



NQ EXPLORATION INC.

(a development stage company)

MANAGEMENT DISCUSSION AND ANALYSIS

For the six-month period ended May 31, 2008

(Second Quarter)

MANAGEMENT DISCUSSION AND ANALYSIS

This management discussion and analysis (“MD&A”) for NQ Exploration Inc. (“NQ” or “the Company”) complies with the Canadian Security Administrators’ National Instrument 51-102A on continuous disclosure obligations.

This MD&A constitutes a narrative, through the eyes of NQ’s management, on the Company’s results for the six-month period ended May 31, 2008, as well as its financial condition and future prospects. It complements the unaudited interim financial statements for the six-month period ended May 31, 2008, but does not form part of them. It should therefore be read in conjunction with the unaudited interim financial statements at May 31, 2008 and the notes thereto, as well as the audited financial statements and notes and the MD&A for the financial year ended November 30, 2007. The unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) for interim financial statements. The MD&A also provides a review of the Company’s performance for the quarter ended May 31, 2008. This review was performed by management with information available as of the date hereof.

All figures are in Canadian dollars unless otherwise stated. Additional information on the Company can be found on SEDAR at www.sedar.com. The shares of NQ are listed on the TSX Venture Exchange under the symbol “NQE”.

DATE

This MD&A has been prepared on the basis of information available as of July 7, 2008.

FORWARD-LOOKING STATEMENTS

This MD&A includes forward-looking statements that reflect the Company’s current expectations regarding future events. To the extent that such statements contain information that is not historical in nature, such statements are essentially forward-looking, and often contain words like “anticipate”, “expect”, “estimate”, “intend”, “project”, “plan” and “believe”. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. There are many factors that could cause such differences, including volatility of metal market prices, the impact of changes in foreign exchange or interest rates, imprecision in reserve estimation, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies, the failure to obtain the necessary permits and approvals from government authorities, and other development and operating risks.

While the Company believes that the assumptions inherent in the forward-looking statements are reasonable, readers should not place undue reliance on such statements, which only apply as at the date of this MD&A. The Company disclaims any intention or obligation to update or revise forward-looking statements as a result of new information, future events or otherwise, unless required to do so by applicable securities laws.

NATURE OF OPERATIONS

NQ was incorporated under the Canadian Business Corporations Act. It is engaged in the acquisition, exploration and development of mining properties. The Company conducts its activities in Canada.

OVERALL PERFORMANCE

Exploration Activities

During the period covered by this MD&A, the Company carried out compilation and exploration work on its mining properties. An exploration budget of \$750,000 is planned for the summer of 2008.

PROPERTIES

James Bay South Property

The James Bay South sector groups together the seven properties acquired by the Company from James Bay Development Corporation ("SDBJ"). On November 26, 2007, the Company entered into an acquisition agreement with SDBJ, as amended on December 13, 2007, whereby the Company acquired SDBJ's interests in the Carheil, Gand I, Opawica, Rapide-des-Cèdres, Themines N and Vezza mining properties, as well as a 2% NSR royalty on the Chantal property, in consideration of the issuance of 4,000,000 common shares of the Company to SDBJ at a deemed price of \$0.10 per share.

The Rapide-des-Cèdres, Vezza and Opawica properties are subject to rights of first refusal held by the various partners. The following table shows the state of negotiations between the SDBJ and its partners. The 100% interest in the Gand I property has been transferred in full to NQ. Exploration minière H. Blondeau ltée did not exercise its right of first refusal on the Rapides-des-Cèdres property, and the SDBJ's 12.5% non-contributing interest has been transferred in full to NQ.

Property	SDBJ Interest	NQ Interest	Partner Interest	Right of First Refusal
Gand I		100%		None
Rapides-des-Cèdres		12.5% (non-contributing)	Exploration minière H. Blondeau ltée: 87.5%	Refused Interest transferred to NQ
Veza	12.5% (non-contributing)		Agnico-Eagle Mines Ltd.: 87.5%	Under discussion
Themines N ⁽¹⁾	5% (non-contributing)		Maudore Minerals Ltd.: 95%	Under discussion
Opawica	24.4%		Kinross Gold Corporation: 75.6%	Under discussion
Carheil	5.26%		BHP-Billiton Ltd.: 94.74%	Under discussion

(1) Newmont Mining Corporation holds a 1.5% NSR royalty and a 51% back-in-right.

In the event that SDBJ is unable to transfer its interest in any of its properties to NQ due to the exercise of a right of first refusal, SDBJ has agreed to remit to NQ half of the consideration received by SDBJ on exercise of the right of first refusal, subject to the requirements of the applicable securities legislation, as appropriate.

Gand I: Au

The Gand I property constitutes a *mineral project on a material property* for the Company as defined in National Instrument 43-101 on disclosure for mineral projects.

The Gand I property lies in northern Quebec, 107 km northeast of Lebel-Sur-Quévillon. The property consists of 76 contiguous claims covering a total area of 12.55 km².

The Gand I property was extensively explored for gold in the past. Since the 1940s, and particularly in since the 1980s, the ground underwent substantial exploration that included the drilling of 56 holes. Some thirty gold zones were intersected. The largest is the Mariposite showing, which extends at least 400 metres on the eastern portion of the property. It consists of an assembly of altered and pyritized sedimentary rocks varying in width from 5 to 30 metres, including sections of waste rock. Grades of 1.01 g/t Au over 13.7 metres and 0.2 g/t Au over 36 metres have been obtained in the field.

Some 300 metres to the south of the Mariposite shear, the median fault supports the potential of the area, with two intersections 700 metres apart that returned 0.2 and 0.32 g/t Au over respective widths of 31.5 and 33 metres. The highest value was 1.4 g/t Au over 4.4 metres in Hole CH-06. Some 370 of the 700 metres lie within the property boundaries. These two major faults extend onto the western portion of the property, which returned 16 anomalous gold intersections.

The diamond potential of the area was recognized many years ago. The 14 lamprophyre dikes intersected in the old holes drilled on the property are of interest in this regard, as they were never logged for diamonds. Furthermore, an isolated, circular magnetic anomaly about 300 metres in diameter in the centre of the property could be the site of a kimberlite intrusion.

In the prospectus for the initial public offering, a first phase of exploration budgeted at \$220,000 was provided for, followed by a second, \$485,000 phase in the event of positive results. However, despite the potential for the discovery of new gold zones and the extension of known showings, it has been decided to postpone this work to a later date. This decision is based on the need to conduct exploration on the James Bay North properties in the summer of 2008 in order to keep them in good standing. The Gand I property already has sufficient exploration credits.

Carheil: Cu-Zn-Au-Ag

The Carheil property lies in Brouillan Township in the James Bay region, about 120 km north of La Sarre and 8 km southwest of BHP Billiton's Selbaie mine. The property consists of nine contiguous claims covering a total area of 1.45 km². It is currently the subject of discussions between BHP-Billiton and SDBJ regarding the transfer of SDBJ's interest to NQ.

The Carheil property lies within the Harricana-Turgeon belt of the Abitibi Greenstone Belt, in the Superior geological province. This belt hosts the Matagami, Joutel, Brouillan, Casa-Berardi and Detour mining camps. More specifically, the Carheil property lies at the contact of the Enjalran basalts to the south and the Brouillan volcanic complex to the north, with the latter forming over 75% of the basement of the property. The Brouillan complex hosts BHP-Billiton's Selbaie Mines polymetallic deposit, consisting of over 44 million tonnes grading an average of 1.05% Cu, 1.98% Zn, 32.1 g/t Ag and 0.47 g/t Au (see "Geology of Canadian Mineral Deposits Types", Geological Survey of Canada, 1996, p.181). The gold deposits of the region are associated with deformation zones at the volcanic-sedimentary contacts.

Extensive exploration was carried out on the property from 1976 to 1998. In all, 23 holes were drilled to test for massive sulphides and gold, mainly by BHP Billiton from 1993 to 1998. Numerous mineralized showings were discovered. The best intersections were as follows:

Hole BR76-2	0.43% Cu over 2.44 m
Hole B1096	1.57% Zn over 8 m
Hole B906	3.67% Zn over 2.4 m
Hole B1472	0.17 g/t Au over 3 m in an exhalite

The Carheil property lies in a mature mining camp, and has undergone extensive detailed work that has led to the identification of contexts favourable to polymetallic copper-zinc and gold mineralization.

In the event that SDBJ's interest is transferred to NQ, an exploration budget of \$20,000 is planned for 2008, for linecutting and an InfiniTEM electromagnetic survey.

Barry II: Au

Temoris Resources Inc. ("Temoris"), which holds an 87.5% interest in the Barry II property, exercised its first right of refusal to acquire SDBJ's non-contributing 12.5% interest in the property. Temoris acquired SDBJ's interest in consideration of 100,000 common shares and a 1% NSR royalty on any production from the Barry II property, half of which can be bought back for \$500,000.

Pursuant to Section 2.4 of the agreement entered into by SDBJ and 4421523 Canada Inc. (now NQ Exploration Inc.) on November 26, 2007 when the Company was formed, should SDBJ be unable to transfer its interests in any of its properties to NQ due to exercise of a right of first refusal, SDBJ will pay NQ half the consideration received on exercise of the right of first refusal, within three working days of receiving such consideration. Consequently, NQ received 50,000 shares of Temoris and a ½% NSR royalty, half of which ($1/2 \times 1/2 \% = 1/4 \%$) can be bought back for \$250,000.

James Bay North Property

On November 22, 2007, the Company entered into an acquisition agreement with Everton Resources Inc. ("Everton"), as amended on December 5, 2007, whereby the Company acquired Everton's interests in the Aylmer, Candlestick, Castle, Conviac, Corvet Sud, Duncan, Eastmain, Eastmain Nord, Gauchet, Jobert, Le Moyne, Morand, Pine Hill, Pine Hill Nord, Pontax 1 and 2, Sakami, Star Lake and Wapamisk mining exploration properties, in consideration of the issuance of 12,000,000 common shares of the Company at \$0.10 per share.

In the previous quarter, the Conviac, Corvet Sud, Eastmain and Eastmain Nord were collectively called the **Eastmain project**, and represented a *mineral project on a material property* for the Company as defined in National Instrument 43-101 on disclosure for mineral projects. Henceforth, given the large size of each of these projects, as well as their distance from one another and their distinct geological contexts and metallogenics, and in an effort to simplify budgets, these properties will be considered and described separately.

Aylmer: Au, Ag, Cu, Zn, Mo

The Aylmer property lies in the James Bay region of northern Quebec. It consists of 28 map-designated claims grouped into five blocks covering a total area of 14.75 km². It is wholly-owned by NQ and is subject to a 2% NSR royalty.

The property geology is dominated by mafic and felsic volcanics of the Eastmain greenstone belt, with interbedded sulphide- and oxide-facies iron formations. The Eastmain greenstone belt is bordered on either side by the surrounding tonalitic to granitic basement rocks.

The Aylmer property lies about 115 km west of the Eau Claire gold deposit, which contains an NI 43-101 indicated resource of 1 million tonnes grading 9.46 g/t Au (Eastmain Resources Inc.) in the same greenstone belt.

The entire region has been explored since the early 1980s by numerous companies that carried out extensive drilling programs and detailed geological work. Many significant showings were discovered, including several on the five blocks of the Aylmer property. The best assay results obtained on each of the eight showings identified on the Aylmer property were:

Block 1	Lac Elmer – Copper Zone	2.13 % Cu, 0.1% Zn and 42.5 g/t Ag
	Lac Elmer – Zinc Zone	4.78 % Zn, 50.5 g/t Ag and 600 ppm Cu over 1 m at 83.3 m (W85-14)
Block 2	ETMN-87-01AB	13.91 g/t Au
Block 3	Clouston showing	1.44 % Mo and 118 ppm Cu; 0.17% Cu and 2.4 g/t Ag

Block 4	A-16 grid	5.0 g/t Au over 30 cm
	2308-27 showing	1.6 g/t Au and 16.6 g/t Ag
Block 5	2308-23 showing	13.91 g/t Au and 1.08% Cu
	2308-18 showing	0.5% Cu and 8.6 g/t Ag

The property offers excellent potential for a broad range of minerals, including gold, silver, base metals and molybdenite, in a variety of favourable geological contexts.

An exploration budget of \$35,000 is proposed for the summer of 2008, for prospecting and geological reconnaissance work.

Candlestick: Au

The Candlestick property lies 35 km south of the La Grande River in the James Bay region of northern Quebec. The property consists of 110 contiguous map-designated claims covering a total area of 57 km². It is wholly-owned by NQ and is subject to a 2% NSR royalty.

The property is located 100 km east-northeast of Goldcorp Inc.'s Eleonore project, which contains an NI 43-101 indicated resource of 1.83 million ounces of gold.

The Candlestick property lies in the Opinaca metasedimentary subprovince of the Superior geological province. From a lithological perspective, the area is primarily characterized by the biotite wackes and biotite paragneisses of the Archean-age Laguiche Group.

The Candlestick property was acquired for its gold anomalies discovered through regional lake sediment surveys performed by SDBJ in the 1970s. In 2007, a new lake sediment survey and an airborne MAG-VLF geophysical survey were performed on the property, and the summary interpretation of the results confirmed the presence of gold/silver/copper/zinc anomalies.

The property lies in an unexplored area of the Opinaca metasedimentary basin, and has potential for the discovery of gold deposits similar to Eleonore.

An exploration budget of \$30,000 is proposed for the summer of 2008, for a till and heavy mineral concentrate and geological reconnaissance work.

Castle: Au, Cu, Zn, Ni, U

The Castle property lies in northern Quebec, 115 km north of Hydro-Québec's Fontanges airport and about 110 km northwest of the Caniapiscau reservoir. The property consists of 413 map-designated claims grouped into five blocks covering a total area of about 205 km². It is wholly-owned by NQ, with some claims subject to a 1% or 2% NSR royalty.

From a geological perspective, the Castle property lies at the junction of the La Grande, Ashuanipi, Minto and Bienville Archean subprovinces, all belonging to the Superior geological province. Archean greenstone belts cut by tonalite and granite dominate the region. On the Castle property, the geology of the claims blocks is dominated by an assembly of late granodioritic and granitic plutonic rocks.

Two regional lake sediment surveys were performed, one in 1986 by *Géologie Québec* and the other in 1997 by SIAL Geosciences Inc. These surveys revealed numerous mineralized showings in the area, including Ni-Cu-Pt-Pd showings near the property, associated primarily with the Gayot complex volcanic belts.

In 2007, a one-day reconnaissance and rock sampling visit to the property revealed blocks anomalous in Cu-Zn-Ni. The best results included 204 ppm Cu, 148 ppm Zn and 138 ppm Ni.

No exploration work is planned for 2008.

Conviac: Au, Cu, Zn

The Conviac property is located in the James Bay region of Quebec, 22 km north of the Eastmain River and about 275 km north of Chibougamau. The property consists of 441 contiguous map-designated claims covering a total area of 230.74 km². It is wholly-owned by NQ.

The property lies 85 kilometres south of Goldcorp's Eleonore deposit (NI 43-101 indicated resource of 1.83 million ounces of gold) and 65 kilometres east of Eastmain Resources Inc.'s Eau Claire deposit (NI 43-101 indicated and inferred resources of 1 million ounces of gold).

The rocks of the Conviac property belong to the Opinaca metasedimentary subprovince of the Superior geological province. The basement rocks of the region consist primarily of the Archean migmatitic paragneisses of the Laguiche Group. These rocks are cut by pre- and syn-tectonic intrusions whose composition varies from quartz diorite to quartz monzodiorite and from tonalite to granodiorite, as well as by Proterozoic diabase dikes.

In the 1970s, the Conviac property was covered by regional geochemical lake sediment surveys carried out by SDBJ. These surveys identified gold anomalies that constitute the primary feature of interest on the property.

Work carried out in 2006 and 2007 confirmed the presence of numerous gold anomalies in the till, with values of up to 509 ppb Au. The surveys also revealed significant Cu-Zn geochemical activity on the property as a whole.

The geological, geochemical and geophysical data suggests an environment favourable to the discovery of orogenic gold deposits similar to Eleonore, in an as-yet unexplored area of the Opinaca sedimentary basin.

An exploration budget of \$186,500 is proposed for the summer of 2008, for geological mapping and prospecting, as well as an airborne magnetometer survey.

Corvet Sud: Au, Cu, Zn

The Corvet Sud property lies in the James Bay region of northern Quebec, 37 km south of the La Grande River and 4.2 km southeast of Lake Corvet. The property consists of 247 contiguous map-designated claims covering a total area of 127.22 km². It is wholly-owned by NQ and is subject to a 2% NSR royalty.

The lithological assemblies of the Corvet Sud property belong to the Opinaca metasedimentary subprovince of the Superior geological province. The region is characterized by the predominance of biotite wackes and Archean biotite paragneiss belonging to the Laguiche Group.

In the 1970s, the Corvet Sud property underwent regional lake sediment geochemical surveys conducted by SDBJ. Numerous gold anomalies were identified. In 2007, a new lake sediment survey and reconnaissance prospecting with rock sampling were carried out. Preliminary results of the lake sediment survey indicate the presence of zones anomalous in Au, As-Zn, Cu-Zn-Se-As and rare earth elements.

While no showings have yet been identified within the current property boundaries, the available data suggests geological, geochemical and geophysical environments favourable to the deposition of gold deposits, in an unexplored area of the Opinaca metasedimentary basin.

An exploration budget of \$60,500 is proposed for the summer of 2008, for geological mapping and prospecting.

Duncan: Au, Ag, Cu, Zn

The Duncan project lies in the James Bay region of Quebec, about 35 km south of Radisson. It consists of 262 map-designated claims grouped into two blocks lying on either side of the James-Bay road and covering a total area of 132.27 km². The claims are wholly-owned by NQ, with some subject to a 2% NSR royalty. An application for a third block of 14 new claims has been filed with Quebec's *Ministère des Ressources naturelles et de la Faune*.

From a geological perspective, the claims blocks are located several kilometres from the sheared contact between the Bienville and La Grande subprovinces. The basement rocks of the project are characterized by sheared basalt flows, iron formations and varied, sometimes sheared intrusions of the La Grande subprovince.

The area surrounding the three blocks of the Duncan project has been extensively explored, particularly following the discovery of the Duncan Lake iron formation in 1949. Over the ensuing decade, Duncan Range Iron Mines outlined an iron deposit estimated at 1 billion tonnes (pre-NI 43-101 reserves).

In the 1970s, the regional lake sediment geochemical survey performed by SDBJ covered the three blocks and returned a number of anomalous gold, copper and silver values. A grab sample from the Duncan North showing in the NE corner of the Duncan West block returned values of 13.6 g/t Ag and 4% Cu. Percussion drilling on the D-38 Grid showing on Duncan North returned silver values of up to 40 g/t Ag over 0.30 m. In 2007, a new lake sediment geochemical survey was conducted on the West and East blocks. Preliminary results indicate the presence of a gold, arsenic and copper-zinc anomaly.

The geological, geochemical and geophysical data suggests an environment favourable to the discovery of volcanogenic copper/zinc deposits, as well as orogenic gold deposits.

An exploration budget of \$34,000 is proposed for the summer of 2008 for prospecting and geological reconnaissance work.

Eastmain: Au, Cu, Zn, Ni

The Eastmain property lies in the James Bay region of Quebec, about 250 km north of Chibougamau. The property consists of 178 contiguous map-designated claims covering a total area of 94.31 km². It is wholly-owned by NQ and is subject to a 1% NSR royalty.

The property lies 75 kilometres south of Goldcorp Inc.'s Eleonore deposit (NI 43-101 indicated resource of 1.83 million ounces of gold) and 19 kilometres east of Eastmain Resources Inc.'s Eau Claire deposit (NI 43-101 indicated and inferred resources of 1 million ounces of gold).

The property geology is dominated by mafic and felsic volcanic rocks of the Eastmain greenstone belt, hosted within the surrounding tonalitic to granitic basement rocks.

Exploration work has been carried out on the property, beginning in the 1930s by Dome Mines Ltd. Numerous gold showings were discovered in the area, and drilling was carried out in the 1970s by SEREM and more recently by Virginia Mines Inc., Diabior Exploration Inc. and Soquem Inc. A total of

33 holes were drilled, primarily in the northeastern corner of the Eastmain property. There are six known mineralized showings within the current property boundaries, namely:

SHOWING	TYPE	RESULTS
Eau Claire Sud	Hole (75-79-2)	2.3% Cu. 1.2% Zn and 19.8 g/t Ag over 0.90 m
Dome A	Hole E-95-03 Hole #2	1.32 g/t Au over 14 m 10 g/t Au over 0.9 m
Grande Allée	Grab samples	2.0% Cu. 0.54% Ni and 9.0 g/t Ag
L15	Grab sample	1.58 g/t Au
Pinocchio	Grab sample	4.39 g/t Au
Veine Island	Grab sample	2.8 g/t Au

The property is marked by a strong arsenic anomaly in the lake sediments, associated with metasedimentary and volcanic rocks. A geochemical till sampling survey carried out in 2006 outlined two areas of interest that returned gold values of 126 and 163 ppb, as well as values for elements associated with gold. These areas require more detailed sampling.

The mineral potential of the Eastmain greenstone belt is well known, and the Eastmain property shows excellent potential for the discovery of Eau Claire and Eleonore type gold deposits, as well as base metal deposits.

No exploration is planned on the Eastmain property in 2008.

Eastmain Nord: Au, Cu, Zn

The Eastmain Nord property lies in the James Bay region of Quebec, about 250 km north of Chibougamau. The property consists of 502 contiguous map-designated claims covering a total area of 264.84 km². It is wholly-owned by NQ, with 230 claims subject to a 1% NSR royalty.

The property lies 75 kilometres south of Goldcorp Inc.'s Eleonore deposit (NI 43-101 indicated resource of 1.83 million ounces of gold) and 30 kilometres east of Eastmain Resources Inc.'s Eau Claire deposit (NI 43-101 indicated and inferred resources of 1 million ounces of gold).

The property geology is dominated by mafic and felsic volcanics and intrusions of varied composition of the Eastmain greenstone belt, bordered by the surrounding tonalitic to granitic basement rocks.

The area of the Eastmain Nord property remains relatively unexplored, except for the lake sediment survey performed by SDBJ in the 1970s. This survey nevertheless identified some gold anomalies. In 2005, a reconnaissance geological survey identified copper-gold mineralization with values of up to 214 ppb Au and 0.85% Cu. The mineralization lies in metasedimentary rocks, sheared volcanic rocks and intrusives. In 2006, a till sampling survey outlined five areas of interest anomalous in gold and certain elements associated with gold. In 2007, a lake sediment survey identified zones anomalous in gold, As-Sb-Bi-In,Te, Sn and Cu-Zn.

The mineral potential of the Eastmain greenstone belt is well known, and the Eastmain Nord property shows excellent potential for the discovery of Eau Claire and Eleonore type gold deposits, as well as volcanogenic massive sulphide base metal deposits.

An exploration budget of \$220,000 is proposed for the summer of 2008, for geological mapping and prospecting, as well as an airborne magnetometer survey.

Gauchet: Au

The Gauchet property lies in the James Bay region of Quebec, 95 km southeast of Radisson. The property consists of 18 contiguous map-designated claims covering a total area of 9.29 km² and is wholly-owned by NQ.

From a geological perspective, the Gauchet property lies in the Opinaca metasedimentary subprovince of the Superior geological province. The area of the property is dominated by biotite paragneiss and Archean biotite migmatitic paragneiss belonging to the Laguiche Group.

The regional lake sediment geochemical survey conducted by SDBJ in the 1970s was the first exploration work done on the property. This survey identified several gold anomalies within the property boundaries. In 2007, a new regional lake sediment survey was performed and some ten samples were collected on the Gauchet property. Preliminary results indicated that the lake sediments on the Gauchet property cannot be used to detect metal anomalies, and these results are therefore inconclusive.

There are currently no known mineralized anomalies on the Gauchet property. The property lies within an unexplored area of the Opinaca metasedimentary basin, which hosts Goldcorp Inc.'s Eleonore gold deposit (NI 43-101 indicated resource of 1.83 million ounces of gold).

No exploration work is planned for 2008.

Jobert: Au

Given the disappointing results of previous work and the poor potential of the property for the discovery of gold showings and deposits, the Jobert property has been dropped.

Le Moyne: Au

The Le Moyne property lies 35 km south of the La Grande River in the James Bay region of Quebec. The property consists of 78 contiguous map-designated claims covering a total area of 40.12 km². It is wholly-owned by NQ and is subject to a 2% NSR royalty.

The Le Moyne property sits in the Opinaca metasedimentary sub-province of the Superior geological province. The region is dominated by the biotite wackes and Archean biotite paragneisses of the Laguiche Group. These units are injected by small granitic inclusions.

Regional surveys were conducted in the area of the property in the past, including a lake-bottom sediment survey by SDBJ in the 1970s. This survey revealed anomalous gold values that constitute the principal attraction of this property. The main work completed to date consists of a heavy mineral till survey in 2001 followed by a lake-bottom sediment geochemical survey and one day of prospecting in 2007. Preliminary interpretation of the lake sediment survey indicates the presence of an Au/As/Te/Bi/Cu-Ag anomaly.

The Le Moyne property does not currently have any known mineral anomalies. The property lies in an unexplored area of the Opinaca metasedimentary basin, which hosts Goldcorp Inc.'s Eleonore gold deposit (NI 43-101 indicated resource of 1.83 million ounces of gold).

An exploration budget of \$30,000 is proposed for the summer of 2008, for a till and heavy mineral concentrates survey and geological reconnaissance.

Morand: U-Th, Au

The Morand property lies in the James Bay region of Quebec, about 72 km west of Radisson and immediately north of the La Grande River. The property consists of 177 contiguous map-designated claims covering a total area of 89.90 km². It is wholly-owned by NQ and is subject to a 2% NSR royalty.

The geology of the property is characterized by rocks belonging to the La Grande subprovince of the Superior geological province. The lithologies identified consist mainly of granite cut by pegmatite dikes.

The regional lake-bottom sediment geochemical survey conducted by SDBJ in the 1970s identified areas anomalous in uranium, thorium and gold. Prospecting programs led to the discovery of eight uranium-thorium and gold showings. The best results were generated by a grab sample taken on a pegmatite that returned values of 5.9% U₃O₈, 5.2% Cb₂O₅ and 0.45% ThO₂. Numerous uranium-bearing pegmatites were identified, but their potential was not confirmed, despite a series of six holes drilled by SDBJ in 1980. None of the holes tested the extension of the pegmatites.

A geochemical survey consisting of 70 lake-bottom sediment samples was carried out in 2007. Preliminary interpretation once again indicates uranium, thorium and gold anomalies, but further exploration work is required to properly assess the property's potential.

An exploration budget of \$30,000 is proposed for the summer of 2008, for prospecting and geological reconnaissance work.

Pine Hill: Au

The Pine Hill property lies north of the LG-3 reservoir in the James Bay region of Quebec, about 135 km east of Radisson. The property consists of 161 contiguous map-designated claims covering a total area of 81.58 km². It is wholly-owned by NQ and is not subject to any royalties. An application for fifty-eight new claims has been filed with Quebec's *Ministère des Ressources naturelles et de la Faune*.

From a geological perspective, the property lies in the southern section of the Archean-age Bienville plutonic subprovince, about 4 km north of the contact with the La Grande subprovince. No detailed geological mapping has been done on the Pine Hill property. However, the geological units in the area tend to be essentially intrusive in nature, and composed of the quartz monzodiorite, monzonite and biotite monzodiorite of the Radisson pluton. All these units are cut by late Proterozoic diabase dikes striking NNW.

The Pine Hill property was covered by a regional lake sediment geochemical survey performed by SDBJ in the 1970s. This survey identified five significant gold anomalies within the property boundaries, including some of the strongest in the James Bay area. The results of a till survey carried out in 2006 confirmed the gold anomalies identified by SDBJ, returning values of up to 334 ppb Au.

The results indicate a very favourable context for the discovery of gold deposits.

An exploration budget of \$65,000 is proposed for the summer of 2008, for a till and heavy mineral concentrates survey, prospecting and geological reconnaissance.

Pine Hill Nord: U, Au, Mo

The Pine Hill Nord property lies to the north of the LG-3 reservoir in the James Bay region of Quebec, about 150 km east of Radisson. The property consists of 64 contiguous map-designated claims covering a total area of 32.15 km². It is wholly-owned by NQ and is subject to a 2% NSR royalty. An application for 21 new claims has been submitted to Quebec's *Ministère des Ressources naturelles et de la Faune c.*

From a geological perspective, the property lies in the southern section of the Archean-age Bienville plutonic subprovince, about 30 km north of the contact with the La Grande subprovince. The intrusive rocks in the area are the quartz monzodiorites, monzonites and biotite monzodiorites of the Radisson pluton, which make up 95% of the property. These are cut by Proterozoic diabase dikes striking NNW.

The Pine Hill Nord property remains relatively unexplored. In the 1970s, it was covered by a regional lake sediment geochemical survey performed by SDBJ. This survey identified a gold anomaly to the west of the property, which prompted the staking of the property. Detailed lake sediment sampling was performed on the property in 2007. The preliminary results of this survey revealed the presence of significant gold, uranium and molybdenum anomalies, some of which are among the strongest seen to date in the James Bay area. Work in 2008 will consist of prospecting to identify the source of these anomalies.

The Pine Hill Nord property presents a favourable geological context for the discovery of uranium-gold and molybdenum deposits.

An exploration budget of \$12,000 is proposed for the summer of 2008, for prospecting and geological reconnaissance.

Pontax: Ag, Au

The Pontax project lies in the James Bay region of Quebec, 45 km northwest of the Nemiscau airport. The project consists of 126 map-designated claims on two properties, Pontax 1 and 2, covering a total area of 66.98 km². It is wholly-owned by NQ.

The Pontax properties sit in the Opinaca metasedimentary and La Grande subprovinces of the Superior geological province. The property rocks consist essentially of granodiorite, tonalite and trondhjemite. A band of mafic metavolvanic rocks has been identified to the northwest of the project.

No detailed exploration work has been carried out within the project boundaries. The properties were acquired following the discovery of a large Ag-Zn-Cu-Au-Pb mineralized system by Sirios Resources Inc. about 5 km northwest of the project. The mineralization sits in a volcanic belt and was outlined over a length of 200 m, to a depth of 100 m and over an average width of 3.2 m, with average grades of 94 g/t Ag, 0.59% Zn, 0.18% Cu, 0.22 g/t Au and 0.11% Pb (DV 2008-01).

The potential of the Pontax project remains to be confirmed.

No exploration work is planned for 2008.

Sakami: Au, U

The Sakami project lies south of the Sakami River in the James Bay region of Quebec, about 102 km southeast of Radisson. The property consists of 151 map-designated claims grouped into three blocks covering a total area of 77.61 km². It is wholly-owned by NQ.

The Sakami property rocks belong to the Opinaca metasedimentary subprovince of the Superior geological province. The region is primarily characterized by biotite migmatites and Archean biotite paragneiss belonging to the Laguiche Group. Locally, the paragneiss contains small granitic intrusions.

Aside from regional government geological surveys, the only exploration work covering the property was the regional lake-bottom sediment geochemical survey carried out by SDBJ in the 1970s. Mapping identified uranium showings near the property that returned values of up to 425 ppm U and 1,584 ppm Th, and the lake sediment survey identified gold anomalies on two of the three Sakami project blocks.

A till survey carried out on the property in 2006 returned one gold value of interest (132 ppb Au), possibly related to the presence of gold mineralization on the property. A single day of reconnaissance prospecting took place in 2007, but failed to identify the source of the gold anomaly. Additional till sampling and intensive prospecting are required to outline the source of the gold anomaly.

The Sakami project presents favourable geological, geochemical and geophysical data for the discovery of gold showings and deposits in an unexplored area of the Opinaca metasedimentary basin. The presence of uranium and thorium showings in the vicinity of the property suggests uranium potential in the immediate area.

No exploration work is planned for 2008.

Star Lake: U, Cu, Au

The Star Lake property lies in the James Bay region of Quebec, 120 km southeast of Radisson. The property consists of 241 contiguous map-designated claims covering a total area of 124.56 km². IAMGOLD-Québec Management Inc. dropped its 50% interest and the property is now wholly-owned by NQ.

The property lies 50 km north of Goldcorp Inc.'s Eleonore project, which contains an NI 43-101 indicated resource of 1.83 million ounces of gold.

The property is part of the Opinaca metasedimentary sub-province of the Superior geological province. The region is dominated by the biotite migmatites and Archean biotite paragneiss of the Laguiche Group. Small granitic inclusions are seen in the paragneiss.

Regional exploration work included a lake-bottom sediment survey by SDBJ and an airborne radiometric survey and intensive prospecting for uranium by the SES consortium in the 1970s on the Star Lake property. SES discovered the Marjolet uranium showing in a pegmatite in the center-south of the property, which returned values of 0.18% U₃O₈ and 0.072% ThO₂. The lake-bottom sediments also returned numerous significant gold values.

In 2005, a new lake sediment sampling survey identified a large zone anomalous in gold and uranium in the centre of the property, and an anomalous gold zone to the west. A prospecting program conducted in the summer of 2005 returned one anomalous gold value (118 ppb) in a grab sample. A till sampling and heavy mineral concentrate survey carried out in 2006 again identified several gold and uranium anomalies of interest, including two gold values of 242 and 171 ppb Au in the heavy fraction of the till. In 2007, a till sampling survey and prospecting program confirmed the property's uranium potential and revealed copper potential, with the discovery of paragneiss anomalous in copper.

The geological, geochemical and geophysical data for the Star Lake property indicates a favourable context for the discovery of gold and uranium deposits in an unexplored area of the Opinaca metasedimentary basin, host of Goldcorp Inc.'s Eleonore gold deposit.

An exploration budget of \$35,000 is proposed for the summer of 2008, for prospecting and geological reconnaissance.

Wapamisk: Au

The Wapamisk property lies in the James Bay region of Quebec, about 305 km north of Matagami and 20 km east of the Opinaca reservoir. The property consists of 65 contiguous map-designated claims covering a total area of 34.19 km², and is wholly-owned by NQ.

The property lies 38 km south of Goldcorp Inc.'s Eleonore project (NI 43-101 indicated resource of 1.83 million ounces of gold) and 30 km northwest of Eastmain Resources Inc.'s Eau Claire deposit (NI 43-101 indicated and inferred resources of 1 million ounces of gold).

The rocks of the Wapamisk property belong to the La Grande subprovince of the Superior geological province. The region is characterized by the Archean felsic intrusive rocks of the Uskawasis and Wapamisk plutons. The rocks on the property consist primarily of intrusives varying in composition from tonalite to pegmatite and granodiorite, cut by groups of pegmatite-aplite dikes.

The only exploration work carried out on the property to date consists of regional lake-bottom sediment geochemical surveys performed by SDBJ in the 1970s and by Everton Resources in 2006. These surveys identified gold anomalies on the Wapamisk property that have not yet been explored in detail.

The Eastmain greenstone belt is known to host Eau Claire and Eleonore type gold deposits as well as volcanogenic Cu-Zn showings. The presence of Au-Ag geochemical anomalies on the Wapamisk property indicates potential for the discovery of Au-Ag mineralization.

No exploration work is planned for 2008.

RESULTS OF OPERATION

NQ anticipates that, for the foreseeable future, quarterly results of operations will be impacted by various factors, including the timing of exploration and the efforts and level of expenditures devoted to the Company's development. Due to fluctuations in these factors, the Company believes that period-to-period comparisons of its operating results cannot provide a clear, accurate picture of its future performance.

The following discussion constitutes an analysis of the operating results for the six-month period ended May 31, 2008. The selected financial information shown below is derived from the unaudited interim financial statements for the periods indicated.

FINANCIAL HIGHLIGHTS

	May 31, 2008 (3 months)	May 31, 2008 (6 months)
	\$	\$
Revenues	6,308	11,683
General administrative expenses and salaries	73,077	86,884
Listing, registrar and shareholder communications	24,556	32,556
Professional fees	25,682	54,503
Stock-based compensation	261,770	261,770
Depreciation of property, plant and equipment	1,859	1,859
Loss on disposal of mining properties	12,158	12,158
Writedown of mining properties	18,498	18,498
Net loss	(411,292)	(456,545)
Cash and cash equivalents	1,122,623	1,122,623

Revenues

Revenues of \$11,683 for the six months ended May 31, 2008, consisted of interest income.

General Administrative Expenses and Salaries

General administrative expenses and salaries for the six-month period ended May 31, 2008 consisted primarily of office expenses, travel and entertainment, salaries and expenses incurred to rent office space in Rouyn-Noranda.

Listing, Registrar and Shareholder Communications

Listing, registrar and shareholder communication expenses for the six-month period ended May 31, 2008 consisted mainly of legal and regulatory expenses incurred to comply with the requirements of the financial market regulatory authorities.

Professional Fees

Professional fees for the six-month period ended May 31, 2008 consisted mainly of legal and accounting, auditing and management expenses.

Stock-Based Compensation

Stock-based compensation of \$261,770 for the six-month period ended May 31, 2008 represents the charge related to the amortization of the value of the 1,475,000 options granted during the period.

Writedown of Mining Properties

During the six-month period ended May 31, 2008, the Company recognized a writedown of \$18,498 in relation to one mining property and deferred exploration expenditures following the exercise of a right of first refusal by Temoris Resources Inc.

SUMMARY OF QUARTERLY RESULTS

The selected quarterly results shown below are derived from NQ's unaudited interim financial statements for each of the three quarters:

In thousands of \$ except per share amounts	May 31, 2008	Feb 28, 2008	Nov 30, 2007
Revenues	6	5	-
Net loss	411	45	4
Basic and diluted net loss per share	\$0.02	\$0.00	\$0.00

LIQUIDITY AND CAPITAL RESOURCES

At May 31, 2008, cash and cash equivalents stood at \$1,122,623 compared to \$30,000 at November 30, 2007. It is management's intention to continue to secure further capital funding to support actual and future mining property development in the form of equity.

Management is of the opinion that, even without its capacity to continue to raise equity financing in the future, the Company will be able to maintain the status of its current exploration obligations and to keep its properties in good standing for the next 12 months. Advanced exploration of some of the mineral properties would require substantially more financial resources. During the six-month period ended May 31, 2008, the Company was able to raise financing in public or private equity offerings. There is no assurance that such financing will be available when required, or under terms favourable to NQ. The Company may also select to advance the exploration and development of mineral properties through joint-venture participation.

CASH FLOWS

	May 31, 2008 (3 months)	May 31, 2008 (6 months)
	\$	\$
Operating activities	(136,857)	(173,918)
Financing activities	(76,900)	(80,290)
Investing activities	359,773	1,346,831
	146,016	1,092,623
Cash and cash equivalents	1,122,623	1,122,623

Cash flow used in operating activities during the six-month period ended May 31, 2008 was primarily spent on improving operations and promoting the Company.

During the six-month period ended May 31, 2008, investing activities consisted primarily of exploration work on the Gand I, Castle, Pine Hill and Morand properties.

The Company's primary financing activities during the six-month period ended May 31, 2008, were as follows:

In November 2007, the Company issued 16,000,000 common shares at \$0.10 per share for total proceeds of \$1,600,000 in consideration of undivided interest in mining properties.

In December 2007, the Company received \$202,500 from the issuance of 1,350,000 common shares pursuant to a private placement.

In December 2007, the Company received \$969,000 from the issuance of 872,100 common shares and 3,178,320 flow-through shares pursuant to a private placement.

In April 2008, the Company received \$400,000 from the issuance of 2,000,000 common shares and 1,000,000 warrants pursuant to an initial public offering.

RELATED-PARTY TRANSACTIONS

During the period, the Company acquired computer equipment worth \$5,527 from a company belonging to the president.

This agreement was entered into in the normal course of business at fair market value, being the value established and agreed to by the parties.

SUBSEQUENT EVENTS

In June 2008, the Company closed a private placement, issuing 655,000 shares at \$0.20 per share and 327,500 warrants for total proceeds of \$131,000. The warrants are exercisable at \$0.25 until June 2009.

In July 2008, the Company also closed a private placement, issuing 500,000 shares at \$0.20 per share and 500,000 warrants for total proceeds of \$100,000. The warrants are exercisable at \$0.25 until July 2009.

ACCOUNTING POLICIES AND ESTIMATES

Please refer to the corresponding section in our annual MD&A to November 30, 2007 for a complete description of our accounting policies and estimates. For the six-month period ended May 31, 2008, NQ made the following changes to its accounting policies and estimates:

Financial Instruments and Capital Disclosures

On December 1, 2007, the Company adopted the new sections issued by the Canadian Institute of Chartered Accountants regarding "Financial Instruments - Disclosure", "Financial Instruments - Presentation" and "Capital Disclosures". These new standards only apply to disclosures and presentation, and do not affect the Company's financial results. These new standards are discussed in Note 3 of the notes to the interim financial statements.

Adoption of these standards did not affect the Company's results or financial statements.

EFFECTIVENESS OF INTERNAL DISCLOSURE CONTROLS

The President and Chief Financial Officer have assessed the effectiveness of the Company's internal disclosure controls and procedures as at May 31, 2008, and have concluded that they provide reasonable assurance that material information relating to the Company would be made known to them by personnel, particularly during the period in which this MD&A was being prepared.

CERTIFICATION OF INTERIM FILINGS

The President and Chief Financial Officer have signed the Certifications of Interim Filings as required by Multilateral Instrument 52-109, thus confirming that they have assessed the effectiveness of the disclosure controls and procedures as at the end of the period covered by the interim filings.

OTHER REQUIREMENTS OF THE MD&A

The financial data in the following table is derived from the unaudited interim financial statements for the periods indicated.

	May 31, 2008 (3 months)	May 31, 2008 (6 months)
	\$	\$
Balance, beginning of period	1,603,390	1,600,000
Plus:		
Report preparation	44,127	44,127
Consultant	1,908	1,908
Geology, geophysics and prospecting	690	690
Renewal of claims and permits	20,863	24,253
General exploration expenses	19	19
	67,607	70,997
Balance before deductions	1,670,997	1,670,997
Writedown	18,498	18,498
Right of first refusal	17,408	17,408
	35,906	35,906
Balance, end of period	1,635,091	1,635,091

The following selected financial information is derived from our unaudited financial statements.

DISCLOSURE OF OUTSTANDING SECURITIES (as at July 7, 2008)

Shares outstanding: 24,000,420

Options outstanding: 1,475,000

Average strike price: \$0.24

<u>Expiry</u>	<u>Number of Shares</u>	<u>Exercise Price</u>
		\$
March 2013	200,000	0.20
May 2013	1,275,000	0.25
	<u>1,475,000</u>	

Warrants outstanding: 1,443,025

Average exercise price: \$0.20

<u>Expiry</u>	<u>Number of Shares</u>	<u>Exercise Price</u>
		\$
December 2008	243,025	0.20
April 2009	1,200,000	0.20
	<u>1,443,025</u>	

RISKS AND UNCERTAINTIES

NQ is subject to a variety of risks, some of which are described below. If any of the following risks occur, the Company's business, results of operations or financial condition could be adversely affected in a material manner.

Mining Exploration. Mining exploration involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, there are no known bodies of commercial ore on the mineral properties of which the Company owns an interest and the proposed exploration program is an exploratory search for ore. Unusual or unexpected formations, fires, power outages, labour disputes, floods, subsidence and the inability to locate the appropriate or adequate manpower, machinery or equipment are all risks associated with the execution of exploration programs. The Company supplements its internal exploration and mining expertise with advice from consultants or others from time to time, as required. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There is no underground or surface infrastructure on the Company's mineral properties, nor any known body of commercial ore. Programs conducted on the Company's mineral property would be an exploratory search for ore.

Property Titles. While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers, native or government land claims or regulatory non-compliance.

Permits and Licenses. The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all the licenses and permits required for the purposes of exploration, development and mining on its properties.

Metals Prices. Even if the Company's exploration programs are successful, factors beyond the Company's control may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and global production. The effect of these factors cannot accurately be predicted.

Competition. The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

Environmental Regulations. The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and greater penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of complying with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

Conflicts of Interest. Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Development Stage. The Company's properties are in the exploration stage and to date none of them have a proven ore body. The Company does not have a history of earnings or providing a return on investment, and there can be no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

Industry Conditions. Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The effect of these factors cannot be accurately determined.

Uninsured Hazards. Exploration and development of mineral deposits involves hazards such as unusual geological conditions. The Company may become subject to liability for pollution or other hazards which cannot be insured against or against which the Company may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in the loss of Company's assets or its insolvency.

Future Financing. Completion of future programs may require additional financing, which may dilute the interests of existing shareholders.

Key Employees. Management of the Company rests on a few key officers and members of the Board of Directors, the loss of any of whom could have a detrimental effect on its operations.

Canada Customs and Revenue Agency. There can be no assurance that Canada Customs and Revenue Agency will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses or the eligibility of such expenses as Canadian exploration expenses under the *Income Tax Act* (Canada).