

STROUD RESOURCES LTD.

FORM 51-102FI

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED SEPTEMBER 30, 2006

NOVEMBER 28, 2006

1.1 Date

This Management Discussion and Analysis (“MD&A”) for the three and nine months ended September 30, 2006 is dated November 28, 2006 and should be read in conjunction with the company’s interim financial statements. All financial information is prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) and is expressed in Canadian dollars.

1.2 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.

On August 3, 2006, the Company purchased from Amerix Precious Metals Corporation [“Amerix”] its 50% interest in the Santo-Domingo property, and attained 100% ownership. The purchase price for the 50% interest was CAD \$1.8 million payable at closing, and a royalty payable to Amerix, equal to 5% of the net proceeds from the sale of minerals from the project, to a maximum of CAD \$1M. The purchase allows management to consolidate ownership in a project it is intimately familiar with and one which management believes possesses tremendous potential.

At the end of 2004, the Company presented a Qualifying Report, compliant with National Instrument 43-101 for its Hislop Gold property in northern Ontario. The report concludes that the Hislop project contains indicated resources of approximately 102,750 ounces of gold and total inferred resources of approximately 69,700 ounces of gold. The Company anticipates initiating a \$1M infill-drilling program during the fall of 2006 in order to add resources and upgrade the resources to reserve categories. The current price of gold also makes it feasible to carry out an underground program on the Creek zone, and the Company may do so following the infill-drilling program. During November 2006, the Company initiated a \$400,000 drilling program on this property.

The Company declared a net loss of \$144,504 for the third quarter of 2006 compared to a net loss of \$23,749 in the same quarter of 2005. Oil and gas revenues were 23% lower during the quarter. Higher professional fees and increased stock-based compensation expense contributed to the loss. Business promotion costs were higher as the Company increased its visibility by participating in three mining conferences.

1.3 Results of Operations

Revenue from oil and gas operations has decreased by 23% to \$42,540 for the quarter compared to \$54,978 in same quarter of 2005. The decrease is largely due to falling prices and demand for natural gas and gas condensates. The Company spent \$7,858 during the quarter to further develop these wells for production. These expenditures have been capitalized and will be amortized over the estimated useful lives of the property. Depletion expense has increased as these costs are amortized.

Interest income is being earned on term deposits maintained by the Company, which has reduced the net loss for the period.

During the nine months ended September 30, 2006, the Company issued stock options for 1,850,000 shares. The Company recognized stock-based compensation expense of \$133,315 during the period. The Company had recorded stock-based compensation expense of \$49,961 in the same period of 2005, for previously issued stock options.

A description of the Company's mineral properties can be found in Note 4 to its 2005 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. The Company, directly and through working interests, 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 there from 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.

The Company has an accumulated deficit of \$6,709,724 of which \$144,504 in losses were incurred during the current quarter.

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 or its joint venture partners 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.

1.4 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
December 31, 2004	22,558	(127,858)	(0.0014)
March 31, 2005	43,414	(80,378)	(0.0009)
June 30, 2005	53,953	(83,390)	(0.0009)
September 30, 2005	54,978	(23,749)	(0.0003)
September 30, 2005	54,978	(23,749)	(0.0003)
March 31, 2006	63,799	(43,337)	(0.0005)
June 30, 2006	46,055	(251,066)	(0.0022)
September 30, 2006	42,540	(144,504)	(0.0016)

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

1.5 Liquidity

Working capital at September 30, 2006 was approximately \$2,220,860.

On May 4, 2006, the Company completed a private placement of 23.33 million units at a price of \$0.18 per unit raising gross proceeds of \$4.2 million. Each unit consists of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to acquire one common share at a price of \$0.30 until May 4, 2008.

The private placement allowed the Company to complete its previously announced acquisition of the remaining 50% interest in the Santo Domingo property from Amerix on August 3, 2006, to fund the additional diamond drilling on the project, and to fund general corporate purposes.

The Company expects to contribute approximately \$1,200,000 toward the current drilling program to further develop the Santo Domingo project in Mexico. Should drilling results warrant, the Company may choose to increase the projected expenditures on this property.

1.6 Capital Resources

No option payments are due on the Company's mineral properties during fiscal 2006.

The Company has sufficient capital to meet its estimated exploration programs and expenses and general and administrative expenses for fiscal 2006. The Company may choose to raise additional funds should the directors deem it to be advisable.

1.7 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.

1.8 Transactions with Related Parties

During the three months ended September 30, 2006, the Company paid to the President of the Company \$21,250 in consulting fees of which \$10,625 has been deferred and capitalized within mineral properties as they relate to the further development of the sites. During the nine months ended September 30, 2006, the Company paid legal fees of \$64,168 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.

1.9 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.

1.10 Critical Accounting Estimates

The Company's significant accounting policies are presented in Note 2 of the interim financial statements for the nine months ended September 30, 2006

1.11 Changes in Accounting Policies

The Company has not changed any of its other accounting policies for the six months ended September 30, 2006, nor does it expect that any recent new accounting pronouncements will have any material impact on the financial condition or results of operations of the Corporation.

1.12 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.

1.13 Other MD&A Disclosure

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

Mineral Properties and Deferred Costs

	Period Ended September 30, 2006 \$	Year Ending December 31, 2005 \$	Year Ending December 31, 2004 \$	Year Ending December 31, 2003 \$
Hislop Property	292,991	274,773	203,878	136,015
Santo Domingo Property	6,166,908	3,612,577	2,343,248	2,315,110
Oil and Gas Properties (net)	75,244	83,501	82,612	41,193
	6,535,143	3,970,851	2,629,738	2,492,318

Disclosure of Outstanding Share Data as at September 30, 2006

	Number or Principal Amount Outstanding	Maximum Number of Common Shares Issuable, if Convertible, Exercisable or Exchangeable
Common Shares	115,462,195	N/A
Stock Options	4,975,000	4,975,000
Warrants outstanding	13,373,331	13,373,331
Maximum common shares- fully diluted		133,810,526

1.14 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.