



NQ EXPLORATION INC.

(A development-stage company)

MANAGEMENT DISCUSSION AND ANALYSIS

For the nine-month period ended August 31, 2008

(Third 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 nine-month period ended August 31, 2008, as well as its financial condition and future prospects. It complements the unaudited interim financial statements for the nine-month period ended August 31, 2008, but does not form part of them. It should therefore be read in conjunction with the unaudited interim financial statements at August 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 August 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 October 9th, 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. The Company is engaged in the acquisition, exploration and development of mining properties. NQ 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. Exploration expenses for the period totalled \$719,765.

PROPERTIES

JAMES BAY SOUTH PROPERTIES

During the period covered by this MD&A, Agnico-Eagle Mines Ltd. and Temoris Resources Inc.⁽¹⁾ exercised their right of first refusal on the Vezza property. Pursuant to the agreement with James Bay Development Corporation ("SDBJ"), NQ received \$13,256 from Agnico-Eagle Mines Ltd. and no longer holds an interest in the property.

Through tripartite discussions with SDBJ and BHP Billiton, NQ also acquired a 100% interest in the Carheil property during the period, with SDBJ transferring its 5.26% interest and NQ acquiring the remaining 94.74% interest from Rio Algom Ltd., a subsidiary of BHP Billiton, in consideration of \$10,000. The Carheil property is not subject to any royalties.

Table 1 summarizes the status of the properties acquired from SDBJ as at the end of the period covered by this MD&A.

Property	SDBJ Interest	NQ Interest	Partner Interest	Right of First Refusal
Gand I		100%		None
Carheil		100%	BHP-Billiton Ltd.: 94.74%	NQ acquired BHP-Billiton's 94.74% interest in consideration of a \$10,000 payment
Rapides-des-Cèdres		12.5% (non-contributing)	Exploration minière H. Blondeau ltée: 87.5%	Interest transferred to NQ
Themines N ⁽²⁾		5% (non-contributing)	Maudore Minerals Ltd.: 95%	No interest transferred to NQ
Opawica	24.4%		Kinross Gold Corporation: 38.6% Inmet Mining Corporation: 37.0%	Under discussion
Vezza	0%	0%	Agnico-Eagle Mines Ltd.: 87.5%	Exercised NQ received \$13,256

(1) On September 9, 2008, Temoris Resources Inc. changed its name to Glen Eagle Resources Inc.

(2) Newmont Mining Corporation holds a 1.5% NSR royalty and a 51% right of reversion.

Table 1: Status of properties acquired from SDBJ as at the end of the period covered by this MD&A

GAND I Property: Au

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 until 2009. No exploration work was carried out on the property during the period covered by this MD&A.

Carheil Property: 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. Exploration expenses for the period covered by this MD&A totalled \$56,215.

As mentioned above, NQ acquired a 100% interest in the Carheil through the transfer of SDBJ's 5.26% interest and the purchase of the 94.74% interest held by Rio Algom Ltd., a subsidiary of BHP Billiton. The Carheil property is not subject to any royalties. NQ also staked 24 new claims during the period, and the Carheil property now consists of 33 contiguous claims covering approximately 5.25 km².

In August 2008, NQ undertook linecutting and a ground electromagnetic survey on the Carheil property. The InfiniTEM survey carried out by Abitibi Géophysique identified four EM conductors. Conductor C-02 extended the favourable zone located in Hole BR-76-02 (0.43% Cu over 2.44 m) by 600 metres toward the east. Conductor C-03 is a new conductor that has not yet been drilled. Conductors C-01 and C-04 confirmed the strike and 55° southerly dip of the geological units.

Work on locating and compiling the old drill holes is currently underway in preparation for a diamond drilling program.

Rapides-des-Cèdres Property: Au

The Rapides-des-Cèdres property consists of 156 contiguous claims covering 30.33 km² in Laas, Tonnacour and Quévillon townships. The centre of the property lies 8.5 km southwest of Lebel-sur-Quévillon. Exploration minière H. Blondeau Itée holds an 87.5% interest in the Rapides-des-Cèdres property and is the project operator. The property is not subject to any royalties.

No exploration work was carried out on the property during the period covered by this MD&A.

JAMES BAY NORTH PROPERTIES

Since the last quarter, the Conviac, Corvet Sud, Eastmain and Eastmain Nord properties represent distinct projects, with each corresponding to a *mineral project on a material property* for the Company as defined in National Instrument 43-101 on disclosure for mineral projects.

Aylmer Property: 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.

Exploration expenses for the period covered by this MD&A totalled \$12,086. In July 2008, one day of reconnaissance work was done on four of the five blocks of the Aylmer property. Seventeen grab samples were taken and assayed for economic minerals, and four for lithogeochemistry. A new copper-gold showing was discovered on Block #1 to the north, where a grab sample on a volcanogenic massive sulphide zone returned values of **4.8% Cu and 1.36 g/t Au**. On Block #5 to the west, old gold showing "2308-27" was located, and a new grab sample returned **1.13 g/t Au and 9.2 g/t Ag**, confirming the presence of gold and silver mineralization.

On Block #1, we also located some of the old diamond drill holes, and compilation work on the holes on the block was undertaken in late August. A crew returned to the area in early September to carry out detailed prospecting work.

Candlestick Property: 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.

Exploration expenses for the period covered by this MD&A totalled \$17,883. A till and heavy mineral concentrate sampling survey was performed in June 2008. NQ is awaiting the results of twenty-four samples collected, prepared and shipped to the laboratory for analysis.

Castle Property: 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 Caniapiscou 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.

No exploration work was carried out on the property during the period covered by this MD&A.

Conviac Property: 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.

Exploration expenses for the period covered by this MD&A totalled \$165,248. In June 2008, an airborne magnetometry survey was carried out on the entire property, followed by geological mapping and prospecting on the areas of interest in August. Results and reports are pending.

Corvet Sud Property: 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.

Exploration expenses for the period covered by this MD&A totalled \$48,841. In June 2008, a four-person crew performed geological mapping and prospecting on the Corvet Sud property over a seven-day period. Results and reports are pending.

Duncan Property: Au, Ag, Cu, Zn

The Duncan project lies in the James Bay region of Quebec, about 35 km south of Radisson. In July 2008, 94 new map-designated claims were acquired. The project now totals 370 map-designated claims grouped into two blocks lying on either side of the James-Bay road and covering a total area of 187.56 km². The claims are wholly-owned by NQ, with some subject to a 2% NSR royalty.

Exploration expenses for the period covered by this MD&A totalled \$55,309. In July 2008, NQ carried out prospecting and geological reconnaissance on the Duncan property. The purpose of the prospecting work was to find the source of the airborne INPUT electromagnetic anomalies identified in 1979-80 but on which little or no prospecting had been done. A total of 191 grab samples were collected and assayed for economic minerals, and 14 samples were collected for lithochemical analysis. The work identified two new gold showings, one zinc showing and eight kilometric-sized areas anomalous in gold and base metals. Table 2 shows the best grab sample results.

Sample	Lithology	Au g/t	Ag g/t	Cu ppm	Zn ppm
69608	Sericite and carbonate schist	3.45	1.40	tr*	381
69699	Quartz vein	3.32	0.50	15	26
69690	Felsic tuff	tr	0.40	2,183	249
69645	Mineralized pillowed breccia	tr	0.65	1,560	421
69598	Iron oxide and chert formation	tr	-0.20	1,282	128
69729	Iron oxide and chert formation	tr	0.90	1,029	107
69542	Gossan	tr	0.20	1,012	54
69680	Graphitic argillite	tr	3.40	930	11,500
69740	Iron oxide and chert formation	tr	0.20	815	3,973
69741	Iron oxide and chert formation	tr	0.30	948	3,412
69720	Iron oxide and chert formation	0.024	0.30	304	3,171
* tr = trace					

Table 2: Summer 2008 sampling results for the Duncan property.

All the zones and showings are geologically associated with INPUT anomalies and the presence of numerous zinc and copper anomalies in the lake bottom sediments glacially downstream from the showings. As of the date hereof, prospecting crews were in the field in the vicinity of the new discoveries.

Eastmain Property: 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.

No field exploration work was carried out in the summer of 2008 on the Eastmain property.

Eastmain Nord Property: 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. At the end of August 2008, a request for 11 new map-designated claims was pending with the *Ministère des Ressources naturelles et de la Faune du Québec*.

Exploration expenses for the period covered by this MD&A totalled \$201,183. An airborne magnetometer survey was carried out on the entire Eastmain Nord property in July 2008, followed by geological mapping and prospecting by a four-person crew over a two-week period in August. The results and reports were still pending as at the date of this MD&A.

Gauchet Property: 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.

No exploration work was carried out on the property during the period covered by this MD&A.



Le Moyne Property: 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.

Exploration expenses for the period covered by this MD&A totalled \$31,102. Summer 2008 work consisted of a till and heavy mineral concentrate survey, geological mapping and reconnaissance prospecting. A total of 24 till samples were collected and sent to the laboratory for analysis. Seven samples taken during reconnaissance geology and prospecting were analyzed for economic minerals. No mineralized showings were identified, and the till assay results are still pending.

Morand Property: 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.

Exploration expenses for the period covered by this MD&A totalled \$17,978. In July 2008, NQ conducted two days of prospecting to locate the uranium and thorium showings discovered in the early 1980s. All the showings were located, resampled and assessed. A total of 22 samples were collected and analysed for economic minerals, including uranium and thorium. The uranium-thorium showings are associated with metric-sized pegmatite dykes characterized by readings ranging from 1,000 to 6,000 counts per second (Radiation Solution RS-120). The best results were from showing "D-1", which returned values of **1,300 ppm U and 490 ppm Th** in a grab sample.

Pine Hill Property: 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 219 contiguous map-designated claims covering a total area of 110.96 km². It is wholly-owned by NQ and is not subject to any royalties.

Exploration expenses for the period covered by this MD&A totalled \$32,150. Work done in the summer of 2008 consisted of a till and heavy mineral concentrate survey, geological mapping and reconnaissance prospecting. A total of 32 till samples were collected and sent to the laboratory for analysis. Thirteen samples were collected during geological reconnaissance and prospecting, and assayed for economic minerals. No mineralized showings were discovered, and the till and concentrate analyses are still pending.

Pine Hill Nord Property: 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 98 contiguous map-designated claims covering a total area of 49.19 km². It is wholly-owned by NQ and is subject to a 2% NSR royalty.

Exploration expenses for the period covered by this MD&A totalled \$37,740. Geological mapping and reconnaissance prospecting was carried out in the summer of 2008. The work resulted in the discovery of a pegmatite field characterized by readings of up to 1,250 counts per second (Radiation Solution RS-120). Prospecting work failed to identify the source of large molybdenum and rare earth anomalies in the lake bottom sediments, as the entire area of greatest potential is covered by large glacial deposits. A total of 37 samples were collected and analysed for economic minerals, but no mineralized showings were discovered. However, the work done in the summer of 2008 showed that the geological

context of the Pine Hill Nord property is favourable for the discovery of uranium and molybdenum deposits. Preparations are presently underway for a helicopter-borne magnetometer-radiometry survey.

Pontax Property: 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.

No exploration work was carried out on the property during the period covered by this MD&A.

Sakami Property: 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.

No exploration work was carried out on the property during the period covered by this MD&A.

Star Lake Property: 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. The property is wholly-owned by NQ and is not subject to any royalty. An application for six new map-designated claims has been filed with the *Ministère des Ressources naturelles et de la Faune du Québec*.

Exploration expenses for the period covered by this MD&A totalled \$29,546. Two days of geological reconnaissance and prospecting were carried out in the summer of 2008, with the goal of finding the source of uranium anomalies identified by lake bottom sediment and till surveys carried out in 2005 and 2006. This work revealed five uranium-bearing pegmatite fields ranging from 500 to 3,000 metres long by 200 to 400 metres wide, spread over a distance of 10 km. The pegmatites are characterized by readings of 1,000 to 17,000 counts per second (Radiation Solution RS-120). A total of 36 samples were taken and analysed for economic minerals, including uranium and thorium. The pegmatite samples taken in 2008 returned uranium and thorium values of up to **325 ppm U and 1,310 ppm Th**.

In early September, crews will begin detailed prospecting work to better define the potential of these pegmatite fields. Preparations are underway for a helicopter-borne magnetometer-radiometry survey.

Wapamisk Property: 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.

No exploration work was carried out on the property during the period covered by this MD&A.

You can visit our Web site for further information on all our properties www.nqexploration.com.

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, NQ 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 nine-month period ended August 31, 2008. The selected financial information shown below is derived from the unaudited interim financial statements for the periods indicated.

FINANCIAL HIGHLIGHTS

	August 31, 2008	August 31, 2008
	(3 months)	(9 months)
	\$	\$
Revenues	6,050	17,733
General administrative expenses and salaries	18,380	105,264
Listing, registrar and shareholder communications	31	32,587
Professional fees	29,405	83,908
Stock-based compensation	-	261,770
Depreciation of property, plant and equipment	(432)	1,427
Loss on disposal of mining properties	(2,552)	9,606
Writedown of deferred exploration expenses and a mining properties		18,498
Net loss	(38,782)	(495,327)
Cash and cash equivalents	825,646	825,646

Revenues

Revenues of \$17,773 for the nine months ended August 31, 2008, consisted of interest income.

General Administrative Expenses and Salaries

General administrative expenses and salaries for the nine-month period ended August 31, 2008, consisted primarily of office expenses, travel and entertainment, salaries, and expenses incurred to rent office space in Rouyn-Noranda. The Company noticed that the salary expense attributable to exploration expenses had not been capitalized, and the situation was corrected. Consequently, salary expenses were reduced by an amount of \$20,419.

Listing, Registrar and Shareholder Communications

Listing, registrar and shareholder communication expenses for the nine-month period ended August 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 nine-month period ended August 31, 2008, consisted mainly of legal and accounting, auditing and management expenses. We noticed that an amount of \$21,500 was recognized under professional fees but should have been included in share issue expenses; this was corrected during the current quarter.

Stock-Based Compensation

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

Writedown of Deferred Exploration Expenses and a Mining Properties

During the nine-month period ended August 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 last four quarters:

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

LIQUIDITY AND CAPITAL RESOURCES

At August 31, 2008, cash and cash equivalents stood at \$825,646 compared to \$30,000 at November 30, 2007. It is management's intention to continue to secure further capital funding in the form of equity to support present and future mining property development.

Management is of the opinion that, regardless of its capacity to raise additional equity financing in the future, the Company is able to maintain the status of its current exploration obligations and 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 nine-month period ended August 31, 2008, the Company was able to raise financing through public and private equity offerings. There can be no assurance that such financing will be available when required, or under terms favourable to NQ. The Company may also elect to pursue exploration and development of its mineral properties through joint venture arrangements.

CASH FLOWS

	August 31, 2008 (3 months)	August 31, 2008 (9 months)
Operating activities	\$184,615	\$ 10,696
Financing activities	(717,288)	(797,578)
Investing activities	235,696	1,582,582
	\$(296,977)	795,646
Cash and cash equivalents	\$825,646	\$825,646

Cash flow used in operating activities during the nine-month period ended August 31, 2008 was primarily spent on sound management and promotion of the Company.

During the nine-month period ended August 31, 2008, investing activities consisted primarily of exploration work to develop the Carheil, Aylmer, Candlestick, Conviac, Corvet Sud, Duncan, Eastmain Nord, Le Moyne, Morand, Star Lake et Pine Hill et Pine Hill Nord.

The Company's financing activities during the nine-month period ended August 31, 2008, consisted primarily of the following:

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.

In June 2008, the Company received \$40,000 pursuant to the exercise of 200,000 warrants.

In June 2008, the Company received \$131,000 in consideration of the issuance of 655,000 common shares and 327,500 warrants pursuant to a private placement.

In July 2008, the Company received \$100,000 in consideration of the issuance of 500,000 common shares and 250,000 warrants pursuant to a private placement.

ACCOUNTING POLICIES AND ESTIMATES

Please refer to the corresponding section in our annual MD&A to November 30, 2007, and the interim financial statements at August 31, 2008, for a complete description of our accounting policies and estimates.

Comprehensive Income, Shareholders' Equity and Financial Instruments

Effective December 1, 2007, the Company adopted the new accounting standards 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 August 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.

MINING PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

	August 31, 2008 (3 months)	August 31, 2008 (9 months)
	\$	\$
Balance, beginning of period	1,635,091	1,600,000
Plus:		
Mining properties	10,000	10,000
Analysis	22,108	22,108
Consultant	4,900	21,574
Line cuttin	11,975	11,975
Claims	32,642	55,315
Geophysics	190,004	190,694
Geology	452,481	479,506
Geochemistry	1,400	5,335
Stacking	4,255	4,255
	<u>729,765</u>	<u>800,762</u>
Balance before deductions	2,364,856	2,400,762
Writedown	-	18,498
Right of first refusal	10,705	28,113
	<u>10,705</u>	<u>216,611</u>
Balance, end of period	<u><u>2,354,151</u></u>	<u><u>2,354,151</u></u>

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

DISCLOSURE OF OUTSTANDING SECURITIES (as at October 1, 2008)

Shares outstanding:	23,355,420	
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:	1,820,525	
Average exercise price:		\$0.22
<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
June 2009	327,500	0.25
July 2009	250,000	0.25
	<u>1,820,525</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

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).

SUBSEQUENT EVENTS

On October 7, 2008, the Company close a \$400,00 private placement and issued 2,000,000 Units at a price of \$0,20 per unit. Each unit is comprised of one flow-through common share and one-half of a non-flow-through warrant. Each whole warrant entitled the subscriber to purchase an additional common share at an exercise price of \$0.35 for the next first twelve months. The hold period on the shares expires February 7, 2009.