

Management Discussion & Analysis

Date

This MD&A refers to material information regarding the **November 16, 2006 to February 15, 2007** first quarter of Chapleau Resources Ltd. and was prepared April 12, 2007.

Overall Performance

During the quarter ended February 15, 2007 the Company spent \$1,087,427 on its exploration activities.

\$516,662 was spent drilling (\$290,491) and exploring the Mato Velho property in Brazil.

\$433,583 was spent drilling (\$257,330) and exploring the Cajueiro/Nova Canaa property in Brazil.

\$109,524 was spent mapping, sampling and exploring the Coringa project in Brazil.

The Company received assay results from the first seven (7) core holes drilled at Nova Canaa. The best intersections obtained to date were from holes BR_NCA_DD1 and BR_NCA_DD4, drilled along the inferred extension of the Jau 1 mineralized structure (see website for map - www.chapleauresources.com). BR_NCA_DD1 returned a 9.00 m interval of 2.17 g/t gold from 27.00 m to 36.00 m which also included a 2.00 m interval of 7.10 g/t gold from 32.00 m to 34.00 m. BR_NCA_DD4, which was drilled 109.00 m along strike of Hole #1, returned a 9.80 m interval of 4.53 g/t gold from 72.00 m to 81.80 m which also included a 2.90 m interval of 14.34 g/t gold from 76.90 m to 79.80 m.

The seven (7) holes (1005.65 m) which are part of the Phase One drilling program of ten (10) holes (1800.00 m) on the Medeiros zone of Nova Canaa were drilled along strike of three known artisanal workings mapped in the field as Jau 1, Jau 2 and Jau 3. Drilling was done over a strike length of 200.00 m on Jau1 (DD1, 4 and 5), 90.00 m on Jau 2 (DD2 and DD3) and 60.00 m on Jau3 (DD6 and DD7). Core holes were inclined at 60 degrees with a maximum of 174.00 m core length and an average depth of 124.00 m. Core recovery for the mineralized intervals averaged 95%. The estimated true widths of the mineralized intervals are approximately 85% of the intersected widths in the holes. Mineralized intervals include sheared, silicified granite and quartz veinlets with pyrite and hematite varying from 2% to 25%. The mineralized intervals are within medium grained granite.

The Company signed a Letter of Intent with Bear Creek Mining Corporation (Bear Creek), regarding an option to acquire up to a 75% interest in the La Yegua porphyry copper-molybdenum (+/- gold) project in the Apurimac Department of Southern Peru. The project is located only 20 km northeast of Southern Peru Copper Corporation's Los

Chancas deposit which reportedly contains 200 million tonnes of ore grading 1.0% copper, 0.07% molybdenum and 0.12 g/t gold.

The La Yegua project includes 4,100 ha of mineral claims located approximately 250 km from the Atlantic coast and 100 km southwest of the city of Cusco. Access to the project area is very good via both a paved road from Cusco to Nasca and a well maintained dirt road.

Previous work by Bear Creek in 2004 confirmed anomalous copper (200 ppm to 1.2% Cu) and molybdenum (100 ppm to 424 ppm Mo) in rock samples within a zone measuring 2 km long and open to the east and south. Peripheral to the main copper-molybdenum porphyry zone, is strongly anomalous gold in rock samples with grades between 0.30 g/t to 5.32 g/t gold, together with copper values in the 0.3% to 5.98% range. The La Yegua project has potential for bulk-tonnage, disseminated copper-molybdenum (+/- gold) mineralization together with higher grade gold-copper mineralization within structural zones, peripheral to the porphyry-style mineralization. No drilling has been undertaken on the property.

Chapleau has an opportunity to earn a 51% interest in the property by spending a total amount of US\$2,775,000 in exploration over a four (4) year period and the granting of the equivalent of US\$350,000 in Chapleau shares during the four years. With the issuance of an additional 1,250,000 shares Chapleau may increase the vested interest from 51% to 75%.

The Company announced that results for the first five (5) diamond drill holes (819.4 m) at the Mato Velho Gold Project have been received (see website for location map – www.chapleauresources.com and Table 1 attached with summary of drill hole results). The best intersection is 10.0 m at 6.72 g/t gold (8.0 m to 18.0 m) which included a 1.0 m interval of 52.7 g/t gold (9.0 m to 10.0 m) from BR_MVO_DD3.

Assay results for BR_MVO_DD3, 4 and 5 confirm gold mineralization along 328.0 m of strike length of the Lagresia shear structure which is open to the northwest and southeast. Drilling to date has confirmed the presence of 1.0 m to 10.0 m wide intersections of gold mineralization along a portion of the 1.7 km mapped and interpreted northwest-trending Lagresia structure. The widely spaced drilling (hole spacing between 99.0 m and 196.0 m) both along the Lagresia structure and the artisanal gold working confirms the presence of gold within the saprolite zone and within the silicified volcanics to a depth of 90.0 m in DD5. The saprolite zone varies in thickness from 4.0 m in DD4 to 24.0 m in DD3.

The Company conducted ground exploration on the Coringa gold project, immediately south of the Mato Velho project, during January and February 2007. The initial work has identified an 8 by 3 km area with over 10 km of auriferous veining related to the 17 artisanal gold workings on the property (see maps on website – www.chapleauresources.com). The auriferous veins are related to a northwest-trending regional fracture system containing at least 4 principal vein structures with widths

varying from 1 to 20 m along strike. The vein structures within the mapped undeformed feldspar porphyry and felsic intrusion have gold mineralization associated with quartz, quartz stringer zones, stockworks, sericite, kaolinite, pyrite, (+/-chalcopyrite, galena, sphalerite and tetrahedrite). Extensive strike lengths (up to 6.65 km) can be seen on the structures with veins only being worked to a depth of some 20 to 30 m in most cases. The depth of the artisanal workings is principally related to the zone of weathering and saprolitic development. Deeper workings extending to 75 m also exist (Mai de Leite gold working).

A total of 5.5 km of soil lines have been cut and 220 soil samples collected with geochemical results expected by late-March. Initial mapping of the 17 historically known artisanal gold workings has been completed and rock sampling is currently in progress. Mapping and sampling of all known gold workings on the project will continue through to mid-March 2007 with drilling expected to begin in late-March 2007.

At the end of the quarter the Company held shares of Far West Mining (FWM: TSX - Venture) with a market value of \$14,952.497

Results of Operations

Chapleau Resources Ltd. has no sales and earns no revenues. Raising capital through sales of shares and warrants funds Chapleau's mining exploration operations.

Summary of Quarterly Results to February 15, 2007

Description	May 15/05 \$	Aug 15/05 \$	Nov15/05 \$	Feb 15/06 \$	May 15/06 \$	Aug 15/06 \$	Nov15/06 \$	Feb15/07 \$
Sales/Revenue	0	0	0	0	0	0	0	0
Income/(Loss)	(1,630,590)	150,638	(1,256,800)	297,045	599,744	155,206	(2,931,983)	(301,768)
Net loss per share Basic & diluted	(0.02)	0.00	(0.04)	0.00	0.01	0.00	(0.04)	(0.00)

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The net loss for the quarter was \$301,768 or a \$0.000 loss per share, basic and diluted.

Total assets to February 15, 2007 were \$23,641,738.

Chapleau Resources Ltd. has no long term financial liabilities and no cash dividends per share.

Management fees of \$22,500 were paid for the quarter to two directors, Jim Stypula and Eric Wiltzen, pursuant to management contracts. The Company recognizes the expertise of these two individuals and wishes to retain their services on a continuing basis.

1,538,461 warrants were issued during the quarter and 500,000 warrants were exercised during the quarter for \$120,000.

During the quarter no stock options were granted or exercised.

Chapleau Resources Ltd. issued 2,038,461 common shares during the quarter for proceeds of \$1,120,000.

As of February 15, 2007, there were 82,734,025 shares issued and outstanding with a value of \$33,957,422.

Liquidity

Management of Chapleau Resources Ltd. has demonstrated consistent ability to raise equity capital through various market conditions. At the end of the quarter, Chapleau Resources Ltd. had \$637,925 cash on hand.

Management anticipates that they can continue to raise funds required for further exploration of their properties, however, the junior resource market is very volatile and it is always possible that funds cannot be raised. The Company had accounts payable of \$465,031 as at February 15, 2007.

The Company had liquid assets in the form of Far West Mining Ltd. shares in the amount of \$14,952,497.

Capital Resources

The only resources available to Chapleau Resources Ltd. to raise exploration funds are the equity markets.

Chapleau Resources Ltd. has no unfulfilled obligations on its properties at this time.

Off-Balance Sheet Arrangements

None

Transactions with Related Parties

Management fees of \$22,500 (2006 - \$52,500) were paid to two directors for their expertise in obtaining resource properties, obtaining financing and managing the affairs of the Company.

Consulting fees of \$18,750 (2006 - nil) were paid to a law firm, one of the partners of which is director.

Proposed transactions

None

Share Data: 82,734,025 issued at February 15, 2007. Additional information relating to the Company is available on SEDAR @ www.sedar.com.