

DELORO RESOURCES LTD.

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Management Discussion and Analysis for unaudited third quarter
Financial Statements, ending March 31, 2008.

The following discussion and analysis of the financial condition and results of the operations for the unaudited third quarter ended March 31, 2008 should be read in conjunction with the Corporation's unaudited, March 31, 2008 Financial Statements and accompanying notes.

This discussion and analysis may contain forward-looking statements, including (without limitation) statements concerning possible or assumed future results of operations of the Corporation preceded by, followed by, or that include words and phrases such as "believes", "plans", "intends", "expects", "anticipates", "estimates", or similar expressions. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions and the Corporation's actual results may differ materially from those anticipated in forward-looking statements. Factors that may cause such differences include, but are not limited to, those set forth under "Business Risks and Prospects, Future Operations and Accounting Policies." Readers are urged to carefully review and consider all disclosures made by the Corporation in these unaudited, third quarter, March 31, 2008 Financial Statements that attempt to advise interested parties of the risks and factors that may affect the Corporation's business.

DESCRIPTION OF BUSINESS:

Deloro Resources Ltd. is currently engaged in the acquisition, exploration and development of oil and gas properties in Canada, primarily in the Province of Saskatchewan.

WILKIE, SASKATCHEWAN – heavy oil project:

Deloro Resources Ltd. has acquired a 75% interest in the Wilkie Heavy Oil Project by exchanging Deloro's 75% interest in the Salt Water Well and Disposal System, plus \$100,000 payment to Ontic Energy Ltd to acquire 75% interest in 3765 acres of Saskatchewan oil and gas leases. The Saskatchewan Government leases that are located eight miles south of the town of Wilkie, have a five year term with four years remaining. Development work completed on the leases will maintain the property in good standing and will extend the term of the leases.

A report on the Wilkie Leases has been prepared by Reliance Engineering Group Ltd. of Calgary, Alberta.

The Deloro leases cover part of a McLaren Channel Zone 1/2 to 3/4 of a mile wide and approximately 5 miles long. Six vertical wells and one 2400 foot horizontal well have been drilled on the Deloro leases. There are fifteen vertical wells and one horizontal well drilled into the overall structure of the McLaren Channel Zone. This Channel (sand) Zone attains a maximum thickness, as observed on well logs, of 30 meters (98 feet). Net oil

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WILKIE PROPERTY continued:

pay thickness is as much as 19.5 meters (64 feet) in one well but averages 11 meters (36 feet) in the 15 wells drilled in the Channel. The reservoir has excellent porosity of up to 36 percent with a pool average of 30 percent. Pool weighted average connate water saturation (SW) as calculated from well logs is 18 percent.

The quantity of discovered resources in-place was calculated based on the McLaren Sand Net Pay Isopach Map and the average reservoir parameters. The accumulation underneath the Deloro lands was calculated to be approximately 63.1 (MMSTB) million standard tank barrels.

The Wilkie Project will require the use of special methods to extract production from the McLaren Zone. There are four new methods that have been patented and are in use that could apply to the Wilkie area. Deloro intends to test the zone through use of the horizontal well and vertical wells already drilled.

The Corporation has recently received and filed the Chapman Engineering Report that evaluated the Wilkie project and contains an estimate of the resources on the property. The Report recommends an exploration program to develop the project, in phases, utilizing a SAGD (steam) Enhanced Recovery System. This recovery system has been used successfully. However, the steam recovery (SAGD) is expensive and has certain environmental problems to overcome. It is Deloro's intention to consider alternate development systems and we are investigating several patented technologies which would be beneficial to the development of the Wilkie Project. It is the Corporation's intention to monitor these new technologies and if any prove successful and demonstrate significant advantages over SAGD, then Deloro intends to pursue the new method of development.

The Chapman Report demonstrates that there is a significant resource in the Corporation's Wilkie project. The problem is; which method is the most efficient method of recovery of heavy oil. The Board of Directors intends to pursue the most cost effective method of development and will report their progress and review of new technologies over the testing period.

We have reached an agreement with Electro Petroleum Inc (EPI) to conduct a full pilot test on the Wilkie property using EPI's Electrically Enhanced Oil Recovery (EEOR) technology (Deloro News Release March 18, 2008). Deloro will provide the use of the facilities wells etc, field supervision, and operating support for the project pilot test. EPI will provide the EEOR technology, equipment, and technical leadership and all incremental capital and operating costs associated with the test period. Any revenue received during the test period will be divided 50% to Deloro and 50% to EPI. Once the test period is deemed successful the project will proceed to full development. EPI will

WILKIE PROPERTY continued:

earn and retain a 10% working interest in the project for the use of their technology and Deloro will receive a 90% working interest in the project.

The EPI technology was recently presented at the World Heavy Oil Congress held in Edmonton, Alberta. The EEOR patented technology uses direct current electricity for both in-situ heating and electro-chemical reactions to upgrade and recover oil. The EEOR technology was originally developed at General Electric, then purchased and enhanced by EPI's founders with significant additional investment, and is currently supported by numerous patents. EEOR involves passing direct current electricity between cathodes (negative electrodes) either at the surface and/or at depth in other wells. The process can employ three capabilities: (1) joule heating, (2) electro-osmotic flow, and (3) electro-chemical reactions (cold cracking) for upgrading the oil in situ. The initial field trial in California not only increased oil production rates by a factor of 10, but also increased oil gravity of the produced crude, reduced water cut, increased gas production, increased the energy content of the produced gas and reduced H₂S production. In addition, the process can be implemented with lower capital costs and lower variable operating costs than comparable steam-based recovery technologies. Finally, EEOR is a "green" technology as it requires no significant amount of water, does not use a working fluid, and emits no greenhouse gases.

The EPE technical team and Deloro's field operators are now in daily communication to deal with initial planning including logistics, equipment requirements, personnel and scheduling around weather such as spring breakup. Both companies are excited about this opportunity to work together in developing the potential of the EPI technology for this project and future opportunities.

Deloro has also reached an agreement with Ontic Energy Ltd to purchase the remaining 25% of the Wilkie Project.

Deloro will issue six million shares of Deloro Common Stock to take over a subsidiary Company of Ontic Energy Ltd. that was incorporated to contain only the 25% interest Ontic has in the Wilkie Project. Documentation for the acquisition is in process.

The ERI Project development of Wilkie Field and the acquisition of the remaining 25% interest will be subject to approval of the regulatory authorities.

THE KINDERSLEY PROJECT:

Deloro Resources Ltd. signed an agreement with Richelhoff Resources Inc., Larch Energy Ltd. and James Zimmer Farms Ltd; carrying on business through a Joint Venture known

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THE KINDERSLEY PROJECT continued:

as Trigas Ventures. The project is light oil and gas production.

Trigas Ventures hold leases in the Kindersley area and has made a Joint Venture Agreement with Deloro Resources Ltd, whereby Deloro will earn a 50% interest in the lands by drilling and completing one well on section 4-34-25-W3M. Deloro would also abandon the lower Mannville Zone in the well 1-4-34-25- W3M and complete this well in the Upper Viking Zone to earn a 50% interest in the 1-4-34-25-W3M.

Deloro has drilled and completed the earning well at 11-4-34-25-W3M to earn the interest in Section 4-34-25-W3M. The Corporation will receive 100% of the production from the 11-4 well until 125% of its costs of drilling, completing and producing the 11 – 4 well are recovered. The well will then revert to a 50% Joint Venture Interest.

The Corporation will also earn a 50% interest in a Natural Gas Pipeline that is installed from 1-4-34-25-W3M; to LSD 5-33-25-W3M where the lease on a 3 stage gas compressor was taken over by the Corporation. Deloro has also acquired a 50% interest in a dehydrator, gas separator and a 500 BBL tank; all are installed at the compressor site for selling gas production into the main gas transmission line.

Deloro has completed the earning phase by drilling and completing 11 of 4 and re-completing 1 of 4 in the Viking Zone. Pumping equipment has been installed on both wells and the gas line extension from 1-4 to 11-4 has been completed. Production started from both wells by the last week of December 2007.

Oil and gas production from the 11-04-34-25-W3M well for the four month period January to April 30, 2008 has been very low and does not encourage further drilling in the general area.

The production from 1-04-34-25-W3M over the January to April 30 periods declined from a reasonable rate to approximately 30% of the original rate over the same period. Oil production on both wells is very small. The production rates would confirm that the Viking Zone in Section 4-34-25-W3M is not economical enough to encourage further drilling in the off-setting area of the two wells.

Deloro Resources Ltd has entered into an agreement with Marble Point Energy Ltd. (a private Company) to market their gas production through our pipeline system. This will increase the gas production through the system to keep it operating properly.

Marble Point Energy has four wells north of our production which is located in Section 4-34-24-W3M. Their gas pipeline connection with our gas line at 11-04-34-25-W3M has a meter at the pipeline connection which records the gas production we get from Marble

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THE KINDERSLEY PROJECT continued:

Point Energy wells. Marble Point will pay Deloro for transportation charges and compressor charges to market their gas production through our facilities from our 11-04 well through to the compressor facilities at LSD 5-33-24-W3M.

Marble Point Energy is developing a Viking gas field a few kilometers north of the present production we have and they plan on drilling several wells in the area. This gas production would make the gas line and equipment we have operate on a proper basis.

Marble Point is preparing an offer to purchase our Kindersley Joint Venture interests and to take over the pipeline to accommodate their Viking zone gas production

FUTURE OPERATIONS:

The corporation is currently in the development stage and requires additional financing during the next fiscal year to continue to acquire, develop and determine the commercial viability of our oil and gas properties. The application of the going concern concept is dependent upon the ongoing support of its Directors to fund operations and to provide financing on reasonable terms until such time as the Corporation is able to generate sufficient cash flow from operations and obtain additional third party financing on terms acceptable to the Corporation. There can be no assurance that the Directors will continue to support the Company or that the present and long-term cash requirements of the Corporation will be satisfied either from revenue from operations or from future financings. If Deloro is unable to successfully secure adequate or satisfactory financing as required, there is the possibility that the Corporation may be unable to continue to realize on its assets and to discharge its liabilities in the normal course of operations.

The financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Corporation will be able to secure adequate financing as required and realize its assets and discharge its liabilities in the normal course of operations. If the going concern assumption was not appropriate for the financial statements then adjustments would be necessary to the carrying value of the assets and liabilities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

- (a) Basis of presentation:
The financial statements include the accounts of Deloro Resources Ltd.

- (b) Property and equipment:
Property and equipment are recorded at cost. Amortization is provided annually at

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued:

rates calculated to write off the assets over their estimated lives as follow:

Website	3 years straight line
Equipment	3 years straight line

(c) Joint venture operations:

Substantially all of the Company's oil and gas exploration and production activities are conducted jointly with others and accordingly, these financial statements reflect only the company's proportionate interest in such activities.

(d) Revenue recognition:

Oil and gas revenue is recognized in the month following production activity.

(e) Petroleum and natural gas operations:

(i) Capitalized costs

The Corporation follows the full cost method of accounting for its petroleum and natural gas properties. Under this method, all costs related to the exploration for and development of petroleum and natural gas reserves are capitalized in a cost centre. Costs include lease acquisition costs, geological and geophysical expenses, overhead directly related to exploration and development activities and costs of drilling both productive and non-productive wells. Proceeds from the sale of properties are applied against capitalized costs, without any gain or loss being realized, unless such sale would significantly alter the rate of depletion and depreciation.

(ii) Depletion and depreciation:

Depletion of petroleum and natural gas properties and depreciation of production equipment is provided using the unit of production method based upon estimated proven petroleum and natural gas reserves before royalties. The costs of significant unevaluated properties are excluded from the costs subject to depletion. For depletion and depreciation purposes, relative volumes, before royalties, of petroleum and natural gas production and reserves are converted at the energy equivalent conversion rate of six thousand cubic feet ("mcf") of natural gas to one barrel of crude oil.

(f) Future income taxes:

The Corporation follows the liability method of accounting for income taxes. Under this method, the future income tax asset or liability is recognized for the future consequences attributable to the differences between the financial

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued:

statement carrying amounts of existing assets and liabilities and their respective tax basis. When necessary, a valuation allowance is recorded to reduce tax assets to an amount for which realization is more likely. The effect of changes in tax rates is recognized in the period in which the rate change occurs.

CORPORATE FINANCING 2007 and 2008:

On July 24, 2006 a Private Placement of 1,500,000 units were issued at 25 cents per unit, for gross proceeds of \$375,000. The unit of one share and one full warrant for a one year period at 27 cents per share expires August 29, 2007. The warrants have been extended for a one year period to August 29, 2008.

Private Placement of 2,092,000 shares at \$.30 cents for gross proceeds of \$627,600 less commission and expenses of \$63,510 for net proceeds of \$564,090, 2,092,000 warrants were issued at \$.35 cents for a period of one year expiring on October 6, 2008.

Flow Through shares of 939,500 were issued at \$.42 cents per share for proceeds of \$394,590 less expenses of \$60,359 for net proceeds of \$334,231.

Private Placement of 2,857,000 units were authorized at \$.35 per unit. Each unit consists of one common share and one half of one share purchase warrant. Each full warrant is exercisable to purchase one additional share at \$.50 cents for a period of one year on or before December 28, 2008. 250,000 units were placed by Blackmont for \$87,500 less commission of \$6125 for net proceeds of \$81,375. 710,371 shares were issued at \$.35 cents per unit for proceeds of \$248,630 less commission of \$22,070 for net proceeds of \$226,560. The remaining shares of 1,896,930 shares were cancelled.

SHARE CAPITAL:

(a) Issued

	Number of shares	Amount
Balance June 30, 2007 Audit	20,619,697	\$ 3,964,163
Private Placement, net of issue costs of \$63,510	2,092,000	564,090
Flow Through shares net of issue cost of \$60,359	939,500	334,231
Private Placement net of issue costs of \$28,195	960,371	307,935
Balance at March 31, 2008	24,611,568	\$ 5,170,419

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STOCK OPTIONS:

The Corporation has a stock option plan, whereby options to purchase common shares may be issued to consultants, directors and officers of the Corporation subject to certain terms and conditions. The 1,392,000 stock options are currently exercisable at prices of \$.25 per share and will expire on March 31, 2011. Options on 295,000 shares were granted April 30, 2007 at 20 cents per share and will expire April 30, 2012. 400,000 shares were granted at .37 cents per share to expire November 13, 2012.

During the year, the Corporation recorded \$54,057 in stock-based compensation expense in the statement of loss and deficit for stock options granted during the year. The fair value of the stock options used to calculate stock-based compensation expenses has been estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free interest rate	4.10%
Stock price volatility	87%
Expected life of options	5 years

OUTSTANDING STOCK OPTIONS AT MARCH 31, 2008:

Directors, Officer, and Consultants	1,392,000	.25 Expiring March 31, 2011
Directors, Officer, and Consultants		
Granted April 30, 2007	295,000	.20 Expiring April 30, 2012
Granted Nov 13, 1007	400,000	.37 Expiring Nov. 13, 2012
<u>Outstanding March 31, 2008</u>	<u>2,087,000</u>	<u>-- Expiring Nov. 13, 2012</u>
Blackmont December 28, 2007	83,265	.35 Expiring Dec. 28, 2008
<u>Brokered Option (Units).</u>		

WARRANTS:

1. Private Placement: Aug 29, 2006 – 1,500,000 warrants at \$.27 cents per share, expiring Aug 29, 2007 – have been extended for one year to expire Aug. 29, 2008.
2. Private Placement: October 6, 2007 of 2,092,000 warrants \$.35 cents, expiring October 6, 2008.
3. Private Placement, December 28, 2007, 480,186 warrants \$.50 cents, Expiring December 28, 2008.

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SUMMARY OF YEARLY RESULTS:

	June 30, 2007	June 30, 2006	June 30, 2005
Total Revenue	\$ 300,533	\$ Nil	\$ Nil
Sale of shares:	\$ 502,250	\$1,945,825	\$ 114,333
Operating losses	\$ 459,991	\$ 572,135	\$ 83,802
Loss per share	.02	.03	.01
Fully diluted loss per share	.03	.02	.01
Operating losses plus extraordinary items	\$ 349,061	\$ 509,663	\$ 418,708
Loss per share	.02	.03	.06
Fully diluted loss per share	.03	.02	.06

INCOME TAXES:

The non-capital loss carry forwards expire as follows:

2008	\$ 27,000
2009	131,000
2010	63,000
2014	45,000
2015	83,000
2026	328,000
2027	344,000
	<u>\$1,021,000</u>

RELATED PARTY TRANSACTIONS: third quarter, January to March 31, 2008.

	Three Months 2007	Nine Months 2007
Management, administrative and consulting fees paid to officers and directors of the company and/or companies controlled by them.	\$ 30,500	\$ 76,500
Rent of office and equipment paid to a company controlled by an officer and director of the company.	7,500	22,500
Total	\$ 38,000	\$ 99,000

BUSINESS RISKS AND PROSPECTS:

There is always a risk of the downturn of the economy, which could restrict the Corporations ability to obtain funding for the on-going programs. This will require the

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BUSINESS RISKS AND PROSPECTS continued:

Corporation to withhold development programs to the funding on hand until conditions change. With some funding available the Corporation has an aggressive summer program planned, which includes and development of the Wilkie Property.

CHANGE IN ACCOUNTING POLICIES:

Effective January 1, 2007, the Corporation adopted the Canadian Institute of Chartered Accountants (CICA) section 1506, "Accounting Changes", Section 1530, "Comprehensive Income", Section 3251, "Equity", Section 3855, "Financial Instruments, Recognition & Measurement", Section 3861, "Financial Instruments – Disclosure and Presentation", and Section 3865, "Hedges". These standards have been adopted prospectively in Deloro Resources Interim, March 31, 2008 Financial Statements.

SUMMARY OF QUARTERLY REPORTS:

	March 31 2008	Dec. 31, 2007	Sept 30, 2007	June 30, 2007	March 31, 2007	Dec. 31, 2006	Sept. 30, 2006	June 30, 2006	March 31, 2006
Total Net Revenue	\$ 12,242	\$ 7,580	\$-	\$(126,216)	\$ 67,279	\$59,700	\$98,775	\$-	\$-
Sale of Shares	1,118,081	1,078,921	197,010	(69,875)	118,500	-	463,625	(91,761)	1,692,086
Operating Losses	(348,601)	176,729	(135,178)	48,691	111,138	99,847	100,777	429,816	58,894
Write off Assets-debt	-	-	-	-	-	-	-	(62,472)	-
Total (loss) Profit	(348,601)	(176,729)	(135,178)	(272,112)	(41,156)	(36,463)	670	(337,314)	(58,894)
Asset acquired	846,105	650,909	184,486	(318,380)	-	195,788	390,453	182,000	900,000
Fully diluted Loss per Share	.02	.02	.02	.02	.02	.04	.04	.04	.04

The operating losses represent the costs for general and administrative expenses of \$348,601 for 2008 year and \$360,244 for a calculation of stock based compensation for the 2006 year. \$54,057 for a calculation of stock based compensation for the 2007 year was added to the 2006 total of \$306,187 for a total of \$360,244.

CORPORATION LIQUIDITY:

A summary of the Balance Sheet items for a calculation of the Corporation third quarter cash position at March 31, 2008 follows:

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CORPORATION LIQUIDITY continued:

CASH ON HAND		POSSIBLE FUNDING	
Cash	\$ 255,542	WARRANTS	
Accounts receivable	182,230	July 24, 2008	
Prepaid expenses	<u>14,300</u>	1,500,000 @ .27 cents = \$	405,000
Total	452,072	2,092,000 @ .35 cents =	732,200
Private placement	<u>1,118,081</u>	480,186 @ .50 cents =	<u>240,093</u>
Sub Total	\$1,570,153		
Less assets acquired	846,105		
Less payables	59,807		
Less net loss	<u>348,601</u>		
Total	\$ 315,640	Total	\$ 1,377,293

DISCLOSURE CONTROLS AND PROCEDURES (DC&P):

DC&P have been designed to ensure that information required to be disclosed by Deloro Resources Ltd. is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosures. The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of June 30, 2007 Annual period covered by the year-end filings that the Company's disclosure controls and procedures are effective to provide reasonable assurance that material information related to the issuer, is made known to them by others within the Company. It should be noted that while the Company's Chief Executive Officer and Chief Financial Officer believe that the Company's disclosure controls and procedures proved with a reasonable level of assurance that they are effective, they do not expect that the disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well it is operated, can provide only reasonable, not absolute, assurance that Deloro Resources Ltd. objectives of the control system are met.

Dated: May 30, 2008

Signed: "Louis P. Lees", President, CEO and CFO