

NEW OROPERU RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS

For the year ended December 31, 2012

(Expressed in US dollars)

d) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not exposed to significant interest rate risk.

e) Foreign currency risk

As at December 31, 2012, the majority of the Company's cash and trade payables and accrued liabilities are denominated in U.S. dollars, the value of which is subject to fluctuation in exchange rates. Cash held in Canada and Peru in US dollars amounted to \$20,674 (2011 - \$137,027) at December 31, 2012.

	2012	2011
Cash and cash equivalents	\$ 20,674	\$ 41,947
Trade payables and accrued liabilities	(67,657)	(27,781)
Net foreign exposure (USD equivalent)	\$ (46,983)	\$ 14,166

The Company does not utilize derivatives or other techniques to manage foreign currency risk.

Based on the above net foreign currency exposure (USD equivalent) as at December 31, 2012, and assuming all other variables remain constant, a 10% weakening or strengthening of the US dollar against the Canadian dollar would result in an immaterial increase/decrease in the Company's loss.

f) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to any significant price risk.

Risk Factors

Companies operating in the mining industry face many and varied kind of risks. Following are the risk factors most applicable to the Company.

Industry

Exploring and developing mineral resource projects bears a high potential for a variety of risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even one such factor may result in the economic viability of a project being detrimentally impacted such that it is not feasible or practical to proceed.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.