

VENA RESOURCES INC.

Management's Discussion and Analysis of Financial Condition and Results of Operation

December 31, 2006

Management's discussion and analysis (MD&A) is current to February 28, 2007 and is management's assessment of the operations and the financial results together with future prospects of Vena Resources Inc. ("Vena" or the "Company"). This management discussion should be read in conjunction with the September 30, 2006 Audited Consolidated Financial Statements and related Notes to the Audited Consolidated Financial Statements. These consolidated financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles. All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Vena's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements. Additional information relevant to Vena's activities, including Vena's Press Releases can be found on SEDAR at www.sedar.com.

The principal business reason for the creation of Vena was to acquire and explore mineral properties in Peru. Vena is currently focused on exploring and developing its Peruvian Azulcocha, Las Princesas and Uranium properties.

Other properties of Vena are the Granja Nueva property, the Inca Gold projects, the Aurora project, the Tantar project, the Pucara project, the Huachon project. The Azulcocha property is currently being drilled and the Las Princesas property is encircled by Barrick Gold and PanAmerican Silver claims and is immediately adjacent to Barrick Gold's Alto Chicama property. Vena has completed a pre-feasibility study of the Azulcocha tailings property and has hired MineFill Services Inc. to complete a scoping study in March 2007. An updated NI 43-101 report including underground mine resources should be completed in early 2007 as well.

Vena is structured into four strategic business units:

- The Uranium Division controls 47,500 hectares of Uranium prospects for the exploration and confirmation of all 78 targets found by Peruvian Institute of Nuclear Energy (IPEN) during three decades of exploration throughout Peru. Four field confirmation campaigns in 2005 confirmed the findings of 20 years of exploration performed by IPEN. Vena is now in the permitting process with expectations to drill some of the identified targets in 2006, depending on government permits. These assets are held through a 100% owned subsidiary – Minergia S.A.C. CAMECO has recently agreed to make a strategic investment in Minergia S.A.C for up to \$10 million over the next four years to earn 50% of the shares. CAMECO has the option to earn 60% of Minergia when a feasibility report is completed and to 70% when mine development commences.
- The Precious Metals Division is about to perform extensive geochem and geophysics on the Inca Gold concessions. It also controls the strategically located "Las Princesas" gold property that is completely encircled by Barrick Gold and Pan American Silver claims and is immediately adjacent to the recently opened Alto Chicama mine owned by Barrick Gold, the Company performed enough geochemistry and geophysics work to define new drill targets and has just received all required drilling permits to commence a drilling operation in 2007, in late 2006 Vena added the Huachon project a high-grade narrow vein system in central Peru – the company expect to aggressively study Huachon;
- The Base Metals Division is responsible for developing all copper/moly systems including the recently acquired Aurora project - a large copper-molybdenum system that went through a 2,000 meter phase I drilling campaign in 2005. Vena first confirmed all historical drilling results and completed the first drilling campaign targeting the centre portion of the porphyry. Thus far, all 11 drill holes have delineated two areas of mineralization that are open along the strike. The Company has reported significant mineralization of Cu/Mo with an average grade higher than 0.6% Cu with significant Molybdenum credits. The company added the Pucara project to this division. Pucara was previously drilled by CVRD from Brazil and Vena is in the process of evaluation the next campaign. Most recently this division added the Granja Nueva project next to Rio Tinto's world class deposit of La Granja in northern Peru.

- The Mining Group responsible for the Azulcocha project, a historically high-grade zinc, manganese and gold mine, completed a NI43-101 compliant report for the tailings resource providing close to one million tons of economically recoverable Zn and Mn resources. The Company also received a letter of intent from a Swiss commodity trader to acquire all the Zn concentrate produced. We remain focused on expanding the economic life of this project, thus several actions are being undertaken to expand the resource of the underground mine. An exploration program was initiated with positive results along a high-grade zinc vein-like structure. Finally, a modeling program of the historical data has been initiated as well as the re-opening of the underground workings to facilitate an underground drilling campaign in 2006 leading to a scoping study to be completed in March 2007. The company also signed a joint venture agreement with Glencore of Switzerland to explore the western portion of the project leading to a feasibility study in 24 months.

Critical Accounting Estimates

Critical accounting estimates used in the preparation of the audited consolidated financial statements include the Company's estimate of recoverable value of its mineral properties and related deferred exploration costs.

These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

If the going concern assumption were not appropriate for the 2007 and 2006 consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities and the reported net loss.

Acquisition of Inca Gold Company S.A.C.

Effective May 2, 2005, Vena acquired 100% of the outstanding common shares of Inca Gold Company S.A.C. ("Inca") for \$312,576. Vena acquired Inca by paying \$72,576 cash and issuing 800,000 common shares valued at \$240,000.

The acquisition of Inca is recorded at the fair value of the assets and liabilities acquired, which are summarized as follows:

Cash	\$ 369
Other current assets	225
Mineral properties	201,180
Current liabilities	(1)
Book value of net assets acquired	\$ 201,773
Consideration paid	312,576
Excess of purchase price over net assets acquired	\$ 110,803

Vena's consolidated balance sheet includes the accounts of Inca at their fair value. Vena's consolidated statement of operations and deficit and changes in cash flow include the results of operations and changes in cash flow of Inca for the period since May 2, 2005. The excess of the purchase price over net assets acquired was allocated to mineral properties.

Results of Operations

Vena incurred a net loss of \$2,894,981 or \$0.056 per share for the period ended December 31, 2006 compared to a net loss of \$409,258 or \$0.009 per share for the same period in 2006. Vena had revenue of \$97,424 from its Azulcocha property for the period ended December 31, 2006 compared to \$0 in the same period of 2006.

During the first quarter ending December 31, 2006 consulting increased by \$100,154 to \$197,512 compared to \$97,358 in the same period in 2006. These changes are due to increased activity being undertaken as production and sales begin to take shape. The majority of these fees were incurred in Peru.

During the first quarter ending December 31, 2006, salaries and benefits increased by \$251,749 to \$271,605 from \$19,856 in 2006. Salaries and benefits increased due to the production demands in Peru.

The professional fees in the first quarter 2007 were \$14,981 compared to \$10,996 in the same period in 2005. Professional fees will remain fairly consistent.

During the first quarter ending December 31, 2006, travel expenses decreased by \$27,533 to \$34,319 compared to \$61,852 in 2006. This level of activity is expected to increase as the company continues to explore its properties which involve traveling to and throughout Peru and due to numerous shareholder meetings throughout Europe and North America.

During the first quarter ending December 31, 2006 shareholder relations increased by \$108,861 to \$123,969 compared to \$15,108 in the same period in 2006. This amount relates to the costs of issuing press releases, transfer agents, investor presentations, use of investor relation groups in Canada and Europe and the electronic dissemination of information. The current cost level is not expected to be maintained at these levels in the future.

During the first quarter ending December 31, 2006, office and general expenses declined by \$13,593 to \$48,257 compared to \$61,850 in 2006. This decline in first quarter activity is due year end adjustments and reclassification of expenses. These costs are expected to be maintained at these levels in the future. These costs were incurred in operating two offices in two countries although the majority of these costs were incurred in Peru.

Stock based compensation during the first quarter 2007 was \$862,240 compared to \$144,000 in 2006. These changes are due to adjustments for fair value on warrants exercised and year end valuation of stock based compensation. See Note 4 of the December 31, 2006 unaudited consolidated financial statements for further explanation.

The company had written-off its Aucapampa Project expenditures of \$1,472,158 for period ended December 31, 2006.

In the coming months, the Company should also:

- Complete the scoping study of the Azulcocha poly-metallicmine
- Drill identified regional targets, confirm historical resources and increase Azulcocha's tonnage underground
- Drill identified regional targets, confirm historical resources part of joint venture on the Azulcocha's West area
- Complete first phase drilling campaign in Cu/Au Pucara project
- Complete second phase drilling campaign in Cu/Mo Aurora project
- Launch field confirmation campaigns on 3 Uranium zones in southern Peru in conjunction with CAMECO
- Launch field exploration programs on the Huachon and Granja Nueva properties

Vena will also continue to acquire and advance high quality projects throughout Peru to expand on its portfolio of projects that currently encompasses around 80,000 hectares.

The following is a brief description of each of Vena's properties:

Aucapampa Property

The property is located in the country of Peru on the west coast of South America. Peru is divided in 24 Departments which are each further subdivided into several provinces. The property is located in the Department of Apurimac.

The property is approximately 348 kilometers from the community of Nazca which is in turn located approximately 420 kilometers south of Lima on the PanAmerican Highway. Approach to the property can be made to within 38 kilometers via an asphalt, all-weather highway.

The property comprises 2,970 hectares of mining concessions. The three concessions are registered under the legal names of Nueva Alicia 1, Nueva Alicia 2 and Nueva Alicia 3.

Pursuant to an option agreement dated February 10, 2004, as amended, among Vena, Rosario Espino Quijandria, Alicia Rico Quijandria and Jesus Rico Quijandria (the "Aucapampa Option") Vena has an option to acquire 100% of the property under the following terms and conditions:

- initial payment of US\$60,000 which was made upon registering the option agreement
- monthly payments are to be made as follows: US\$20,000 for years 1 and 2, US\$25,000 for year 3, US\$50,000 for year 4 and US\$70,000 for year 5
- a final payment of US\$850,000 is payable in the 6th year of the option
- on commercial production a net smelter royalty of 1 percent is to be paid on all sales receipts net of ad valorem taxes, sales costs, measuring and transportation costs and insurance costs
- the option can be cancelled by Vena at any time without penalty

Under Peruvian law, the concessions remain in good standing as long as the annual registration payments (\$3.00 per hectare) are received by June of each year. One grace year is added in the event of a delinquent payment. The property has no known ore reserves. On December 15, 2004 Vena announced that the preliminary results of its first drill program on its Aucapampa gold-copper deposit in the Apurimac region of Peru were encouraging. Due to the positive drilling results, a follow-up drill program was planned to commence in the first quarter of 2006. The terms of this agreement were amended as follows:

- Term of the agreement: December 31, 2004 to December 31, 2007.
- The optionor will receive US\$3.00 per ounce gold mined for a minimum of 500,000 ounces to transfer title.
- Monthly payments are hereby adjusted to US\$7,500 per month for the term of the option.

This property was written off during the period ended December 31, 2006.

Azulcocha Property

The property is located in the country of Peru in the Department of Junin.

The property is approximately 260 kilometres east from the City of Lima on the two-lane Carretera Central highway. Approach to the property can be made to within 40 kilometres via an asphalt, all-weather highway. The final 40 kilometres is on a rough, single lane dirt road that is passable by 2 wheel drive vehicles.

The property comprises 1,744 hectares of mining concessions. The property is owned by Compania Azure del Peru S.A.C., a 100% Vena controlled entity in Peru. All registration fees for the concessions are current.

The property was obtained directly from the government with the exception of the San Luis Primero concession which was acquired from a third party. Under Peruvian law, the concessions acquired from the government remain in good standing as long as the annual registration payments (\$3.00 per hectare) are received by June of each year. One grace year is added in the event of a delinquent payment.

The property has no known ore reserves. On December 20, 2004, Vena announced the positive and encouraging results of its geophysical study at the Azulcocha zinc/manganese project near Huancayo, Peru approximately 260 kilometers east from the City of Lima.

On April 20, 2005, Vena announced it has received positive metallurgical results on the re-treatment of its Azulcocha poly-metallic stockpile. The Company has also located and purchased the complete and original geology mine plan and exploration data for the original Minera Gran Bretana mine. This purchase will sharply focus and greatly reduce the planned exploration program costs to confirm the historically reported 3.3 million tons of remaining ore (Munoz 1994). This historical value is not NI43-101 compliant and should not be considered a resource or reserve using accepted mining definitions.

Vena is also pressing ahead with an ambitious exploration program to identify additional drill targets. The recent acquisition of the original Minera Gran Bretana data will accelerate this process. In addition to aiding in the quantification of remaining mineral, this purchased data has identified other "inflection" targets which will be evaluated for drilling.

Vena completed this phase of work (pre-feasibility and 43-101 resource and reserve estimate of the tailings) in July 2005 and will immediately commence a feasibility study. The feasibility study will be largely an effort to confirm markets and pricing in order to make an appropriation decision. It is anticipated that no additional technical studies will be required to complete the feasibility study.

In addition to assessing the potential of the current stockpile, further drilling is needed to confirm the reported presence of additional underground mineralization. As well, surface samples on a newly found vein structure have returned up to 27% zinc grades, thus meriting a comprehensive exploration program.

Finally, Vena staked an additional 6,000 hectares and has started an exploration campaign with Glencore who has committed to invest US\$3.75 million dollars over the next 2 years to produce a feasibility report. Vena plans to sell ore from the underground working to Glencore throughout 2007 generating a revenue stream while milling facilities and permits are being processed.

Uranium Concessions

On March 29, 2006, Vena began an exploration and confirmation field campaign on its 15,500 hectare uranium concessions in Peru which are controlled by Vena through a 100% owned subsidiary Minergia S.A.C.

Vena is encouraged to fast track and mobilize two exploration teams at once to explore its 15,500 hectares over the next months. These confirmation and exploration campaigns across all 78 target areas led by IPEN scientists will enable Vena to make more appropriate strategic announcements in a short term.

Four field campaigns have been completed, the company has reported high-grade uranium mineralization along trenches in fracture veins as well as along disseminated sandstone formations, and is getting ready to commence a drilling campaign as soon as community and government permits are in place.

There are four districts that constitute the first field exploration campaigns: Macusani, Lagunillas, Munani and Rio Blanco. Vena's efforts to date have been focused on the Macusani and Munani regions.

Recently the company increased its land holdings to 47,500 hectares as part of the strategic agreement with CAMECO Corporation to jointly explore for Uranium in Peru. A press release on this transaction can be found in SEDAR.

The Aurora Project

On March 23, 2005, Vena signed a purchase option agreement with Sociedad Minera Parobamba II (Parobamba), a private Peruvian company, for its Aurora copper-molybdenum project in Peru. The Aurora project, located in the Department of Cusco at an elevation of approximately 2,500 meters was previously explored by Bear Creek Mining who completed a US\$300,000 program of 6 diamond drill holes. It is particularly attractive due to the relatively high grades of molybdenum and the potential for gold and silver values which were not assayed for in the previous exploration campaign.

The Aurora property is within the Yauri-Andahuaylas metallogenic corridor which is well known for its copper-gold porphyry and skarn deposits. The BHP Billiton Tintaya mine is perhaps the best known of these deposits.

Terms of the purchase option include a payment of US\$25,000 at the signing of the registerable transfer documents and a payment of \$25,000 after 4 months of confirmation testing with subsequent payments of US\$25,000 6 months after the confirmation period and US\$50,000 after 12 months. This payment cycle repeats for each of the next 4 years. At any time during the five years, Vena can drop the option without penalty or purchase the property for a total of US\$4,000,000. There is a work commitment of US\$500,000 in each of the five years of the option period.

Vena re-assayed the drill core that is stored on the property to confirm the reported values and include gold and silver assays in the data base. Aurora went through a 2,000 meter phase I drilling campaign in 2005. Vena first

confirmed all historical drilling results and completed the first drilling campaign targeting the centre portion of the porphyry. Thus far all 11 drill holes have delineated two areas of mineralization that are open along the strike. The Company has reported significant mineralization of Cu/Mo with an average grade higher than 0.6% Cu with significant Molybdenum credits.

The company expects to complete a large geophysics campaign to help defined the next set of drill targets in the second half of 2007.

Pucara Project

The Company acquired a group of concessions in the Pucara area of southern Peru. The Company has agreed to grant 100,000 shares of Vena to the owners of these concessions plus an upfront payment of US\$75,000. Additional shares and cash payments will be granted if key milestones are reached annually, and a US\$1/tonne cash payment up to 10 million tones as defined by a future feasibility study will be granted.

The Pucara project has been mined for 12 years by a small miner. Most recently, Pucara has been explored by CVRD of Brazil, completing 1,600 meters in 8 diamond drilled holes. The mineralization is mainly veins with widths varying from 1 to 5 meters and disseminated structures containing gold and copper. The principal veins are Santo Tomas and Esperanza; both outcrop for more than 2 kilometers. The Gladys disseminated structure located in the center portion of the project outcrops for at least 90 meters by 17 meters, containing chalcopyrite and gold with some galena and sphalerite. Several structures with disseminated mineralization are also present along the northern boundary of the project. Vena plans to retain a metallurgical consultant to test the oxide mineralized portion of the Gladys structure for a possible flotation recovery scheme. If successful, this would be followed by a standard flotation recovery system for the sulfide portion of the Gladys mineralized body.

After a review of the property by Vena personnel as well as a consulting geologist, the Company is applying for permits to drill 4,200 meters in 14 targets. The depth of the holes will range from 150 and 300 meters. This will expand on the work done by CVRD of Brazil and should lead to a 43-101 report on the prospect.

Granja Nueva Project

The Granja Nueva copper/gold mineral concessions totaling 2,800 hectares from the Ministry of Energy and Mines of Peru. The Company is in the process of assembling an exploration team to confirm the historical data and expand our geological knowledge of Granja Nueva leading to a drilling campaign. Previous geological work performed by Cambior identified five targets within the area: El Pozo; Rumichaca; El Rejo; Totoral; and La Chonta. Further technical updates related to project developments will be reported after field confirmation programs.

Granja Nueva is adjacent to Rio Tinto's world-class La Granja project in northern Peru. Rio Tinto acquired La Granja in December 2005 from the Peruvian government via an open bid process. Prior to Rio Tinto's ownership, La Granja was owned by Cambior which reported several billion pounds of copper in-situ.

Granja Nueva is an early stage exploration project in an area of northern Peru where some of the largest copper porphyries and/or gold high sulfidation deposits have been found to date. This area is actively being explored and developed by several multi-national companies including Rio Tinto, Newmont, Buenaventura, Goldfields, CVRD, and Southern Copper. Michiquillay a world class copper/gold project is also located in this region of Peru and is in the process of being auctioned by the Peruvian government by April 30th. A number of junior companies have advanced exploration projects including Candente's Canariaco, Northern Peru Copper's Galeno.

Capital Resources, Capital Expenditures and Liquidity

The Company's working capital was \$3,531,705 at December 31, 2006, which is an increase of \$1,790,914 from September 30, 2006 working capital of \$1,740,791.

During the first quarter ended December 31, 2006 Vena made additions to drilling properties of \$139,319 compared to \$655,178 in first quarter fiscal 2006. These differences are due to Vena spending less time in fiscal 2007 on initial production setup and drilling on the properties. The levels of expenditures will be increased in the future.

On January 16, 2006, the Company raised \$1,131,251 by issuing 2,262,501 units through private placement. Each unit was priced at \$0.50 and comprised of one common share and one-half common share purchase warrant, which is exercisable at \$0.75 for a period of 12 months post the closing date. The company also had another private

placement in September 28 raising \$967,500 by issuing 1,935,000 units. Each unit was priced at \$0.50 and comprised of one common share and one-half common share purchase warrant, which is exercisable at \$0.75 for a period of 12 months post the closing date.

Subsequent to December 31, 2006, the Company received cash in the amount of \$1,053,500 from the exercise of 1,2463,000 common share purchase warrants.

On-going commitments for capital resources relate largely to the maintenance of the mineral permits. Under Peruvian law, the concessions remain in good standing as long as the annual registration payments (\$3.00 per hectare) are received by June of each year. One grace year is added in the event of a delinquent payment. The Company will spend the funds available to it to further its stated business objectives. Specifically, the available funds will be spent to explore and develop its two principal mining properties in Peru and to make property payments on all of its properties in Peru. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives.

On April 20, 2005, Vena raised \$3,985,914 through a non-brokered private placement. Vena offered subscribers, one-half of their subscription at the original \$0.45 unit price and one-half of their subscription at the \$0.48 unit price. Each unit consisted of one common share and one-half common share purchase warrant exercisable for 18 months at a price of \$0.65 in the case of the \$0.45 unit and \$0.60 in the case of the \$0.48 unit. This provided subscribers with a blended cost per unit of \$0.465 and a blended common share purchase warrant exercise price of \$0.625. The securities issued on closing are subject to a four-month hold period. The private placement was approved by the regulatory authorities. A finder's fee was paid to certain parties at the discretion of the Company in the form of placement units.

The following table represents the current estimate of property payments, exploration expenditures and corporate expenditures for the eighteen months ending March 31, 2008. Actual exploration activities may result in changes to the estimated property payments and/or exploration expenditures on each property.

EXPLORATION

AZULCOCHA PROJECT

Surface Exploration	17,550
Permits	105,300
Diamond Drilling	438,750
Mine development	982,800
Production	1,825,200
Pilot Plant	432,900
Mill	10,413,000
Indirect Costs	117,000
Total	14,332,500

AZULCOCHA WEST PROJECT

Surface Exploration	432,900
Permits	29,250
Diamond Drilling	1,813,500
Pilot Plant	23,400
Indirect Costs	105,300
Total	2,404,350

URANIUM PROJECT

Surface Exploration	561,600
Permits	193,050
Diamond Drilling	2,340,000
Pilot Plant	70,200
Indirect Costs	210,600
Total	5,695,000

INCA GOLD PROJECT

Surface Exploration	140,400
Indirect Costs	14,040
Total	154,440

PUCARA PROJECT

Surface Exploration	35,100
Permits	46,800
Diamond Drilling	748,800
Mine development	828,360
Pilot Plant	444,600
Indirect Costs	105,300
Total	2,208,960

PRINCESAS PROJECT

Surface Exploration	17,550
Diamond Drilling	140,400
Indirect Costs	23,400
Total	181,350

AURORA PROJECT

Surface Exploration	70,200
Indirect Costs	14,040
Total	84,240

TOTAL EXPLORATIONS 25,060,840

Government Payments	339,300
PROPERTY PAYMENTS	580,000

Contingency fee	1,641,013
TOTAL BUDGET	28,482,858

ORE SALES	(1,981,168)
ZINC CONCENTRATE SALES	(9,360,000)
OPTIONEE PAYMENT	(2,404,350)
OPTIONEE PAYMENT	(3,510,000)
OVERALL BUDGET	11,227,340

In 2007, the Company has decided to drop the Aucapampa project and replace it with more advanced assets (Huachon, Pucara). Pucara and Huachon will be explored in 2007.

The Company is dependent on obtaining future financings for the exploration and development of our properties and for the acquisition of any new projects. There is no assurance that such financings will be available when we require them, or under terms that are favourable to us.

Selected Financial Information

The information below should be read in conjunction with the management's discussion and analysis, the consolidated financial statements and related notes and other financial information. The following is for the periods ended:

	Three month period Ended December 31 2006	Year Ended September 2006	Year Ended September 2005	Year Ended September 2004
	\$	\$	\$	\$
Total Revenue	97,424	-	-	-
Loss before extraordinary items	2,894,981	2,961,114	3,310,781	754,409
Loss before extraordinary items per share	0.056	0.064	0.091	0.049
Net Loss	2,894,981	2,961,114	3,310,781	754,409
Loss Per Share	0.056	0.064	0.091	0.049
Total Assets	8,097,356	7,600,849	5,855,247	1,848,789
Total Liabilities	84,230	103,975	163,144	263,877
Cash dividend declared	-	-	-	-

Results for the three months ended:

	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006
	\$	\$	\$	\$
Total Revenue	97,424	-	-	-
Loss before extraordinary items	2,894,981	981,396	717,657	852,803
Loss before extraordinary items per share	0.056	0.020	0.015	0.020
Net Loss	2,894,981	981,396	717,657	852,803
Loss Per Share	0.056	0.020	0.015	0.020

	December 31, 2005	September 30, 2005	June 30, 2005	March 31, 2005
	\$	\$	\$	\$
Total Revenue	-	-	-	-
Loss before extraordinary items	409,258	488,514	648,300	1,839,533
Loss before extraordinary items per share	0.009	0.011	0.014	0.056
Net Loss	409,258	488,514	648,300	1,839,533
Loss Per Share	0.009	0.011	0.014	0.056

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Related Party Transactions

During the period ended December 31, 2006, Kutu Energy Inc. ("KEI") charged the company a total of \$15,000 in respect of the services of James Fairbairn, Chief Financial Officer of the Company. Mr. Fairbairn beneficially owns

KEI. These charges were for accounting fees. Mr. Fairbairn is retained by the Company pursuant to a verbal consulting agreement on a month-to-month basis.

Juan Vegarra, Chairman and Chief Executive Officer and director, charged the Company \$45,000 for the three month period ended December 31, 2006. Mr. Vegarra is retained by the Company pursuant to a verbal consulting agreement on a month-to-month basis.

Changes in Accounting Policies Including Initial Adoption

CICA Handbook Section 3110, "Asset Retirement Obligations" states that an asset retirement obligation is a legal obligation associated with the retirement of tangible long-lived assets that the Company is required to settle. The Company recognizes the fair value of a liability for an asset requirement obligation in the year in which it is incurred when a reasonable estimate of a fair value can be made. Under this new standard, the present value of future mine closure obligations is determined when the obligation is incurred and recorded as a liability with a corresponding increase in a units-of-production basis commencing with initial commercialization of the asset. The liability is accreted to the actual liability on settlement through charges each period in the statement of operations.

At December 31, 2006, the Company has currently made a provision of \$60,400 for site restoration costs or potential environmental liabilities. A detailed evaluation currently underway to determine the estimated total site restoration cost.

Financial Instruments

The carrying amount of cash, GST and accounts payable and accrued liabilities approximates their fair value because of the short-term maturities of these items. The Company enters into transactions to purchase goods and services denominated in the Peruvian Nuevo Sol for which the related expenses and accounts payable balances are subject to fluctuations in currency exchange rates. The transactions and balances have been stated in Canadian dollars in accordance with our foreign currency translation policy.

Additional Disclosure for Venture Issuers without Significant Revenue

	December 31, 2006	September 30, 2006
Mineral properties		
Capitalized mineral properties and deferred expenditures	\$ 4,243,817	\$ 5,576,656
Expensed development and exploration	-	-
Corporate expenses	\$ 2,894,981	\$ 2,961,114
Total Assets	\$ 8,097,356	\$ 7,600,849
	December 31	September 30
Mineral properties and deferred expenditures	2006	2006
	Capitalized	Capitalized
Acquisition costs	\$ 1,640,420	\$ 2,190,420
Geology	\$ 897,777	\$ 1,269,935
Drilling	\$ 814,995	\$ 1,251,676
Assaying	\$ 75,188	\$ 74,188
Transportation	\$ 224,968	\$ 224,968
Labour	\$ 250,206	\$ 225,206
Amortization	\$ 49,996	\$ 49,996
Other	\$ 114,531	\$ 114,531
Facilities and machinery - net	\$ 175,736	\$ 175,736
	\$ 4,243,817	\$ 5,576,656
	Three Months ended	Year ended
Corporate Expenses	December 31, 2006	September 30, 2005
	\$	\$
Sales	97,424	-
Stock-based compensation	862,240	1,253,000
Office and general:		
Rent	2,341	21,660
Internet	809	14,637
Insurance	12,940	19,397
Telephone and computers	2,595	20,733
Administrative expense	21,003	107,095
Printing and copying	2,019	22,100
Salaries and benefits	271,605	324,089
Other expense	6,550	29,680
Consulting	197,512	768,940
Professional fees	14,981	135,972
Travel	34,319	216,287
Shareholders Information	123,969	291,245
Foreign exchange (gain) loss	(32,636)	64,712
Amortization	-	21,234
Minority interests	-	-
Write-down on properties	1,472,158	-
	\$ 2,894,981	\$ 3,310,781

Outstanding Share Data	22-Feb-07	31-Dec-06
Issued and outstanding common shares	54,285,835	54,285,835
Outstanding options to purchase common shares	3,925,000	4,225,000
Outstanding warrants to purchase common shares	1,880,000	2,878,000

Dividends

The Corporation has neither declared nor paid any dividends on its Common Shares. The Corporation intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Risks and Uncertainties

Political Risk

All of the properties are located in Peru and, accordingly, the Company is subject to risks normally associated with exploration for and development of mineral properties in Peru. In addition, Peru is a developing country that has experienced political and economic difficulties over the years. Vena's mineral exploration activities could be affected in varying degrees by such political instability and government regulation relating to foreign investment and the mining business. Operations may also be affected in varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation.

Vena's ability to conduct future exploration and development activities is subject to changes in government regulations and shifts in political attitudes over which Vena has no control.

There is social unrest in Peru resulting from high expectations of an improvement of living standards and high levels of unemployment. Protestors have targeted foreign firms in the mining sector in recent years. The Las Princesas property is situated in historical mining districts, in areas which have not experienced any significant civil unrest to date. However, there can be no assurance that future social unrest will not have an adverse impact on Vena's operations.

Outlook

Vena's future profitability and long-term viability will depend largely on the market price of commodities. Market prices are volatile and are affected by numerous factors beyond Vena's control, the aggregate effect of which is impossible for Vena to predict.

The Company has never had mineral producing properties. There is no assurance that commercial quantities of minerals will be discovered at either of the two properties or other future properties or that the exploration programs thereon will yield positive results. Even if Vena discovers mineralization on its properties, extraction may not be economically viable.

Vena currently holds the permits it requires to carry out its current work programs, but the Company cannot assure that it will receive the necessary permits to carry out further exploration and to develop the properties.

Business Risk

There is numerous business risks involved in the mineral industry some of which are outlined below. Vena does not currently own 100% of the two mineral concessions contained in the Las Princesas property. Similarly, any non-compliance with or non-satisfaction of the terms of the Option by Vena could affect its ability to exercise the Option and earn its interest in the mining concessions and assets relating to the property.

In Peru, mining concessions do not include surface rights and there can be no assurance that Vena will be successful in negotiating long term surface rights access agreements in respect of the properties. Failure to obtain surface rights could have an adverse impact on Vena's future operations.

Vena's current or future operations, including development activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether.

The success of the operations and activities of Vena is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgement, as well as the expertise and competence of the outside contractors, experts and other advisors. Vena does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect Vena's operations and financial performance.

On December 15, 2004, the TSX-V accepted the Company's application for listing of its common shares on the Exchange under the trading symbol "VEM". Trading commenced at the opening of business Monday, December 20, 2004. The Company's shares also trade on the Lima stock exchange under the trading symbol "VEM", and the Frankfurt stock exchange under the trading symbol "VIR"

Commodity Risk

There are risks of volatility in world commodity prices and other risks that the Company cannot control. Vena does not have a hedging policy and has no present intention to establish one. Accordingly, Vena has no protection from declines in mineral resource prices.

A key risk mitigation strategy is to maintain the corporate development portfolio open to all types and classes of mineral wealth and keep the new project "pipeline" full.

Currency Risk

The Company's expenses are recorded in Canadian dollars so there is no risk in that regard. However, Vena is exposed to market risks resulting from fluctuations in currency exchange rates for the Peruvian Nuevo Sol due to the operations in Peru. This includes but is not limited to the effects on operating costs and hence on cash flows.

Controls and Procedures

Disclosure controls and procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Company's President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this management's discussion and analysis, management of the Company, with the participation of the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as required by the Canadian securities laws. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer have concluded that, as at the end of the year covered by this management's discussion and analysis, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings*) and other reports filed or submitted under Canadian securities laws are recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Company, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Management has designed internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of GAAP statements.

Management's Responsibility

Management is responsible for all information contained in this report. The unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the unaudited consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

External auditors, appointed by the shareholders, have not examined the consolidated financial statements for the period ended December 31, 2006.

The Audit Committee has reviewed the unaudited consolidated financial statements with management. The Board of Directors has approved the unaudited consolidated financial statements on the recommendation of the Audit Committee.

February 28, 2007

James N. Fairbairn, C.A. - Chief Financial Officer

Vena Resources Inc.

**Unaudited Consolidated
Financial Statements**

**Three Month Period Ended
December 31, 2006**

Vena Resources Inc.

Consolidated Balance Sheet

	December 31, 2006	September 30, 2006
	(Unaudited)	(Audited)
Assets		
Current Assets		
Cash	\$ 2,762,617	\$ 870,248
GST and foreign sales taxes recoverable	789,126	724,959
Subscription receivable	-	179,750
Prepaid expenses	64,192	69,809
	3,615,935	1,844,766
Mineral Properties and Deferred Expenditures (Note 3)	4,243,817	5,576,656
Capital Assets, net of accumulated amortization of \$92,998	237,604	179,427
	\$ 8,097,356	\$ 7,600,849
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 84,230	\$ 103,975
Minority Interest	130,664	162,847
	214,894	266,822
Shareholders' Equity		
Capital Stock (Note 4)	14,367,787	10,470,226
Contributed Surplus (Note 5)	3,435,960	3,890,105
Deficit	(9,921,285)	(7,026,304)
	7,882,462	7,334,027
	\$ 8,097,356	\$ 7,600,849

See notes to the unaudited consolidated financial statements.

Vena Resources Inc.

Consolidated Statement of Operations and Deficit

<i>Three Months Ended December 31,</i>	2006	2005
	(Unaudited)	(Unaudited)
Sales	\$ 97,424	\$ -
Operating Expenses		
Stock-based compensation <i>(Note 5)</i>	\$ 862,240	\$ 144,000
Consulting	197,512	97,358
Salaries and benefits	271,605	19,856
Shareholder relations	123,969	15,108
Office and general	48,257	61,850
Travel	34,319	61,852
Professional fees	14,981	10,996
Foreign exchange gain	(32,636)	(1,762)
Net Loss before write-down	\$ 1,422,823	\$ 409,258
Write-down of mineral properties and deferred expenditures	1,472,158	-
Net Loss	2,894,981	409,258
Deficit at beginning of period	7,026,304	4,065,190
Deficit at end of period	\$ 9,921,285	\$ 4,474,448
Net Loss per share	5.6¢	0.9¢
Weighted average number of shares outstanding	51,810,112	42,612,894

See notes to the unaudited consolidated financial statements.

Vena Resources Inc.

Consolidated Statement of Cash Flow

<i>Three Months Ended December 31,</i>	2006	2005
Operating	(Unaudited)	(Unaudited)
Net loss	\$ (2,894,891)	\$ (409,258)
Adjustments to reconcile net loss to cash flow from operating activities:		
Write-down of mineral properties and deferred expenditures	1,472,158	-
Stock-based compensation	862,240	144,000
Minority interest	(32,183)	-
Unrealized exchange (gain) loss on translation of integrated operations	(19,169)	-
Net change in non-cash working capital items:		
Prepaid expenses	5,617	47,332
GST and foreign sales taxes recoverable	(64,167)	(21,349)
Accounts payable and accrued liabilities	(19,744)	71,846
Cash Flow Used in Operating Activities	(690,139)	(167,429)
Financing		
Issuance of common shares	2,769,926	-
Capital stock subscribed	-	400,750
Cash Flow Provided by Financing Activities	2,769,926	400,750
Investing		
Mineral properties and deferred exploration expenditures	(139,319)	(655,178)
Additions to capital assets	(58,177)	(27,572)
Cash Flow Used in Investing Activities	(197,496)	(682,750)
Increase (decrease) in Cash	1,882,291	(449,429)
Exchange gain (loss) from holding foreign currencies	10,078	-
Cash at beginning of period	870,248	727,451
Cash at end of period	\$ 2,762,617	\$ 278,022

See notes to the unaudited consolidated financial statements.

Vena Resources Inc.

Notes to Unaudited Consolidated Financial Statements

December 31, 2006

General

Vena Resources Inc. (Vena or the Company) was incorporated under the laws of the Province of Ontario, Canada. Its principal business activities are that of mineral exploration in Peru.

1. Summary of Significant Accounting Policies

Consolidation

The consolidated financial statements include the accounts of the Company together with its wholly-owned subsidiaries Vena Resources (2004) Inc., Compañía Las Dunas De Oro S.A.C, Inca Gold Company S.A.C., Minergia S.A.C, and Compañía Azure del Peru S.A.C., as well as 78% interest in Compañía Nueva Princesa S.A.C.

Nature of Operations

Vena is in the process of exploring its mineral properties and has not yet determined whether the properties contain economically recoverable reserves. The recovery of expenditures on mineral properties and the related deferred exploration costs is dependent upon the existence of economically recoverable mineralization, the ability of Vena to obtain financing necessary to complete the exploration and the development of the mineral properties, and upon future profitable production or alternatively, on the sufficiency of proceeds from disposition.

These consolidated financial statements have been prepared on a going concern basis. If the going concern assumption is not appropriate, then material adjustments may be necessary in the carrying amounts and/or classifications of assets and liabilities in these consolidated financial statements.

Foreign Currency Translation

Vena uses the temporal method of foreign currency translation in accounting for its integrated foreign operations. Under this method foreign currency denominated monetary assets and liabilities are translated into Canadian dollars at the exchange rate prevailing at the balance sheet date while non-monetary assets and liabilities are translated into Canadian dollars at the exchange rate prevailing on the date of the transaction. Revenue and expenditures denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing on the date of the transaction. Foreign exchange gains and losses arising from the translation of these foreign currency denominated transactions are reflected in operations for the period.

Mineral Properties

Vena defers the costs of exploration and capital assets on existing projects and carries them as assets until production commences. Mineral properties and the deferred exploration expenditures are recorded at cost and do not necessarily reflect present or future values. If a project is successful, the related mineral properties and deferred exploration expenditures will be amortized over the estimated economic life of the project. If a project is unsuccessful, or if exploration has ceased because continuation is not economically feasible, the mineral properties and the related deferred exploration expenditures are written off.

Vena Resources Inc.

Notes to Unaudited Consolidated Financial Statements

December 31, 2006

1. Summary of Significant Accounting Policies *(Continued)*

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is computed using the straight-line method at the following rates:

Machinery and transport units	20%
Furniture and fittings	10%
Various equipment	25% and/or 10%

Income Taxes

Vena follows the liability method of accounting for income taxes. Under this method, future tax liabilities and assets are recognized for the estimated tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Future tax liabilities and assets are measured using enacted tax rates. The effect on future tax liabilities and assets of a change in tax rates is recognized in the period that the change occurs.

Loss Per Share

Basic loss per share is calculated by using the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by using the treasury stock method. Under this method, warrants and options are considered dilutive when the average stock market price of Vena's common shares exceeds the exercise price of options and warrants issued and outstanding. Diluted earnings per share is not presented as the factors referred to above are anti-dilutive.

Stock-Based Compensation

Vena has a stock-based compensation plan for its directors, officers, key employees and consultants to the Company. Vena records stock-based compensation using the fair value method. Under this method, stock-based payments are measured at the fair value of the equity instruments issued, and are amortized over the vesting period. The offset to the recorded cost is to contributed surplus.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Reclassification

Certain of the prior period's accounts have been reclassified in order to conform with the presentation adopted in the current period.

Impairment of Long-lived Assets

Vena reviews mineral properties and deferred costs for impairment on a periodic basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses on long-lived assets are recognized when events or changes in circumstances

Vena Resources Inc.

Notes to Unaudited Consolidated Financial Statements

December 31, 2006

1. Summary of Significant Accounting Policies (Continued)

Impairment of Long-lived Assets (Continued)

indicate that the undiscounted cash flows estimated to be generated by such assets are less than their carrying value and, accordingly, all or a portion of such carrying value may not be recoverable. Impairment losses then are measured by comparing the fair value of assets to their carrying amounts.

Asset Retirement Obligations

At December 31, 2006, the Company has currently made a provision of \$60,400 for site restoration costs or potential environmental liability costs. A detailed evaluation is currently underway to determine the estimated total site restoration costs.

2. Acquisitions of Business

Acquisition of Inca Gold Company S.A.C.

Effective May 2, 2005, Vena acquired 100% of the outstanding common shares of Inca Gold Company S.A.C. ("Inca") for \$312,576. Vena acquired Inca by paying \$72,576 cash and issuing 800,000 common shares valued at \$240,000.

The acquisition of Inca is recorded at the fair value of the assets and liabilities acquired, which are summarized as follows:

Cash	\$	369
Other current assets		225
Mineral properties		201,180
Current liabilities		(1)
Book value of net assets acquired	\$	201,773
Consideration paid		312,576
Excess of purchase price over net assets acquired	\$	110,803

Vena's consolidated balance sheet includes the accounts of Inca at their fair value. The consolidated statement of operations and deficit and changes in cash flow include the results of operations and changes in cash flow of Inca for the period since May 2, 2005. The excess of the purchase price over net assets acquired was allocated to mineral properties.

3. Mineral Properties and Deferred Expenditures

	Mineral Properties	Exploration Costs	Development Costs	Total
Balance at September 30, 2006	\$ 2,190,420	\$ 3,191,090	\$ 195,146	\$ 5,576,656
Additions during the period	139,319	-	-	139,319
Write-down	-	(1,472,158)	-	(1,472,158)
Balance at December 31, 2006	\$ 2,329,739	\$ 1,718,932	\$ 195,146	\$ 4,243,817

Vena Resources Inc.

Notes to Unaudited Consolidated Financial Statements

December 31, 2006

3. Mineral Properties and Deferred Expenditures *(Continued)*

Aucapampa Property

The property comprises 2,970 hectares of mining concessions. The three concessions are registered under the legal names of Nueva Alicia 1, Nueva Alicia 2 and Nueva Alicia 3.

Pursuant to an option agreement dated February 10, 2004, as amended, among Vena, Rosario Espino Quijandria, Alicia Rico Quijandria and Jesus Rico Quijandria (the "Aucapampa Option") Vena has an option to acquire 100% of the property under the following terms and conditions:

- initial payment of US\$60,000 which was made upon registering the option agreement
- monthly payments are to be made as follows: US\$20,000 for years 1 and 2, US\$25,000 for year 3, US\$50,000 for year 4 and US\$70,000 for year 5
- a final payment of US\$850,000 is payable in the 6th year of the option
- on commercial production a net smelter royalty of 1 percent is to be paid on all sales receipts net of ad valorem taxes, sales costs, measuring and transportation costs and insurance costs
- the option can be cancelled by Vena at any time without penalty

Under Peruvian law, the concessions remain in good standing as long as the annual registration payments (\$3.00 per hectare) are received by June of each year. One grace year is added in the event of a delinquent payment.

The terms of this agreement were amended as follows:

- Term of the agreement: December 31, 2004 to December 31, 2007
- The option or will receive US\$3.00 per ounce gold mined for a minimum of 500,000 ounces to transfer title
- Monthly payments are hereby adjusted from US\$60,000 per month to US\$7,500 per month for the term of the option.

The property was written-off in the first quarter period ending December 31, 2006.

Las Princesas Property

The property is located in the country of Peru and is located in the Department of La Libertad. The property comprises 1,050 hectares of mining concessions. The property is comprised of two concessions, comprising a total of 1,050 hectares. The property is owned by Nueva Princesa S.A.C., 78 percent of which is owned by Las Dunas. Under Peruvian law, the concessions remain in good standing as long as the annual registration payments (\$3.00 per hectare) are received by June of each year. One grace year is added in the event of a delinquent payment.

Pursuant to a shareholder operating agreement dated June 8, 2004, as amended, among Vena, Jorge Blecker Benduzu and Alexandra Vidaurre Otayza (the "Las Princesas Operating Agreement"), Vena through its subsidiary Las Dunas, created an operating company to continue exploration work on the property. The agreement covers a project area comprising the above referenced two concessions.

The Las Princesas Operating Agreement, as amended, sets out the following terms and conditions:

- The operating company, Nueva Princesa S.A.C. is owned 78% by Las Dunas and 22% by Mr. Jorge Blacker Benduz.

Vena Resources Inc.

Notes to Unaudited Consolidated Financial Statements

December 31, 2006

3. Mineral Properties and Deferred Expenditures *(Continued)*

Las Princesas Property (Continued)

- The operating company will develop a small mine producing 75 tonnes per day of feed to a plant that will be purchased by Las Dunas for an estimated cost of \$530,100. The mine will be operating within 3 months of the signing of the agreement, as amended, providing there is sufficient ore to feed the plant. In the event the plant is not operating at capacity within 3 months of such date, Las Dunas will have up to 1.5 years to bring the operation into production.
- Las Dunas will recover US\$520,000 from the profits of the mine starting in the second year of operation to a maximum monthly payment of \$43,333. Mr. Blacker will also receive a total payment of \$133,000 paid every 3 months starting in the second year of operation. This agreement is currently being re-negotiated.

Azulcocha Property

The property is located in the country of Peru in the Department of Junin. The property comprises 1,744 hectares of mining concessions. The property is owned by Compañia Azure del Peru S.A.C., 100% of which is owned by Las Dunas. Under Peruvian law, the concessions acquired from the government remain in good standing as long as the annual registration payments (\$3.00 per hectare) are received by June of each year. Once grace year is added in the event of a delinquent payment.

Uranium Concessions

Vena controls 15,500 hectares of uranium properties in Peru through a 100% owned subsidiary – Minergia S.A.C.

Subsequent to December 31, 2006, Vena acquired an additional 31,500 hectares of uranium in Peru. Vena now controls 47,500 hectares of uranium prospects. The additional acquisition is part of the strategic agreement signed by the Vena with another company whereas the company has the option to invest \$10 million over the next four years in two stage payments to obtain up to 50% of Minergia SAC. The company can increase its stake to 60% when a feasibility study is done and completed and to 70% when development commences.

The Aurora Project

On March 23, 2005, Vena signed a purchase option agreement with Sociedad Minera Parobamba II (Parobamba), a private Peruvian company, for its Aurora copper-molybdenum project in Peru. The Aurora project is located in the Department of Cusco.

Terms of the purchase option include a payment of US\$25,000 at the signing of the registerable transfer documents and a payment of \$25,000 after 4 months of confirmation testing with subsequent payments of US\$25,000 6 months after the confirmation period and US\$50,000 after 12 months. This payment cycle repeats for each of the next 4 years. At any time during the five years, Vena can drop the option without penalty or purchase the property for a total of US\$4,000,000. There is a work commitment of US\$500,000 in each of the five years of the option period.

Vena Resources Inc.

Notes to Unaudited Consolidated Financial Statements

December 31, 2006

3. Mineral Properties and Deferred Expenditures (Continued)

The Pucara Project

Vena acquired a group of concessions in the Pucara area of Southern Peru. The Company has agreed to grant 100,000 shares to the owners of these concessions plus an upfront payment of US\$75,000.

Pursuant to a mining option to purchase agreement dated December 15, 2006 and a supplemental agreement dated January 4, 2007 between Roberta Florentino Zegarra Ponce and Inca Gold Company S.A.C. The Company will pay \$75,000 cash and issue an aggregate of 500,000 common shares for the concessions of the project.

4. Capital Stock

Share Capital

Vena is authorized to issue an unlimited number of common shares without par value. The issued and outstanding common shares consist of the following:

	No.	
Balance at September 30, 2005	42,612,894	\$ 7,033,819
Private placements for cash consideration	4,197,501	2,098,751
Cash upon exercise of warrants	2,954,016	1,741,586
Cash upon exercise of options	425,000	260,000
Fair value assigned to warrants exercised	-	96,740
Fair value assigned to options exercised	-	204,215
Fair value of warrants issued	-	(890,000)
Cost of share issuances	-	(74,885)
Balance at September 30, 2006	50,189,411	\$ 10,470,226
Private placement for cash consideration	20,000	10,000
Cash upon exercise of warrants	4,076,424	2,580,176
Fair value assigned to warrants exercised	-	1,316,385
Balance at December 31, 2006	54,285,835	14,367,787

Vena Resources Inc.

Notes to Unaudited Consolidated Financial Statements

December 31, 2006

4. Capital Stock (Continued)

During the period, the following private placements were completed:

Date of issuance	November 13, 2006	Total
Number of units issued	20,000	20,000
Gross proceeds of issue	\$ 10,000	\$ 10,000
Number of common shares	20,000	20,000
Number of common share purchase warrants	20,000	20,000
Exercise price per warrant	0.75	
Expiry date of warrant	Sept. 28, 2006	

Warrants

As of December 31, 2006, Vena has outstanding warrants as follows:

	2007	2006
Outstanding at October 1	7,072,674	7,297,565
Transactions during the period		
Issued	-	3,066,250
Exercised	(4,076,424)	(2,954,016)
Expired	(90,000)	(337,125)
Outstanding at December 31	2,906,250	7,072,674

Subsequent to December 31, 2006, the Company issued 1,463,000 common shares on the exercise of warrants for a total cash consideration of \$1,053,500.

Vena Resources Inc.

Notes to Unaudited Consolidated Financial Statements

December 31, 2006

4. Capital Stock (Continued)

Stock Options

The Company established a stock option plan to provide additional incentive to its directors, officers, employees and consultants in their efforts on behalf of the Company in the conduct of its affairs. Vena has the following options outstanding as at December 31, 2006:

	2007	
	Weighted Average Exercise price	No. of options
Outstanding, beginning of the year	\$0.61	3,100,000
Transactions during the year:		
Granted	0.60	1,425,000
Exercised	-	-
Expired	0.50	(300,000)
Outstanding, end of the period	0.61	4,225,000
Exercisable, end of the period	0.61	4,225,000

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the stock-based compensation for the stock options granted during the period ended December 31, 2006:

	2007	2006
Number of options granted	1,425,000	1,850,000
Weighted average information		
Risk-free interest rate	3.92%	4.05%
Expected life	5 years	2.8 years
Expected volatility	131%	137%
Expected dividends	0	0
Stock-based compensation	\$ 733,000	\$ 634,790

Vena Resources Inc.

Notes to Unaudited Consolidated Financial Statements

December 31, 2006

5. Contributed Surplus

	2007	2006
Balance as at September 30	3,890,105	2,666,000
Value assigned to:		
Stock options	-	634,790
Unexercised warrants	862,240	890,000
Fair value assigned to options exercised	-	(204,215)
Fair value assigned to warrants exercised	(1,316,385)	(96,470)
Balance at December 31, 2006	3,435,960	3,890,105

6. Related Party Transactions

During the period, Vena incurred \$45,000 and \$15,000 in consulting and accounting fees respectively, with its directors, senior officers and/or companies to which the directors and/or officers are related. These expenses have been measured at their exchange value.

As at December 31, 2006, there are related party balances in the amount of \$5,000 included in accounts payable and accrued liabilities.

7. Income Taxes

As at September 30, 2006, Vena has \$3,361,000 in non-capital losses carry-forward for which no benefit has been recognized in the accounts. If these losses are not utilized, they will expire as follows:

Expiry Date	Amount
2014	\$ 894,000
2015	1,257,000
2026	1,210,000
	\$ 3,361,000

8. Financial Instruments

The carrying amount of cash and cash equivalents, GST and foreign sales taxes recoverable and accounts payable and accrued liabilities represent their fair value due to their short-term nature. Vena is exposed to the following risk related to financial assets and liabilities:

Foreign Exchange Risk

The Company is exposed to foreign exchange risk as a substantial portion of its activities are denominated in foreign currencies.

Vena Resources Inc.

Notes to Unaudited Consolidated Financial Statements

December 31, 2006

9. Segmented Information

Vena is in the business of mineral exploration in the country of Peru. As such, management has organized the Company's reportable segments by geographic area. The Peruvian segment is responsible for that country's mineral exploration activities while the Canadian segment manages corporate head office activities. Information concerning Vena's reportable segments is as follows:

	2007	2006
Consolidated net loss before minority interest		
Canada	\$ 1,154,336	\$ 2,047,938
Peru	1,740,555	821,539
	2,894,891	2,869,477
Identifiable assets		
Canada	2,498,277	921,332
Peru	5,599,079	6,679,517
	8,097,356	7,600,849
Significant non-cash items		
Canada		
Stock-based compensation	862,240	634,790
Peru		
Write-down of properties	1,472,158	94,134
Gain on disposal of capital assets	-	(72,013)
	1,472,158	22,121
	\$ 2,334,398	\$ 656,911

10. Commitments

Effective November 1, 2006, Vena entered into a one year consulting agreement with an Investor Relations firm. The Company issued 250,000 options exercisable at \$0.60, for a period of one year.