

DUNDARAVE RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS

For the Three months ended March 31, 2007

1.1 Date of This Report

May 28, 2007

1.2 Overall Performance

Description of Business

Dundarave Resources Inc. (the “Company”) is a publicly listed company on the TSX Venture Exchange under the symbol “DDX”. The Company’s primary business is the acquisition, exploration and development of mineral properties.

The Company continues to review and conduct due diligence studies on advanced exploration and development opportunities.

1.3 Selected Annual Information

The highlights of financial data for the Company for the three most recently completed financial years are as follows:

	<u>December 31,</u> <u>2006</u>	<u>December 31,</u> <u>2005</u>	<u>December 31,</u> <u>2004</u>
(a) Net sales	-	-	-
(b) Loss before extraordinary items			
(i) Total income (loss)	\$(262,928)	\$38,735	(\$2,252,198)
(ii) Income (Loss) per share (basic)	\$(0.04)	\$0.01	(\$0.27)
(iii) Income (Loss) per share (diluted)	\$(0.04)	\$0.01	(\$0.27)
(c) Total assets	\$1,091,275	\$1,336,452	\$1,440,121
(d) Total long-term liabilities	N/A	N/A	N/A
(e) Cash dividends declared per-share	N/A	N/A	N/A

1.4 Results of Operations

The loss for the three months ended March 31, 2007 (“First Quarter”) was \$9,920 as compared with an income of \$116,980 for the comparative period for the previous year. This is mainly due to stock-based compensation of \$119,381 (2006 – NIL).

Operating expenses for First Quarter amounted to \$138,270 (2006 - \$25,591). Consulting fees decreased from \$17,604 in 2006 to \$10,000 in 2007.

During the First Quarter, the Company realized a gain of \$120,927 (2006 - \$131,461) in respect of sale of available for sale marketable securities.

The Company received interest of \$8,443 (2006 - \$1,467) during the First Quarter.

1.5 Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Q1 <u>31-Mar-07</u>	Q4 <u>31-Dec-06</u>	Q3 <u>30-Sep-06</u>	Q2 <u>30-Jun-06</u>	Q1 <u>31-Mar-06</u>	Q4 <u>31-Dec-05</u>	Q3 <u>30-Sept-05</u>	Q2 <u>30-Jun-05</u>
Revenue	\$ -	\$ -	\$ -	\$53,454	\$142,571	\$327,090	\$33,508	\$25,641
Net income(loss)	\$(9,920)	\$22,263	\$(422,572)	\$20,401	\$116,980	\$252,407	\$(78,123)	\$(69,954)
Basic earnings (loss) per share	\$(0.01)	\$(0.00)	\$(0.06)	\$0.00	\$0.02	\$0.04	\$(0.01)	\$(0.01)
Diluted earnings (loss) per share	\$(0.01)	\$0.01	\$(0.06)	\$0.00	\$0.01	\$0.04	\$(0.01)	\$(0.01)

1.6 Liquidity

The Company has no revenue generating projects at this time. The Company's historical capital needs have been met by equity subscriptions. The Company will require additional financing to fund any property acquisitions as well as exploration programs on any properties it acquires. As at March 31, 2007, the Company's working capital was 1,523,466 (compared to \$1,080,669 at December 31, 2006). The ability of the Company to successfully acquire and develop properties in the resource sector is conditional on its ability to secure financing when required. The Company proposes to meet any additional financing requirements through the exercise of outstanding stock options and warrants, or arranging other equity financing, and/or finalizing a joint venture agreement with a partner(s) who will be able to assume the costs of recommended exploration programs. In light of the continually changing financial markets, there is no assurance that funding by equity subscriptions or finding a joint venture partner will be possible at the times required or desired by the Company.

1.7 Capital Resources

The Company currently does not own any mineral properties but is actively seeking properties of interest.

1.8 Off Balance Sheet Arrangements

There is no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

During the three months ended March 31, 2007, the Company paid consulting fees of \$10,000 (2006 - \$17,604).

There are no formal agreements for the related party transactions described above.

1.10 Proposed Transactions

None.

1.11 Changes in Accounting Policies

Effective on January 1, 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants relating to financial instruments. These new standards have been adopted on a prospective basis with no restatement of prior period financial statements.

1.12 Financial and Other Instruments

The carrying value of cash and cash equivalents and accounts payable approximate their fair values due to the short maturity of those instruments.

1.13 Outstanding share data

At the date of this report, the Company has 6,650,976 issued and outstanding common shares.

1.14 Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to permit timely decisions regarding public disclosure.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer has concluded that the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings ("52-109"), are effective to ensure that the information required to be disclosed in reports that are filed or submitted under Canadian Securities legislation are recorded, processed, summarized and reported within the time period specified in those rules. In conducting the evaluation it has become apparent that management relies upon certain informal procedures and communication, and upon "hands-on" knowledge of senior management. Management intends to formalize certain of its procedures. Due to the small staff, however, the Company will continue to rely on an active Board and management with open lines of communication to maintain the effectiveness of the Company's disclosure controls and procedures. Lapses in the disclosure controls and procedures could occur and/or mistakes could happen. Should such occur, the Company will take whatever steps necessary to minimize the consequences thereof.

1.15 Internal controls and Procedures over Financial Reporting

Management is also responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. As is indicative of small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated by senior management monitoring which exists. The Company is taking steps to augment and improve the design procedure and controls impacting these areas of weakness over internal control over financial reporting. It should be noted that a control system, no matter how well conceived or operated, can only provide reasonable assurance, not absolute assurance, that the objectives of the control system are met.

1.16 Subsequent Event

N/A

Additional information

Additional information relating to the company is on SEDAR at www.sedar.com.