DOT Resources Ltd.
Management's Discussion and Analysis of Financial Condition and Results of Operations
For the Period from Incorporation on May 17, 2007 to September 30, 2007

This Management's Discussion and Analysis ("MD&A") focuses on key items from the unaudited interim financial statements for DOT Resources Ltd. (also referred to as "DOT" or the "Corporation") for the period from incorporation on May 17, 2007 to September 30, 2007 and the factors reasonably expected to impact future operations and results as prepared on November 27, 2007. This discussion should not be considered all-inclusive, as it excludes changes that may occur in general economic, political and environmental conditions. Additionally, other matters may occur which could affect the Corporation in the future. This discussion should be read in conjunction with the unaudited interim financial statements for the period from incorporation on May 17, 2007 to September 30, 2007.

This MD&A was reviewed and approved by the Corporation's audit committee and board of directors and is effective as of November 27, 2007. Additional information on the Corporation is available under the Corporation's profile on SEDAR at www.sedar.com

All dollar amounts are Canadian unless otherwise stated.

Forward-Looking Information

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from actual future results and achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made. Readers are also advised to consider such forward-looking statements while considering the risks set forth below.

Non-GAAP Measures

Cash flow from operations is defined as net loss adjusted for stock-based compensation.

Business Overview

The Corporation was incorporated on May 17, 2007 under the Business Corporations Act (Alberta).

On June 25, 2007, the Corporation entered into an Arrangement Agreement with Alhambra Resources Ltd. ("Alhambra") in order to implement a statutory procedure known as a plan of arrangement (the "Arrangement") pursuant to Section 191 of the Business Corporations Act (Alberta). Under the terms of the Arrangement, which became effective August 29, 2007, Alhambra transferred 100% interest in 49 mineral claim units located in the Province of British Columbia, together with related assets and obligations pertaining thereto (the "Properties"), in exchange for 30,000,000 common shares of the Corporation. Subsequently, each previously held common share of Alhambra was exchanged for one new common share of Alhambra and 0.21153 common shares of the Corporation held by Alhambra, resulting in 15,000,000 common shares of the Corporation being distributed to shareholders of Alhambra on a pro rata basis.

The cost of the Properties acquired by the Corporation was $933,424 which represents the amount recorded by Alhambra up to the date of sale.

As part of and concurrent with completing the Arrangement, the Corporation completed a private placement of 11,500,000 units at a purchase price of $0.20 per unit for aggregate gross proceeds of $2,300,000 (the "Private Placement"). Each unit was comprised of one (1) common share and one-half (1/2) of a common share purchase warrant ("Warrant"), with each whole Warrant entitling the holder to acquire one (1) common share at an exercise price of $0.35 for a term of two (2) years. If the closing trading price of the Corporation's common shares is equal to or exceeds $0.55 for fifteen (15) consecutive trading days during the term of the Warrants, then the expiry time of the Warrants shall automatically accelerate to the date which is thirty (30) days following the date a news release is issued by the Corporation announcing the reduced expiry time without further notification made by the Corporation, after which the Corporation's Warrants shall be null and void.

In connection with the Private Placement, the Corporation paid a commission $138,000 and granted an Agent option that entitles the Agent to purchase up to 690,000 units of the Corporation at $0.20 per unit. This Agent option expires on August 29, 2009. The units are subject to the same terms and conditions as the units issued pursuant to the Private Placement except that the automatic acceleration conditions do not apply to the Agent option.

As a result of the Arrangement and the private placement, Alhambra holds 15,000,001 or approximately 36% of the outstanding common shares of the Corporation.

The Corporation's common shares are listed for trading on the TSX Venture Exchange Inc. under the trading symbol of DOT. Trading of the common shares of the Corporation began on September 17, 2007.

Operational Review

The Corporation commenced active business after the completion of the Arrangement and private placement. The business of DOT is the exploration and development of its porphyry copper +/- molybdenum, gold, silver property located on 49 mineral claim units located 17 kilometres south of the Highland Valley Mining District, in central British Columbia (the "Properties").

Pursuant to an independent National Instrument 43-101 compliant report titled "TECHNICAL REPORT ON 2006 GROUND GEOPHYSICAL PROGRAM AND PREVIOUS EXPLORATION, INCLUDING DIAMOND DRILLING, DOT PROPERTY, BRITISH COLUMBIA, NICOLA MINING DIVISION, (the "Aurora Report") dated April 6, 2007 prepared by Aurora Geosciences Limited ("Aurora"), Aurora recommended a $1.05 million exploration program consisting of diamond drilling, geophysical surveys and mapping and sampling. This report is filed on SEDAR in its entirety and can be viewed at www.sedar.com.

Significant highlights of the Aurora Report include:

1. the Properties cover four significant zones of copper+silver+molybdenum±gold mineralization in the southern portion of the Guichon Creek batholiths;
2. a historical possible resource of 9.8 million tonnes at 0.46% copper and 3.3 grams per tonne ("g/t") of silver; and
3. in 2006, a 21.0 kilometre ground geophysical program located three additional anomalies that are interpreted to represent zones of sulphide mineralization.

The Corporation commenced the exploration program as outlined in the Aurora Report in the final quarter of 2007. It is expected that this program will take approximately eight weeks to complete and will be funded from cash resources on hand.

Four known zones of copper mineralization occur on the Properties inside a northwest-southeast trending structural zone that crosses the Properties. Geophysical surveys are planned within the interpreted structural trend to the northwest and southeast of the existing zones of copper mineralization exploring for other zones of copper mineralization.

The 2007 exploration program consists of geophysical surveys (Induced Polarization/Resistivity, total field magnetometer and Very Low Frequency – Electromagnetics ("VLF-EM")), mapping and sampling of outcrop and diamond drill testing of the geophysical targets located in 2006 and the southeast and northwest zones of copper mineralization.

The amount of bedrock exposed on the Properties is estimated to be less than 1%. The porphyry style copper mineralization in the Guichon Baltholith is characterized by specific styles of alteration. Mapping and sampling of bedrock for evidence of copper mineralization and alteration patterns are planned over the entire Properties.

Approximately 16 diamond drill holes are planned (from 2,500 to 3,500 metres ("m")) to test the:

a) strike extension of the southeast zone of copper mineralization;
b) area between the northwest and the southeast zones of copper mineralization;
c) zones of interpreted sulphide mineralization located by the 2006 geophysical surveys; and
d) Vimy zone of copper mineralization.

In-fill and confirmation drilling to validate the historical diamond drilling results on the southeast and northwest zones is also planned. Depending on the success of the diamond drilling and subject to available funds, the total amount of metres to be drilled in 2007 could be increased.

Financial Review

As the Corporation has just recently commenced business activities, operations for the period from incorporation on May 17, 2007 to September 30, 2007 are minimal.

General and administration expense totaling $52,109 include $20,000 owing to Alhambra under an Administrative and Corporate Services Contract (the "Contract") for the month of September (see note 5(a) to the unaudited interim financial statements). The remainder of general and administrative expenses relate to stock exchange and transfer agent expenses incurred during the period.

Stock based compensation expense totaled $79,108 for the period and is the amortization of the value ascribed to stock options granted on August 29, 2007. The Corporation uses the fair value method of accounting for stock options granted. The fair value of employee stock options is estimated on the date of grant and the resulting fair value is recorded as an expense over the vesting period of the stock option. The fair value of non-employee stock options is revalued each reporting date with the change in fair value of the unvested options expensed over the remaining vesting period. In determining the fair value of the stock options granted, the Black-Scholes model is used and assumptions regarding interest rates, underlying volatility of the Corporation's stock and expected life of the options are made. The Corporation granted 2,225,000 stock options which expire on August 29, 2010 and vest over 18 months beginning from the date of grant. (see note 4(d) to the unaudited interim financial statements)

The Corporation earned $7,395 in interest income for the period from funds received from the initial public offering that has been invested in short term deposits.

Loss for the period totaled $123,822 or $0.01 per common share based on a weighted average number of common shares outstanding for the period of 9,764,707.

Liquidity and capital resources

During the period the Corporation received $2,300,000 in gross proceeds upon completion of the private placement. The proceeds from this private placement are to be used to finance the exploration program planned for the fourth quarter of 2007 and working capital requirements. The Corporation paid share issue expenses of $189,023 in conjunction with the private placement.

As of September 30, 2007 the Corporation had $2,119,659 in cash and cash equivalents.

Capital expenditures

During the period from inception on May 17, 2007 to September 30, 2007 the Corporation had no significant capital expenditures. The Corporation commenced the exploration program as outlined in the Aurora report in the final quarter of 2007.

Related party transactions

On August 29, 2007 the Corporation and Alhambra entered into an Administrative and Corporate Services Contract (the "Contract") whereby the Corporation agreed to engage Alhambra to provide management, administration and corporate services to the Corporation. The Contact provides for a monthly remuneration of $20,000 plus all reasonable out of pocket expenses and is for an indefinite term but may be terminated by either party upon providing thirty (30) days prior written notice. For the period from incorporation on May 17 to September 30, 2007, Alhambra has invoiced $20,000 under the Contract together with $29,946 related to direct costs of the Corporation paid for by Alhambra. At September 30, 2007, $49,946 remains outstanding under the Contract.

During the period from incorporation on May 17 to September 30, 2007, the Corporation incurred $26,903 in costs from a law firm in which an officer of the Corporation is a partner. All costs were charged as share issuance costs.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Outstanding share data

(a) Authorized:
  Unlimited voting common shares
  Unlimited, preferred shares of which none have been issued.

(b) Issued and outstanding:
  41,500,001 with a stated value of $2,650,029

Outstanding warrants and options

Warrants

During the period from incorporation on May 17, 2007 to September 30, 2007 the Corporation issued Warrants to purchase up to 5,750,000 common shares of the Corporation at a price of $0.35 per common share pursuant to the Private Placement. (see "Business Overview" above and note 4(c) to the interim unaudited financial statements). The Warrants expire on August 29, 2009 and are subject to early conversion conditions. None of the Warrants had been exercised as of November 27, 2007.

Broker option

In connection with the Private Placement (see "Business Overview" above and note 4(b)(iii) to the interim unaudited financial statements), the Corporation granted an Agent option that entitles the Agent to purchase up to 690,000 units of the Corporation at $0.20 per unit. The Agent option expires on August 29, 2007. As of November 27, 2007, the Agent option remains unexercised.

The fair value of the Warrants and Agent option granted during the period was estimated to be $433,950 using the Black-Scholes option-pricing model based on the following weighted average assumptions:

Expected divided yield (%)	–
Expected life (years)	2.0
Risk-free interest rate (%)	4.23
Expected volatility (%)	100
Fair value of warrants granted ($/share)	0.07

Of the $433,950, $359,125 has been ascribed to the Warrants and charged to Warrants and $74,825 has been ascribed to the Agent option and charged to contributed surplus.

Options granted to directors, officers, employees and consultants

The Corporation has a stock option plan under which directors, officers, employees and consultants of the Corporation are eligible to receive stock options. The aggregate number of common shares to be issued upon the exercise of all stock options granted under the plan shall not exceed 10% of the issued common shares of the Corporation at the time of granting of the options. Options granted under the plan generally have a term of three years but may not exceed five years and vest at terms to be determined by the directors at the time of grant. The exercise price of each option shall be determined by the directors at the time of grant but shall not be less than the price permitted by the policies of the stock exchange(s) on which the Corporation's common shares are then listed.

During the period from incorporation to September 30, 2007, the Corporation granted 2,225,000 options at an exercise price of $0.20. The options expire on August 29, 2010 and vest as to 25% on August 29, 2007 with further vesting of 25% every six months thereafter. (see note 4(d) to the interim unaudited financial statements)

The fair value of the options granted in the period from the date of incorporation on May 17, 2007 to September 30, 2007 is estimated on the date of the grant using the Black-Scholes option-pricing model. The fair value of the options was calculated to be $239,805 using the following weighted average assumptions:

Expected divided yield (%)	–
Expected life (years)	3.0
Risk-free interest rate (%)	4.25
Expected volatility (%)	100
Fair value of warrants granted ($/share)	0.10

Financial instruments

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and amounts due to Alhambra are approximated by their carrying amounts because of their short-term nature or because they bear interest at market rates.

Off Balance Sheet arrangements

The Corporation has no off balance sheet arrangements.

Business Risks

Exploration and development

The mining industry in general is inherently risky in nature. Mineral properties are often non-productive for reasons that cannot be anticipated in advance and the Corporation may be subject to risks from operations, mining law, environmental regulations, permits, licenses, land claims and financing.

The Corporation focuses exploration efforts in areas in which it has existing knowledge and expertise. Exploration activities rely on the exploration results collected at that time and on professional judgment of people involved in the exploration business. There can be no assurance that exploration programs will result in a discovery being made. In the event that a discovery is made, no assurance can be given that the discovery will result in either resources or reserves being established on the property. If reserves are established, it may take a number of years and substantial expenditures until production is achieved, during which the economic feasibility of the project may change.

The long-term profitability of the Corporation's operation will, in part, be directly related to the success of its exploration programs to find additional reserves, which may be affected by a number of factors that are beyond the control of the Corporation.

Operations risk

Operations risk relates to the ability to recover metal from an established mineral reserve. Using skilled and experienced professional staff reduces this risk. Using the latest technologies and controlling costs to maximize profitability also assists in minimization of this risk. Other possible risks include changes in metal prices, unstable ground conditions, procurement of reagents, supplies and fuels and qualified operating personnel as well as severe weather conditions.

Regulations and mining law

DOT's mining operations and exploration activities are subject to the laws and regulations of the Province of British Columbia, Canada. There is no assurance that these laws will not change in the future.

Environmental factors

All phases of the Corporation's operations are subject to environmental regulation in British Columbia. Although DOT takes the steps necessary to protect the environment around its operations, there is no assurance that future changes in environmental regulation, if any, will not adversely affect DOT's operations or result in substantial costs and liabilities in the future.

Permits and licenses

The operations of the Corporation require permits from the Province of British Columbia. The Corporation has secured the necessary permits for its current exploration program. There can be no assurance that the Corporation will be able to obtain all necessary permits that may be required to carry out its operations in the future.

Financing risks

Continued exploration and development of the Properties is dependent on DOT's ability to obtain the funds necessary to finance these planned activities. As the Corporation is not currently producing from its Properties, it will be necessary for the Corporation to seek additional equity to finance its programs. While the Corporation has been successful in attracting equity financing required to carry out its currently planned exploration program, there can be no assurance that additional funding will be available in the future. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration plans.

Controls and Procedures

DOT currently has no employees. Management of the Corporation is carried out pursuant to the Contract with Alhambra. Under the Contract, Alhambra's management ("Alhambra's Management") is responsible for designing and maintaining internal controls over financial reporting and disclosure controls and procedures. Internal controls over financial reporting and disclosure controls and procedures are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with Canadian GAAP. These controls may not prevent or detect fraud or misstatements because of inherent limitations in any system of internal controls.

There are inherent weaknesses in the Corporation's internal controls due to its small size and its inability to segregate incompatible functions in addition to control deficiencies relating to the Corporation's recording of complex accounting estimates and disclosures. Due to the limited number of Alhambra Management personnel, it is not economically feasible to achieve complete segregation of incompatible duties.

Although DOT believes that Alhambra's Management is highly qualified, Alhambra's Management does not have a sufficient number of finance personnel, with all of the technical accounting knowledge, to address all complex and non-routine accounting transactions that may arise.

These weaknesses in internal controls over financial reporting result in a more than remote likelihood that material misstatement would not be prevented or detected. Alhambra's Management and the board of directors work to mitigate the risk of material misstatement; however, DOT does not have reasonable assurance that the risk can be reduced to a remote likelihood of a material misstatement. DOT currently has no plans to remediate these weaknesses.