

BOLERO RESOURCES CORP.

**(formerly United Bolero Development Corp.)
Management Discussion and Analysis
For The Year Ended December 31, 2007**

April 25, 2008

The following discussion and analysis should be read in conjunction with the audited financial statements for the years ended December 31, 2007 and 2006 and related notes included therein. 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.boleroresources.ca.

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

Bolero Resources Corp. ("Bolero" or the "Company") is a junior natural resource company focused on the acquisition and exploration of natural resource properties in precious metals and base metals. Bolero was incorporated under the British Columbia Company Act on August 13, 1985, and was continued under the laws of the Province of Ontario on September 19, 2007. The Company is a reporting issuer in British Columbia, Alberta and Ontario and is listed on the TSX Venture Exchange under the symbol "BRU." The Company listed on the Frankfurt Exchange under the symbol "U7N".

Our long-term goals for Bolero include:

- acquiring and developing cash producing assets;
- building and strengthening our core operations in natural resource exploration and development; and
- increasing return on investment for our shareholders.

Overall Performance

The Company incurred a loss from operations for the year ended December 31, 2007 of \$1,758,871 compared with a loss of \$1,733,505 for the prior year. The increase in loss from operations is predominantly attributable to stock based compensation expense which was \$258,017 higher than the prior year. With the exception of stock based compensation and office, rent, and miscellaneous, costs in all other expense categories were reduced.

On June 29, 2007, the Company moved up to Tier 1 status on the TSX Venture Exchange. In September 2007, the Company received final regulatory approval for the continuance of its charter into Ontario as well as a name change from United Bolero Development Corp. to Bolero Resources Corp.

During 2007, the Company continued to focus on its Bald Butte and Cannivan Gulch molybdenum properties. Drill programs were carried out on both properties. The drill results were favourable and resulted in National Instrument 43-101 ("NI 43-101") compliant reports stating substantial indicated and inferred resources for Bald Butte and Cannivan Gulch. The reports were issued subsequent to year end.

The Company entered into an option agreement to acquire 50% of the Arcadia property located in Canada's Nunavut territory. The option agreement was signed on July 31, 2007. The Company has advanced \$500,000 of its flow through funds to meet its exploration obligations for the option agreement on the property.

In addition, management was actively pursuing new business opportunities. On October 15, 2007, the Company announced that it had entered into a Letter Agreement (the "Rico Letter Agreement") with Rico Renaissance LLC, Rico Land and Cattle Company, Rico High Altitude Investments LLC, Rico Properties LLC and Rico Mountain Life LLC to acquire certain private surface and mineral rights that host the Silver Creek molybdenum project and other copper-gold occurrences located in the Pioneer Mining District, in Dolores County, Colorado. The Company's due diligence investigations could not be satisfactorily addressed so the Company terminated the transaction.

Operating Activities

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 a radius of 0.5 miles from the property boundaries. The Company 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.

Under the option agreement, the Company is required to make certain cash payments and issue treasury shares. Details of the contractual requirements are disclosed in the notes to the year end financial statements.

Bald Butte is a quartz vein stockwork hosted molybdenite deposit, located approximately three miles southwest of the historic Marysville gold mining district of Montana. Bald Butte is accessible by existing roads and a rail siding is within eight miles. A power line crosses a portion of the property and two existing flotation mills, MRI and Phillipsburg are both within 80 miles.

A report, dated November 22, 2005 and amended December 15, 2005, authored by John Thompson, P.Eng. and Michael Sandidge, P.Geo., incorporating the results of the 50 hole percussion drill program undertaken by the Company, was completed in compliance with NI 43-101. Mr. Thompson, P.Eng. calculated an "Indicated Mineral Resource" of 390,000 short tons grading 0.13% molybdenum. This resource relates to a specific pit area rather than the larger resource.

A mining plan of operation (based on a small quarry rate of 900 tonnes per day) was submitted to the Montana DEQ and accepted. A Small Miner's Exclusion Statement ("SMES") as provided for in the provisions of the Montana Metal Mines Reclamation Act was also submitted to the DEQ. The Company is excluded from the permitting requirements of the Act by the SMES submission. Operations commenced on November 1, 2005 on the Bald Butte quarry. A program of extensive road building/upgrading was undertaken. Actual mining operations commenced on December 5, 2005 with the removal of waste rock overlying the deposit. Actual processing of molybdenite material started on April 11, 2006. In mid 2006, the Company suspended the mining and milling operations at its Bald Butte quarry project. This decision was made when metallurgical test work confirmed lower than anticipated mill recoveries due to an elevated percentage of oxidized material coming from the specific area in the quarry being mined.

Subsequently, the Company provided to a laboratory, G & T Metallurgical Service, Kamloops, BC, additional material from the Bald Butte quarry that more closely represented the deposit. The first phase of metallurgical testing, designed to determine molybdenum recovery rates, determined that molybdenum in the ore body can be recovered into rougher concentrate between 90 to 95 percent. The rougher concentrate can then be processed into a marketable molybdenum concentrate with an overall molybdenum recovery rate of about 80 percent. (A marketable molybdenum concentrate contains at least 50 percent molybdenum.)

The Company's geological team completed a geologic mapping and interpretation of the Bald Butte quarry. Using this mapping information, and the results from the 50 earlier holes drilled, a resource calculation determination was completed. In December 2006, the NI 43-101 compliant report on the Bald Butte property was completed by Broad Oak Associates, Toronto, Ontario. The report indicated an inferred resource of 105 million tons at a grade of 0.071% molybdenum (0.12% MoS₂) which was calculated using the polygonal method, containing 150 million pounds of molybdenum, (250 million pounds of MoS₂). The inferred resource was calculated using a 0.04% molybdenum cut-off grade. The contained MoS₂ represents total material contained and does not take into account metallurgical recoveries. The report recommended a two phase drilling program to increase the geological knowledge of the deposit.

In 2007, based on the recommendations from the Broad Oak Technical Report, the Company initiated a 5,500 metre (approximately 18,000 feet) drill program on the Bald Butte deposit. The objectives of the drill program were: to conduct confirmatory infill and step out drilling to expand the overall resource and upgrade portions of it to the measured and indicated categories; and to conduct additional exploratory drilling in the area of the Bald Butte pit where high grade mineralization had previously been reported. Drilling commenced on June 16, 2007. The Company engaged ALS Chemex of Reno, Nevada to analyze the core samples from the drill program.

The results of the first four diamond drill holes (BB07-1, BB07-2, BB07-5, and BB07-10) were reported on October 17, 2007. The average Mo results by hole are as follows: 0.060%Mo for Hole BB07-1 from a depth of 188 feet to 408 feet, 0.041%Mo from a depth of 578 to 598 feet, and 0.176%Mo from a depth of 778 to 798 feet; 0.074%Mo for Hole BB07-2 from a depth of 30 feet to 470 feet; 0.063%Mo for Hole BB07-5 from a depth of 30 feet to 720 feet; and 0.041%Mo for Hole BB07-10 from a depth of 229 feet to 579 feet.

Three of the four new holes were drilled to the depths planned but hole BB07-2, which the Company had planned to drill to a depth of 1,000 feet, encountered a broken zone that forced abandonment of the hole at a depth of 470 feet. The last 110 feet of hole BB07-2 averaged 0.106% Mo.

These first four holes have established continuity of the upper (main) zone of mineralization as projected in our preliminary modeling and have better defined the limits of a deeper zone in the north eastern portion of the mineralization which may represent a structurally controlled feeder zone.

Results for the fifth and sixth diamond drill holes (BB07-3 and BB07-13) were reported on November 13, 2007. Hole BB07-3, averaged 0.054% Mo (0.090% MoS₂) from a depth of 110 feet to a depth of 820 feet for an interval of 710 feet. This average includes all footage within this interval including those intercepts which were below a 0.03% Mo cut-off.

Results for Hole BB07-13 indicated a 370 foot intercept from 470 feet to 840 feet averaging 0.056% Mo (0.093% MoS₂). In addition, Hole BB07-13 has numerous lower grade intervals both above and below the main mineralized zones.

Drilling at Bald Butte ceased on December 10, 2007 due to intensely cold weather, high winds and snowstorms in the project area. Since the cessation of drilling, the Company has utilized the time to catch up on detailed logging, core cutting, photographing, sampling and assaying of the approximately 24,000 feet of core. The 2007 drilling has indicated that the intensely altered contact zone of the Bald Butte quartz monzonite intrusive is especially strongly mineralized. Eleven additional holes have already been permitted for the 2008 drilling season and access roads and pads have been constructed for most of these holes. Additional holes will be permitted based on the results of these eleven holes and the holes drilled in 2007 that are presently being logged and compiled.

The Company has engaged Geomatrix, an environmental consulting firm from Helena, Montana to assist in carrying out an environmental monitoring program. Initial surface water sampling and drill hole water monitoring have begun.

A detailed land status study of the Bald Butte property and the surrounding area has been completed. Based on the results of the review, fifty new claims were staked around the core group of patented claims to provide a buffer for exploration and eventual mining activities.

Subsequent to year end, the Company press released a NI 43-101 compliant updated mineral resources estimate on the Bald Butte project that was prepared by Broad Oak Associates. The press release stated that there is an indicated resource of 139,428,000 tons at a grade of 0.06% Molybdenum (168.5 million pounds of Molybdenum) calculated using a block model with standard kriging. It also stated that there is an additional inferred resource of 45,121,000 tons at a grade of 0.056% Molybdenum (50.6 million pounds of Molybdenum). The resources were calculated using a 0.04% molybdenum cut-off grade for both categories and do not take into account metallurgical recoveries. The NI 43-101 will be posted on SEDAR within 45 days of the press release.

John Childs, Ph.D., Registered Geo (AZ) is the "qualified person" (as such term is defined by NI 43-101) on the Bald Butte project.

As at December 31, 2007 the Company has incurred \$717,898 in acquisition costs and \$4,915,934 toward deferred development costs on the Bald Butte mineral property. Costs include \$166,940 for estimated asset retirement obligations.

Cannivan Gulch Mining Exploration and Option Agreement

On December 30th, 2004, 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. based out of Missoula, Montana. In order to earn a 100% interest in the property, net of a 2% Net Smelter Royalty (NSR), Bolero is required to make specific cash and share payments. These requirements are disclosed in the notes to the financial statements.

The Cannivan Gulch property was previously explored between the years 1968 and 1981 by Cyprus-Amax, Amoco and others. A total of 55 core holes totalling 88,450 feet were drilled and 2,514 feet of underground development was completed. Based on the results of these earlier exploration programs, an estimated 300 million tons grading 0.06% molybdenum ("Mo") containing 360,000,000 pounds of Mo had been identified. The historical resource was calculated at a 0.03% Mo cut-off resulting in a preliminary pit design with a 0.97:1 stripping ratio. These historic estimates were not NI 43-101 compliant.

A review of all the previous work on the property has been completed. Forty-six (46) drill pulp samples from the historical drill holes on the property were re-analyzed in 2007 by ALS Chemex. The new analyses track well with the historical Mo results and all results are available on the Bolero web site.

A Plan of Operations for a drilling program was submitted to the U.S. Forest Service on March 12, 2007. The key objective of the 2007 drill program was to drill four holes totalling approximately 1,890 metres (6,200 feet). The holes were designed to confirm and expand the historical non 43-101 compliant resource. The core obtained from the drilling would also be used for metallurgical studies to supplement the historical results. Discussions were held with the U.S. Forest Service and the Montana Department of Environmental Quality, Montana Department of Fish Wildlife and Parks and other groups regarding permitting and environmental issues. The Company's proposed drilling activities were explained to local interest groups.

New drill sections oriented north-south and east-west were constructed on 200 foot centers and new level plans were also constructed on 200 foot centers. These were used to design the drill holes for the 2007 drilling program. The sections and plans are also being used to evaluate mining methods and possible extensions of the mineralized system.

A water monitoring plan was designed and preliminary field visits were made to evaluate environmental issues. Previous environmental reports on the Cannivan property, prepared by Western Technology and Engineering Inc. for Amoco in June 1982, were obtained and reviewed. A preliminary surface water sampling program has been initiated and is ongoing as part of a baseline environmental study.

An investigation of water rights for the Cannivan project and defined other geologic targets in the immediate project area was undertaken. In July 2007, water rights to the property were transferred to the Company and in August 2007, these rights were filed with the state of Montana.

In August 2007, the Company obtained a letter of approval for its proposed drill program. A helicopter-supported core drilling program was initiated at Cannivan Gulch on September 7, 2007 after significant delays caused by a slow permitting process and a lack of helicopters during a very difficult fire season in Montana. Two holes (CG07-1 and CG07-2) were completed during September for a total footage of 2,077 feet. Freezing water lines and intense snow storms forced the termination of the drilling program in early October 2007. Core from both holes has been geologically logged and sawed in half. One half was sent to ALS Chemex Laboratories in Elko, Nevada for analysis and the remaining half has been archived for future use.

Drill Hole CG07-1 totalled 602 feet and was designed to test near-surface mineralization in the immediate area of old Hole CG-1 which was drilled by Cyprus Mines Corporation (later Amoco Minerals Company) in 1973. Drill Hole CG07-1 averaged 0.059% over its entire depth.

Drill Hole GC07-2 was drilled as a step out approximately 200 feet north of the east-west section containing old holes GCG-22 and CG-23 and 155 feet north of angle hole CG-13. The entire 1,475 foot length of this hole is in mineralization and strong alteration. The average grade for the entire hole is 0.097%Mo. The hole includes intercepts of 0.212%Mo over 68.5 feet, 0.349%Mo over 20 feet, 0.591%Mo over 10 feet and 0.511%Mo over 10 feet. This hole is especially significant because it extends strong near-surface mineralization approximately 200 feet northward beyond the previously defined limits of the main zone of mineralization.

Subsequent to year end, a NI 43-101 compliant report prepared by Broad Oak Associates was completed. The report stated that there is an indicated resource of 177,945,700 tons at a grade of 0.06% Molybdenum (225 million pounds of Molybdenum) calculated using a block model with standard kriging. The report also stated that there is an additional inferred resource of 146,363,500 tons at a grade of 0.06% Molybdenum (166.9 million pounds of Molybdenum). The resources were calculated using a 0.04% molybdenum cut-off grade for both categories and do not take into account metallurgical recoveries. The report recommends a two phase program which includes a total of approximately 18,000 feet of diamond drilling.

An aggressive drill program of 18 holes is planned for Cannivan Gulch during the 2008 field season. The drilling is designed to in-fill previous drill holes and to test the limits of the expanded mineralization to the north. A plan of operation for the 2008 drilling season was submitted for approval by the U.S. Forest Service and the Montana Department of Environmental Quality. Subsequent to year end, the Company obtained approval for its proposed 2008 drilling program.

John Childs, Ph.D., Registered Geo (AZ) is the "qualified person" (as such term is defined by NI 43-101) on the Cannivan Gulch project.

As at December 31, 2007 the Company has incurred \$410,939 in acquisition costs and \$256,318 toward deferred development costs on the Cannivan Gulch property.

Copper Star Group of Claims

In the first quarter of 2006, the Company acquired prospective property in the Silver Star mining district, in Madison County, Montana. Four claims were staked on the property. The property is adjacent to and on strike with, a property being explored by Coronado Resources Ltd called Madison property. Coronado reported assay results of one of its drill holes of 41.05% copper over a core length of 27 feet within a larger intercept of 64 feet grading 19.24% copper. Additionally, Coronado reported gold assays further down the hole of 54.4 feet of 0.354 ounces of gold per ton.

During the staking operation, oxidized gossan as well as copper stained (malachite and azurite) material were found on the surface (float) of the properties acquired. The Company staked an additional two claims (Copper Star No.'s 5 and 6) after a ground survey was completed.

Mr. Marvin A. Mitchell, P. Eng. (BC) is an advisor to the Company, and is the qualified person (as such term is defined in NI 43-101) for the Copper Star Project. Mr. Mitchell visited the property to suggest a program of exploration. It was determined that the historic open pit mines and newly discovered mineralized zone on the Coronado ground appears to lie about 2,200 feet or 670 metres to the northwest of the west boundary of Copper Star No. 1 Claim and about 1,725 feet or 525 meters east of the east boundary of the newly acquired Copper Star No. 6 Claim.

In addition, the field examination indicated that the favourable contact between the intrusive and the limestone extends onto the Company's claims for a total of approximately 3,000 to 3,500 feet or 900 to 1,050 metres. A number of skarn zones showing mineralized material as well as several historic mine pits were noted in this intrusive/limestone contact on the Company's claim further demonstrating that the contact carries skarn throughout the Company's claims and beyond.

The Company continues to review its options to maximize the value of its six claims at Copper Star including, but not limited to, exploration and joint venture.

The Company incurred minimal expenditures in 2007 to maintain its claims.

Arcadia Property

In 2007, the Company entered into an Option Agreement to acquire a 50% interest in the Arcadia property, a 1,280 hectare area of Inuit-owned land located in Canada's Nunavut territory from Alix Resources Corp. (formerly "NPN Investment Group Inc."). Under the option agreement, the Company is required to pay \$15,000, issue 75,000 common shares of the Company, and to complete \$600,000 worth of exploration work over the next two years. The option agreement has received regulatory approval.

The Arcadia property represents an Archean lode-gold deposit located on the Arctic Ocean in Canada's Nunavut territory. A historic resource estimate of 640,650 tonnes averaging 7.2 g/t gold (containing about 148,000 oz. gold) in the North Central Vein and 139,524 tonnes averaging 8.6 g/t gold (or 38,600 contained oz. gold) in the Fred Vein have been reported for the property. These resource estimates were completed prior to 2001 and are not NI 43-101 compliant. These historic estimates are not supported by a current independent technical report and the Company cannot provide a current reserve estimate until an updated study is performed and completed. The Company cannot state that there are current mineral reserves or resources on the property. All of the historic diamond drilling data has been compiled into a Gemcom database. Sufficient salt, fuel and construction materials are on site to support a 5,000 foot diamond drilling program. Additionally, all permits are in place, as well as a reclamation bond, to allow for diamond drilling. Bolero and Alix are planning on an aggressive surface exploration and diamond drilling program in 2007 to confirm the historic resources, as well as to test for new exploration targets. Robert McLeod, P. Geo., Vice President Exploration, for Full Metal Minerals Ltd., is the qualified person as defined by NI 43-101. Equity Engineering Ltd., a Vancouver Based Mining Consulting Group, has been engaged to complete a NI 43-101 report on the Arcadia Property.

The \$15,000 required cash payment has been made and the 75,000 common shares of the Company have been issued. In addition, the Company advanced \$500,000 towards the exploration work commitments.

Selected Annual Information

Financial Information

	2007	2006	2005
	\$	\$	\$
Revenue	Nil	Nil	Nil
Net Loss for the year	(1,758,871)	(1,481,905)	(1,370,199)
Net Loss per common share, basic and diluted	(0.03)	(0.03)	(0.06)
Weighted Average number of common shares	67,602,841	50,605,517	24,179,661
Balance Sheet Data			
Working capital	1,261,177	2,903,524	735,577
Total assets	8,596,210	7,329,980	2,395,368
Long-term debt (asset retirement obligation)	168,811	145,663	283,338

Results of 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 December 31, 2007, the Company had not recorded any significant revenues from its projects.

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.

Management & Administration, Consulting and Professional Fees

Management & administrative, consulting and professional expenses for the respective twelve-month periods ended December 31 were as follows:

As at December 31	2007 \$	2006 \$	2005 \$
Management & Admin Fees	244,500	264,755	287,974
Professional Fees	184,263	218,726	189,579
Consulting Fees	3,221	13,293	30,075

Management and Administration fees in 2007 decreased by \$20,255 or 7.7% over the prior year. Management took steps to reduce the expenses throughout the year and anticipates the benefit of the reductions to continue in 2008.

Professional fees in 2007, which consists of legal, audit and accounting expenses, decreased by \$34,463 or 15.8% over the prior year. The 2007 expenses are in line with the 2005 expenses. Expenses in 2006 were unusually high because the Company experienced increases in professional fees predominantly related to its subsidiary MT Moly and the Bald Butte Project. In addition, increases were incurred, particularly in the first quarter 2006 for assistance with 2005 year end accounting and auditing processes, regulatory requirements and the transitioning to a new third party accounting provider.

Consulting fees in 2007 decreased by \$10,072 or 75.8% over the prior year. Generally the Company has reduced its utilization of consulting services unless those services are specifically associated with mineral properties and accordingly, the costs were deferred.

Office, Rent and Miscellaneous

Office, rent and miscellaneous expenses for the year ended December 31, 2007 are \$95,668 (2006: \$81,102, 2005: \$104,103). During 2007, the Company was able to reduce administrative, rent and miscellaneous expenses however, the inclusion of Part XII.6 tax of \$28,732 related to flow through expenditures resulted in a net increase for the year.

Shareholder Communications and Promotional Expenses

Shareholder communications and promotional expenses for the year ended December 31, 2007 are \$174,769 (2006: \$199,146, 2005: \$171,056). In 2007, the Company hired Renmark Financial for investor relations and communication activities. The services provided by Renmark eliminated or reduced some of the expenditures the Company incurred in 2006.

Stock Based Compensation

Stock based compensation expense for the year ended December 31, 2007 is \$714,171 (2006: \$456,154, 2005:\$192,030). The increase in 2007 is attributable to the issuance of additional options during the year and a full year's vesting of options issued in the latter half of 2006.

Transfer Agent & Filing Fees

Transfer agent & filing fees for the year ended December 31, 2007 are \$31,990 (2006: \$40,973, 2005: \$33,190). The decrease during 2007 relates to a reduction of applicable regulatory filings due to decreased financing activities and smaller option grants.

Travel and Accommodation

Travel and accommodation expense for the year ended December 31, 2007 is \$19,268 (2006: \$44,847, 2005: \$90,098). In an effort to control costs, the Company decreased travel activity during 2007.

Other Items

The Company incurred a foreign exchange gain of \$5,174 in 2007 compared to a loss of \$22,768 in the prior year as a result of favourable Canadian dollar exchange rates relative to the US dollar. The Company earned interest income of \$78,805 (2006: \$30,264) as a result of higher cash balances throughout the year.

Deferred costs of \$401,878 predominantly related to the Rico Property were written off in the fourth quarter compared to the write off of mineral properties of \$413,200 in 2006. Finally, the Company sold its investment in Ontex for a gain of \$34,135.

Summary of Quarterly Results

The following table sets out selected consolidated quarterly information for the last eight quarters of 2007 and 2006

Three Months Ended	December 31, 2007	September 30, 2007	June 30, 2007	March 31, 2007
	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	Nil
Net Loss	667,841	288,212	463,791	339,027
Net Loss per Common Share	0.01	0.00	0.01	0.01
Three Months Ended	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006
Revenue	Nil	Nil	Nil	Nil
Net Loss	681,064	201,791	290,042	309,008
Net Loss per Common Share	0.01	0.00	0.01	0.01

Expenses before other items (interest, foreign exchange, write offs and gains on sale) for the three months ended December 31, 2007 were \$298,339 compared to \$475,158 for the same period in 2006. The decrease of \$176,819 represents a 37.2% change. A brief description of each of the significant changes is provided below:

- A decrease of \$232,035 in stock based compensation attributable to the timing of stock option grants. A large option grant was made at the end of the third quarter of 2006 while the 2007 options were granted in the first quarter of the year.
- An increase of \$22,074 in shareholder communications and promotion related to timing. In the first quarter of 2006, the Company paid \$92,453 (US\$80,000) for an investor relations contract with a German based company. The contract expired in 2006. In 2007, the Company hired Renmark Financial and the costs were incurred relatively evenly throughout the year.
- An increase of \$15,460 in professional fees predominantly due to an increase in accrued audit and tax preparation fees.
- An increase of \$33,948 in office, rent and miscellaneous expense predominantly as a result of Part XII.6 tax on flow through expenditures.
- Decreases of \$7,675 in consulting expenses, \$6,769 in transfer agent and filing fees, and \$3,286 in travel and accommodation were explained in the Results of Operations section and are applicable to fourth quarter results as well.

Other Items

The Company saw decrease of \$4,103 in interest revenue as a result of lower cash balances in the fourth quarter of 2007 compared to the same period in 2006. The Company's cash flow increased significantly in the fourth quarter of 2006 as a result of a private placement completed in November of that year.

The Company also experienced a foreign exchange loss of \$12,760 in the fourth quarter of 2007 compared to a gain of \$1,790 for the same period in 2006.

The write off of deferred costs and the sale of Ontex shares, which occurred in the fourth quarter of 2007, were discussed in the yearly variance analysis above.

Liquidity and Capital Resources

The Company's cash position was \$1,387,043 at December 31, 2007 compared to \$3,100,663 at December 31, 2006.

At December 31, 2007, the Company had working capital of \$1,261,177 compared to \$2,903,524 at December 31, 2006. For the year ended December 31, 2007 the Company obtained \$2,315,601 from the exercise of options and warrants and \$29,033 from subscriptions receivable and utilized \$662,945 for operating activities and \$3,395,309 for mineral property expenditures, equipment and deferred transaction costs.

Any commitments to pay cash or issue shares are disclosed in the notes to the annual financial statements. While the Company believes it will have adequate working capital to fund its minimum operations over the short term, it shall endeavour to raise additional capital as and when required to meet its obligations.

The Company's only long-term debt is its asset retirement obligation. There were no material credit facilities in place as at December 31, 2007. In November 2007, the Company entered into a Term Facility with Auramet Trading, LLC pursuant to which Auramet would subsequent to satisfaction of certain conditions precedent, lend the sum of US\$10 million. The loan proceeds would have been utilized for the acquisition of the Rico property. Subsequent to year end, the Company terminated the Rico project and the term facility.

Related Party Transactions

During the year ended December 31, 2007, the Company entered into the following transactions with related parties:

- a) Paid or accrued management fees of \$210,000 (2005 - \$215,282). \$120,000 was paid to R. Bruce Duncan (president) and \$90,000 to Robert Gardner (former Chairman of the Board).
- b) Paid or accrued professional fees of \$40,000 (2006 - \$52,750) to Olga Nikitovic (CFO)

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.

Off Balance Sheet Arrangements

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

Critical Accounting 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.

Financial Instruments

The Company's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of those rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Proposed Transactions

The Company continues to review and assess possible transactions.

Contingencies

The Company does not have any existing contingent liabilities. The contingent liabilities reported in the year end financial statements have been resolved and the settlements have been reflected in the financial statements.

Subsequent Events

Subsequent to year end, Mr. R. Stuart (Tookie) Angus, a current independent director, was appointed Chairman of the Board. In addition, Mr. Glenn Laing and Dr. Roger Steininger joined the Board as independent directors of the Company. Robert Gardner (former Chairman of the Board) and Brian Smith resigned from the Board of Directors. There are no other significant subsequent events other than those disclosed in the notes to the financial statements.

Management's Responsibility for Financial Statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properly reflected in the financial statements.

Other MD&A Requirements

As at April 25, 2008, the Company has 72,318,141 shares outstanding, or 85,663,921 shares on a fully diluted basis. If the Company were to issue 8,195,782 shares upon the conversion of all of its outstanding warrants and 5,149,998 shares upon the conversion of all of its outstanding stock options, it would raise \$4,725,137.

BOLERO RESOURCES CORP.

CORPORATE DATA

April 25, 2008

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Website: www.boleroresources.ca

REGISTRAR & TRANSFER AGENT

Pacific Corporate Trust Company
510 Burrard Street, 2nd Floor
Vancouver, BC V6C 3B9

DIRECTORS AND OFFICERS

R. Bruce Duncan	President & CEO & Director
R. Stuart Angus, LLB	Chairman, Director
Glenn Laing	Director
Roger Steininger, Ph.D	Director
Olga Nikitovic	CFO
Thomas A. Fenton	Corporate Secretary

CAPITALIZATION

Authorized:	Unlimited
Issued:	72,318,141
Escrow:	Nil

SOLICITOR

Aird & Berlis LLP
Barristers and Solicitors
BCE Place, Suite 1800
Box 754, 181 Bay Street
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INVESTOR CONTACTS

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LISTINGS

TSX Venture Exchange
Trading Symbol: BRU

Frankfurt Exchange
Trading Symbol: U7N