

UNITED BOLERO DEVELOPMENT CORP.
Management Discussion and Analysis
For The Nine Months Ended September 30, 2005

November 24, 2005

The following discussion and analysis should be read in conjunction with the financial statements and notes for the six months ended September 30, 2005 accompanying this interim report and the audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2004. The effective date of this report is November 24, 2005. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional regulatory filings for the Company can be found on the SEDAR website at www.sedar.com. The Company's website can be found at www.unitedbolero.com

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

Overview

United Bolero Development Corp. ("United Bolero" or the "Company") is a junior natural resource company focused on the exploration and development of natural resource properties in precious metals, base metals and oil and gas. United Bolero was incorporated under the British Columbia Company Act on August 13, 1985 and as an extra provincial corporation on February 13, 2004 in the province of Ontario.

The Company is a reporting issuer in British Columbia and Alberta and is listed on the TSX Venture Exchange under the symbol "UNB."

Subsequent to the three months ended September 30, 2005 the Company listed on the Frankfurt Exchange and began trading on October 12, 2005 under the symbol "U7N". The Company felt it was important to be listed in Europe due to their keen understanding of the mining markets, particularly molybdenum. In addition the Company is moving forward with a listing in the United States and hopes to have that completed in the near future.

Until recently the Company was largely focused on mineral exploration but has been able to integrate oil and gas exploration into its core operations to become both a mineral and oil and gas exploration company. United Bolero intends to maintain that balance of being both a junior mineral exploration and development company as well as a junior oil and gas company.

Our long-term goals for United Bolero include:

- acquiring and developing cash producing assets;

- building and strengthening our core operations in natural resource exploration and development;
- increasing return on investment for our shareholders;

Management Changes

The Company announced on October 17, 2005 the appointment of Mr. Gerard Mercer to the Board. Mr. Mercer is Dean of the Sheridan School of Business, Sheridan Institute of Technology and Advanced Learning one of Canada's leading college business schools. His standing in the community, his vast knowledge, expertise in business and economics, along with his business connections will be an asset to the Company moving forward.

On August 19th the Company announced Mr. Maurizio Fava had been appointed to the Advisory Board. Mr. Fava brings with him fifteen years work experience as a financial consultant and professional investor. His business acumen and knowledge of the financial markets will be a great addition to the Company.

On July 17, 2005, Mr. Kal Kotecha was announced as Director of Public Relations. Mr. Kotecha has worked with junior resource companies and brings with him the experience and connections needed to help Bolero move forward. He is also a professor of business and economics.

On June 28, 2005 the Company announced Leon David Michaud was added to the Advisory Board. Mr. Michaud specializes in the start-up and operation of large-scale metallurgical concentrators. He holds a Bachelor degree in mining engineering from Queen's University. His expertise in metallurgy and mine development will only help strengthen the Company as it moves forward with its production plans on both Bald Butte.

On June 8, 2005 the Company announced the resignation of William S. Morton and William Stickel effective immediately from their positions of President and Chief Financial Officer / Corporate Secretary, respectively. Mr. Blair Naughty was appointed President / CEO and Mr. Mike England was appointed CFO / Corporate Secretary.

Operating Activities

South Baird Property – Red Lake, Ontario

On November 3rd, 2003, United Bolero signed the South Baird Property agreement to acquire a 50% interest in three patented claims units (KRL 1244608, KRL 1244612, and KRL 1244620) located in Baird Township in the Red Lake mining district.

On November 4th, 2004, the Company in agreement with Solitaire Minerals amended the terms of the original South Baird agreement.

In consideration of the amended agreement, United Bolero is required to make the following cash and share payments as well as commit to the following exploration expenditures:

(a) Cash Payments

- \$5,000 Cdn. upon execution of the agreement (paid);
- \$5,000 Cdn. upon TSX Venture Exchange approval (paid);
- \$20,000 Cdn. On or before November 3, 2005 (to be issued)
- \$30,000 Cdn. on or before November 3, 2006 (originally 2005);

(b) Share Issuances

- 50,000 common shares upon TSX Venture Exchange approval (issued);
- 100,000 common shares on or before November 3, 2004 (issued), with the original commitment being the issue of 50,000 common shares;
- a final issue of 50,000 common shares on or before November 3, 2006 (originally 2005)

(c) Exploration Expenditures

- \$150,000 on or before November 3, 2005 (originally 2004);
- a further \$350,000 on or before November 3, 2006 (originally 2004)

Smoky Gap Agreement

On February 17th, 2004 United Bolero entered into an agreement with Big Snowy Resources LLP (“Big Snowy”), a U.S. based private company whereby the Company can earn up to a 50% working interest in up to five wells in the Smoky Gap Field, Natrona County, Wyoming. To date Big Snowy has drilled and completed three of the five wells covered under the Smoky Gap Agreement with United Bolero having advanced the required US\$150,000 to earn the 50% working interest in these three wells. Currently United Bolero management and Big Snowy management are awaiting a frac date to be set by Sanjel Corp. as that is the next step for the Bolero 1-33 well. Funds have been advanced to Big Snowy for the drilling of a second and third well, or to be used towards additional completion costs of the Bolero 1-33 well should the situation arise.

Confirmation of revenue entitlements and payments are pending from Big Snowy. During the year ended December 31, 2004 the Company wrote down the working interest in the Smokey Gap Field, Wyoming, USA, by \$199,913 to a nominal interest.

The Wagonbox Agreement

On April 15th, 2004, United Bolero entered into a second agreement with Big Snowy Resources LLP, whereby the Company can earn up to a 50% working interest in two wells in the Wagonbox Field, located in Musselshell County, Montana. During the year ended December 31, 2004, the Company paid \$231,374 (US\$175,000) towards its 50% earn in on this property. These have been fully earned at December 31, 2004.

Cannivan Gulch Mining Exploration and Option Agreement

On December 30th, 2004, United Bolero entered into the Cannivan Gulch Mining Exploration and Option Agreement (“MEOA”) to acquire a 100% interest in the Cannivan Gulch molybdenum project. The property was acquired from MKM Enterprises and Verde Ltd. (the “vendors”) based out of Missoula, Montana. In order to earn a 100% interest in the property, net of a 2% Net Smelter Royalty (NSR), United Bolero will make the following cash and share payments:

Cash Payments:

- US\$50,000 upon execution of a formal option agreement (Mining Exploration and Option Agreement, December 31, 2004) (paid);
- US\$50,000 upon the first anniversary of the agreement, December 31, 2005;
- US\$50,000 upon the second anniversary of the agreement, December 31, 2006;
- US\$75,000 upon the third anniversary of the agreement, December 31, 2007;
- US\$75,000 upon the fourth anniversary of the agreement, December 31, 2008;
- US\$75,000 upon the fifth anniversary of the agreement, December 31, 2009;

- US\$100,000 upon the sixth anniversary of the agreement, December 31, 2010;
- US\$100,000 on each subsequent anniversary until such time as the Company has broached the total cash purchase price of \$10,000,000 USD.

When the Company reaches production stage, all annual production payments and/or royalty production payments will be credited towards the Company's final purchase price of \$10,000,000 USD.

Treasury Issues:

United Bolero will also issue shares from treasury according to the following schedule:

- 100,000 upon execution of the formal agreement (issued);
- 100,000 upon the first anniversary of the agreement;
- 100,000 upon the second anniversary of the agreement;
- 100,000 upon the third anniversary of the agreement;
- 100,000 upon the fourth anniversary of the agreement.

United Bolero will have the opportunity to purchase 1% of the 2% net smelter upon the third anniversary of the agreement for a purchase price of US \$600,000. This option to purchase is offered only on the third anniversary of the agreement and at no other time.

The Bald Butte Agreement

The Company entered into an option agreement dated February 18, 2005 whereby the Company can acquire a 100% interest in the Bald Butte Property in Southwestern Montana. The option agreement includes a total of 22 patented claims, comprising approximately 350 acres, and an area of interest with radius of 0.5 miles from the property boundaries. The Company has acquired through staking, an additional 10 claims (contiguous to the property and included in the area of interest) to cover possible extensions of significant mineralization.

Bald Butte is a quartz vein stockwork hosted molybdenite deposit, located approximately three miles south west of the historic Marysville gold mining district of Montana. Bald Butte is accessible by existing roads, a rail siding is within eight miles, the Butte-Mullan power line crosses a portion of the property and two existing flotation mills, MRI (53,000 tonnes per day) and Phillipsburg (3,000 tonnes per day) are both within 80 miles.

To acquire the option, the Company is required to make the following payments:

Cash Payment:

- US\$80,000 upon execution of the formal option agreement (paid);
- US\$150,000 upon the first anniversary of the agreement;
- US\$200,000 upon the second anniversary of the agreement and on each subsequent anniversary.

Treasury Issues:

- 120,000 shares upon execution of the agreement (issued);
- 120,000 shares upon each anniversary up to a total of 600,000 common shares issued.

Annual Option payments will be capped when the total of annual payment plus royalties reach US\$5,000,000. Royalty payments are perpetual and will continue for the life of the agreement.

The NSR is payable as to 1 per cent to Cyprus Gold Exploration Corp. and 2 per cent to the property vendors (a group of Montana individuals). A provision to reduce the vendors' 2 per cent royalty to 1 per cent in the third year upon payment of US\$500,000 is included.

The Company was granted access to the extensive files, reports and drawings generated by Gulf Mineral Resources and donated to the Montana Bureau of Mines & Geology. A detailed study of these records by management has been on-going. Results of drilling programs completed by Gulf in the early 1980's revealed the possibility that a deposit of molybdenum ("Mo") mineralization grading greater than 0.1% Mo existed close to surface on Bald Butte Mountain in the vicinity of Gulf's Diamond Drill Hole # GGB-34. On June 28th of behalf of the Company, Madison Mining Corporation submitted a drilling and reclamation plan to the Montana Department of Environmental Quality ("DEQ"). The plan involved the drilling of 50 percussion holes to test the existence of the theorized near-surface deposit.

During the nine months ended September 30, 2005, a permit to drill was granted, the drill program was undertaken, 50 holes were drilled, cuttings were collected, split and sent for assay. Results from 20 of the 50 holes have been received to date. The weighted average of the 20 holes graded 0.133% over an average intercept of 66 feet.

Based on these results, a mining plan of operations (based on a small quarry at 1000 tonnes per day) was submitted by the Company to the Montana DEQ and was subsequently accepted. A Small Miner's Exclusion Statement ("SMES") as provided for in the provisions of the Montana Metal Mines Reclamation Act was completed by the Company and also submitted to the DEQ. The Company is excluded from the permitting requirements of the Act by the SMES submission. Permission to commence mining on the Bald Butte project has been granted subject to a surface disturbance limit of 5 acres.

Metallurgical testing of Bald Butte mineralized drill cuttings from the reject portion of split samples is being conducted at Hazen Research and N.A. Degerstrom metallurgical labs. Discussions with the owners of the Contact Mill (an operating, custom flotation mill with capacity of 1000 tonnes per day) located in Phillipsburg, Montana (80 road miles from the Bald Butte deposit) are ongoing. Management is investigating the economics of shipping quarried material to the Contact Mill at the rate of 1000 tonnes per day for custom milling. Results from the metallurgical test work will provide parameters for flow sheet design and milling costs.

Investors are cautioned that historical reports on the Bald Butte project are not in compliance with National Instrument 43-101, and have not been reviewed in detail, nor prepared by, a Qualified Person as defined by NI 43-101. The Bald Butte deposit cannot be defined as a proven or probable resource or reserve at this time.

L.J. Bardswich, P. Eng. (Ontario) is the Qualified Person on the Bald Butte project for purposes of NI 43-101. Mr. Bardswich is the on-site manager of the percussion drill program. Mr. Bardswich is also a Director of the Company and is not an independent person as defined by NI 43-101

Montana Molybdenum Corporation

Subsequent to the quarter ended September 30, 2005, the company incorporated a wholly owned Montana subsidiary, **Montana Molybdenum Corporation** ("MT Moly"). The company's SMES (small miner's exemption) for the Bald Butte quarry project was assigned to Montana Molybdenum Corporation MT

Moly as the operating entity. MT Moly commenced operations on November 1, 2005 on the Bald Butte project, under the direction of L.J. Bardswich, P.Eng., a director of the company and president of MT Moly. A mining crew, complete with experienced supervision, was recruited, Mine Safety & Health Act (MSHA) training programs were established, equipment was mobilized to the site and a program of extensive road building/upgrading was undertaken.

The road program, providing haul truck access to State/Interstate highways, through the town of Marysville is expected to be complete by December 7th. Actual mining operations will commence December 5th with first ore shipments at a reduced rate of 300m tons per day, scheduled for the week of December 19th. The ore will be trucked to the Contact flotation mill in Phillipsburg, MT, owned by the Antonioli family. Mill throughput capacity of 1000 tons per day is expected to be achieved by mid-January, 2006.

Chong Molybdenum Property, Ontario

During the nine months ended September 30, 2005 the Company entered into an agreement and paid \$13,000 for acquisition of these claims as per agreement, which is subject to regulatory approval.

A preliminary exploration program on the Chong molybdenum property, located in Fraleck Township, near Sudbury, Ontario was initiated. Prospecting, mechanical stripping, pressure washing, channel cutting and geological mapping activities were conducted in the vicinity of old pits bearing molybdenite mineralization. Assay results are pending from the channel sampling program. David Beilhartz, P.Geo. is supervising the program

Results of Exploration Activities – Operations

The results of operations reflect the overhead costs incurred for mineral property acquisitions and exploration expenses incurred by the Company to maintain good standing with the various regulatory authorities and to provide an administrative infrastructure to manage the acquisition, exploration, and financing activities of the Company. General and administrative costs can be expected to increase or decrease in relation to the changes in activity required as property acquisitions and exploration continues. As at September 30, 2005, the Company had not recorded any significant revenues from its projects in either oil and gas, or mineral exploration and development.

Revenues

Due to the Company's status as an exploration and development stage mineral resource company, and a lack of commercial production from its properties, the Company currently does not have significant revenues from its operations. Minor revenues have been obtained from the Company's involvement in oil and gas exploration and development in Montana and Wyoming.

Operating Expenses

Management, Professional & Consulting Fees

Management, professional and consulting fees for the three and nine months ended September 30 were as follows:

Period Ending	3 months ended Sep 30, 2005 \$	3 months ended Sep 30, 2004 \$	9 months ended Sep 30, 2005 \$	9 months ended Sep 30, 2004 \$
Management Fees	9,813	11,500	165,675	11,500
Professional Fees	34,602	18,180	147,996	67,089
Consulting Fees	30,822	61,183	90,782	99,356

Management expenses for the nine months ended September 30, 2005 increased by \$154,175, largely due to the fees incurred by additional management, who joined the Company to improve and strengthen the Company's operations. The two earlier additions to the management team have resigned effective June 8, 2005. Management expenses for the three months ended September 30, 2005 decreased by \$1,687 due to decreased fees being charged.

Professional fees of \$147,996 compared with the nine months ended September 30, 2005 compared to fees of \$67,089 for the nine months ended September 30, 2004 increased due to the associated costs of obtaining legal advice and the increased costs associated with executing new property agreements and legal advice regarding the Company's private placements.

Consulting fees of \$90,782 for the nine months ended September 30, 2005 decreased by \$8,574 when compared with the same period ended September 30, 2004. The decrease results from the decrease of consultants used during the current nine months. For the three months ended September 30, 2005 consulting fees decreased by \$29,301 when compared with the fees for the three months ended September 30, 2004.

Shareholder Communications and Promotional Expenses

Investor relations and promotional activities have increased when comparing the results for the three and nine months ended September 30, 2005 compared to the same period for 2004.

As the Company became more active over the course of 2005, management felt it important to utilize the services of independent investor relations' professionals to help increase corporate awareness. On July 17, 2005, Mr. Kal Kotecha was announced as Director of Public Relations. Mr. Kotecha has worked with junior resource companies and brings with him the experience and connections needed to help Bolero move forward. He is also a professor of business and economics. Mr. Kotecha will receive \$3,000 a month as compensation as well as 100,000 stock options at a deemed price of 10 cents. The deal is for a four-month period at which time it may be renegotiated. Subsequent to the nine months ended September 30, 2005 the agreement has been amended for \$4,000 compensation per month.

Period Ending	3 months ended Sep 30, 2005 \$	3 months ended Sep 30, 2004 \$	9 months ended Sep 30, 2005 \$	9 months ended Sep 30, 2004 \$
Shareholder communications & promotion	47,540	18,423	114,836	73,453

Shareholder communications & promotion for the nine and three months ended September 30, 2005 compared with the same period ending September 30, 2004 have increased due to increased activity of retaining an outside investor relations person as well as promotional trips to Toronto regarding upcoming financings and related promotional presentations. Due to the increased activity of the Company numerous news release disseminations have added to this increase of costs.

Stock Based Compensation

For the nine months ended September 30, 2005 stock based compensation expense is \$59,313 compared to \$172,423 for the same period ended September 30, 2004. Stock based compensation expense was higher during the comparative period ended September 30, 2004 due to options being granted to the new President and CFO who are no longer with the Company. The stock based compensation for the three months ended September 30, 2005 \$20,667 was allocated to stock based compensation for options granted during the period and was slightly lower compared with the same three months for September 30, 2004.

Transfer Agent & Filing Fees

Transfer fees & filing fees for the nine months ended September 30, 2005 is \$26,954 (2004: \$20,992). For the three months ended September 30, 2005 and 2004 transfer filing fees were \$7,160 (2004: \$1,860). The increase during 2005 relates largely to the applicable regulatory filings in connection with increased financing activities as well as the granting of the stock options to employees and Directors of the Company.

Liquidity & Capital Resources

The Company's cash balance was \$127,004 for the nine months ended September 30, 2005 compared with \$123,348 the fiscal year end at December 31, 2004. The Company has become more active over recent months in acquiring working interests in new properties and making payment upon execution of new property agreements. The issuance of shares for the nine months ended September 30, 2005 are \$1,026,374 (2004: \$677,119) and for the three months ended September 30, 2005 the proceeds are \$510,977 (2004: \$Nil). The Company's completed private placements, and exercise of warrants and options has provided the cash to move forward with its plans.(Please refer to Note 8 of the financial pages).

The Company has a working capital of \$19,689 as compared with working capital of \$36,368 at December 31, 2004. The Company's increased exploration activities has put greater demand on its cash and working capital resources.

The Company has no long-term debt and no material credit facilities in place at the end of September 30, 2005.

Financing Activities

On September 30th, 2005 the company issued 150,000 common shares of the company for \$22,500 pursuant to the exercise of stock options. These options are exercisable at \$0.15 on or before September 30, 2007.

On August 24th, 2005 the Company announced it had closed its 4.27 million unit non-brokered private placement reported earlier on June 15, 2005 and July 13, 2005. The Company issued 4.27 million units at a price of eight cents per unit. Each unit consists of one share and one share purchase warrant which entitles the holder to purchase an additional share of the Company at a price of 10 cents until August 22, 2006, and a price of 15 cents until August 22, 2007. The Company also paid the sum of \$24,020 and issued 290,250 warrants as finders' fees in this matter. The shares and any shares to be issued upon exercise of the warrants will be subject to a 4-month hold period and shall not trade before December 23, 2005.

On August 19th, 2005 the company issued 300,000 common shares of the company for \$33,000 pursuant to the exercise of stock options. These options are exercisable at \$0.10 on or before June 27, 2007.

On June 24th, 2005 the company issued 1,300,000 common shares for the company for \$130,000 pursuant to the exercise of stock options. These options are exercisable at \$0.10 on or before June 24, 2007.

In December 2004, the Company issued 100,000 common shares valued at \$14,000 for the acquisition of mineral properties (Note 4).

In December 2004, the Company issued 2,749,999 units at \$0.12 per unit for proceeds of \$330,000. Each unit consisted of one common share and one common share purchase warrant entitling the holder to

acquire one common share at \$0.15 in the first year and at \$0.20 in the second year. A finder's fee of \$8,044 cash, 41,666 agent warrants and 157,000 agent units valued at \$18,840 with the same terms of the units and warrants was paid. The fair value of the agent warrants, as determined by the Black-Scholes pricing model, was \$8,101.

In October 2004, the Company issued 2,500,000 units at \$0.10 per unit for proceeds of \$250,000. Each unit consisted of one common share and one common share purchase warrant entitling the holder to acquire one common share at \$0.15 for one year. A finder's fee of \$5,750 cash and 150,000 common shares valued at \$15,000 was paid.

In June 2004, the Company issued 193,548 flow-through units at \$0.31 per unit for proceeds of \$60,000. Each unit consisted of one flow-through share and one half common share purchase warrant. One whole warrant entitles the holder to acquire one common share at \$0.36 in the first year and at \$0.42 in the second year. The Company issued 19,355 units valued at \$6,000 consisting of one common share and one whole common share purchase warrant with the same terms of the unit warrants as finder's fees.

In April 2004, the Company issued 1,500,000 units at \$0.20 per unit for proceeds of \$300,000. Each unit consisted of one common share and one common share purchase warrant entitling the holder to acquire one common share at \$0.25 in the first year and at \$0.35 in the second year. A finder's fee of \$8,000 cash and 100,000 agent warrants with the same terms of the unit warrants was paid. The fair value of the agent warrants, as determined by the Black-Scholes pricing model, was \$13,306.

In December 2003, the Company completed the following private placements:

- i) 200,000 units at \$0.15 per unit, each unit consisting of one flow through common share and 200,000 share purchase warrants. Each warrant entitles the holder to purchase one common share at \$0.18 in the first year and at \$0.25 in the second year; and
- ii) 500,000 units at \$0.12 per unit, each unit consisting of one common share and one common share purchase warrant, exercisable at \$0.15 in the first year and at \$0.20 in the second year.

In June 2003, the Company issued 1,283,333 units at \$0.12 per unit for proceeds of \$154,000. Each unit consisted of one common share and one common share purchase warrant to acquire an additional common share at \$0.18 in the first year and at \$0.25 in the second year

In January 2003, the Company issued 1,750,000 units at \$0.10 per unit for proceeds of \$175,000. Each unit consisted of one common share and one common share purchase warrant entitling the holder to acquire one common share at \$0.15 in the first year and at \$0.20 in the second year. A finder's fee of \$12,000 cash and 200,000 agent warrants with the same terms of the unit warrants was paid. The fair value of the agent warrants, as determined by the Black-Scholes pricing model, was \$5,468.

Cash Flow and Earnings

United Bolero Development Corp. expects that unless it receives substantial revenues from oil and gas activities initiated over 2005 and its renewed objectives to engage in high demand mineral properties, it anticipates funding its operating activities for the interim through the sale of equity securities.

Cash flows used in operations for the three months ended September, 2005 are \$208,263 (2004: \$112,719). The cash flows used in operations for the nine months ended September 30, 2005 are \$660,597 (2004: \$259,226).

Cash used for investing purposes for the three months ended September 30, 2005 is \$276,912 (2004: \$109,620). Cash used for the nine months ended September 30, 2005 is \$377,997 (2004: \$450,312). \$432,283 was spent on mineral properties for the nine months ending September 30, 2005. For the same period ended September 30, 2004 \$34,304 was spent on mineral properties, \$336,728 for oil and gas expenditures and \$30,340 was proceeds on the sale of marketable securities.

Cash provided by the issuance of shares for the for the three months ended September 30, 2005 the proceeds are \$510,977 (2004: \$Nil). The nine months ended September 30, 2005 are \$1,026,374 (2004: \$677,119).

Write-Down of Mineral Interests

For the period ended September 30, 2005 the Company had no write-downs of any mineral properties.

The Company had no write-downs of any mineral properties during fiscal 2004; however, the Company had \$56,510 in write-downs of interests in exploration claims for the year ended December 31, 2003. The write-downs consisted of the write-off of the Poly Property, and the Placiteros Agreement. The Company had no write-offs in fiscal 2002 of any interests in exploration claims.

Write-Down of Oil and Gas Properties

During the year ended 31, 2004 the Company wrote down the working interest in the Smokey Gap Field, Wyoming, USA, by \$199,913 leaving it at a nominal amount.

Related Party Transactions

Amounts due to related parties include balances owed to former directors for fees, rent and funds advanced to the Company to assist in its operations. These amounts are non-interest bearing, unsecured and have no fixed terms of repayment. The Company entered into the following transactions with related parties:

- a) Paid or accrued management fees of \$ 165,675 (Sep 30, 2004 - \$11,500) to a former director of the Company
- b) Paid or accrued consulting fees of \$90,782 (Sep 30, 2004 - \$99,356) to current Directors of the Company

Off Balance Sheet Arrangements

The Company is not a party to any off balance sheet arrangements or transactions.

Critical Accounting Policies

The accompanying financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and the settlement of liabilities in the normal course of business. The appropriateness of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and/or generate continued financial support in the form of share issuances. Management is of the opinion that sufficient working capital will be obtained from operations, external financing or public share offerings to meet the Company's liabilities and commitments as they come due. These financial statements are prepared in accordance with GAAP ("GAAP"), which is generally acceptable accounting principles in Canada.

The audit committee of the Board of Directors has reviewed the corporate disclosures in this MD&A.

Estimates

The preparation of financial statements in accordance with 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 revenue and expenses during the reporting period. Actual results could differ from management's estimates.

Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is provided for on the declining balance method using the following annual rates:

Office furniture and equipment	20%
Computer equipment	30%

Mineral Properties

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs relating to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be impairment. These costs will be amortized on the basis of units produced in relation to the proven reserves available on the related property following commencement of production. Mineral properties which are sold before that property reaches the production stage will have all revenues from the sale of the property credited against the cost of the property. Properties which have reached the production stage will have a gain or loss calculated based on the portion of that property sold.

The recorded cost of mineral exploration interests is based on cash paid, the assigned or deemed value of share considerations and exploration and development costs incurred. The recorded amount may not reflect recoverable value as this will be dependant on the development program, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

Asset retirement obligations

The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability.

Cost of maintaining mineral properties

The Company does not accrue the estimated future costs of maintaining its mineral properties in good standing.

Oil & Gas Properties

The Company follows the full cost method of accounting for its oil and gas operations, whereby all costs of exploring for and developing oil and gas reserves are capitalized in cost centres on a country-by-country basis. Such costs include land acquisition costs, geological and geophysical costs, carrying charges on non-producing properties, costs of drilling both productive and non-productive wells, cost of production and gathering equipment and administrative charges directly related to acquisition, exploration and development activities. Proceeds from the disposal of oil and natural gas properties are applied

against capitalized costs. Gains or losses are not recognized on disposals unless crediting the proceeds against capitalized costs would materially alter the rate of depletion.

Depletion and amortization

The capitalized costs together with estimated future capital costs associated with the development of proven reserves are depleted and amortized using the unit-of-production method based on proven oil and natural gas reserves, before royalties, determined by Company and independent engineers. For purposes of the depletion and amortization calculations, oil and natural gas reserves are converted to a common unit of measure based upon their relative energy content.

Ceiling test

The Company calculates a ceiling test whereby the net capitalized costs of properties cannot exceed the sum of the undiscounted cash flows expected to result from the Company's proved reserves. Cash flows are calculated based on third party quoted forward prices and adjusted for the Company's contract prices and quality differentials. If there is impairment, the magnitude of it would be calculated by comparing the carrying amount of oil and gas properties to the estimated net present value of future cash flows from proved plus risked probable reserves. A risk-free interest rate is used to arrive at the net present value of the future cash flows. Any excess carrying value above the net present value of future cash flows would be recorded as a permanent impairment and charged as additional depletion expense in the consolidated statement of income.

Sales of oil and gas properties are accounted for as adjustments of capitalized costs, with no gain or loss recognized unless such adjustments would alter the rate of depletion and amortization by more than twenty percent.

Revenue recognition

Revenue from the sale of oil and gas products are recognized upon the passage of title and when ultimate collection is reasonably assured.

Future Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences). Future income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect of future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is enacted or substantially assured. The amount of future income tax assets recognized is limited to the amount of the benefit that is likely to be realized.

Flow-through common shares

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. Recording these expenditures for accounting purposes gives rise to taxable temporary differences.

Effective March 19, 2004, the Emerging Issues Committee of the Canadian Institute of Chartered Accountants requires that, when the Company renounces flow-through expenditures, a portion of the Company's future income tax assets that were not recognized in previous years, due to the recording of a valuation allowance, be recognized as a recovery of income taxes in the statement of operations.

Financial Instruments

The Company's financial instruments consist of cash, marketable securities, receivables, accounts payable and accrued liabilities, and due to related parties. Unless otherwise noted, it is management's opinion that 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 value, unless otherwise noted.

Loss per Share

The Company uses the treasury stock method to calculate diluted loss per share. Diluted loss per share considers the dilutive impact of the exercise of outstanding stock options, warrants and similar instruments as if the events had occurred at the beginning of the period or at time of issuance, if later. For the years ended December 31, 2003 and 2002, this calculation was not presented separately as the effect of stock options and warrants was anti-dilutive.

Basic loss per share is calculated using the weighted average number of shares outstanding during the year.

Stock Option Plan

Effective January 1, 2003, the Company adopted the new recommendations of The Canadian Institute of Chartered Accountants Handbook Section 3870, *Stock-based Compensation and Other Stock-based Payments*, which recommends the fair value-based methodology for measuring compensation costs. The new recommendations have been applied prospectively to all stock-based payments to employees and non-employees granted on or after January 1, 2003. The change in accounting policy did not result in any adjustment to the Company's opening deficit balance.

The Company accounts for all stock-based payments granted on or after January 1, 2003 using the fair value based method. Under the fair value based method, stock-based payments are measured at the fair value of the equity instruments issued.

Any consideration paid by employees and directors on exercise of stock options or purchase of shares is credited to share capital. If shares or stock options are cancelled or repurchased from employees and directors, the excess of the consideration paid over the carrying amount of the shares or stock options cancelled is charged to the deficit.

As a result of the adoption of fair value accounting for stock options the Company recorded stock-based compensation expense of \$20,667 (2004: \$21,483) for three months ended September 30 and \$59,313 (2004: \$172,423) for the nine months ended September 30. The fair value is determined using the Black-Scholes Option Pricing Model. Prior to the adoption of this standard no compensation was recognized for stock options issued to employees.

Quantitative and Qualitative Risks

Molybdenum Price Volatility

Any future revenue that may be generated by the Company's operations, if commercial production commences, and thus its future profitability and cash flow, may be significantly affected by changes in the Molybdenum price. The price of Molybdenum fluctuates widely and is affected by numerous factors beyond the Company's control. In addition, the Molybdenum price is sometimes subject to rapid short-

term changes because of speculative activities. If Molybdenum prices should decline and remain at low market levels for a sustained period, the Company could determine that it is not economically feasible to commence or continue activities or commercial production.

Oil & Gas Commodity Price Risk

Until the Company is in a position to engage in an active oil and gas hedging program, it may be at risk of fluctuations or instability in the price of oil and gas in the open market. The Company may assess and/or implement a hedging program in the future to ensure that a base level of cash flow may be maintained for United Bolero to meet its financial obligations.

Oil and natural gas are commodities whose prices are determined based on world demand, supply and other factors, all of which are beyond the control of the Company. World prices for oil and natural gas have fluctuated widely in recent years. Any material decline in prices could result in a reduction of the Company's oil and gas acquisition and development activities as the economies of some wells may change as a result of lower prices.

Credit and Interest Rate Risk

The Company has no long-term debt, with accounts payable and accrued liabilities being short-term non-interest bearing. Interest rate risk is limited to interest bearing assets of cash and cash equivalents and short-term investments.

Foreign Exchange Currency Risk

A portion of the Company's current oil and gas exploration and development activities are located in the United States and future exploration and development expenditures and any future commercial production expenditures and income from the Company's properties will be in U.S. dollars. Receipts and payments in U.S. dollars are subject to foreign currency fluctuations upon conversion to Canadian currency.

Exploration and development expenditures on the Canadian gold property are not subject to currency fluctuation as all payments are in Canadian currency.

The Company currently maintains two bank accounts one denominated in Canadian dollars one denominated in US dollars. Transactions to and from the Canadian dollar bank account are converted from, or to, U.S. dollars on the date of the transaction, funds received in US dollars are maintained in the US dollar denominated account until such time as the funds are accessed and used to pay in Canadian currency if required. Account balances are adjusted to reflect any gain or loss on foreign exchange at the end of each month.

Hedging, Sales Contracts, Commodity and Derivative Instruments

The Company is not engaged in any gold hedging and has no sales contracts, commodity or derivative instruments in place.

Business Risk

United Bolero's financial results may be significantly influenced by its business environment. Business risks include, but are not limited to:

- Costs to find, develop, produce and deliver commodities;
- Relationships with its joint venture partners;
- Satisfactory title to property it has agreed to develop;
- Government regulations; and

- Cost of capital.

Joint Ventures

A couple of the properties in which United Bolero has an interest, namely the South Baird Gold property, the Wagonbox and the Smokey Gap properties are operated through joint ventures with other companies. Any failure of such other companies to meet their obligations to the Company or to other third parties could have a material adverse effect on the joint ventures. In addition, United Bolero may be unable to exert control over strategic decisions made in respect of such properties.

Uncertainty of Exploration and Development Programs – Base and Precious Metals

United Bolero's future profitability may be significantly affected by the costs and results of its exploration and development programs. Exploration for base and precious metals is highly speculative in nature, involves many risks and is frequently unsuccessful. Among the many uncertainties inherent in any mineral exploration and development program are the location of economic ore bodies, the development of appropriate metallurgical processes, the receipt of necessary governmental permits and the construction of mining and processing facilities. Assuming the discovery of an economic deposit, depending on the type of mining involved, several years may elapse from the initial phases of drilling until commercial operations are commenced and, during such time, the economic feasibility of production may change. Accordingly, United Bolero's exploration and development plans may not result in any new economically viable mining operations.

Uncertainty of Exploration and Development Programs – Oil & Gas

Oil and natural gas exploration involves a high degree of risk and there is no assurance that expenditures made on exploration by the Company will result in discoveries or production of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling unknown formations, the costs associated with encountering various drilling conditions such as over pressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretation thereof. The long term success of the Company's oil and gas programs depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. There is no assurance that the Company will be able to locate satisfactory properties for acquisition or participation. Even if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive by do not produce sufficient net revenues to return a profit after drilling, operating and other costs. In addition, drilling hazards or environmental damage could greatly increase the costs of operations, and various field operating conditions, such as delays in obtaining any necessary governmental consents or approvals, extreme weather conditions or insufficient transportation capacity, may adversely affect the production from successful wells. Oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, invasion of water into producing formations, blow-outs, cratering, sour gas releases, fires and spills. Oil and gas exploration and development activities are also dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Company and may delay exploration and development activities.

Future Acquisitions

United Bolero undertakes evaluations of potential opportunities to acquire additional mining and oil and gas assets. Any resultant acquisitions or joint ventures may be significant in size, may change the scale of

United Bolero's business and may expose the company to new geographic, political, operating, financial and geological risks. United Bolero's success in its growth strategies depends on its ability to identify suitable acquisitions, acquire them on acceptable terms and integrate them successfully into those already in existence. Any future acquisitions would be accompanied by risks, such as changes in commodity prices, reserves in both mining and oil and gas proving to be below expectations; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of United Bolero's ongoing business; the inability of management to maximize the financial and strategic position of United Bolero through the successful integrations of acquired assets; the maintenance of uniform standards, controls, procedures and policies; the potential unknown liabilities associated with acquired assets and businesses. In addition, United Bolero may need additional capital to finance new acquisitions of assets. Equity financing may expose the company and its existing shareholders to dilution. There can be no assurance that United Bolero would be successful in overcoming these risks or any other problems encountered in connection with such acquisition of assets.

Regulatory Risk

The operations of all oil and gas, and base and precious metal explorers and producers, are subject to extensive controls and regulations imposed by various levels of government. United Bolero in conjunction with its joint venture partners, monitors and adheres to all regulations which could affect its operations and has established standards of operating practice which are designed to minimize risk to the local community and the environment. Changes to regulations could have an adverse effect on the Company's results of operations and financial condition.

Safety and Environmental Risks

Mining

Although United Bolero is in exploration stages at this time, the Company is aware that the production aspects of mining involves many risks and hazards, including environmental hazards, industrial accidents, labor force disruption, the unavailability of material and equipment, unusual or unexpected rock formations, pit slope failures, changes in the regulatory environment, weather conditions, seismic activity, cave-ins, flooding, rock bursts, and water conditions. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.

United Bolero's mining activities in concert with its joint venture partner may be subject to extensive national, provincial, state, municipal laws and regulations governing environmental protection and employee health and safety. United Bolero and its partner will be required to obtain government permits and provide other bonding requirements under national, provincial, municipal air, water quality and mine reclamation rules and permits. Although United Bolero will have to make provisions for these costs in the future, it cannot be assured that these provisions will be adequate to discharge its obligations for these costs.

Failure to comply with applicable environmental and health and safety laws can result in injunctions, damages, suspension or revocation of permits and imposition of penalties. There can be no assurance that United Bolero will be in compliance with such laws, regulations and permits, or that the costs of complying with current and future environmental and health and safety laws and permits will not material adversely affect United Bolero's business, results of operations or financial conditions. United Bolero is not able to determine the impact of future changes in environmental laws and regulations on its future financial position due to the uncertainty surrounding the form that those laws or regulations may take. As mining operations evolve, United Bolero in concert with its joint venture partner, will continue to update

and clarify their position when it comes to mine reclamation plans and will address their respect environmental responsibilities as they become due.

Any of these risks could significantly affect United Bolero when it reaches a production stage and could possibly subject the Company to significant costs that could have an adverse material effect upon its financial performance, liquidity and results of operations.

Oil & Gas

The oil and gas business is subject to extensive regulation pursuant to various state, national and international conventions and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. United Bolero is committed to meeting its environmental and safety policy that is designed, at minimum to comply with current governmental regulations set for the oil and gas industry. Changes to government regulations are monitored to ensure compliance. Environmental reviews are completed as part of the due diligence process when evaluating acquisitions and developments.

Summary of Quarterly Results

The following table sets out selected consolidated quarterly information for the last eight quarters of 2005 and 2004:

Three Months Ended	September 30, 2005	June 30, 2005	March 31, 2005	December 31, 2004
	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	6,400
Loss	172,696	297,300	260,610	269,637
Loss per Common Share	(0.01)	(0.01)	(0.02)	(0.07)
Three Months Ended	September 30, 2004	June 30, 2004	March 31, 2004	December 31, 2003
	\$	\$	\$	\$
Revenue	6,400	Nil	Nil	Nil
Loss	137,217	186,568	247,649	41,945
Loss per Common Share	(0.01)	(0.01)	(0.02)	(0.00)

Subsequent Events

On October 17th, 2005 the company issued 400,000 common shares of the company for \$60,000 pursuant to the exercise of stock options. These options are exercisable at \$0.15 on or before October 17th, 2007.

On October 31st the Company announced it had closed it's its 1st Tranche non-brokered private placement of 3,450,000 units at a price of \$0.20 per unit for total proceeds of \$690,000. Each unit consists of one common share of the Company and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase a further common share of the Company at a price of \$0.25 per share for a period of two years. The proceeds of the private placement will be used for working on the Bald Butte project and general working capital. The Company also paid the sum of \$58,500 and issued 245,000 warrants as finders' fees in this matter. The securities issued are subject to a four-month hold period in accordance with the policies of the TSX Venture Exchange and the provisions of the British Columbia Securities Act.

On November 24, 2005 our issued and outstanding capital stock is 31,322,741.

Subsequent to November 24, 2005 the Company plans to close its 2nd Tranche non-brokered private placement 4,010,000 units at a price of \$0.20 per unit for total proceeds \$802,000. Each unit consists of one common share of the Company and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase a further common share of the Company at a price of \$0.25 per share for a period of two years. The proceeds of the private placement will be used for working on the Bald Butte project and general working capital. The Company will also be paying a sum of \$82,000 and issuing 401,000 warrants as finders' fees in this matter. The securities issued are subject to a four-month hold period in accordance with the policies of the TSX Venture Exchange and the provisions of the British Columbia Securities Act.

Subsequent to November 24 the Company plan to close its Flow Through non-brokered private placement 850,000 units at a price of \$0.20 per unit for total proceeds \$170,000. Each unit consists of one common share of the Company and a half non-transferable share purchase warrant. Each warrant entitles the holder to purchase a further common share of the Company at a price of \$0.25 per share for a period of one year. The proceeds of the private placement will be used for working on the Chong property project. The Company will also be paying a sum \$14,500 and issuing 65,000 warrants as finders' fees in this matter. The securities issued are subject to a four-month hold period in accordance with the policies of the TSX Venture Exchange and the provisions of the British Columbia Securities Act.

UNITED BOLERO DEVELOPMENT CORP.

CORPORATE DATA

November 24, 2005

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Blair Naughty	President & CEO, Director
Marvin A. Mitchell	Director
Lloyd (Joe) Bardswich	Director
Michael England	Director, Chief Financial Officer & Corporate Secretary
Gerard Mercer	Director

CAPITALIZATION

Authorized:	99,875,000
Issued:	31,322,741
Escrow:	Nil

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LISTINGS

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Frankfurt Exchange
Trading Symbol: "U7N"