

CONSOLIDATED KOOKBURRA RESOURCES LTD.

(formerly Kookaburra Resources Ltd.)

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2006

Background

This discussion and analysis of financial position and results of operation is prepared as at November 22, 2006 and should be read in conjunction with the unaudited consolidated financial statements for the nine months ended September 30, 2006 and the audited consolidated financial statements for the years ended December 31, 2005 and 2004 of Consolidated Kookaburra Resources Ltd. (the "Company") where necessary. Those financial statements have been prepared in accordance with Canadian generally accepted accounting policies ("GAAP"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities, can be found on SEDAR at www.sedar.com.

Company Overview

The Company was previously engaged in the acquisition, exploration for and development of crude oil and natural gas properties in the United States. On November 30, 2002, the Company ceased to record the activities of its petroleum activities due to the uncertainties with the East Lost Hills Project. As at September 30, 2006, the Company does not hold any resource property interests.

On March 10, 2006, the Company completed a consolidation of its share capital on a one new for two old basis and changed its name from Kookaburra Resources Ltd. to Consolidated Kookaburra Resources Ltd. The Company is currently a reporting issuer in British Columbia, Alberta, Ontario and Nova Scotia. The Company's shares trade on the NEX Board of the TSX Venture Exchange ("TSXV") under the symbol "CKR.H" as an inactive issuer.

On September 20, 2006, the Company finalized an agreement (the "Agreement") with Curimining SA ("Curimining") and Messrs. Fredy Salazar and Pablo Acosta (collectively the "Curimining Shareholders") pursuant to which the Company shall purchase all of the issued shares of Curimining in exchange for the issuance of 15 million shares of the Company and payment of US \$970,000 (the "Transaction"), of which US \$300,000 will be repaid on closing (the "Closing") and the balance from subsequent financings. In addition up to 7 million additional common shares may be issued to the Curimining Shareholders on an earn-out basis. To fully earn these additional shares, a total of 11.2 million ounces of gold in an "indicated category", as reported in an independently prepared National Instrument 43-101 ("NI 43-101") technical report, must be identified within a period of four years. The shares will be subject to escrow restrictions in accordance with the policies of the TSXV. The Transaction is at arm's length and is subject to shareholder and TSXV acceptance.

The Agreement brings to the Company a portfolio of properties covering approximately 131,300 hectares in prospective exploration areas in Ecuador. The two principal properties are the Curipamba Property, covering 71,298 hectares and the Rumiñahui Property, covering 26,996 hectares in central Ecuador. With this agreement, the focus has changed to building an exploration company.

On Closing, the Company will have a portfolio of properties and a network in place for sourcing new opportunities. The Company's exploration focus will be in Ecuador with an experienced Ecuadorian management team.

Information About Curimining

Curimining is a recently established Ecuadorian mineral exploration company owned by Mr. Fredy Salazar (99%) and Mr. Pablo Acosta (1%), both residents of Quito, Ecuador,

As a result of the Agreement with the Company all of Mr. Salazar's key exploration properties are now held by Curimining and it will be the focus of the management team to build a strong exploration company in Ecuador. Certain non-core properties owned by Mr. Salazar have been excluded from Curimining, although the Company will have the right of first refusal to purchase these properties.

The Company proposes to advance the development of its new core properties but will also consider joint ventures with appropriate parties.

In connection with the Transaction:

- The Company intends to complete a private placement (the “Private Placement”) to raise a total of \$1,645,000 convertible debentures (the “Debentures”). The Debentures will automatically convert into units of the Company, at \$0.70 per unit, with each unit consisting of one common share of the Company and one-half warrant, with each full warrant entitling the holder to buy one common share at \$1.40 for two years. The proceeds of this financing will be used for property payments, the 2006 exploration program and working capital requirements. The Private Placement is subject to the acceptance of the TSXV. The Company intends to close the Private Placement as soon as possible and to advance up to US \$500,000 of the amount raised to Curimining in advance of closing the Agreement in order to fund operating costs of Curimining. The advance will be secured by a pledge over the Curimining shares.
- Canaccord Capital Corporation (“Canaccord”) will be paid a finders fee of \$107,100 in cash or units. In addition, Canaccord will receive 186,000 compensation options. Each compensation option will be exercisable into one unit for a period of two years, at \$0.70. Each unit will consist of one common share of the Company and one-half of a warrant. Each whole warrant then will be exercisable to purchase one common share of the Company for two years at \$1.40 per share.
- Subject to completion of satisfactory due diligence, Canaccord has agreed to sponsor the Company in connection with the Transaction. As sponsor, Canaccord will receive \$25,000 cash. In addition, the Company has agreed to issue 140,000 common shares to Canaccord at a value of \$350,000 as a corporate finance fee.
- On Closing, a finder’s fee of 500,000 common shares of the Company is payable to an independent third party in respect of the Transaction.
- On Closing, the Company plans to change its name to Salazar Resources Limited.

The Curipamba Property

The Curipamba Property is a gold, silver, copper exploration district located in central west Ecuador in the Western Mountain Range about a 2.5 hour drive from Guayaquil. Curimining owns 16 concessions (71,297.87 hectares) at Curipamba which is a substantial land holding in a never drilled prospect in Ecuador. The Curipamba Property is prospective for gold, silver, copper and zinc. There are a number of areas identified on the Curipamba Property for future exploration activities, these include, Piedras Blancas, Sesmo, Caracol, Roble, Roble East, Gallo, Sesmo South, La Pinta, Guapara, Tabanal and Santa Rosa. The work completed to date on the Curipamba Property consists primarily of sampling programs.

The concessions are of interest because of the gold-silver mineralization found in outcrops in a new exploration district with very little historical mineral exploration done. Of the above gold prospects, the Company considers Gallo and Sesmo South to be the prime targets.

The Company’s interest in the Curipamba Property is extremely high based on several key considerations including:

- a substantial land holding in a new prospective area in Ecuador.
- though at early stage of exploration the initial reconnaissance exploration program identified new gold-silver, plus base metal areas of mineralization.
- gold-silver in large quartz breccia/shear zones and in lithologically/structurally controlled epithermal gold-silver mineralization.
- sulphide float has been found in creek beds.
- a granodiorite intrusive was discovered that contained disseminated copper mineralization also have stream sediment (BLEG) anomalies of gold, silver and copper. The streams with anomalous gold-silver-copper have not been adequately followed-up yet. Recent selected rock chip sample results are pending.

Sesmo South and Gallo are considered to be the most prospective areas at this time. This conclusion is based on the assay results from rock chip samples collected to date.

Rumiñahui Property

The Rumiñahui Property is located about 100 km North West of Quito. Curimining owns 7 concessions (26,996 hectares) where the initial sampling indicates that the Rumiñahui Property is prospective for gold-copper-silver.

The main targets identified to date are the original discovery areas previously worked by informal miners. Little exploration of the concession has been done, however, initial sampling results were positive and the Rumiñahui Property merits a modern multi-discipline exploration program.

Other Properties

Also included are three other properties covering an area of 33,000 hectares. These are non-strategic properties and the Company proposes to conduct limited initial exploration and will be considering joint venture opportunities for these properties.

Exploration Potential

The Curipamba and Rumiñahui projects are the two cornerstone projects which will be the focus of the Company's exploration efforts. Both projects were sought after by several major and junior exploration and development companies. The Company has advanced \$25,000 to Curimining and proposes to advance to Curimining additional funds to a maximum of US \$500,000 upon closing of its financing with Canaccord to enable the commencement of an initial exploration program on the properties. On Closing of the Transaction exploration efforts will continue on these properties.

On Closing, a strategic advantage of the Company is that the key members of the management team are Ecuadorians based in Ecuador. Their knowledge of Ecuador will assist the Company in operating in Ecuador and in sourcing new opportunities.

Dr. Howard Lahti, an independent consultant and a Qualified Person, as defined under NI 43-101, has visited the Curipamba and Rumiñahui properties and is preparing a NI 43-101 report on the properties.

Directors and Officers of the Company at Closing

On Closing, the Company proposes to have new management and a board of directors, as follows:

Fredy Salazar, President, CEO and a Director - Mr. Salazar is a professional geologist registered in Ecuador. Mr. Salazar holds a Bachelor's degree in geology and a Master's degree in environmental sciences from Central University, Quito.

From 1988 through 2000, Mr. Salazar worked in the mineral resource sector throughout Ecuador. From November 1990 through November 1998, Mr. Salazar worked with Newmont Overseas Exploration Limited as the regional exploration geologist, reviewing and evaluating over 100 gold prospect submittals. Mr. Salazar has an extensive and detailed knowledge of Ecuador's geological potential.

During a worldwide downturn in resource exploration activities in 2001, Mr. Salazar established an environmental consulting company, Congeminpa Ltda. ("Congeminpa"), which provides services to both mineral exploration and oil and gas exploration companies. Congeminpa has a staff of over 120 people. Congeminpa has a separate management structure and will continue to operate though Mr. Salazar will devote most of his time to advancing the Curimining exploration projects. In 2004, Mr. Salazar resumed his efforts in resource exploration opportunities.

Pablo Acosta, CFO and a Director - Mr. Acosta is an Ecuadorian certified public accountant and has been a director and officer of several private companies in Ecuador since 1985. Mr. Acosta earned his Bachelor of Commerce from the Pontificia Universidad Católica del Ecuador (PUCE), Quito Ecuador, 1987; audit manager at Romero & Asociados from 1985 to 1987; managed Bermúdez & Asociados Cía. Ltda audit department from 1987 to 2003. Mr. Acosta has specialized in providing accounting, external auditing, project and operations auditing, instructors training, company valuations, finance management, cost and budget planning, quality management standards and environmental matters. Since 2003 Mr. Acosta has worked with Mr. Salazar.

Nick DeMare, Secretary and a Director - Mr. DeMare is a chartered accountant and has been a director and officer of many publicly listed companies in Canada since 1986. Mr. DeMare earned his Bachelor of Commerce from the University of British Columbia in May 1977. Since 1991, as President of Chase Management Ltd., he has specialized in providing accounting, management, securities regulatory compliance and corporate secretarial services to companies listed on the TSXV and its predecessors. Mr. DeMare is currently a director and/or officer of several TSXV listed companies including Tumi Resources Limited, Tinka Resources Limited, Mawson Resources Limited, Halo Resources Ltd., Golden Peaks Resources Ltd., Gold Point Exploration Ltd., Andean American Mining Corp. and GGL Diamond Corp.

Etienne Walter, Director - Mr. Walter is the Honorary Consul General of the Republic of Ecuador with jurisdiction over the Provinces of Alberta and British Columbia, the Northwest Territories and the Yukon Territory. His appointment was in December 1993, with recognition by the Canadian Government since March 17, 1994. Mr. Walter lived in Ecuador from the age of three years, until he graduated from high school, then traveled to Europe to further his studies in France, Germany and Great Britain. He earned his diploma in Hotel Management and Financial Administration from the Ecole Hôtelière de la Société Suisse des Hôteliers in Lausanne, Switzerland in November 1972. He has worked for some of the world's leading hotels. Since coming to Canada in 1975, Mr. Walter worked for public and private corporations until forming his own company, Andes Trade and Investment Ltd.

Graeme Robinson, Director - Mr. Robinson has been serving as a director of the Company since 1991 and as President of the Company since 1997. Mr. Robinson is also the managing director and officer of Xenolith Gold Limited, Sydney, Australia

Conditions and Cautions

Completion of the Transaction and the proposed financing is subject to a number of conditions, including but not limited to, TSXV acceptance and disinterested Company shareholder approval. The Transaction and the proposed financing cannot close until the required Company shareholder approval is obtained. There can be no assurance that the Transaction and the proposed financing will be completed as proposed or at all.

Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Selected Financial Data

The following selected financial information is derived from the unaudited consolidated interim financial statements of the Company prepared in accordance with Canadian GAAP.

	2006			2005			2004	
	Sept. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$	Sept. 30 \$	Jun. 30 \$	Mar. 31 \$	Dec. 31 \$
Operations:								
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses	(107,257)	(48,625)	(22,362)	(27,912)	(46,702)	(21,667)	(34,461)	(15,724)
Other items	216	33	64	106	13	(1,502)	(373)	8,596
Net (loss)	(107,041)	(48,592)	(22,298)	(27,806)	(46,689)	(23,169)	(34,834)	(7,128)
Basic and diluted loss per share	(0.10)	(0.05)	(0.02)	(0.03)	(0.02)	(0.01)	(0.02)	(0.00)
Dividends per share	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Balance Sheet:								
Working capital (deficiency)	(443,760)	(392,203)	(365,997)	(343,699)	(315,893)	(269,204)	(263,486)	(267,431)
Total assets	46,881	11,144	10,827	8,538	10,379	10,251	8,607	5,848
Total long-term liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Results of Operations

During the nine months ended September 30, 2006 (the “2006 period”), the Company incurred a loss of \$107,041 (\$0.10 per share) compared to a loss of \$104,692 (\$0.05 per share) for the nine months ended September 30, 2005 (the “2005 period”).

General and administrative expenses increased by \$4,427, from \$102,830 in the 2005 period to \$107,257 in the 2006 period. Specific expenses of note during the 2006 and 2005 periods are as follows:

- \$ incurred \$32,931 (2005 - \$30,528) for rent, accounting, administrative and management services provided by Chase Management Ltd. (“Chase”) a private corporation owned by Mr. Nick DeMare, a director of the Company;
- \$ transfer agent fees increased by \$5,030, from \$5,264 in the 2005 period to \$10,294 in the 2006 period due to the name change and share consolidation and the special shareholders meeting held on February 15, 2006;
- \$ recorded non-cash stock based compensation of \$31,980 in the 2006 period (2005 - \$21,328) on the granting of stock options; and
- \$ during the 2005 period, the Company incurred consulting fees of \$30,000 for ongoing negotiations with respect to property acquisitions.
- \$ regulatory costs increased \$6,063, from \$6,933 in the 2005 period to \$12,996 in the 2006 period due to additional fees incurred for TSXV review of proposed management as a result of the Transaction; and
- \$ travel costs increased by \$3,263, from \$2,000 in the 2005 period to \$5,263 in the 2006 period mainly due to ongoing negotiations and due diligence conducted with Curimining.

During the 2006 period, the Company received \$366,576 advances from private corporations controlled by directors of the Company as part of ongoing advances for working capital purposes. As at September 30, 2006, cash advances totalling \$374,791 was outstanding. Certain of the advances bear interest at an annual rate of Bank of Montreal prime rate less 1%. During the 2006 period, the Company recorded interest expense of \$5,292 (2005 - \$1,880).

Financial Condition / Capital Resources

As at September 30, 2006, the Company had a working capital deficiency of \$443,760. Included in accounts payable and accrued liabilities is \$43,071 of accounts payable due current and past Company directors for past services rendered and directors’ fees. In addition, advances from private corporations controlled by directors of the Company totalling \$366,576 plus accrued interest of \$8,215, remained outstanding at September 30, 2006.

In October 2006, the Company completed a non-brokered private placement of 450,000 units to raise gross proceeds of \$315,000. A further \$74,620 was received by the Company on the exercise of stock options. The Company is also proposing to raise a further \$1,645,000 from the issuance of convertible debentures. As of November 22, 2006, the Company has received \$1,208,000. The Company repaid interest bearing advances of \$126,000 and non-interest bearing advances of \$60,000.

During September 2006, the Company negotiated the Agreement, which if completed, will result in a significant change to the Company’s operations, level of activity and financial condition. See “Company Overview”.

Contractual Commitments

See “Company Overview”.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

See “Company Overview”.

Critical Accounting Estimates

A detailed summary of all the Company's significant accounting policies is included in Note 2 to the audited consolidated financial statements for the year ended December 31, 2005.

Changes in Accounting Policies

There are no changes in accounting policies for the nine months ended September 30, 2006.

Transactions With Related Parties

- (a) The Company was billed by Chase Management Ltd. ("Chase"), a private corporation owned by a director of the Company during the nine months ended September 30, 2006 and 2005, as follows:

	2006	2005
	\$	\$
Accounting and administration	7,425	5,028
Management fees	22,500	22,500
Rent	3,000	3,000

The above transactions have been recorded at the exchange amounts agreed to by Chase and the Company. As at September 30, 2006, accounts payable and accrued liabilities include \$3,641 (2005 - \$32,956) due to Chase.

- (b) As at September 30, 2006, accounts payable and accrued liabilities include \$nil (2005 - \$120,388) for unpaid past management fees due to the President of the Company and \$43,071 (2005 - \$43,071) for past directors' fees.
- (c) The Company has received ongoing cash advances from private corporations controlled by directors of the Company for working capital purposes. Certain advances bear interest at an annual rate of Bank of Montreal prime rate less 1%. During the nine months ended September 30, 2006, the Company recorded interest expense of \$5,292 (2005 - \$1,880). As at September 30, 2006, cash advances totalling \$366,576 (2005 - \$91,000) and accrued interest of \$8,215 (2005 - \$2,030) was outstanding. There are no terms of repayment of these amounts. Subsequent to September 30, 2006, the Company repaid \$186,000 of the advances.

Risks and Uncertainties

The Company was previously engaged in the acquisition, exploration for and development of crude oil and natural gas properties in the United States. It currently does not hold any resource property interests. In addition it has incurred significant losses and, as of September 30, 2006, has an accumulated deficit of \$19,615,297. The Company has negotiated the Agreement which, if concluded, will result in the Company focusing on mineral exploration activities in Ecuador. There are no assurances that the Agreement will be completed. In the event that the Agreement is not completed, the Company will continue its efforts to identify, evaluate and acquire potential resource properties and obtain additional financing, however, there are no assurances that the Company will be successful, or that extensions from the TSXV will be given.

Investor Relations Activities

The Company did not conduct any investor relations activities during the nine months ended September 30, 2006.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at November 22, 2006, there were 1,623,282 issued and outstanding common shares and 225,000 warrants outstanding and exercisable at \$1.40 per common share on or before October 27, 2007. There are no stock options outstanding.