

NEWMAC RESOURCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

For the Quarter ended June 30, 2007 and information subsequent to June 30, 2007 and up to August 17, 2007.

The following discussion and analysis is to be read in conjunction with the Unaudited Financial Statements for the Quarters Ended June 30, 2007 and 2006. Note: all dollar amounts are in Canadian dollars unless otherwise indicated.

OVERALL PERFORMANCE

Newmac Resources Inc. (the “Company”) is a BC registered company involved in the acquisition, exploration and development of mineral resource properties in North America. The Company is a reporting issuer under the Reporting Jurisdictions of British Columbia and Alberta. The Company is registered as a Tier 2 issuer on the TSX Venture Exchange under the trading symbol NER.

The Company’s current focus is the exploration and development of the Newmac Copper-Molybdenum Porphyry Property, Bluff Property, Crazy Fox Property and Chilanko Property located in British Columbia. All four properties are porphyry in character with copper, gold and molybdenum being explored for at Newmac, Bluff and Chilanko and molybdenum and tungsten at the Crazy Fox Property. Management continues to evaluate high-quality projects in the America’s for future opportunity, with an emphasis on projects that have the potential to be of interest to major mining companies.

Financial Conditions

As of June 30, 2007 the Company had working capital surplus of \$143,167.

During the period ended June 30, 2007, the Company completed three private placements to raise gross proceeds of \$693,000. The terms of each offering are found below:

On April 20, 2007 the Company completed a non-brokered private placement to raise gross proceeds of \$43,000. Under the terms of the offering the Company issued 100,000 FT units at a price of \$0.43 per unit. Each unit consists of one common share and one non-transferable share purchase warrant to purchase an additional common share at a price of \$0.43 per share until April 13, 2009. These securities issued are subject to a 4-month hold period expiring August 20, 2007. Proceeds from the FT Unit non-brokered private placement will be used to explore the company’s properties located in British Columbia. This exploration work will qualify as Canadian Exploration Expense for the purposes of the Income Tax Act (Canada), which will then be renounced by the Company to the placees.

On May 28, 2007 the Company completed a non-brokered private placement to raise gross proceeds of \$150,000 with certain placees. Under the terms of the offering the Company issued 375,000 flow-through units at a price of \$0.40 per unit. Each flow-through unit consists of one flow-through common share and half a non-transferable share purchase warrant to purchase an additional non flow-through common share at a price of \$0.60 per share until May 18, 2008. Proceeds from the FT Unit non-brokered private placement will be used to explore the company’s

properties located in British Columbia. This exploration work will qualify as Canadian Exploration Expense for the purposes of the Income Tax Act (Canada), which will then be renounced by the Company to the placees.

On June 6, 2007 the Company completed one half of the previously announced non-brokered private placement to raise gross proceeds of \$1,000,000. Under the terms of the offering the Company has issued 1,250,000 flow-through units at a price of \$0.40 per unit for gross proceeds of \$500,000. Each flow-through unit consists of one flow-through common share and half a transferable share purchase warrant to purchase an additional non flow-through common share at a price of \$0.60 per share, exercisable until June 4, 2008. Proceeds from the FT Unit non-brokered private placement will be used to explore the company's properties located in British Columbia. This exploration work will qualify as Canadian Exploration Expense for the purposes of the Income Tax Act (Canada), which will then be renounced by the Company to the placee. In connection with this private placement, the company has paid a finder's fee of \$37,500 cash and issued 125,000 broker's warrants, which are exercisable until June 4, 2008 at a price of \$0.60 per share. The company closed the second half of this private placement on August 2, 2007, see subsequent events below.

On June 19, 2007 the Company announced that incentive stock options have been granted to four directors and two consultants of the Company for the purchase of up to 800,000 common shares at the exercise price of \$0.50 per share, expiring June 19, 2012. These stock options are subject to the company's stock option plan.

Subsequent to the period ended June 30, 2007 and up to August 17, 2007

On August 2, 2007 the Company completed the second tranche of the previously announced non-brokered private placement to raise gross proceeds of \$1,000,000. Under the terms of the offering the Company has issued 1,250,000 flow-through units at a price of \$0.40 per unit for gross proceeds of \$500,000. Each flow-through unit consists of one flow-through common share and half a transferable share purchase warrant to purchase an additional non flow-through common share at a price of \$0.60 per share, exercisable until August 1, 2007. Proceeds from the FT Unit non-brokered private placement will be used to explore the company's properties located in British Columbia. This exploration work will qualify as Canadian Exploration Expense for the purposes of the Income Tax Act (Canada), which will then be renounced by the Company to the placee. In connection with this private placement, the company has paid a finder's fee of \$37,500 cash and issued 125,000 broker's warrants, which are exercisable until August 1, 2008 at a price of \$0.60 per share. The company

On August 2, 2007 the Company closed a private placement to raise gross proceeds of up to \$702,800 with certain placees. This placement is in addition to the previously announced private placement of \$1,000,000. Under the terms of the offering the Company issued 727,500 flow-through units and 1,029,500 non-flow-through units at a price of \$0.40 per unit. Each flow-through unit consists of one flow-through common share and half a transferable share purchase warrant to purchase an additional non flow-through common share at a price of \$0.60 per share, exercisable for a period of one year from the date of issuance. Proceeds from the FT Unit non-brokered private placement will be used to explore the company's properties located in British Columbia. This exploration work will qualify as Canadian Exploration Expense for the purposes of the Income Tax

Act (Canada), which will then be renounced by the Company to the placees. Each non-flow-through unit consists of one non-flow-through common share and one transferable share purchase warrant to purchase an additional non flow-through common share issuable at a price of \$0.50 per share, exercisable for a period of one year from the date of issuance. Proceeds from the non FT unit private placement will be used for general working capital purposes. The Company paid a finder's fee of \$60,045 cash and issued 189,450 broker's warrants, which are exercisable for one year at a price of \$0.60 per share.

The primary factors that can affect the future financial condition of the Company include the continued ability to raise equity capital and the level of exploration expenditures required to meet commitments. As a mineral exploration company with no current production or revenue from mining operations, the Company's cash flows consist of cash outflows for administrative expenses, salaries, property acquisition and evaluation, exploration, development and filing fees. Financing activities, such as share issuances, result in cash inflows to the Company. Since inception, the Company has relied on capital markets (and in particular, equity markets) to fund its exploration activities, and expects to continue to rely on these markets in 2006 and thereafter until one or more of its projects are in production.

Industry and Economic Factors Affecting Performance

As a mineral exploration and development company, Newmac's performance is affected by a number of industry and economic factors and exposure to certain environmental risks and regulatory requirements. These have been detailed in the Company's 2006 Annual MD&A.

RESULTS OF OPERATIONS

The Company's operations consist generally of mineral exploration and evaluation of new property acquisitions. This includes acquiring mineral properties, evaluating the merits of these properties using various techniques such as sampling, trenching geophysical and geochemical methods as well as drilling. The Company has no commercial production at this time, as a result, the Company's results of operations are a product of operating expenses.

During the period ended June 30, 2007, the Company's net loss from operations was \$169,957, an increase of \$68,408 from \$101,549 in June 2006. The Company's loss included expenditures as follows: accounting, legal, and professional fees of \$5,700, which were result of fees associated with ongoing professional work done in relation with the Company's quarterly and regulatory filings; travel and promotion of \$1,014; transfer agent, listing, and filing fees of \$9,411 relating to payments made to regulatory bodies in Canada; investor relations of \$23,709 due to the agreement signed with Coal Harbor; stock based compensation of \$112,297 due to incentive stock options granted in the period; management fees of \$15,000; and office and general administrative expenses of \$2,826.

The Company also incurred \$384,285 in deferred exploration expenditures in the three months ended June 30, 2007. Resource property costs consisted of administration, aircraft and fuel, assay and sampling, drilling, geological and field personnel, field supplies and rentals, recording fees and filing fees, reports and maps, and travel and accommodation related to the exploration

Assays for Molybdenum from diamond drill holes 06-1 to 06-9 are presented below:

Hole	From (m)	To (m)	Width(m)	Mo (%)	MoS ₂ (%)
06-1	3.0	79.2	76.2	0.017	0.023
06-2	3.0	39.0	36.0	0.021	0.028
06-5	47.9	60.0	12.1	0.023	0.038
06-6	2.7	72.0	69.3	0.018	0.030
06-7	262.9	322.5	59.6	0.017	0.028
Including	262.9	280.9	18.0	0.027	0.045
06-8	185.1	239.1	54.0	0.024	0.040
Including	197.1	239.1	42.0	0.028	0.047
06-9	XX	XX	XX	XX	XX
Including	106.0	109.0	3.0	0.35	0.58

Assays for Tungsten from diamond drill holes 06-1 to 06-9 are presented below:

Hole	From (m)	To (m)	Width (m)	W (%)	WO ₃
06-1	161.5	206.8	45.3	0.029	0.037
06-2	6.0	9.0	3.0	0.070	0.088
06-5	23.5	32.5	9.0	0.053	0.067
06-7	96.0	111.0	15.0	0.023	0.029
06-7	130.5	139.5	9.0	0.015	0.019
06-7	151.5	196.4	46.9	0.021	0.026
06-7	244.7	265.9	18.2	0.017	0.021
06-7	292.0	310.0	18.0	0.025	0.032
06-8	93.2	111.6	19.4	0.019	0.024
06-8	127.4	188.1	64.7	0.028	0.035
06-8	191.1	257.1	66.0	0.027	0.034
06-9	59.9	109.8	51.0	0.015	0.019

Assays were performed by Acme Analytical Laboratories Ltd. of Vancouver, B.C., using ICP-mass spectrometry methods.

Another Diamond drill program was completed on the Bluff property, where 12 diamond drill holes (1,600 metres) were completed. Fractures of impressive mineralization were encountered, but none of the holes returned any economic grades as the fractures were not numerous enough. The company is currently reviewing all the data from this drill program and previous field work.

A series of trenches have been completed on the Chilanko property. The trenches encountered deeper overburden than expected and were unable to reach bedrock over several of the geophysical anomalies revealed by an earlier program conducted this year. Bed rock encountered by the trenching program, in areas peripheral to the anomalies, exhibited hydrothermal alteration and effects consistent with the outer zones of porphyry copper systems. A follow up drill program is currently being planned.

Technical content of this news has been reviewed by W.A. Howell, P. Geo, a qualified person within the definitions of National Instrument 43-101.

NEWMAC Property, British Columbia

By an agreement dated June 3, 2004, the Company acquired from its President, David Hjerpe, a 100% interest in six mineral claims known as the NEWMAC Property located in the Clinton Mining Division, British Columbia. The Company issued 1,000,000 common shares which have been recorded at a deemed value of \$13,178, representing the President's out-of-pocket costs. The claims are subject to a net smelter returns royalty of 2.5% to Canevex Resources Ltd., a company 50% owned by J. William Morton, a director of the Company. The Company has the option to purchase two-fifths of the royalty (1%NSR) for \$1,000,000. The Company also owns a 100% interest in an additional claim staked.

CRAZY FOX Property, British Columbia

The Company entered into an agreement on September 22, 2005 to acquire a 100% interest in the Crazy Fox Property, located 20 km northwest of Little Fort, British Columbia. The Company agreed to issue 200,000 common shares (50,000 issued) and make payments totaling \$100,000 over a 3 year period. An additional 200,000 shares will be issued to the vendors if and when a positive feasibility study is completed. A 3.0% NSR is reserved for the vendors of which 2.0% may be purchased at any time for \$2.0 million reducing the NSR to 1%. A 10% finder's fee is payable to Bolder Investment Partners in shares (50,000 of which 5,000 were issued).

CHILANKO Property, British Columbia

The Company entered into an agreement on December 28, 2005 to acquire a 100% interest in the Chilanko Copper Property, located 170 km west of Williams Lake, British Columbia for \$20,000 from an unrelated individual.

BLUFF Property, British Columbia

The Company entered into an agreement on October 11, 2006 to acquire a 100% interest in the Bluff Property, located 175 km west of Williams Lake, British Columbia. To earn an initial 80% interest in the Bluff Property the Company must make payments totaling \$185,000 and issue vendors \$600,000 in value of common shares over a 5 year period. An initial \$10,000 in value of common shares is to be issued upon TSX Venture Exchange approval (issued), payments are yearly from that point on for the duration of 5 years. An additional 20% interest in the property can be earned by paying an additional \$1,000,000. There were 25,000 common shares issued as a finder's fee relating to this property.

SUMMARY OF QUARTERLY RESULTS

Total general and administration costs for the quarter ended March 31, 2007 were \$169,957 as compared to \$101,549 for the same quarter last year, or a difference of \$68,408. The significant difference is the stock based compensation of \$112,297 recorded in June 2007 versus \$nil in June 2006. Most aspects of administration remained the same during the year, such as, office, rent and telephone. Increases in transfer agent and filing fees (+\$7,319) were offset by a reduction in investor relations expenses (-\$51,471) compared to 2006.

The following table sets forth selected quarterly financial information for each of the last eight (8) quarters.

Quarter Ending	Revenue	Net Income (loss)	Earnings (loss) per share
June 30, 2007	\$ Nil	\$ (169,957)	\$ (0.01)
March 31, 2007	\$ Nil	\$ (73,056)	\$ (0.01)
December 31, 2006	\$ Nil	\$ (64,997)	\$ (0.01)
September 30, 2006	\$ Nil	\$ (40,556)	\$ (0.00)
June 30, 2006	\$ Nil	\$ (101,549)	\$ (0.01)
March 31, 2006	\$ Nil	\$ (224,237)	\$ (0.02)
December 31, 2005	\$ Nil	\$ (232,227)	\$ (0.00)
September 30, 2005	\$ Nil	\$ (85,767)	\$ (0.00)

The Company is authorized to issue an unlimited number of common shares. There were 15,887,965 shares issued and outstanding as at June 30, 2007 (18,894,965 as at August 17, 2007). The following is a list of outstanding warrants and stock options at June 30, 2007 and up to the date of this MD&A being, August 17, 2007.

Warrants Outstanding

Expiry dates	Exercise price	Outstanding as of June 30, 2007
January 25, 2008	\$0.62	143,372
July 25, 2008	\$0.50	379,773
September 29, 2007	\$0.50	260,000
December 5, 2007	\$0.50	448,655
December 11, 2007	\$0.60	750,000
January 8, 2008	\$0.60	25,000
May 18, 2008	\$0.60	187,500
June 4, 2008	\$0.60	750,000
April 13, 2009	\$0.43	100,000
August 1, 2008	\$0.60	750,000
August 1, 2008	\$0.50	1,054,500
August 1, 2008	\$0.60	526,950
		5,375,750

Stock Options Outstanding

Expiry Date	Exercise Price	Outstanding as of June 30, 2007
October 3, 2010	0.25	600,000
October 3, 2010	0.50	200,000
February 14, 2011	0.54	80,000
February 8, 2008	0.50	150,000
February 1, 2008	0.39	100,000
February 12, 2008	0.45	100,000
June 19, 2012	0.50	800,000
		2,030,000

Escrow and Pool Agreements

There are currently 1,912,502 shares held in escrow (2,550,002 at March 31, 2007).

There are no shares subject to Pooling Agreements

LIQUIDITY AND CAPITAL RESOURCES

Since inception, the Company's capital resources have been limited to amounts raised from the sale of Common Shares and Special Warrants. During the three month period ended June 30, 2007 the Company raised capital of \$693,000 on financing activities.

At June 30, 2007 the Company had a working capital surplus of \$143,167. There is no long-term debt at June 30, 2007 and current accounts payable was \$138,517. The Company's cash position as at June 30, 2007 was \$234,407.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into off-balance sheet transactions.

TRANSACTIONS WITH RELATED PARTIES

The Company incurs management fees of \$5,000 per month payable to the Company's President. The Company is indebted to the President in the amount of \$NIL. These amounts are unsecured, non-interest bearing, and have no specific terms of repayment.

PROPOSED TRANSACTIONS

In the normal course of business, the Company evaluates property acquisition transactions and, in some cases, makes proposals to acquire such properties. These proposals, which are usually subject to Board, regulatory and, sometimes, shareholder approvals, may involve future payments, share issuances and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in confirmation with the Canadian generally accepted accounting principles requires management to make estimate and assumptions that affect the reported amount of assets and liabilities and disclose of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual result may differ from those estimates.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There have been no changes to accounting policies during the year.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company currently does not own, hold or have any material interest in, or liability associated with, any financial or other instruments.

DISCLOSURE CONTROLS AND PROCEDURES

Management is responsible for establishing and maintaining disclosure controls and procedures for the Company. Based on an evaluation of the Company's disclosure controls and procedures as of the end of the period covered by this MD&A, management believes such controls and procedures are effective in providing reasonable assurance that material items requiring disclosure are identified and reported in a timely manner.

OTHER MD&A REQUIREMENTS

Additional information relating to the Company is available on the SEDAR website: www.sedar.com under "Newmac Resources Inc.".

BY ORDER OF THE BOARD

"David Hjerpe"

DAVID HJERPE

PRESIDENT AND DIRECTOR