

Oroco Resource Corp.

Management's Discussion & Analysis of financial condition & the results of operations for the six months ended November 30, 2008

This "Management's Discussion and Analysis" has been prepared as of January 23, 2009 and should be read in conjunction with the consolidated financial statements of the Company for the six months ended November 30, 2008 (the "Financial Statements"), which have been prepared in accordance with Canadian generally accepted accounting principles. All amounts in the financial statements and in this discussion and analysis are expressed in Canadian dollars, unless otherwise indicated. This amended Filing contains selected quarterly financial statement information previously omitted.

Forward Looking Statements

This management discussion and analysis ("MD&A") contains certain forward-looking statements and information relating to Oroco Resource Corp. ("Oroco" or the "Company") that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward looking statements. This MD&A contains forward looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital and the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

The Company

The Company was incorporated under the British Columbia Business Corporations Act on July 7, 2006 under the name Oroco Resource Corp. The Company's head office is located at Suite 789, 999 West Hastings Street, Vancouver, British Columbia, V6C 2W2. The Company, and its subsidiaries, are engaged in the acquisition, exploration and development of mineral properties in Mexico with a primary focus on the accelerated exploration and development of its advanced stage polymetallic Cerro Prieto property in Sonora State, Mexico. The Company also has two early exploration stage properties in Guerrero State, Mexico.

The Company trades on the TSX Venture Exchange ("TSXV") under the symbol "OCO" and the Frankfurt Stock Exchange Open Market under the trading symbol "OR6". The Company's website address is: "www.ororesourcecorp.com".

The Company has three subsidiaries: Minera Polimetalicos Mexicanos, S.A. ("Polimetalicos") ; Minas de Oroco S.A. de C.V. ("Minas de Oroco") and Minera Xochipala S.A. de C.A. ("Minera Xochipala") . Minas de Oroco and Minera Xochipala are used to hold the Company's Mexican mining concessions and to conduct business in Mexico. Polimetalicos, 100% owned by the Company, is a holding company which holds 98% (49 out of 50 shares) of Minas de Oroco (the other 2%, being 1 share, is held by Minera Xochipala). Minera Xochipala is 98% (49 of 50 shares) owned by the Company, with 2% (1 share of 50) held by German Gonzalez on behalf of the Company.

The Company's properties are in the exploration stage and the Company has not yet determined whether these properties contain reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral

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claims, the ability of the Company to obtain necessary financing to complete the exploration and development of the mineral properties and upon future profitable production or proceeds from the disposition thereof.

Mineral Properties

Cerro Prieto Property, Sonora State, Mexico

The Company's principle properties are the San Felix (205 ha) and San Francisco (10 ha) mining exploitation concessions (the "Cerro Prieto Property") located in the Cucurpe Mining District, Sonora, Mexico. The Company acquired an assignment of ATM Mining Corp.'s ("ATM") and Salvador Rivero's ("Rivero") rights and interests in the Cerro Prieto Property and the Celia Gene and Celia Generosa concessions (the "Xochipala Property") pursuant to an assignment agreement (the "Assignment Agreement") dated August 26, 2006, as amended on December 15, 2006 and May 18, 2007. Under the Assignment Agreement, the Company paid \$69,000 to ATM for costs associated with the Xochipala Property, accepted share subscriptions from ATM to purchase 5,350,000 common shares of the Company and assumed ATM's obligation to issue 3,150,000 common shares to Rivero.

The title to the Cerro Prieto Property is held by Minas de Oroco. Both Polimetalicos and Minas de Oroco were formed by the vendors of the Cerro Prieto Property (the "Cerro Prieto Vendors") to facilitate the Company's acquisition of the Cerro Prieto Property and its operations in Mexico. Polimetalicos acts as a holding company. In connection with the Assignment Agreement, the Company entered into an agreement with the Cerro Prieto Vendors to purchase their shares of Polimetalicos in consideration for \$2,500,000 USD (paid).

The Cerro Prieto Property is subject to a 2% net smelter royalty in favor of the Cerro Prieto Vendors. If the Company does not commence production on the Cerro Prieto Property by April 1, 2009, the Company will thereafter pay the Cerro Prieto Vendors a minimum royalty payment in the amount of US\$30,000 per quarter until payments commence pursuant to the net smelter royalty.

The Cerro Prieto Property is 52 road kilometers from the regional centre of Magdalena de Kino (population 40,000) and 150 kilometers northeast of the city of Hermosillo. It contains the past producing Cerro Prieto Mine and polymetallic (Pb-Zn-Au-Ag) deposit as well as 1.7 kilometres of strike length of the host mineralized structure. Major electricity transmission lines are less than five kilometers from the project and water is also available within five kilometers. A major highway connects Magdalena de Kino with Hermosillo to the south and the state of Arizona, USA 80 kilometers to the north. The San Francisco concession covers the underground workings of the historic Cerro Prieto Mine. The San Felix concession surrounds the San Francisco concession to the north, south, east and west.

Mineralization is contained within a 25 to 65 meter thick shear zone which cuts all units from Jurassic to Lower Tertiary in age and which extends from surface to below the lowest level of the historic workings at a depth of approximately 335 meters, is open at depth and to the north and south. Within this shear zone a series of veins, secondary veins, stringers zones, brecciation and silicification, which, together, produce a continuous mineralized zone of 25 meters to 65 meters thick. This principal structure is a regional structure that can be traced for approximately 10 kilometers north and south of the mine with approximately 1.7 kilometers of strike length potential contained on the Cerro Prieto Property.

Oroco Resource Corp.**Management's Discussion & Analysis of financial condition & the results of operations for the six months ended November 30, 2008****Cerro Prieto Property Phase 1 Drill Program**

In April 2008, the Company commenced a 6,000 meter diamond drill program to confirm a historical resource calculated by Morgain Minerals in 1998 and to expand on the resource to depth and along strike. The program was designed to intersect the mineralized structure at 100 meter intervals along strike and down dip. The program was completed (24 holes, 5975.1 meters) and tested a 900 meter strike length to a maximum depth of 400 meters below surface. The mineralized structure was intersected in all but two holes which were abandoned prior to intersecting the zone due to bad drilling conditions.

Results have been received and reported in press releases for all holes. Highlights include thick intersections (up to 65.4 meters true thickness) of combined gold, silver, lead and zinc values that may be amenable to open pit extraction as well as thinner intersections of high grade mineralization. The following table summarizes the drill results through the mineralized zone.

Hole	From (m)	To (m)	Length (m)	True Thickness (m)	Au g/t	Ag g/t	Cu %	Pb %	Zn %
CP001	54.9	152.0	97.1	53.5	0.64	4.9		0.13	0.38
incl	71.5	74.0	2.5	1.4	2.01	94.1		0.50	0.92
and	108.0	109.9	1.9	1.1	1.76	2.5		0.14	0.52
and	137.0	152.0	15.0	8.3	2.45	3.2		0.24	0.56
CP002	169.2	256.2	87.0	47.0	0.11	50.8		0.46	1.01
incl	220.6	231.8	11.2	7.0	0.21	361.8		2.40	4.76
CP003	145.0	202.5	57.5	33.8	0.99	14.9		0.23	0.66
incl	179.5	187.0	7.5	4.4	0.31	70.7		0.67	1.42
and	194.5	202.5	8.0	4.7	6.05	7.8		0.36	1.12
and	197.0	202.5	5.5	3.2	8.34	6.2		0.35	1.04
CP004	286.5	329.5	43.0	24.5	0.31	8.1		0.72	2.12
incl	291.0	306.5	15.5	8.8	0.59	18.7		1.52	3.51
and	292.9	295.9	3.0	1.7	0.36	64.8		6.61	5.39
CP005	7.0	88.5	81.5	39.5	1.16	12.0		0.06	0.18
incl	58.5	64.1	5.6	2.7	11.94	10.2		0.10	0.29
and	74.1	76.3	2.2	1.1		OPEN	STOPE		
CP006	157.0	172.0	15.0	11.3	0.50	2.9		0.21	1.09
	172.0	179.0	7.0	5.5		OPEN	STOPE		
CP007	84.5	114.3	29.8	22.5	1.14	52.9		0.23	0.51
incl	89.0	99.0	10.0	7.6	1.00	139.9		0.50	1.06
and	91.5	97.6	6.1	4.6	1.10	212.1		0.58	1.24
and	101.8	103.9	2.1	1.6	3.23	33.7		0.20	0.37
and	110.8	114.3	3.5	2.6	2.72	7.0		0.09	0.20
	114.3	122.0	7.7	5.8		OPEN	STOPE		

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CP008	210.7	259.0	48.3	25.0	0.54	20.4		0.45	0.99
incl	236.2	256.0	19.8	10.2	0.90	27.6		0.67	1.35
and	233.5	245.0	11.5	6.0	0.60	63.5		0.59	1.12
CP009	255.0	302.5	47.5	32.0	0.32	14.9		0.91	2.59
incl	280.5	289.0	8.5	5.7	0.75	59.7		3.30	5.45
and	283.5	286.2	2.7	1.8	0.59	83.1		2.60	10.35
CP010	289.8	367.0	77.2	42.0	0.28	4.9		0.36	1.07
incl	331.5	343.0	11.5	6.3	1.21	11.5		0.98	2.29
and	330.0	337.5	7.5	4.1	0.96	9.1		1.27	2.22
CP011	363.0	424.0	61.0	30.0	0.15	13.3	0.14	0.74	2.02
incl	391.0	394.0	3.0	1.2	0.39	4.2	0.07	0.57	2.90
and	402.5	411.0	8.5	4.2	0.19	79.6	0.78	3.71	6.13
and	402.5	404.0	1.5	0.7	0.40	79.3	2.07	8.06	9.35
and	401.3	404.0	2.7	1.3	0.41	55.1	1.33	5.06	6.27
CP012	40.0	59.0	19.0	12.0	0.46	2.7		0.07	0.21
incl	57.1	59.0	1.9	1.2	4.16	6.2		0.08	0.27
CP013	51.5	125.1	73.6	34.0	0.40	4.8		0.35	1.23
incl	69.5	77.0	7.5	3.5	0.14	4.9		0.33	2.89
and	102.0	125.1	23.1	10.7	0.95	9.7		0.62	1.58
CP014	21.4	85.4	64.0	31.0	1.01	13.7		0.16	0.52
incl	73.2	85.4	12.2	5.9	4.53	22.3		0.23	0.90
and	74.3	76.3	2.0	1.0	18.50	85.7		0.31	1.65
CP015	200.0	222.0	22.0	13.5	0.36	15.9	0.05	0.87	2.27
incl	206.5	210.5	4.0	2.5	0.72	55.2	0.17	2.94	7.94
CP016	188.0	246.0	58.0	37.8	0.21	4.1		0.49	1.54
incl	222.0	229.5	7.5	4.9	0.37	11.3	0.01	1.11	3.33
CP017	135.5	230.0	94.5	54.0	0.13	2.2	0.02	0.26	0.90
incl	159.5	196.0	36.5	20.9	0.11	2.3	0.03	0.28	1.05
and	192.0	196.0	4.0	2.3	0.17	1.0	0.20	0.71	1.35
CP018	197.5	374.0	176.5	65.4	0.12	4.1		0.30	0.93
incl	197.5	253.0	55.5	20.4	0.14	8.4		0.31	0.96
and	288.0	374.0	86.0	31.9	0.12	3.0	0.02	0.37	1.24
and	331.0	361.0	30.0	11.1	0.12	4.6	0.01	0.32	1.01
CP019	331.0	417.0	86.0	42.0	0.56	2.1	0.02	0.46	0.90
and	356.0	372.0	16.0	7.8	1.01	4.5	0.05	1.37	2.17

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CP020	63.0	79.0	16.0	10.7	0.03	0.9	0.25	0.46
	101.0	138.2	37.2	25.0	0.14	3.7	0.44	0.31
CP021	163.0	258.3	95.3	64.0	0.28	6.6	0.20	0.67
incl	183.0	199.0	16.0	10.7	0.84	33.0	0.47	1.56
and	183.0	189.0	6.0	4.0	1.79	83.5	0.32	1.29
CP022	HOLE	LOST	BEFORE	ZONE				
CP023	103.0	116.0	13.0	8.7	2.80	51.5	0.24	0.50
incl	104.1	108.5	4.4	3.0	7.72	17.6	0.35	0.66
and	110.0	116.0	6.0	4.0	0.16	93.2	0.19	0.45
CP024	HOLE	LOST	BEFORE	ZONE				

Thirteen of the drill holes intersected the mineralized zone outside of the area included in Morgain Mineral's historical resource calculation and the mineralized zone is still open along strike in both directions and to depth.

The company instituted and completed a trenching program at 50 meter intervals along the strike of the mineralized shear zone. It is significant that, although all trenches did not fully cross the zone due to open stopes or difficult topographic conditions, each section produced assays of potential economic significance and outlined the mineralized zone over a strike length of 1250 meters. Significant assays are presented in the following table.

Trench #	Length (m)	Au (g/T)	Ag (g/T)	Pb (%)	Zn (%)	Remarks
TR00	8.1	0.52	11.7	0.31	0.89	Open both directions
Incl	1.6	1.43	13.4	0.55	2.09	
TR050N	6.1	2.05	9.0	0.72	1.21	Open 1 direction
Incl	1.5	5.81	9.6	0.66	1.41	
TR100N	12.9	0.46	21.4	0.30	0.76	Open both directions
	9.8	4.08	36.2	0.34	1.01	
Incl	5.1	7.40	63.5	0.54	1.57	Open 1 direction
TR150N	5.2	4.79	21.5	0.16	0.33	Open both directions
TR200N	9.1	0.11	3.5	0.13	0.40	Open 1 direction
Incl	2.0	0.39	8.1	.37	1.02	
	14.0					Not sampled
	7.5	0.28	4.1	0.19	0.52	Open 1 direction

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Incl	0.65	1.31	4.9	0.89	2.47	
TR250N	3.2	0.80	3.9	0.05	0.11	Open 1 direction
TR300N	2.9	1.05	27.2	0.09	0.13	Open 1 direction
TR350N	4.1	1.10	74.7	0.13	0.20	Open 1 direction
TR400N	3.4	8.35	81.8	0.18	0.24	Open both directions
TR450N	3.3	5.89	27.1	0.10	0.24	Open 1 direction
	3.0					Not sampled
	3.2	5.35	110.2	0.14	0.15	Open both directions
TR500N	2.4	1.25	9.3	0.16	0.37	Open 1 direction
TR550N	2.3	0.07	104.6	0.15	0.24	Open both directions
	12.0					Not sampled
	21.5	1.90	82.9	0.16	0.19	Open both directions
Incl	6.9	5.06	145.2	0.22	0.18	
TR600N	4.6	0.81	67.1	0.16	0.17	Open both directions
Incl	2.8	1.12	108.4	0.23	0.21	
	9.0					Open stope
	8.0	2.11	113.0	0.33	0.39	Open both directions
Incl	2.1	6.42	82.9	0.22	0.68	
TR650N	3.3	1.84	16.0	0.20	0.34	Open both directions
	4.0					Not sampled
	0.7	5.76	4.5	0.09	0.19	Open 1 direction
TR700N	5.4	3.04	34.4	0.11	0.33	
Incl	2.6	5.97	51.8	0.18	0.46	
TR750N	6.0	0.20	57.0	0.04	0.05	
Incl	1.5	0.61	118.0	0.05	0.07	
TR800N	9.0	0.52	52.6	0.03	0.05	
Incl	3.0	1.11	126.4	0.04	0.09	
TR850N	16.5	0.65	55.3	0.08	0.14	Cross trench with below
	16.5	0.39	110.2	0.22	0.32	

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TR900N	2.1	0.16	11.3	1.18	2.39	Open both directions
	2.05	0.61	49.4	0.16	0.23	Open 1 direction
	4.2	0.70	67.0	0.08	0.07	
TR950	11.2	0.18	33.5	0.07	0.13	Open both directions
TR1000	6.7	0.40	32.6	0.15	0.13	Open both directions
Incl	3.3	0.63	55.8	0.16	0.04	
	13.0					Open stope
	8.7	1.36	57.0	0.19	0.16	
Incl	4.7	2.42	36.3	0.24	0.21	
And	4.0	0.12	81.3	0.13	0.10	
TR1050N	6.6	0.69	108.5	0.08	0.19	Open 1 direction
Incl	2.1	0.06	249.4	0.06	0.23	
	7.0					Not sampled
	2.4	1.32	56.8	0.28	0.33	Open both directions
	5.0					Not sampled
	11.0	1.40	69.6	0.18	0.26	Open both directions
	3.0					Not sampled
	9.0	2.17	107.9	0.16	0.42	Open both directions
TR1100N	8.85	0.56	8.6	0.31	0.42	Open both directions
TR1150N	20.4	1.89	9.8	0.41	0.74	Open both directions
Incl	11.8	3.03	12.5	0.44	0.97	
TR1200N	1.0	5.35	15.0	0.48	0.58	
	1.2	2.19	4.9	0.30	0.27	Open 1 direction
TR1250N	2.4	0.39	66.9	0.90	1.29	Open both directions

Field work on the phase 1 program is now complete.. A resource calculation is nearing completion and preliminary metallurgical studies and a have commenced. The initial petrographic study was unable to identify the oxide lead and zinc minerals and further studies will be undertaken. Phase 2 will be planned once the resource report has been finalized.

Cerro Prieto North Property

The Cerro Prieto North mining concession is a 2,507 hectare mining concession located 1.9 kilometres north of the Cerro Prieto Property in the Cucurpe Municipality of Sonora State, Mexico. It was staked on behalf of the Company for total cost of \$96,041.

The northwest striking structural zone which hosts the mineralized zone found on the Cerro Prieto Property can be traced for approximately 4.8 kilometers across the Cerro Prieto North Property.

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The Company intends to conduct an extensive trench and sampling program on the Cerro Prieto North Property to further delineate the mineralized zone and a geophysical program north and south of the outcrop area to trace the zone under cover. The results from this follow up program will assist in defining future drill programs.

Xochipala Property, Guerrero State, Mexico

The Company, through its subsidiary, Minera Xochipala, holds a 100% interest in the contiguous concessions, Celia Generosa and Celia Gene. Minera Xochipala was formed so the Company could acquire the Xochipala Property and operate in Mexico.

In connection with the Assignment Agreements the Company paid 186,000 pesos (approximately \$18,000) to the Xochipala Property and various other vendors, assumed liability for all arrears and penalties for the outstanding mining fees with regard to the Xochipala Property in the aggregate amount of 670,612 pesos (approximately \$67,000), assumed a lien settlement of 500,000 pesos (approximately \$50,000) and legal fees and other fees of 650,000 pesos (approximately \$65,000). In addition the Company paid ATM \$69,000 as mentioned above.

The Xochipala Property has a combined area of 193 hectares and is located in the southeast extreme of the former Morelos National Mining Reserve in the state of Guerrero, Mexico, 30 kilometres northwest of Chilpancingo, the regional capital. The Morelos National Mining Reserve was a 49,400 hectares federal mineral reserve which encompassed a northwest trend of intrusions with associated gold bearing iron skarn deposits and is part of a wider area which has come to be known as the Guerrero Gold Belt. The Guerrero Gold belt hosts several producing or near producing gold deposits including Los Filos – Bermajal (Goldcorp), El Limon (Goldcorp and Teck Cominco) and Nukay (Goldcorp).

The Xochipala Property hosts skarn mineralization associated with felsic intrusions of similar age and composition to mineralization in the known ore deposits in the area. The mineralization lies in very well defined structures that outcrop for over one kilometer and were the site of some of the earliest gold mining in the region from a number of small underground artisanal workings.

Salvador Property, Guerrero State, Mexico

The Salvador Property is a 100 hectare mining concession 100% owned by Minera Xochipala which lies approximately 25 kilometers to the west of the Xochipala Property and approximately 30 kilometers west of Chilpancingo, Guerrero. The Salvador property also hosts skarn mineralization associated with felsic intrusions similar to mineralization in the known ore deposits in the area. The concession was acquired for the sum of 1,021,877 pesos (\$108,201) paid in cash.

The Company intends to conduct a first phase program consisting of a review of information from past exploration programs followed by mapping and sampling on the Xochipala Property and the Salvador concession.

Financial Statement Presentation

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The company's ability to continue as a going

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concern is dependent upon achieving profitable operations and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

Mineral Properties and Related Deferred Exploration Expenditures

Mineral properties consist of exploration and mining concessions, options and contracts. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonment. If put into production, the costs of acquisition and exploration will be written off over the life of the property, based on estimated economic reserves. Proceeds received from the sale of any interest in a property will first be credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the property and deferred exploration costs will be written off to operations.

Recorded costs of mineral properties and deferred exploration expenditure are not intended to reflect present or future values of resource properties.

Selected Annual Information

The following information is derived from the financial statements of the Company for each of the two years ended May 31, 2008 and May 31, 2007:

	May 31, 2008	May 31, 2007
Revenue	\$NIL	\$NIL
Operating loss	(603,784)	(203,045)
Net loss and comprehensive loss for the period	(603,784)	(203,045)
Basic and diluted loss per share	(0.03)	(0.02)
Total assets	5,984,580	3,430,993
Total liabilities	248,966	2,165,288

Selected Quarterly Information

The following information is derived from the consolidated financial statements of the Company for the nine months ended February 29, 2008, the three months ended May 31, 2008 and the three months ended August 31, 2008:

	Three months ended November 30, 2008	Three months ended August 31, 2008	Three months ended May 31, 2008	Nine months ended February 29, 2008
Administration expense	\$ 243,397	\$ 138,454	\$ 332,020	\$ 400,232
Other income	8,074	(28,374)	(35,642)	164,110

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Net loss for the period	235,323	166,828	367,662	236,122
Net loss per share	0.01	0.01	0.02	0.01
Total assets	5,618,027	5,834,785	5,984,580	3,705,190
Total Liabilities	\$ 199,081	\$ 265,999	\$ 248,966	\$ 1,664,107

The financial statements for the nine months ended February 29, 2008 were the first interim financial statements presented by the Company outside of a prospectus filed on February 13, 2008.

Results of Operations

The Company recorded a loss of \$402,151 or \$0.01 per share for the six months period ended November 30, 2008 up 89% from the six months ended November 30, 2007. The Company has no income producing assets and has not reported any revenue from operations. The Company is considered to be in the exploration stage. General expenses were \$243,397 for the current three months up 114% over the previous comparable quarter. The largest items are shareholder communications up \$63,144 over the comparable period and stock-based compensation up \$85,483. General expense for the current six months was up 66% over the comparable period last year. As the Company completed its initial public offering in March 2008 there was no shareholder communications in the previous period. Stock-based compensation is a result of the vesting of stock options in the second quarter. Rent expense for this period is reduced from the sharing of costs with outside parties. Transfer agent costs are now active as a result of the company trading on the TSX Venture whereas in the previous period the company was not public yet.

For the three months ended November 30, 2008, the Company incurred deferred exploration expenditures of \$1,011,996 with 99% of the expenditures on the Cerro Prieto Property.

Liquidity and Capital Resources

As of November 30, 2008, the Company had working capital of \$437,594 as compared to the year end when the Company had a working capital position of \$1,793,572.

The Company completed an initial public offering of 8,000,000 units at \$0.55 per unit on March 12, 2008, giving the Company \$3,909,281 to the treasury after costs. Each unit is comprised of one common share and one half of one transferable common share purchase warrant. Each whole Warrant will entitle the holder thereof to acquire one additional common share of the Company at a price of \$0.90 per share to September 19, 2009. The agent's commission was 8% or \$352,000 of which \$246,730 was paid in cash and the remainder of \$105,270 was settled with 191,400 units at \$0.55 per unit. In addition a corporate finance fee of \$25,000 of which \$18,334 was paid in cash, and the remainder of \$6,666 was settled with 12,120 units at \$0.55 per unit. Each agent unit is comprised of one common share and one half share purchase warrant with the same terms as the other 4,000,000 warrants. The agent also received options to purchase 800,000 shares at \$0.55 per share to September 19, 2009. The fair value of the agent's options was estimated to be \$71,256, and has been included in contributed surplus and share capital as a cost of financing. Issuance costs also contained legal, accounting and other fees of \$154,399. The Company's shares commenced trading on March 18, 2008.

The Company is not in commercial production on any of its mineral properties and, accordingly, it does not generate cash from operations. In order to fund further exploration work, the Company is dependent upon raising financing through the issuance of its securities, including the funds to be raised pursuant to

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the Offering.

Outlook

The Company has as its main asset an exploration property. As such the outlook for the Company is strongly tied to exploration drilling success.

Related Party Transactions

The following expenses were incurred with directors and officers of the Company

	Six months ended November 30, 2008	Six months ended November 30, 2007
Management fees	\$ 27,334	\$ 14,000
Deferred exploration costs	36,828	-
Professional fees	43,450	38,885
Total	\$ 107,612	\$ 52,885

As at November 30, 2008 accounts payable and accrued liabilities included \$22,493 owing to officers and directors for management, legal and accounting fees as well as expenses incurred on behalf of the Company.

These charges were measured by the exchange amount, which is the amount agreed upon by the related parties.

Critical Accounting Estimates

Preparing financial statements in accordance with GAAP requires management to make certain judgments and estimates. Changes to these judgments and estimates could have a material effect on the Company's financial statements and financial position.

The carrying values of the resource properties incurred in an exploration stage are subject to an impairment evaluation. All of the expenditures incurred to date have been capitalized. It is management's opinion that the estimated cash flows expected to result from the future use of the property and its eventual disposition will exceed its carrying amount.

Disclosure Controls

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the President and the Chief Financial Officer, as appropriate, to permit timely discussions regarding public disclosures. Management, including the President and the Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of November 30, 2008. Based on this evaluation, the President and the Chief Financial Officer have concluded that the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, are effective to ensure that information required to be disclosed in reports that we file or submit under Canadian securities legislation are recorded, processed and reported within the time period specified in those rules.

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Internal Control Over Financial Reporting

The President and CFO are responsible for designing internal control procedures over financial reporting or causing it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with GAAP.

There are inherent weaknesses in the Company's internal control due to its small size and its inability to segregate incompatible functions. Due to the limited number of staff at the Company, it is not economically feasible to achieve complete segregation of incompatible duties.

Share Capital

	Shares	Price	Amount
Balance at November 30, 2008	27,593,520		\$6,389,531
Issued	Nil	-	-
Balance at January 23, 2009	27,593,520		\$6,389,531