

Form 51-102F1
Management's Discussion & Analysis (MD&A)

AUREA MINING INC.

Item 2 - INTERIM MD&A for the nine-month period ended September 30, 2005 (the "Fiscal Period") and to the date of this report.

1. Date of this Report

This report is dated on **November 25, 2005**, is integral to and should be read in conjunction with the Company's interim unaudited financial statements for the nine months ended September 30, 2005, and with the annual audited financial statements for the period ended December 31, 2004 and its corresponding MD&A.

2. Description of business.

Aurea Mining Inc., formerly Olly Industries Inc. and Petra Resource Corp., (the "Company") is a reporting issuer in the provinces of British Columbia and Alberta, Canada. Its securities began trading on the TSX Venture Exchange as a Tier 2 company on June 29, 2005, under the symbol "MXA". The Company's listing was sponsored by Bolder Investment Partners Ltd., of Vancouver, British Columbia.

On May 14, 2004, the Company acquired substantially all of the issued and outstanding common shares of Minera Aurea, S.A. de C.V. (formerly Minera Ottawa, S.A. de C.V.)(t), a mineral exploration company incorporated in Mexico on March 22, 2004 ("Minera") in exchange for 20,000,000 common shares of the Company (the "Acquisition"). The Acquisition resulted in the shareholders of Minera acquiring control of the Company. This type of share exchange is referred to as a "reverse take-over" and though the Company is the legal parent of Minera, Minera is deemed to have acquired the Company for accounting purposes. Accordingly, the net assets of Minera and the Company are included in the consolidated balance sheet at historical book values. The Company has, as a result of the Acquisition, become an exploration stage company in the business of acquiring, exploring, evaluating and developing mineral property concessions in Mexico. Its principal asset is the 100% owned Aurea Norte and Aurea Sur Projects, a 81,420 hectare land package located in the Guerrero Gold Belt (GGB) of southern Mexico. The GGB is an important emerging gold camp in Mexico.

Mineral Properties Update.

The Company's properties are situated within the "Guerrero Gold Belt" (GGB) in the State of Guerrero in southern Mexico. Mineralization in the GGB is primarily a gold bearing iron skarn-porphyry system. Skarn replacement and stockwork porphyry style mineralization has developed at or near the contact between Morelos and Mexcala Formation platform sediments during emplacement of granitoid stocks and sills. This style of deposit is the principal focus of the Company's exploration activities. A volcanogenic massive sulphide (VMS) potential also exists on the western extents of the companies land holdings that remain to be evaluated. A third potential exists where mineralizing intrusions related to the GGB may also intrude the volcanosedimentary terrain.

Central Guerrero State has a reasonably well developed infrastructure which includes sufficient water for an existing hydroelectric power network, numerous paved and all-season unpaved roads, railway access, communication facilities, and regional airports at most major centers.

The climate in the region is warm and humid, with an average temperature of 28°C (range of 17°C to 45°C) and average precipitation of 835 mm per year. Vegetation is dominated by thorny plants and cacti at low elevations and patchy oak and pine forests at higher elevations.

Form 51-102F1
Management's Discussion & Analysis (MD&A)

AUREA MINING INC.

Minera's initial assets comprised two 100% owned mineral concessions located in the State of Guerrero, Mexico; the 13,536 hectares El Coyote claim and the 3,452 hectare Ottawa claim. Several new claims have since been staked and were pending title at the time of filing of the initial prospectus. As of October 30, 2005, Minera Aurea controls 100% of 81,564.11 hectares within the GGB, distributed in 13 contiguous claims or concessions.

The property package was subsequently divided into two contiguous projects for exploration purposes. The Aurea Norte project includes those claims located predominantly north of the Balsas River. The Aurea Sur project includes those claims located south of the Balsas River.

The Company filed a technical report prepared by an independent qualified person on its two principal properties in accordance with the requirements set out in National Policy 43-101 (the "Technical Report"). This report was filed on www.SEDAR.com as of May 30, 2005.

Land Position, October 30, 2005

CLAIM	CLAIM APPLICATION	HECTARES	TITLED	TITLE No.	EXPIRATION**
EL COYOTE	Nov 28-03	13,535.84	Jun-15-04	222224	June-14-10
OTTAWA*	Dec-08-03	3,452.00	Mar-26-04	221781	Mar-25-10
EL CONSORCIO*	Apr-06-04	2,367.00	Jul-06-04	222399	July-05-10
COSMOS	May-19-04	9,450.15	Jun-14-05	224813	June-13-11
DON RICHARD	May-27-04	1,722.06	Jun-07-05	224743	June-06-11
EL DURAZNO*	Jun-15-04	13,306.60	Jun-28-05	224953	June-27-11
CUETZALA	Jun-15-04	18,522.25	Jun-14-05	224814	June-13-11
COYOPANCHO	Aug-25-04	5,351.62	Feb-03-05	223694	Feb-02-11
LA MORENITA	Oct-13-04	200.00	May-03-05	224383	May-02-11
DON JESUS	Nov-01-04	1,560.00	Pending	Pending	Pending
ESTEFANIA	Nov-01-04	9,236.59	Pending	Pending	Pending
ESTEFANIA FRACC. 1	Nov-01-04	100.00	Pending	Pending	Pending
LAS VINATAS*	May-18-05	2,616.82	Sept-08-05	225449	Sept-07-11
TOTAL HECTARES		81,420.93			

* Aurea Sur Project claims. All other claims are part of the Aurea Norte Project.

** According to modifications to the Mexican Mining Law on April 29, 2005, effective October 29, 2005 a unique type of "Mining Concessions" will exist with a 50 year duration, extendable for another 50 years. The distinction between exploration and exploitation concessions were effectively eliminated as of the date the law took effect. This means that Aurea's "exploration" titles with expiry dates of 2010 and 2011 will automatically become "mining concessions" six years from the title dates, and will be in effect for the remaining 44 years.

AUREA NORTE PROJECT

The Aurea Norte Property lies in central Guerrero State, approximately 33 kilometres south of the City of Teloloapan and 60 kilometres southwest of the City of Iguala. Originally known as the 13,536 hectare El Coyote claim. Aurea Norte presently consists of 9 contiguous claims that are also contiguous with the Morelos Norte Project, controlled by the Teck Cominco and Goldcorp joint venture and host of the 3.2M Oz El Limon-Los Guajes gold resource, a gold bearing iron skarn deposit developed during emplacement of mineralized intrusions into carbonates of the Guerrero-Morelos Platform sub-terrain.

The project is also contiguous with Farallon Resource's Campo Morado polymetallic VMS property to the west. The Campo Morado VMS deposits occur in the volcano-sedimentary Teloloapan sub-province of the

Form 51-102F1
Management's Discussion & Analysis (MD&A)

AUREA MINING INC.

Guerrero Terrain. Because of the two differing geological environments that exist on the project, it may become convenient in future to further subdivide Aurea Norte into two separate projects to accommodate the different mineralizing environments.

Aurea's geological fieldwork started in August 2004 on the Aurea Norte property. A camp was established in the town of Nuevo Balsas to facilitate exploration of the east portion of El Coyote claim. This part of the El Coyote claim was chosen as a starting point for exploration for several reasons; it enjoys good access and infrastructure, it displays the same geological environment that prevails at other known deposits of the GGB, specifically: the Bermejil, Los Filos, Nukay and El Limon-Los Guajes gold deposits. Finally, it is directly along the NW strike of these deposits, lying just a few kilometre NW of the Limon-Los Guajes deposit.

Exploration activities saw completion of regional mapping of the east portion of El Coyote claim. The program successfully located three gold targets for immediate follow up exploration, The San Luis and Rey David showings within the east El Coyote claim and La Morenita showing in La Morenita claim 10 Kilometres north of the San Luis prospect. A fourth target in the west portion of the Coyote claim remains to be evaluated.

This year, detailed mapping and grid sampling of the San Luis and Rey David showings were completed. A 1300m drill program was designed and a contract with Tecmin Servicios, S. A. de C.V. was signed on May 17, 2005. Drilling started on May 28, 2005 and was completed on Sept 15, 2005. Results of this program follow.

San Luis Showing:

Preliminary regional exploration discovered silicified, brecciated and oxidized outcrops located near the town of San Luis. The San Luis showing occurs at the contact between Morelos limestone and Mexcala calcareous lutite of the Guerrero-Morelos Platform sediments. The contact has been faulted and intruded by a diorite to monzodiorite porphyry. Iron-rich jasperoid breccia outcrops along this contact are controlled by a NW 20° to NE10° high angle structure. The jasperoid breccia outcropped over 150m N-S by 40m E-W, with gold values up to 8.05 g/t. The jasperoid breccia is also highly anomalous in mercury (to 110 ppm); arsenic (to 6,580 ppm) and antimony (to 1,910 ppm).

A 100m grid system was established over the showing and a program of detail mapping and grid sampling was completed. This program further defined an area 300m N-S by 140 m E-W (4.2 ha) that is anomalous in gold. A detailed grid with centers every 25m N-S and 10m E-W was laid over the core of the showing and sampled. The best assay from this program returned 8.05 gm/ton Au from chip samples in outcrop.

Based on the positive geological data collected in the field, and the geochemical interpretation from the grid sampling programs a Phase 1 diamond drill program was prepared. A total of 6 holes were drilled as follows:

Hole No.	Azimuth	Dip	Total Depth (m)
SL-001	0°	90°	209.95
SL-002	90°	75°	257.95
SL-003	270°	60°	70.80
SL-004	0°	90°	158.15
SL-008	270°	50°	123.30
SL-009	270°	45°	84.65
TOTAL			904.80m

Form 51-102F1
Management's Discussion & Analysis (MD&A)

AUREA MINING INC.

Rey David Showing:

In November 2004, another iron-rich jasperoid breccia outcrop was discovered 1.3 km SW of the San Luis prospect. It also occurs at the faulted contact between the Morelos and Mexcala Formations and is intruded by a diorite porphyry. The showing was named Rey David and a similar grid sample program was completed over the area as at San Luis. Gold values are generally low (max. 0.112 g/t) but there are very good anomalies in mercury (max. 110 ppm), arsenic (max. 3,130 ppm) and antimony (max. 5,850 ppm). This geochemical signature suggests that the Rey David showing is at a higher level in a magmatic-hydrothermal system and that the principal target may lie at greater depth. A diamond drill program was planned as a preliminary evaluation of this showing. A Total of three holes were drilled at Rey David as follows:

Hole No.	Azimuth	Dip	Total Depth (m)
SL-005	90°	45°	72.40
SL-006	0°	90°	225.40
SL-007	90°	45°	113.80
TOTAL			411.60 m

La Morenita Showing

La Morenita showing is located roughly 10km NW of the San Luis and Rey David showings and remains to be developed as a drill target. It displays a similar geologic and structural environment as Rey David and San Luis with strong jasperoid showings in outcrop. La Morenita shows evidence of higher temperatures from the presence of magnetite and garnet in outcrop. Detailed exploration of the showing is planned for late 2005 and early 2006.

Coyote West Showing

A stream sediment survey from an earlier reconnaissance program has located a broad area anomalous in gold on the western portion of the Coyote claim. The prospect remains to be evaluated with follow up mapping and sampling. It occurs outside the platform sediment environment of the GGB, within accreted volcanosedimentary terrain.

First Phase Drill Program Results

The following table summarizes assay results of the first phase drill program for the San Luis and Rey David showings. Six of nine drillholes encountered anomalous gold mineralization with the best intersection from the San Luis Showing. Drill hole SL-003 intersected 1.11 gm/ton gold over a downhole length of 16.8m. The following can be concluded from this drill program.

- The San Luis and Rey David showings occur within and at the contact of a sheet like diorite porphyry intruded along the transitional contact between the Mexcala and Morelos Formations of the Guerrero-Morelos Platform carbonates.
- The San Luis and Rey David porphyry may correspond to a single extensive sill.
- It is similar to the sill that hosts the Au mineralization at Los Filos deposit.
- Au mineralization occurs mainly within an oxidized jasperoid breccia located in the contact zone. Gold also occurs within limestone associated with calcite veining.
- Drill hole SL-003 shows that thick packages of potentially economic Au can be found near surface.
- Drill hole SL-006, intersected a second 23.50 m thick sill body, between 193.52 and 217.00 m.
- In drill hole SL-008, a 1.9m interval of magnetite bearing oxidized jasperoid was intersected, confirming the existence of skarn type mineralization similar to El Limon-Los Guajes.
- Even though the intersected grades are low, the three Rey David drill holes intersected thick packages with anomalous gold values.
- The obtained results warrant a follow-up exploration program to trace down the source of the anomalous results.

Form 51-102F1
Management's Discussion & Analysis (MD&A)

AUREA MINING INC.

Phase I Drill Program Assay Results				
Hole No.	From (m)	To (m)	Interval (m)	Au g/t
SL-001	0.00	5.90	5.90	0.42
	179.35	191.55	12.20	0.25
includes	185.45	188.50	3.05	0.74
SL-002	No significant Assay			
SL-003	22.85	60.1	37.25	0.61
Includes	38.10	54.90	16.80	1.11
And	38.10	44.20	6.10	1.94
SL-004	No significant Assay			
SL-005	0.00	48.00	48.00	0.018
SL-006	50.65	55.32	4.70	0.42
	70.25	81.60	11.35	0.18
	175.65	181.75	6.10	0.15
SL-007	47.30	91.15	43.85	0.134
Includes	62.10	71.60	9.50	0.34
And	63.80	70.20	6.40	0.49
SL-008	No significant Assay			
SL-009	33.95	39.05	5.10	0.30

AUREA SUR PROJECT

The Aurea Sur Project originally started as a single exploration claim, the Ottawa claim covering 3,452 hectares. Despite the area's location west of the known trend of the GGB, the Ottawa claim was staked to cover two magnetic anomalies with signatures similar to those of the known deposits within the GGB. The presence of two altered intrusions was confirmed during reconnaissance mapping and named the Acapulco and Ottawa Showings. A successful exploration program on Aurea Sur will extend the known boundaries of the GGB.

Aurea Sur today consists of four contiguous mining claims totalling 21,742.42 hectares that are also contiguous with the Aurea Norte project to the north. It is bordered to the east by the Morelos Norte and Sur projects of Teck Cominco-Goldcorp and Grupo Mexico. Claims included in the Aurea Sur project are Ottawa, El Consorcio, Las Vinatas and El Durazno. The additional claims were staked as reconnaissance mapping located four showings favourable for GGB style gold mineralization; the Acapulco, Ottawa, El Consorcio and Vinatas showings. It is hoped that more showings will be discovered as regional reconnaissance proceeds into the as yet unmapped El Durazno and Las Vinatas claims.

Preliminary reconnaissance mapping of most of the Ottawa claim was completed during the last quarter of 2004 when 120 samples were collected from outcrop. As at the Rey David-San Luis showings, diorite to monzodiorite intrusions was emplaced at the contact of the Morelos-Mexcala formations. The geology confirmed the presence of a mineralizing setting that is similar to that at the east lying Nukay, Los Filos and Bermejil deposits. Preliminary sampling returned a best gold assay of 0.8gr/ton Au from the contact with the Ottawa intrusion.

By May, 2005, regional mapping was completed on the Ottawa and El Consorcio claims. A monzodiorite sill was outlined in outcrop over a 5km N-S strike and a 600m E-W average width. The sill is emplaced at the Morelos-Mexcala contact and jasperoid outcrops along the contact are observed over 2km and 400m at its widest exposure. A total of 57 samples of all lithologies were collected from random outcrop with a best gold assay of 243 ppb.

A program of detail mapping, grid sampling and drilling is being designed for follow up of this exciting new area that extends from the Ottawa through to the El Consorcio showings. Further regional mapping is planned

Form 51-102F1
Management's Discussion & Analysis (MD&A)

AUREA MINING INC.

as follow up on the El Durazno and Las Vinatas claims.

3. Overall Performance

Financings

During the Fiscal Period, the Company undertook the following financing activities:

- The company raised \$1,271,587 (net of issuance costs) through a non-brokered private placement of 4,977,718 units at \$0.26 per unit. Each unit consisted of one common share and one half share purchase warrant, with each full warrant entitling the holder to purchase one common shares at an exercise price of \$0.40 per share, expiring 12 months after the shares started trading on the TSX Venture Exchange, on June 29, 2006. Please also refer to Section 15 below.
- During the previous fiscal year, the Company entered into a convertible demand loan of \$147,517 (US \$120,000) which was non-interest bearing and convertible at a price of \$0.10 per share. Of the total amount, \$131,044 (US \$106,600) was due to a company controlled by a director, to a director and to an officer of the Company. The loan was subject to conversion on demand at any time by the lenders until December 31, 2008. As of December 31, 2004, certain debt holders had exercised their right of conversion of a principal balance of \$4,425 (US \$3,600) in exchange for a commitment to issue 44,255 shares; these shares were issued during the Fiscal Period. The remaining shareholders exercised their right of conversion of the remaining amount of \$143,092, and the company issued 1,430,916 common shares on July 1, 2005.
- Subsequent to the end of the Fiscal Period the Company received loans from three companies controlled by Directors of the Company, receiving an aggregate principal amount of \$150,000. The loans are evidenced by promissory notes that bear interest at a rate of the Bank of Montreal Prime Rate plus 2% per annum, calculated on an annual basis. These transactions are subject to the approval of the TSX Venture Exchange. The principal amount plus accrued interest is payable sixty days from the date of issue. On or after the Maturity Date the lenders may elect to convert all indebtedness represented by the promissory notes into common shares of the Company at a price per common share equal to the weighted average closing price of the Borrower's common shares on the TSX Venture Exchange for the previous 20 trading days. This funding will be destined for general working capital and the continuation of the Company's exploration program.

Working Capital

On September 30, 2005, the Company had working capital deficit of \$1,579 (December 31, 2004: working capital deficit of \$333,918). The financing completed during the Fiscal Period eliminated the working capital deficit during the first half of the fiscal year; however, the costs of the exploration program have placed the Company in a deficit position again, depending on future financing opportunities to continue with its planned operations.

Accounts receivable at September 30, 2005 totalled \$56,159 (December 31, 2004: \$44,265), including:

- a) Canadian Goods and Services Tax (GST) refund receivable for \$3,076.
- b) Mexican Value Added Tax (VAT) refund receivable for \$52,396.

Form 51-102F1
Management's Discussion & Analysis (MD&A)

AUREA MINING INC.

Liabilities as at September 30, 2005 totalled \$183,539 (December 31, 2004: \$432, 920). This includes the following significant items:

- a) \$2,732 due in administration services and refundable expenses of the Company's Vancouver office
- b) \$1,186 accrued for the 2005 annual filing fees
- c) \$11,250 accrued for the 2005 annual audit.
- d) \$7,186 due in administration expenses of Minera.
- e) \$68,346 due to an exploration contractor in Mexico.
- f) \$15,538 in other trade payables in Canada
- g) \$14,379 due to an assay laboratory
- h) \$46,719 due in other technical services in Mexico

Equipment and deferred exploration costs

The balance sheet of the Company for the Fiscal Period shows deferred expenditures of \$1,187,584 (December 31, 2004: \$437,342) in mineral properties, and \$12,690 (December 31, 2004: \$16,440) in equipment (both figures net of depreciation or amortization), as follows:

Equipment:

	September 30, 2005			Dec 31, 2004
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicle	\$ 9,935	\$ 3,312	\$ 6,623	\$ 8,486
Computer equipment	8,954	3,240	5,714	7,571
Furniture and fixtures	396	43	353	383
	\$ 19,285	\$ 6,595	\$ 12,690	\$ 16,440

Mineral properties:

It is the Company's policy to defer all acquisition and direct exploration costs including field office expenses until the properties to which they relate are placed into production, sold, abandoned or management has determined that there has been impairment in value. A description and breakdown of these expenditures is as follows:

Form 51-102F1
Management's Discussion & Analysis (MD&A)

AUREA MINING INC.

	Properties			
	El Coyote	Ottawa	Under Application	Total
Acquisition costs:				
Balance, beginning of period	13,088	6,980	62,466	82,534
Additions	13,399	4,449	25,932	43,780
Balance, end of period	26,487	11,429	88,398	126,314
Exploration costs:				
Balance, beginning of period	160,888	92,171	101,649	354,708
Project development and administration	7,867	7,867	70,797	86,531
Field surveys	492,221	9,484	18,017	519,722
Remuneration	4,638	4,637	41,739	51,014
Surveying works	-	-	5,354	5,354
Other	27,358	1,944	14,639	43,941
Balance, end of period	692,972	116,103	252,195	1,061,270
Total costs	719,459	127,532	340,593	1,187,584

Contracts and commitments:

The Company has the following contractual obligations that will impact its future financings and capital requirements:

a) Administrative Services Agreement (June 1, 2004)

This agreement establishes the terms by which Industrias Miral, S.A. de C.V. ("Miral" a company controlled by Mr. Enrique R. Miranda-Paz, president and CEO of the Company), provides administrative support services to Minera. Under the terms of the agreement, Minera will pay Miral \$1,526 per month.

b) Employment contract of Vice President of Exploration (June 1, 2004).

This contract establishes the terms of employment by Minera of Mr. Alfonso Martínez-Vera, the Company's Vice President of Exploration and Minera's Chief Geologist. Under the terms of the agreement, Minera will pay Mr. Martínez a salary of US \$4,600 per month for a guaranteed term of two years, plus required benefits under Mexican labour law, and a medical insurance premium of a maximum of MXP \$60,000 per annum (approximately Cad. \$6,700).

c) Geological Services Agreement (July 22, 2004)

This agreement establishes the terms under which Sociedad Exploradora Minera, S.A. de C.V. (a geological and mining services contractor) will provide its services to Minera. Under the terms of this agreement Minera will pay this contractor for work and expenses incurred in exploration work. For the Fiscal Period Sociedad Exploradora Minera, S.A. de C.V. received \$278,659 under this contract for carrying out mapping and sampling exploration work and analysis on the Company's principal mineral properties.

Form 51-102F1
Management's Discussion & Analysis (MD&A)

AUREA MINING INC.

Completed agreements with no further obligations.

- d) Debt Restructuring Agreement (convertible note payable) (December 24, 2004 - Completed)
This agreement outlined the repayment term of a convertible non-interest bearing loan of an original amount of US \$120,000 advanced by several parties to the Company. Under the terms of the agreement the loan provided the creditors the right to convert their respective amounts into common shares of the Company at a deemed price of \$0.10 per share until December 31, 2008. All of the creditors have exercised their right of conversion; the company issued 44,255 common shares at a price of \$0.10 in March 2005 in settlement of \$4,425 (US \$3,600), and 1,430,916 common shares at a price of \$0.10 on July 29, 2005, in settlement of the remaining \$143,092 (US \$116,400).
- e) Promissory note payable and Debt Assignment and Settlement Agreement (April 30, 2004).
As indicated by note #6 to the Company's interim financial statements for the Fiscal Period, the Company settled a promissory note in the amount of \$615,615 by issuing in 2004 2,500,000 common shares at a value of \$0.20 per share and a new promissory note in the amount of \$115,615. The new promissory note payable of \$115,615 was paid in full on April 25, 2005, and thus there is no further obligation to this agreement.

4. Selected Annual Information

On May 14, 2004 the Company completed the Acquisition. As set out above, Canadian generally accepted accounting principles require that comparative statements of operations and cash flows include the accounts of Minera but not the Company. Minera was incorporated on March 22, 2004, and therefore prior period information is limited.

	Period to Dec 31, 2004 \$
a) Revenue:	-
b) Loss before extraordinary items:	(202,440)
➤ Per share - basic & diluted:	(0.01)
c) Loss for the period:	(202,440)
➤ Per share - basic & diluted:	(0.01)
d) Total assets:	552,684
e) Long term liabilities:	Nil
f) Cash dividends per share:	Nil

Form 51-102F1
Management's Discussion & Analysis (MD&A)

AUREA MINING INC.

5. Results of Operations

The Company incurred a loss for the Fiscal Period of \$868,863. The Company did not generate any revenues, and the breakdown of expenses is as follows:

Expense	Amount	%
Investor relations	44,064	5.03%
Office and administration:		
Administration	66,265	7.56%
Bank charges	1,884	0.21%
Interest expense	690	0.08%
Internet and website	1,040	0.12%
Office rent	2,645	0.30%
Travelling	6,421	0.73%
Other	4,939	0.56%
Professional fees:		
Audit	16,490	1.88%
Legal	97,299	11.10%
Other	622	0.07%
Regulatory and transfer agent:		
Filing fees	36,686	4.18%
Transfer Agent	6,844	0.78%
Sponsorship	40,106	4.57%
Non cash items:		
Amortization	\$ 3,881	0.44%
Foreign exchange	14,666	1.67%
Stock compensation expense	532,316	60.71%
Total Expense	\$ 876,857	100.00%

Further discussion of the most significant numbers of the above table is provided below:

- a) The largest expense is the stock compensation expense of \$532,316. During the Fiscal Period the Company granted an aggregate of 3,350,000 stock options with an exercise price of \$0.26 for five years. Stock compensation expense figure is a result of the application of the *Black-Scholes Option Pricing Model* to determine the fair value- of compensation costs for the granting of all stock options and direct awards of stock. The weighted average fair value of the options granted during the nine month period ended September 30, 2005 was \$0.1589 per option, with the following assumptions: risk-free interest rate of 3.5%; dividend yield 0%; volatility of 71.32%; and expected life of approximately 5 years. The stock compensation amount is shown as Contributed Surplus on the balance sheet.
- b) Investor relations activities of \$44,064 include enhancements of the Company's corporate image (logos, brochures, etc.) and of the Company's website, the cost of issuance of press releases and other shareholder communications, and the cost of an informative trip to the Company's properties for a selected group of potential investors.

Form 51-102F1
Management's Discussion & Analysis (MD&A)

AUREA MINING INC.

- c) Office and administration expenses of \$83,883 include:
 - i. \$31,777 in Canadian administration and related expenses
 - ii. \$34,488 related to the administration of Minera
 - iii. \$2,645 in office rent and related expenses
 - iv. \$6,421 in travelling expenses.
- d) Professional fees of \$114,411 include:
 - i. Audit fees of \$11,250 accrued for the 2005 audit and \$5,240 due to 2004 audit costs.
 - ii. Legal fees of \$97,299 includes, among other things, the preparation of the Prospectus, work related to the financings that took place during the Fiscal Period, and the preparation and follow-up of the Company's application for listing with the TSX Venture Exchange.

6. Summary of quarterly results

As indicated on section 4, above, the Company completed the acquisition of Minera on May 14, 2004. Minera was incorporated in March 2004, and therefore comparative period information is limited.

The following is a summary of quarterly results for each of the two most recently completed quarters and the period since incorporation of Minera:

	Quarter ended - \$					
	30-Sep 2005	30-Jun 2005	31-Mar 2005	31-Dec 2004	30-Sep 2004	Period from 22-Mar to 30-Jun 2004
a) Interest revenue:	4,621	3,575	598	-	-	-
b) Loss before extraordinary items:	(54,752)	(339,130)	(474,181)	(42,121)	(114,934)	(45,385)
Per share - basic & diluted:	(0.00)	(0.01)	(0.02)	-	(0.01)	-
c) Loss for the quarter:	(54,752)	(339,130)	(474,181)	(42,121)	(114,934)	(45,385)
Per share - basic & diluted:	(0.00)	(0.01)	(0.02)	-	(0.01)	-
d) Total assets:	1,382,234	1,382,059	1,664,604	552,684	361,461	427,426
e) Long term liabilities:	Nil	Nil	Nil	Nil	Nil	Nil
f) Cash dividends per share:	Nil	Nil	Nil	Nil	Nil	Nil

The results of operations, as reported in the Company's quarterly and year end financial statements, substantially reflect the costs incurred to make regulatory filings and carry out the Company's reorganization plan. They do not provide meaningful information for the purpose of assessing future operations. The large loss for the most recent two quarters is mostly due to the non-cash stock compensation expense explained in Section 5(a) above.

7. Liquidity

At the end of the Fiscal Period the Company had cash and accounts receivable of \$177,597 (December 31, 2004: \$98,081). The increase is due to the private placement financing that took place during the Fiscal Period.

The Company is an exploration stage company now engaged in the exploration of mineral properties not presently in production. As a consequence, the Company does not presently generate cash flow from operations and it is unlikely that it will generate cash flow from operations in the near future. Continuing operations are therefore dependent upon the Company's ability to secure additional capital as required, which is not assured.

The Company has no long-term obligations outstanding and therefore there are no factors of this type affecting liquidity or future cash flows.

Form 51-102F1
Management's Discussion & Analysis (MD&A)

AUREA MINING INC.

8. Capital Resources

The Company's ability to raise additional funds from the equity markets will largely depend upon general market conditions, the Company's ability to achieve certain exploration milestones, and its ability to acquire new properties.

9. Off-Balance Sheet arrangements

The Company does not have any off-balance sheet arrangements and does not contemplate to have them in the foreseeable future.

10. Transactions with related parties

The following related party transactions took place during the nine months ended September 30, 2005:

- The Company paid \$29,175 in accounting and administration services to a company controlled by Mr. Salvador Miranda, Chief Financial Officer of the Company.
- The Company paid \$13,734 in administrative support services provided to Minera by a company controlled by Mr. Enrique R. Miranda-Paz, a Director of the Company.
- The Company paid \$41,623 (US \$33,545.02) to a company controlled to by Mr. Enrique R. Miranda-Paz, a Director of the Company, in repayment of expenses incurred at cost for the acquisition of mineral claims.
- Under an employment contract, the Company has paid \$50,678 (US \$41,400) to Mr. Alfonso Martínez-Vera, an officer of the Company.
- The Company paid \$13,940 (US \$11,600) to a company controlled by Ms. Gillian Kearvell, an Officer of the Company, for consulting-related activities in Mexico
- The 3,350,000 stock options with an exercise price of \$0.26 per share indicated in Note 8 were all granted to directors and officers of the Company.

Included in accounts payable and accrued liabilities as at September 30, 2005 are the following amounts:

- \$7,186 due to a company controlled by Mr. Enrique R. Miranda-Paz, a Director of the Company, for administrative support services provided to Minera.
- \$2,132 due to a company controlled by Mr. Salvador Miranda, Chief Financial Officer of the Company, for administration and accounting services provided to the Company.

As indicated under Financings above, subsequent to the end of the Fiscal Period the Company received 3 loans, each for \$50,000, from companies controlled by Directors Mr. Enrique R. Miranda Paz, Mr. Richard Whittall and Mr. Joseph Fodor. The loans are evidenced by promissory notes that bear interest at a rate of the Bank of Montreal Prime Rate plus 2% per annum, calculated on an annual basis. These transactions are subject to the approval of the TSX Venture Exchange. The \$150,000 principal amount plus accrued interest is payable sixty days from the date of issue. On or after the Maturity Date the lenders may elect to convert all indebtedness represented by the promissory notes into common shares of the Company at a price per common share equal to the weighted average closing price of the Borrower's common shares on the TSX Venture Exchange for the previous 20 trading days. This funding will be destined for general working capital and the continuation of the Company's exploration program.

Form 51-102F1
Management's Discussion & Analysis (MD&A)

AUREA MINING INC.

11. Third quarter 2005

Earlier this year, detailed mapping and grid sampling of the San Luis and Rey David showings were completed. A 1300m drill program was designed and a contract with Tecmin Servicios, S. A. de C.V. was signed on May 17, 2005. Drilling started on May 28, 2005 and was completed on Sept 15, 2005. Results of this program follow.

Summary of First Phase Drilling, San Luis and Rey David Projects

San Luis

- Six holes for a total of 904.80 m were drilled.
- Three drillholes intersected Au values.
- An interval of 16.80 m containing 1.11 g/t Au, including 6.10m with 1.93 g/t Au was intersected.

Rey David

- Three holes for a total of 411.60 m were drilled.
- The three holes intersected low grade Au values.

On October 5, 2005, subsequent to the end of the Fiscal Period, the company announced the appointment of Richard O'C. Whittall as President, and on November 25, 2005, as Chief Executive Officer. Mr. Whittall is an investment banker based in Vancouver, British Columbia. His background includes serving as a past director of Miranda Mining Corp. from 1995 until its sale to Wheaton River Minerals (now Goldcorp) in 2003. Mr. Whittall has participated in a diverse range of corporate activities, including mergers and acquisitions and completion of several major corporate financings in Canada. He currently serves as a director of several public and private companies, and holds degrees from the University of British Columbia and University of Cambridge.

12. Proposed transactions

As at the date of this MD&A there are no proposed transactions involving the Company.

13. Changes in accounting policies including initial adoption

There were no changes to accounting policies during the Fiscal Period. For more information please refer to note # 2 ("Significant Accounting Policies") to the Company's interim financial statements for the Fiscal Period.

14. Financial instruments

The Company only invests its cash in bank term deposits and/or banker's acceptances, instruments that are deemed to be very low risk.

In order to reduce foreign exchange exposure, the Company transfers to its Mexican subsidiary funds required in the short term to meet its obligations.

15. Other MD&A requirements

- a) Copies of all previously published financial statements, management discussions, meeting materials, etc., are available on the SEDAR website at www.sedar.com, and at the Company's website at www.aureamining.com

Form 51-102F1
Management's Discussion & Analysis (MD&A)

AUREA MINING INC.

b) Information pursuant to sections of National Instrument 51-102:

i) Section 5.3: The Company's continued operations are dependent upon the discovery of economically recoverable reserves, its ability to complete necessary financing to complete the development of properties, and upon future profitable production or from the proceeds from disposition of its mineral properties.

ii) Section 5.4: Outstanding share data:

Capital Stock (Common shares issued and outstanding)	Number of Shares	Amount	Contributed Surplus
Authorized Unlimited common shares without par value			
As at December 31, 2003	15,834,015	\$ -	\$ -
Consolidation: 25 for 1	(15,200,655)	-	-
Balance, post consolidation	633,360	-	-
Initial capitalization of Minera	-	6,02	-
Shares issued pursuant to acquisition	20,000,000	-	-
Private placements	5,349,998	535,00	-
Shares issued for settlement of promissory note	2,500,000	500,00	-
As at December 31, 2004	28,483,358	1,041,02	-
Private placements	4,977,718	1,271,58	-
Exercise of convertible loan *	44,255	4,42	-
Exercise of convertible loan *	1,430,916	143,09	-
Pursuant to the granting of stock options	-	-	532,316
As at September 30, 2005 and date of this report.	\$ 34,936,247	\$ 2,460,12	\$ 532,316

Share purchase warrants	Number	Exercise Price	Expiry Date
Balance, May 14, 2004	-		
In connection to private placement of 4,599,998 units at a price of \$0.10 per unit, each unit consisting of one common share and one half share purchase warrant:	2,299,999	\$0.35	May 6, 2006
In connection to private placement of up to 750,000 units at a price of \$0.10 per unit, each unit consisting of one common share and one half share purchase warrant:	375,000	\$0.35	June 1, 2006
Balance, December 31, 2004	2,674,999	\$0.35 *	
In connection to the private placement of 4,977,718 units at a price of \$0.26 per unit, each unit consisting of one common share and one half share purchase warrant:	2,488,859	\$0.40	June 29, 2006
Balance, September 30, 2005 and at date of this report	5,163,858	\$0.37 *	

* Weighted average exercise price.

Each warrant entitles its holder to purchase one common share of the Company.

Form 51-102F1
Management's Discussion & Analysis (MD&A)

AUREA MINING INC.

Escrow provisions

As a requirement for listing on the TSX Venture Exchange, the Company entered into an escrow agreement on June 21, 2005 with some of its insiders and the Company's Transfer Agent, Pacific Corporate Trust Company, whereby an aggregate of 22,060,916 common shares and 283,500 share purchase warrants would be held in escrow by the Transfer Agent. The agreement's escrow release schedule provides for an immediate release of 10% of the shares and warrants held in escrow, with further releases of 15% of the amount every six months thereafter. The following table illustrates the escrow positions as at the date of this report:

COMMON SHARES IN ESCROW	
Initial	22,060,916
Jun-05	(2,206,092)
<hr/>	
Balance in escrow September 30 2005	19,854,824
WARRANTS IN ESCROW	
Initial	315,000
Jun-05	(31,500)
<hr/>	
Balance in escrow September 30 2005	283,500

Stock options

Stock Options	Number	Exercise Price	Expiry Date
Balance, December 31, 2004	Nil	-	-
Granted:	2,200,000	0.26	January 21, 2010 and March 31, 2010
Granted	1,150,000	0.26	June 15, 2010
Balance, September 30, 2005 and at date of this report.	3,350,000	0.26	

Each stock option entitles its holder to purchase one common share of the Company.

The Company adopted the fair value method for stock options granted to employees and consultants. During the nine month period ended September 30, 2005, the Company granted an aggregate of 3,350,000 to directors and officers and charged \$532,316 of stock-based compensation expense to operations. The weighted average remaining contractual life as at September 30, 2005, was 4.47 years.

The weighted average fair value of the options granted during the nine month period ended September 30, 2005 was \$0.1589 per option using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate of 3.5%; dividend yield 0%; volatility of 71.32%; and expected life of approximately 5 years.

Form 51-102F1
Management's Discussion & Analysis (MD&A)

AUREA MINING INC.

The following table details the stock options granted to the date of publication of this MD&A:

Name	Relationship	No. Options	Expiry date
Enrique R. Miranda-Paz	Director & Officer	550,000	2010-01-21
Joseph Fodor	Director	300,000	2010-01-21
Ken Thorsen	Director	300,000	2010-01-21
David Euresti-Reyna	Officer	250,000	2010-01-21
Alfonso Martínez-Vera	Officer	250,000	2010-01-21
Salvador Miranda	Officer	250,000	2010-01-21
Klaus Zeitler	Director	300,000	2010-03-31
Mauricio Miranda-Alvarez	Director	300,000	2010-06-15
David Euresti-Reyna	Director	300,000	2010-06-15
Richard O'C. Whittall	Director	300,000	2010-06-15
Gillian Kearvell	Officer	250,000	2010-06-15
		3,350,000	

The **fully diluted** capital of the Company as at the date of this publication is **43,450,105** common shares

Directors and Officers:

Directors	Officers
Enrique R. Miranda-Paz * (Chairman)	Richard O'C. Whittall, President & CEO
David Euresti-Reyna	David Euresti-Reyna: Vice President of Corporate Affairs
Joseph Fodor	Gillian Kearvell: Vice President of Corporate Development
Mauricio Miranda-Alvarez	Alfonso Martínez-Vera: Vice President of Exploration
Ken Thorsen	Salvador Miranda *: Chief Financial Officer & Vice President of Finance
Richard O'C. Whittall	
Klaus Zeitler	

* Mr. Enrique R. Miranda Paz and Mr. Salvador Miranda are not related.

Contact information:

Corporate and strategic	Exploration and technical	Administration and finance	Investor Relations
Mr. Richard O'C Whittall President & CEO Telephone (604) 605-4654 rwhittall@areamining.com	Mr. Alfonso Martínez-Vera VP Exploration Telephone (604) 484-8386 amartinez@areamining.com	Mr. Salvador Miranda CFO Telephone (604) 806-6110 smiranda@areamining.com	Ms. Gillian Kearvell VP Corporate Development Telephone (604) 484-9849 gkearvell@areamining.com

* * * * *