

STROUD RESOURCES LTD.

FORM 51-102FI

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2007

April 29, 2008

1. Date

This Management Discussion and Analysis (“MD&A”) for the financial year ended December 31, 2007 is dated April 29, 2008 and should be read in conjunction with the Company’s consolidated financial statements. All financial information is prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) and is expressed in Canadian dollars

2. Overview

Stroud Resources Ltd. (the “Company” or “Stroud”) is a junior resource company involved in the acquisition, exploration and development of mineral properties. Stroud has focused its exploration activities on the Santo Domingo epithermal silver-gold project in central Mexico and its Hislop gold property in northern Ontario.

Due to the lack of availability of drill rigs in Mexico, caused by high demand from the mining industry, Stroud purchased its own drill rig to ensure that drilling could be carried out on an ongoing basis. The rig, pumps, assorted drill rods and equipment cost approximately \$675,000. The drill rig, a high performance Model A5 Diamond drill, gives Stroud the versatility to drill in the challenging conditions at Santo Domingo.

The Company hired its own drillers and commenced drilling on the property in October 2007. A total 6 holes were drilled in 2007. These holes demonstrated that wide zones of good grade silver and gold mineralization are present on the property. The drill program is planned to continue throughout 2008.

Stroud acquired an option on Santa Cruz silver –gold property in Mexico. The Company can acquire a 100% interest in the 4800 hectare Property by making cash payments to the optioners of UD\$145,000 and by issuing 145,000 shares over a three year period. Numerous adits are present on the property. Prior silver production on the property was reported to be 70,000 ounces per month in the late 1800’s. The Santa Cruz property has at least five sets of veins. These veins have never been drilled and the existing workings have penetrated only part way along the vein system.

Sampling by Stroud's geologists demonstrated that these veins contained good grades of silver and gold.

The Company initiated a \$1M infill-drilling program on its Hislop Gold Property in November 2006 in order to add resources and upgrade the resources to reserve categories. The Company issued flow-through common shares in the last quarter of 2006 in order to fund the drilling program.

Six drill holes were completed during 2006 and 19 holes were drilled in 2007 on the Hislop property. The total meterage for the holes was approximately 8,000 metres. The program was designed to further qualify, quantify and extend the known zones of mineralization. The drill program discovered new gold zones and a number of deep mineralized intersections. Drill results are presented in the Company's press releases issued during the year.

The Company declared a net loss of \$226,230 for the year compared to a net loss of \$912,421 in the prior year. A future income tax recovery of \$101,451 compared to a future tax expense of \$324,877 in 2006 accounted for a significant portion of the improvement in net losses. Increased professional fees offset lower stock-based compensation expense and lower business promotion expenses.

3. Selected Annual Information

The following table sets out selected financial information of the Company for the past three years ended December 31, 2007, 2006 and 2005. The following summary of selected financial information is derived from, should be read in conjunction with, and is qualified in its entirety by reference to the Company's financial statements, including the notes thereto, which can be viewed at www.sedar.com.

	Year Ending December 31, 2007 \$	Year Ending December 31, 2006 \$	Year Ending December 31, 2005 \$
Revenue	222,658	189,490	228,524
Net Loss	(226,230)	(912,421)	(574,123)
Net Loss per Share	(0.0019)	(0.0085)	(0.0063)
Working Capital	415,475	2,229,604	877,705
Mineral Properties and Deferred Costs	9,472,900	7,814,165	3,887,350
Total Assets	10,916,830	10,834,488	5,234,421
Current Liabilities	179,241	348,309	300,193
Shareholders' Equity	9,243,972	9,027,830	4,460,653

The Company's working capital has decreased from \$2,468,406 in 2006 to \$415,475 in 2007, with the majority of funds being used to purchase the drill equipment and further exploration at both Santo Domingo and Hislop properties.

4. Results of Operations

Revenue from oil and gas operations has increased by 17.5% to \$222,658 for the year compared to \$189,490 in 2006. The production of natural gas and gas condensates from the company's interests was 35% higher than in 2006. The Company spent \$63,335 during the year to develop additional wells for production. These expenditures have been capitalized and will be amortized over the estimated useful lives of the properties. Two additional wells were brought into production during the year.

Interest income of \$ 24,330 was earned on term deposits maintained by the Company, which has reduced the net loss for the year.

During the year, the Company issued stock options to directors, officers and employees for 2,500,000 shares. The fair market value of the stock options was computed to be \$ 200,000 of which \$ 147,253 has been charged to stock-based compensation expense for the year. The Company also recorded stock-based compensation expense of \$ 41,019 during 2007, for previously issued stock options that vested during the year.

A description of the Company's mineral properties can be found in Note 5 to its 2007 financial statements which have been filed on SEDAR and are also available at www.stroudresourcesltd.com.

Nature of Business

The Company was incorporated on March 18, 1983 and is considered to be in the development stage. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

The recoverability of the carrying values of these interests is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development thereof and the future profitable production therefrom or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

Mining Industry

The exploration for and development of mineral deposits involves significant risk, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a mineral deposit may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, permitting, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted but the combination of these factors may result in the Company not receiving an adequate return on investment.

Forward-Looking Statements

This management's discussion and analysis may contain statements that are "Forward-looking Statements". These include statements about the Company's expectations, beliefs, plans, objectives and assumptions about future events or performance. These statements are often, but not always, made through the use of words or phrases such as "will likely result", "are expected to", "will continue", "anticipate", "believes", "estimate", "intend", "plan", "would", and "outlook" or statements to the effect that actions, events or results "will", "may", "should" or "would" be taken, occur or be achieved. Statements and estimates concerning mineral resources may also be deemed to be forward-looking statements in that they involve estimates, based on certain assumptions, regarding the mineralization that would be encountered if and when a mineral deposit were to be developed and mined. Forward-looking statements are not historical facts, and are subject to a number of risks and uncertainties beyond the Company's control. Accordingly, the Company's actual results could differ materially from those suggested by these forward-looking

statements for various reasons discussed throughout this analysis. Forward-looking statements are made on the basis of the beliefs, opinions and estimates of the Company's management on the date the statements are made and the Company does not undertake any obligation to update forward-looking statements if the circumstances or management's beliefs, opinions or estimates should change. Readers should not place undue reliance on forward-looking statements.

5. Summary of Quarterly Results

The following table sets forth, for the quarter indicated, information relating to the Company's revenue, net loss and loss per common share as prepared under generally accepted principles in Canada.

	Revenues	Net Loss	Basic and Diluted Net Loss / Share
March 31, 2006	63,799	(43,337)	(0.0005)
June 30, 2006	46,055	(251,066)	(0.0022)
September 30, 2006	42,504	(144,504)	(0.0016)
December 31, 2006	37,132	(473,514)	(0.0054)
March 31, 2007	58,190	179,191	0.0009
June 30, 2007	60,380	(120,697)	(0.0010)
September 30, 2007	57,545	(215,817)	(0.0018)
December 31, 2007	46,543	(68,907)	(0.0006)

Revenue generated from the oil and gas properties fluctuated from quarter to quarter, affected by seasonal demand and price, as well as production levels. Changes in net losses reflect primarily the recognition of stock based compensation expense and future income tax liabilities.

For further annual and quarterly financial information, please refer to the Company's financial statements that have been filed on SEDAR.

6. Fourth Quarter

Revenue from oil and gas has decreased by 19.1% from the previous quarter, largely due to lower prices for gas and gas condensates. Stock-based compensation expense of \$ 43,956 and future income tax assets recognized exceeded future income tax liabilities expenses by \$186,913 in the quarter.

7. Liquidity

Working capital at December 31, 2007 was approximately \$415,475.

On December 19, 2007, the Company completed a private placement for 6,550,000 units at a price of \$0.105 per unit raising gross proceeds of \$687,750. Each unit consisted of one common share and one-half common share purchase warrant. Management determined the warrants to have a value of \$0.03 and accordingly, \$98,250 of the proceeds from the issuance was allocated to contributed surplus, and the balance of the proceeds was allocated to common shares. Each full warrant entitled the holder to acquire one common share at an exercise price of \$0.15 until December 19, 2009. The Company paid finders' fees of \$26,880 in cash and issued 256,000 broker warrants exercisable at \$0.15 for a 12-month period.

On February 19, 2008, the Company completed a private placement for 9,581,000 units at a price of \$0.105 per unit raising gross proceeds of \$1,006,005. Each unit consisted of one common share and one-half common share purchase warrant. Each full warrant entitled the holder to acquire one common share at an exercise price of \$0.15 until February 19, 2010. The Company paid finders' fees of \$4,040 in cash and issued 38,480 broker warrants exercisable at \$0.15 for a 12-month period.

8. Capital resources

The Company has sufficient capital resources to meet its estimated exploration programs and general and administrative expenses for fiscal 2008. The Company may choose to raise additional funds should the directors deem it to be advisable.

9. Off-Balance Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or reasonably likely to have, a current or future effect upon the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

10. Transactions with Related Parties

During the year ended December 31, 2007, the Company paid to the President of the Company \$85,000 in salary of which \$42,125 has been deferred and capitalized within mineral properties as they directly relate to the further development of the sites. The Company paid legal fees of \$36,642 to a law firm in which a director of the Company is a partner. The legal services, which are in the normal course of operations, have been measured at the exchange amount.

11. Proposed Transactions

The Company has not entered into any significant transaction, nor is it currently reviewing any such transaction, which requires board approval, shareholder approval or regulatory approval that has not been discussed within this MD&A.

12. Critical Accounting Estimates

The Company's significant accounting policies are presented in Note 2 of the financial statements for the year ended December 31, 2007.

13. Changes in Accounting Policies

Effective January 1, 2007, the Company adopted four new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”) in 2005: Handbook Section 1530 *Comprehensive Income*; Handbook Section 3855 *Financial Instruments - Recognition and Measurement*; Handbook Section 3861 *Financial Instruments - Presentation and Disclosure*; and Handbook Section 3865 *Hedges*. These accounting policy changes were adopted on a prospective basis; accordingly, comparative amounts for prior periods have not been restated.

(a) Comprehensive Income (Section 1530)

Section 1530 sets out reporting and disclosure standards with respect to comprehensive income and its components. Comprehensive income is composed of net income and other comprehensive income. The Company does not have any components of comprehensive income except for net income and therefore this policy has had no impact on the Company’s financial statements.

(b) Financial Instruments – Recognition and Measurement (Section 3855); Presentation and Disclosure (Section 3861)

Section 3855 sets out standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. It requires that financial assets and financial liabilities, including derivatives, be measured at fair value on initial recognition and recorded on the balance sheet. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables, or other financial liabilities. Section 3861 sets out standards for the presentation and disclosure of financial instruments.

Financial assets and financial liabilities held-for-trading are measured at fair value with changes in those fair values recognized in net income. Financial assets and financial liabilities considered held-to-maturity, loans and receivables, and other financial liabilities are measured at amortized cost using the effective interest method of amortization. Available-for-sale financial assets are measured at fair value with unrealized gains and

losses recognized in other comprehensive income. Investments in equity instruments classified as available-for-sale that do not have a quoted market price in an active market are measured at cost.

The Company has made the following classifications:

- Cash, short-term investments and interest bearing deposits are classified as “held-for-trading” and measured at fair value. Gains and losses resulting from change in fair values are recorded in net income.
- Accounts receivable and Royalty tax recoverable are classified as “loans and receivables” and are recorded at amortized cost, which upon their initial measurement is equal to their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.
- Accounts payable is classified as “other financial liabilities” and are initially measured at their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

(c) Hedges (Section 3865)

Section 3865 sets out standards on the use of hedge accounting. The Company currently does not have any hedges in place and therefore this policy has had no impact on the Company’s financial statements.

(d) Impact upon adoption of CICA Handbook Sections 1530, 3855, 3861 and 3865

The adoption of these new accounting standards has had no impact on the Company’s consolidated financial statements.

(e) Accounting changes

Effective January 1, 2007, the Company adopted the revised CICA Handbook section 1506 Accounting Changes, relating to changes in accounting policies, changes in accounting estimates and errors. Adoption of these recommendations had no effect on the consolidated financial statements for the nine month period ended December 31, 2007, except for the disclosure of accounting changes that have been issued by the CICA but have not yet been adopted by the Company because they are not effective until a future date (refer to Future Accounting Standards below).

The Company is currently assessing the impact of these new accounting standards on its financial statements.

In March 2007, the CICA approved Handbook Section 3031, Inventories, which replaces the existing Handbook Section 3030, Inventories. This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008, with earlier application encouraged. The standard provides more guidance on the measurement and disclosure requirements for inventories. The Company currently does not have any inventory and therefore this standard has had no impact on the Company's financial statements.

(f) Future accounting standards

In March 2007, the CICA approved Handbook Section 3031, Inventories, which replaces the existing Handbook Section 3030, Inventories. This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008, with earlier application encouraged. The standard provides more guidance on the measurement and disclosure requirements for inventories. The Company currently does not have any inventory and therefore this standard has had no impact on the Company's financial statements.

14. Financial Instruments and Other Instruments

The Company is not involved in any hedging program, nor is it party to any financial instruments that may have an impact on its financial position

15. Other MD&A Disclosure

Additional information relating to the Company, including its financial statements, and analysis for each period therein, where required, is available on SEDAR at www.sedar.com, and on the Company's website at www.stroudresourcesltd.com.

Mineral Properties and Deferred Costs

	Year Ending December 31, 2007 \$	Year Ending December 31, 2006 \$	Year Ending December 31, 2005 \$
Hislop Property	1,402,009	583,988	274,773
Santo Domingo Property	8,024,038	7,230,177	3,612,577
Santa Cruz Property	46,853		
Oil and Gas Properties (net)	174,614	143,279	83,501
	9,647,514	7,957,444	3,970,851

Hislop Property

During the year, the Company initiated an exploration program in the Hislop region to further qualify, quantify and extend known zones of mineralization. Previous drill programs have extended the known strike length of the mineralization to 650 metres. The 25-hole, 8000 metre drilling program discovered new gold zones and a number of deep mineralized intersections on the Hislop property (greater than 400 metres of depth). A recalculation of the resources is required using data from the current drilling program and historical data. While it is uncertain that future exploration will result in additional resources being discovered, the continuity of the gold zones located on the Hislop property indicates that it is likely that a number of these gold zones will continue at depth.

Santo Domingo Property

Geological mapping, sampling of adits and outcrops was carried out over the first three months of 2007 on the Santo Domingo project. The Company purchased its own drill rig to ensure that drilling could be

carried out on an ongoing basis at the property. The rig, pumps, assorted drill rods and equipment cost approximately \$675,000. The drill rig, a high performance Model A5 Diamond drill, gives Stroud the versatility to drill in the challenging conditions at Santo Domingo.

The Company hired its own drillers and commenced drilling on the property in October 2007. A total 6 holes were drilled in 2007. These holes demonstrated that wide zones of good grade silver and gold mineralization are present on the property. The drill program is planned to continue throughout 2008.

Santa Cruz project

On June 14, 2007, the Company entered into an agreement under which it may acquire a 100% interest in the Santa Cruz silver gold property, by making cash payments to the optionors of US \$145,000 and by issuing to the optionors 145,000 shares of the Company over a 3 year period. The cost assigned to these shares was \$0.165. The optionors will retain a 1.5% net smelter return royalty on the property of which 1.25% can be purchased for US \$1,250,000 at any time by the Company. The Company has made an initial payment of US \$35,000 and issued 35,000 common shares and plans to carry out exploration work on the property consisting of geological mapping of the property and where possible, mapping and sampling of the adits, followed by diamond drilling, if the exploration results continue to be positive.

Oil and Gas Properties

The Company holds approximately 3.75% interest in six oil and gas producing wells in Alberta. The properties are operated by Talisman Energy Inc. The Company's proportionate share of the revenue from these properties, net of operating expenses, is received from the operator on a monthly basis. During the year, the Company spent \$63,335 [2006 - \$83,778] in developing two additional wells that were brought into production subsequent to the end of 2007.

Disclosure of Outstanding Share Data as at April 29, 2008

	Number or Principal Amount Outstanding	Maximum Number of Common Shares Issuable, if Convertible, Exercisable or Exchangeable
Common Shares	136,988,352	N/A
Stock Options	7,525,000	7,525,000
Warrants outstanding	20,026,647	20,026,647
Maximum common shares outstanding		164,539,999

16. Approval

The Directors of the Company have approved the disclosure contained in this MD&A and a copy will be provided to anyone who requests it.