368)	(122,564)
Basic and diluted earnings (loss) per share	(0.01)	(0.01)	(0.02)	(0.05)
Total assets	2,913,213	456,157	2,913,213	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.

Nine Month Period Ended August 31, 2005

Operations in the nine month period ended August 31, 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 nine month period ended August 31, 2005.

The net loss for the nine month period ended August 31, 2005 was $185,368 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 $186,534 the major component of which was stock-based compensation with an estimated fair value of $60,160 in the form of stock options granted to executive officers and directors..

Summary of Quarterly Results

The following table sets forth selected (unaudited) quarterly financial information for each of the last six most recently completed quarters, as the Company was incorporated on February 20, 2004:

	Three Months Ended			
	August 31, 2005	May 31, 2005	February 28, 2005	November 30, 2004
Total assets	$ 2,913,213	$ 724,781	$ 626,410	$ 613,424
Mineral property costs	604,277	463,409	439,769	292,619
Working capital	2,255,798	148,088	64,073	257,359
Shareholders' equity	2,865,186	692,133	561,521	581,268
Revenues	529	272	365	265
Net income (loss)	(118,968)	(41,653)	(24,747)	(28,339)
Earnings (loss) per share	(0.01)	(0.01)	(0.01)	(0.01)

	Three Months Ended			
	August 31, 2004	May 31, 2004	February 29, 2004	November 30, 2003
Total assets	$ 456,157	$ 279,261	$ -	$ -
Mineral property costs	169,540	26,832	-	-
Working capital (deficiency)	246,635	235,910	-	-
Shareholders' equity	434,441	267,986	-	-
Revenues	265	231	-	-
Net Income (loss)	(28,339)	(85,514)	-	-
Earnings (loss) per share	(0.01)	(0.02)	-	-

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, 2005	November 30, 2004 (Audited)
Working capital	$ 2,255,798	$ 257,359
Deficit	(307,932)	(122,564)

Net cash used in operating activities for the period consists primarily of the operating loss and a change in non-cash working capital.

Net cash used by operating activities during the period was $112,304 compared to net cash used by operating activities of $82,334 during the previous comparable period.

Financing activities provided net cash of $2,368,416 during the current period and $515,271 during the previous comparable period from the issuance of common stock.

Net cash used in investing activities was $245,699 during the current period and $174,924 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 net proceeds of $2,243,625 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, that number of Units which is equal to the lesser of 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 (less the Agent's commissions of $31,875) for net proceeds to the Company of $343,125.

Additional disclosure concerning the Company's general and administrative expenses and resource property obligations and commitments are provided in the Company's unuadited 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	$	40,000

	15 December, 2005
Colibri property	$25,000
Leon property	$15,000
Ramard property	nil

(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

During the nine month period ended August 31, 2005, the Company entered into the following transactions with related parties:

a) Paid or accrued management fees of $44,250 (November 30, 2004 - $63,750) to a company controlled by a director of the Company.

b) Paid or accrued $20,750 (November 30, 2004 - $16,050) in geological consulting fees, which are included in deferred exploration costs, to a company controlled by a former director.

c) As outlined in Note 4, Colibri Property, the Company paid $50,000 (November 30, 2004 - $50,000) and issued 250,000 (November 30, 2004 – 200,000) common shares for a value of $37,500 (November 30, 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 (November 30, 2004 - $20,000) and issued 100,000 (November 30, 2004 - 200,000) common shares for a value of $15,000 (November 30, 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 (November 30, 2004 - $20,000) and issued 100,000 (November 30, 2004 - 200,000) common shares for a value of $15,000 (November 30, 2004 - $30,000) to a private Mexican company which is 50% owned by a former director.

Due to related parties of $5,350 (November 30, 2004 - $4,548) is comprised of $5,350 (November 30, 2004 - $4,548) for management fees due to a company controlled by a director.

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 and cash equivalents, receivables and accounts payables. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

Outstanding Share Data

Capital stock

	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	450,000	67,500	-
Pursuant to prospectus	10,000,000	2,500,000	-
Corporate finance fee	240,000	60,000	12,672
Agent's commission paid with shares	4,500	1,125	-
Agent's options	201,000	50,250	-
Agent's warrants	-	-	80,795
Stock-based compensation	-	-	60,160
Share issue costs	-	(540,481)	-
Balance as at August 31, 2005	19,162,367	$ 3,019,491	$ 153,627

Stock options

At August 31, 2005, the following stock options were outstanding:

	Number of Shares	Exercise Price	Expiry Date
	550,000	$ 0.25	July 28, 2010
(Agent's options)	1,299,000	0.25	September 28, 2005 (subsequently exercised 1,157,500 and 141,500 expired)

Warrants

At August 31, 2005, the Company had the following non-publicly traded (non transferable) share purchase warrants outstanding:

Number of Shares	Exercise Price	Expiry Date
1,774,650	$ 0.30	July 28, 2007

At August 31, 2005, the Company had the following publicly traded (transferable) share purchase warrants outstanding where two warrants and $0.30 allows the purchase of one common share.

Number of Warrants	Exercise Price	Expiry Date
10,201,000	$ 0.30	July 28, 2007

Subsequent Events

Subsequent to August 31, 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 Option exercised. These warrants are non-transferable and entitle the holder to purchase one additional common share at $0.30 until July 28, 2007.