



NQ EXPLORATION INC.

(An exploration company)

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended November 30, 2008

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.

The MD&A is a narrative explanation, through the eyes of management of NQ, of how the Company performed during the year ended November 30, 2008 and of the Company's financial condition and future prospects. This discussion and analysis complements the audited financial statements for the year ended November 30, 2008, but does not form part of them. Therefore, this discussion and analysis should be read in conjunction with the audited financial statements as at November 30, 2008, and notes thereto. The audited financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). This discussion and analysis provides a review of the Company's performance for the year ended November 30, 2008. This review was performed by management with information available as at the date of this MD&A.

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 March 20, 2009.

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 analysis, the Company carried out compilation and exploration work on its mining properties. Exploration expenses of \$1,056,744 were incurred during the year ended November 30, 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTIES

When it was formed, NQ Exploration Inc. acquired a 100% interest in 19 mining properties belonging to James Bay Development Corporation (“SDBJ”) and 18 properties belonging to Everton Resources Inc. (“Everton”). NQ became the operator of these properties.

At the same time, NQ acquired SDBJ's minority interest in six other properties, as well as a 2% net smelter return (“NSR”) royalty on a last property.

The acquisition terms are summarized in the following paragraphs.

Properties Acquired from James Bay Development Corporation

On November 26, 2007, the Company signed an acquisition agreement with SDBJ, as amended on December 13, 2007, pursuant to which the Company acquired SDBJ's interests in the Barry II, Carheil, Gand I, Opawica, Rapide-des-Cèdres, Themines N and Vezza exploration properties, as well a 2% NSR royalty on the Chantal property. The acquisition was paid for by the issuance of 4,000,000 common shares of the Company to SDBJ at a deemed price of \$0.10 per share.

All of SDBJ's 100% interest in the Gand I property and 5% interest in the Themines N property were transferred to NQ.

The Barry II, Carheil, Rapide-des-Cèdres, Opawica and Vezza properties were subject to rights of first refusal held by various partners.

Following tripartite discussions with SDBJ and BHP Billiton, the Company acquired a 100% interest in the Carheil property in May and June 2008, with the transfer of all of SDBJ's 5.26% interest and NQ's acquisition of the 94.74% interest held by Rio Algom Ltd., a subsidiary of BHP Billiton, in consideration of \$10,000. NQ now owns a 100% interest in the Carheil property, which is not subject to any royalty.

In the spring of 2008, Exploration minière H. Blondeau Ltd declined to exercise its right of first refusal on the Rapides-des-Cèdres property, and all of the SDBJ's non-contributing 12.5% interest was transferred to NQ.

Also in the spring of 2008, Agnico-Eagle Mines Ltd. and Temoris Resources Inc. (now Glen Eagle Resources Inc.) exercised their respective rights of first refusal on the Vezza and Barry II properties. In accordance with the SDBJ agreement, NQ received \$13,257 from Agnico-Eagle Mines Ltd., and no longer owns any interest in the Vezza property. NQ also received 50,000 common shares from Temoris Resources Inc. and a 0.5% NSR royalty in the Barry II property, with half the royalty redeemable for \$250,000.

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Table 1 summarizes the status of the properties acquired from SDBJ as of November 30, 2008.

Property	SDBJ Interest	NQ Interest	Partner Interest	Remarks
Gand I	0%	100%	None	
Carheil	0%	100%	None	NQ acquired BHP-Billiton's 94.74% interest in consideration of a \$10,000 payment
Rapides-des-Cèdres	0%	12.5% (non-contributing)	Exploration minière H. Blondeau Ltd.: 87.5%	Exploration minière H. Blondeau Ltd did not exercise its right of first refusal
Themines N ⁽¹⁾	0%	5% (non-contributing)	Maudore Minerals Ltd.: 95%	
Opawica		24.4%	Kinross Gold Corporation: 38.6% Inmet Mining Corporation: 37.0%	
Barry II	0%	0%	Temoris Resources Inc. ⁽²⁾ : 72.35% Globestar Mining Corporation: 15.15%	NQ received 50,000 common shares and a 0.5% NSR royalty
Veza	0%	0%	Agnico-Eagle Mines Ltd.: 87.5%	NQ received \$13,257
<p>(1) Newmont Mining Corporation holds a 1.5% NSR royalty and a 51% right of reversion. (2) On September 9, 2008, Temoris Resources Inc. changed its name to Glen Eagle Resources Inc.</p>				

Table 1: Status of the properties acquired from SDBJ as at November 30, 2008.

Properties Acquired from Everton Resources Inc.

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 18 mining exploration properties (grouped under the name "James Bay North"): Aylmer, Candlestick, Castle, Conviac, Corvet South, Duncan, Eastmain, Eastmain North, Gauchet, Jobert, Le Moyne, Morand, Pine Hill, Pine Hill North, Pontax 1 and 2, Sakami, Star Lake and Wapamisk, in consideration of the issuance of 12,000,000 common shares of the Company at \$0.10 per share.

PROPERTY HOLDINGS AS AT NOVEMBER 30, 2008

On November 30, 2008, following the exercise of rights of first refusal and the acquisition of the Carheil property, NQ held a 100% interest in and was operator on **12 properties totalling 2,381 claims covering an area of 1,193.12 km²** (Table 2). During the period, as part of a rationalization program, the Company dropped the Castle, Corvet South, Eastmain, Gauchet, Jobert, Pontax 1 and 2, Sakami and Wapamisk properties, and modified various other properties by adding or dropping claims.

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Property	November 30, 2007		November 30, 2008			
	Claims	Area (km ²)	Claims dropped	Claims added	Claims	Area (km ²)
Carheil	9	1.44		23	32	5.12
Gand 1	76	12.08			76	12.08
Aylmer	28	14.75			28	14.75
Candlestick	110	57.00			110	57.00
Castle	963	469.36	963		0	0
Conviac	441	231.83			441	231.83
Corvet South	247	127.22	247		0	0
Duncan	262	132.27		108	370	187.60
Eastmain	178	94.31	178		0	0
Eastmain North	502	264.85		16	518	273.30
Gauchet	18	9.29	18		0	0
Jobert	58	29.30	58		0	0
Le Moyne	78	40.12			78	40.12
Morand	177	89.85			177	89.85
Pine Hill	161	81.58		58	219	110.96
Pine Hill North	77	38.81		8	85	42.85
Pontax 1 and 2	126	66.98	126		0	0
Sakami	151	77.62	151		0	0
Star Lake	241	124.56		6	247	127.66
Wapamisk	65	34.20	65		0	0
TOTAL SDBJ	85	13.52	0	23	108	17.20
TOTAL EVERTON	3,883	1,983.90	1,806	196	2 273	1,175.92
TOTAL NQ PROPERTIES	3,968	1,997.42	1,806	219	2 381	1,193.12

Table 2: Exploration properties owned by NQ Exploration Inc.

James Bay South Sector

The James Bay South sector essentially consists of the Gand 1 and Carheil properties acquired from SDBJ.

Gand I Property: Au

The Gand I property lies in the James Bay region, about 25 km northeast of Desmaraisville in the Chibougamau mining district. It consists of 76 contiguous claims in Gand and Lespérance townships covering a total area of 12.55 km². The property is wholly-owned by NQ.

No exploration work was carried out on the property in 2008.

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Carheil Property: Cu-Zn-Au-Ag

The Carheil property lies in Brouillan Township in the James Bay region of Quebec, about 120 km north of La Sarre and 8 km southwest of BHP-Billiton's Selbaie Mines, which produced 44 million tonnes averaging 1.05% Cu, 1.98% Zn, 32.1 g/t Ag and 0.47 g/t Au (ref.: "Geology of Canadian Mineral Deposit Types", Geological Survey of Canada, 1996, p.181).

The Company owns a 100% interest in the Carheil property. NQ staked 23 new claims in 2008, and the Carheil property now consists of 32 contiguous claims covering approximately 5.12 km². The property is not subject to any royalties.

Previous exploration work identified a number of mineralized showings, with the best results as shown in Table 3:

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

Table 3: Best drill results for the Carheil property

In August 2008, NQ carried out linecutting and an InfiniTEM-type ground electromagnetic survey that identified four EM conductors. Conductor C-02 extended the favourable horizon intersected by Hole BR-76-02 (0.43% Cu over 2.44 m) eastward by 600 metres. Conductor C-03 is a new, as-yet undrilled conductor. Conductors C-01 and C-04 confirmed the strike and 55° southerly dip of the geological units.

Some old holes were located in August using GPS.

During the fall and winter, all the drill data was put into electronic format in preparation for a drilling program. Plans and section were generated and a geological interpretation was performed. From February 16 to 28, 2009, a four-hole, 1,235-metre drilling program was carried out on three separate base metal targets. Three holes were drilled to test the showing in the northeast corner of the property, and another to test conductor C-02. A pulse EM survey was done in three of the four holes to locate any metallic masses within 150 metres of the holes. Results were still pending as of the date of this report.

James Bay North Sector

At November 30, 2007, the James Bay North sector consisted of 18 properties acquired from Everton Resources Inc. Eight properties were dropped during the year.

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, although subject to a 2% NSR royalty.

The entire region was explored in the early 1980s. A number of significant showings were discovered, the best of which lie in Block 1 of the Aylmer property. Table 4 summarizes the best assay results obtained.

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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 to 83.3 m (W85-14)

Table 4: Best results for showings on the Aylmer property

Reconnaissance was carried out over a two-day period in July and September 2008 on four of the five blocks of the Aylmer property.

A new copper-gold showing was discovered on Block 1 in the north. A grab sample from a volcanogenic massive sulphide zone returned values of **4.8% Cu and 1.36 g/t Au**. Two channel samples returned **1.8% Cu, 32.6 g/t Ag and 372 ppb Au over 0.6 m** and **1.88% Cu, 18.8 g/t Ag and 513 ppb Au over 0.5 m**. On Block 5 in the west, the old “2308-27” gold showing was found, and a new grab sample taken on this showing returned **1.13 g/t Au and 9.2 g/t Ag**, confirming the presence of gold and silver mineralization.

Some old diamond drill holes were also located on Block 1. Compilation work was done on these holes, and new sections were generated in preparation for drilling.

Blocks 2, 3, 4 and 5 were dropped due to the poor results obtained.

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 map-designated claims covering a total area of 57 km². NQ has a 100% interest in the property, which is subject to a 2% NSR royalty.

In June 2008, NQ carried out a till and heavy mineral concentrate sampling program that showed the presence of significant gold anomalies, with gold values of **0.061 g/t Au, 0.099 g/t Au, 0.111 g/t Au, 0.145 g/t Au and 0.438 g/t Au**. Prospecting work is required to locate the source of these anomalies.

Castle Property: Au, Cu, Zn, Ni, U

This property lies a few hundred kilometres north of the other James Bay North sector properties. It is difficult to access and very costly to explore. Furthermore, little is known about the geological context and potential. Consequently, the Castle property has been dropped.

Conviac Property: Au, Cu, Zn

The Conviac property lies 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 231.83 km². It is wholly-owned by NQ.

The property lies 85 km southeast of Goldcorp Inc.'s Éléonore deposit (43-101 indicated resource of 1.83 million ounces of gold) and 65 km east of Eastmain Resources Inc.'s Eau Claire deposit (43-101 indicated and inferred resource of 1 million ounces of gold).

NQ carried out an airborne magnetometry survey over the entire property in June 2008. In the summer of 2008, the Company conducted geological reconnaissance, prospecting and sampling that led to the discovery of a band of amphibolites in the centre-west of the property. Metal values of 0.6 to 1.2 g/t Ag and 0.12 % Cu were obtained from this band, warranting additional exploration in the future.

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Corvet South Property: Au, Cu, Zn

In June 2008, a four-person crew carried out geological mapping and prospecting on the property over a seven-day period. No mineralized showings were identified.

The Corvet South property was dropped during the 2008 rationalization program due to its lack of potential for the discovery of gold deposits.

Duncan Property: Au, Ag, Cu, Zn

The Duncan project lies in the James Bay region of Quebec, approximately 35 km south of Radisson. NQ acquired 108 new claims in 2008, and the Duncan property now consists of 370 map-designated claims grouped into two blocks, covering a total area of 187.60 km². The claims are wholly-owned by NQ, with some of them subject to a 2% NSR royalty.

In July 2008, NQ carried out prospecting and geological reconnaissance on the property. The prospecting work was aimed at locating the source of airborne INPUT electromagnetic anomalies identified in 1979-1980 but never or almost-never followed up by prospecting. In all, 191 grab samples were taken and assayed for economic minerals, and 14 samples were collected for lithochemical analysis. The work led to the identification of two new gold showings and a zinc showing, and eight kilometre-sized areas anomalous in gold and base metals. Table 5 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
69680	Graphitic argillite	tr	3.40	930	11,500

* tr = trace

Table 5: Summer 2008 sampling results for the Duncan property

All the sectors and showings are geologically associated with INPUT anomalies, and numerous zinc and copper anomalies are seen in lake-bottom sediments lying glacially downstream from the showings.

In September 2008, other prospecting work was performed in the areas where the best results were generated in July. A total of 54 additional grab samples and 11 channel samples were collected. The best channel sample returned **1.3 g/t Au over 1 metre**. A new showing was also discovered, with a grab sample returning **4.6% Cu** from a gabbro outcrop.

Eastmain Property: Au, Cu, Zn, Ni

A number of gold and copper showings have been discovered on this property in the past. Unfortunately, all these showings are now flooded due to extensive hydroelectric work. Only a small strip of dry land remains on the northwest side, outside of the favourable geological context. The Eastmain property was therefore dropped due to lack of access for future exploration work.

Eastmain North Property: Au, Cu, Zn

The Eastmain North property lies in the James Bay region of Quebec, approximately 250 km north of Chibougamau. NQ acquired 16 new claims in 2008, and the property now consists of 518 map-

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designated contiguous claims covering a total of 273.30 km². NQ owns a 100% interest in the property, with a portion subject to a 1% NSR royalty.

The property lies 75 km southeast of Goldcorp Inc.'s Éléonore project (43-101 indicated resource of 1.83 million ounces of gold) and 30 km east of Eastmain Resources Inc.'s Eau Claire deposit (43-101 indicated and inferred resource of 1 million ounces of gold).

The Company completed an airborne magnetometry survey on the entire property in June 2008. In the summer of 2008, NQ carried out geological reconnaissance, prospecting and sampling work. A total of 82 rock samples were collected.

The amphibolite band in the centre of the property is the most promising context, as it contains the most sulphide mineralization in disseminated and vein form. No economic values were obtained, but the geological context warrants further work.

Gauchet Property: Au

The Company did not conduct any exploration on the Gauchet property in 2008. The property lies in a geological environment that does not have much potential for the discovery of gold or base metal deposits. Furthermore, it is not accessible over land. As part of a budget rationalization and exploration target prioritization effort, the Gauchet project was classified as low priority and dropped.

Jobert Property: Au

The Jobert property was quickly classified as low priority due to disappointing results of earlier work, and no work was done on the property in 2008. Given the property's lack of potential for the discovery of gold showings and deposits, the Jobert property was finally dropped.

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.

Work in the summer of 2008 consisted of a till and heavy mineral concentrate survey, geological mapping and reconnaissance prospecting. In all, 24 till samples were collected and sent to the laboratory for analysis. Seven samples were taken during geological reconnaissance and prospecting and analyzed for economic minerals.

Prospecting work did not result in the identification of any mineralized showings. However, the till and heavy mineral concentrate survey showed the presence of significant gold anomalies. Gold values of **0.116 g/t Au, 0.427 g/t Au and 0.441 g/t Au** were obtained. Additional work will be required to locate the source of the anomalies.

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 89.85 km². It is wholly-owned by NQ and is subject to a 2% NSR royalty.

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Work consisted of prospecting and geological reconnaissance and a helicopter-borne MAG-radiometry survey. In July 2008, NQ carried out two days of prospecting to locate, resample and assess the uranium and thorium showings discovered in the early 1980s. In all, 22 samples were taken and analyzed for economic minerals, including uranium and thorium. The uranium-thorium showings are associated with metric-sized pegmatite dikes characterized by readings of 1,000 to 6,000 counts per second (Radiation Solution RS-120). The best result was from the D-1 showing, where a grab sample returned **1,300 ppm U and 490 ppm Th**.

A MAG-radiometry survey was conducted in October 2008, and revealed the presence of a number of radiometry anomalies. The interpretation report indicates that three gold exploration targets and five uranium exploration targets have been identified and warrant follow-up.

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. In 2008, NQ acquired 58 new claims, and the Pine Hill property now 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.

Ground exploration took place on the property in the summer of 2008. Work consisted of a 32-sample till and heavy mineral concentrate survey, as well as prospecting and geological reconnaissance that included the collection of 16 rock samples. No mineralized showings were identified. A few till and heavy mineral concentrate samples returned slightly anomalous gold values.

Pine Hill North Property: U, Au, Mo

The Pine Hill North property lies in the James Bay region of Quebec, about 150 km east of Radisson and north of the LG-3 reservoir. NQ acquired eight new claims in 2008, and the property now consists of 85 continuous map-designated claims covering a total area of 42.85 km². It is wholly-owned by NQ, with 64 claims subject to a 2% NSR royalty.

Work in 2008 consisted of prospecting, geological reconnaissance and a helicopter-borne magnetometry-radiometry survey. This work resulted in the discovery of a pegmatite field characterized by readings of up to 1,250 counts per second (Radiation Solution RS-120), indicating good radioactivity that could be linked to a uranium-rich source. Prospecting work failed to identify the source of large molybdenum and rare earth anomalies in the lake-bottom sediments, as the entire area of potential is covered by substantial glacial deposits. In all, 37 samples were collected and analyzed for economic minerals, but no mineralized showings were identified. However, the summer 2008 work showed that the Pine Hill North property lies in a favourable geological context for the discovery of uranium and molybdenum deposits.

A MAG-radiometry survey was carried out in October 2008, and revealed the presence of a number of radiometry showings. The interpretation report revealed a large zone in the centre of the property that is a top priority uranium exploration target. Two secondary priority targets were also identified.

Pontax Property: Ag, Au

The Pontax property was dropped due to a shortage of geoscientific data, high exploration costs as there is no road access, and the property's lack of potential for the discovery of gold showings and deposits.

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Sakami Property: Au, U

The Sakami property lies in a little-known regional geological context. Reconnaissance work in 2006 and 2007 failed to identify significant gold or uranium showings. No exploration work was performed on the property in 2008. Given the lack of significant results of earlier work, the Sakami property was dropped as part of the cost rationalization and property prioritization effort.

Star Lake Property: U, Cu, Au

The Star Lake property lies in the James Bay region of Quebec, 120 km southeast of Radisson. NQ acquired six new claims in 2008, and the property now consists of 247 contiguous, map-designated claims covering a total area of 127.66 km².

Exploration work in 2008 consisted of prospecting, geological reconnaissance and a helicopter-borne MAG-radiometry survey.

Field work took place in June and September. Geological reconnaissance and prospecting were carried out over a total of five days, aimed at finding the source of uranium anomalies identified by lake-bottom sediment and till surveys performed in 2005 and 2006. The work identified five uranium-bearing pegmatite fields ranging from 500 to 3,000 metres in length and 200 to 400 metres in width, spread over a distance of 10 km. The old Marjoulet showing was also located.

The pegmatites are characterized by readings of 1,000 to 17,000 counts per second (Radiation Solution RS-120). In all, 96 samples were collected and analyzed for economic minerals, including uranium and thorium. The best analysis results were obtained on the Marjoulet showing, where sample 75469 returned **880 ppm U** and sample 75470 returned **1,210 ppm U and 1,170 ppm Th**.

A MAG-radiometry survey was performed in October 2008, and revealed the presence of a number of radiometry anomalies. The interpretation report classifies three of the 11 anomalies selected as top-priority uranium exploration targets.

Wapamisk Property: Au

The Wapamisk property has seen little exploration in the past aside from regional reconnaissance work. The only work on the property was carried out in 2006 and consisted of the collection of 27 till samples. Only one sample returned an anomalous result. The geological context of this property remains relatively unknown, and in 2008 the Company classified the property as low priority. The Wapamisk property has very little discovery potential, and was dropped as part of NQ's 2008 rationalization program.

Additional information on all the properties can be found on NQ's website at www.nqexploration.com.

RESULTS OF OPERATION

NQ anticipates that, for the foreseeable future, quarterly and annual results of operations will be impacted by various factors, including the timing of exploration and the effort 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.

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The following discussion constitutes an analysis of operating results for the year ended November 30, 2008. The selected financial information shown below is derived from the audited financial statements for the periods indicated.

FINANCIAL HIGHLIGHTS

	November 30	
	2008	2007
Revenues	\$ 21 275	-
General administrative expenses and salaries	\$ 161 005	-
Registration, listing fees and shareholders' information	34 174	-
Professional and consultant fees	116 720	2 725
Stock-based compensation	270 745	-
Incorporation fees	-	1 179
Amortization of equipment	2 454	-
Part XII.6 taxes	19 043	-
Loss on disposal of mining properties	9 606	-
Write-off of deferred exploration expenses and of mining properties	668 300	-
Loss before income taxes	\$(1 260 772)	\$ (3 904)
Future income taxes	214 457	-
Net loss	\$(1 046 315)	\$ (3 904)
Cash & cash equivalents	\$ 373 811	\$ 30 000

Revenues

Revenues for the year ended November 30, 2008, amounted to \$21,275 (\$0 in 2007) and consisted of interest income.

General Administrative Expenses and Salaries

General administrative expenses and salaries for the year ended November 30, 2008, consisted mainly of general office expenditures, travel expenses, entertainment expenses, salaries and expenses incurred to rent office space in Rouyn-Noranda.

Listing and Registrar Fees and Shareholder Communications

Listing and registrar fees and shareholder communications expenses for the year ended November 30, 2008 consisted mainly of legal and regulatory expenses required to comply with the requirements of the securities commission.

Professional Fees

Professional fees for the year ended November 30, 2008, consisted mainly of legal, accounting, auditing and management expenses.

Stock-Based Compensation

Stock-based compensation for the year ended November 30, 2008, represents the value of the 1,625,000 options granted to directors, officers and consultants. The fair value of the options at the

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time they were granted was \$270,745 as estimated using the Black-Scholes option-pricing model. A compensation expense of \$270,745 was recognized under earnings for stock options granted during the year.

Part XII.6 Taxes

The Part XII.6 taxes consisted of taxes payable on exploration expenses incurred after February 28, 2008, in relation to a \$794,580 flow-through financing completed in December 2007.

Write-Off of Deferred Exploration Expenditures and Mining Properties

During the year ended November 30, 2008, the Corporation wrote off deferred exploration expenditures and mining property costs related to the Castle, Corvet South, Eastmain, Gauchet, Jobert, Pontax, Sakami and Wapamisk properties. This decision was taken by management as part of a property optimization and cost reduction process, and a related charge of \$668,300 was recognized in earnings.

RESULTS OF OPERATIONS FOR THE FOURTH QUARTER

The following is a discussion and analysis of NQ's operations for the fourth quarter ended November 30, 2008. The following selected financial information is taken from the unaudited financial statements for the periods indicated.

	November 30 (3 months)	
	2008	2007
Revenues	\$ 3 542	-
General administrative expenses and salaries	\$ 55 741	-
Registration, listing fees and shareholders' information	1 587	-
Professional and consultant fees	29 812	2 725
Stock-based compensation	8 975	-
Incorporation fees	-	1 179
Amortization of equipment	1 027	-
Part XII.6 taxes	19 043	-
Loss on disposal of mining properties	-	-
Write-off of deferred exploration expenses and of mining properties	649 802	-
Loss before income taxes	\$ (762 445)	\$ (3 904)
Future income taxes	214 457	-
Net loss	\$ (547 988)	\$ (3 904)
Cash & cash equivalents	\$ 373 811	\$ 30 000

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SUMMARY OF QUARTERLY RESULTS

The following is a discussion and analysis of NQ's operations for the fourth quarter ended November 30, 2008. The following selected financial information is taken from NQ's unaudited quarterly financial statements for the periods indicated.

\$000s of \$ except for share data	Nov. 30 2008	Aug. 31 2008	May 31 2008	Feb. 28 2008	Nov. 30 2007
Revenues	4	6	6	5	-
Net loss	548	41	411	45	4
Basic and diluted net loss per share	\$ 0,02	\$ 0,00	\$ 0,02	\$ 0,00	\$ 0,00

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents as at November 30, 2008, amounted to \$373,811 compared to \$30,000 as at November 30, 2007. Management intends to seek additional capital in the form of equity financing to support current and future mining property development.

Management is of the opinion that, even if it is unable to raise equity financing in the future, the Company will be able to meet 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 year ended November 30, 2008, the Company was able to rely on its ability to raise financing through public or privately negotiated equity offerings. There is no assurance that such financing will be available when required, or under terms that are favourable to NQ. The Company may also select to advance the exploration and development of mineral properties through joint-venture participation.

CASH FLOWS

	November 30	
	2008	2007
Operating activities	\$ (363 644)	\$ -
Financing activities	1 949 778	30 000
Investing activities	(1 242 323)	-
	<u>\$ 343 811</u>	<u>\$ 30 000</u>
Cash & cash equivalents	\$ 373 811	\$ 30 000

During the year ended November 30, 2008, funds used for operating activities were spent primarily on improving operations and promoting the Company.

During the year ended November 30, 2008, investing activities consisted mainly of raising funds for exploration and development of mineral properties. These funds are specifically reserved for exploration on the Gand 1, Rapide-des-Cèdres, Opawica, Carheil, Aylmer, Candlestick, Castle, Conviac, Corvet South, Duncan, Eastmain North, Le Moyne, Morand, Star Lake, Pine Hill and Pine Hill North properties.

Financing activities for the year ended November 30, 2008, consisted mainly of the following:

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

MANAGEMENT DISCUSSION AND ANALYSIS

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.

In October 2008, the Company received \$400,000 from the issuance of 2,000,000 common shares and 1,000,000 warrants pursuant to a private placement.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE-SHEET ARRANGEMENTS

The Company has a future contractual obligation pursuant to a lease for office space in Rouyn-Noranda.

RELATED-PARTY TRANSACTIONS

During the year, the Company acquired computer equipment worth \$5,527 (\$0 in 2007) from a company belonging to the president.

The transactions were entered into in the normal course of business at the exchange amount, being the value established and agreed to by the parties.

ACCOUNTING POLICIES

Financial Statements

The financial statements were prepared in accordance with Canadian generally accepted accounting principles.

Financial Assets and Liabilities

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Company's designation of such instruments. The settlement date accounting method is used.

Cash and exploration funds are classified as held-for-trading and are measured at fair value.

Portfolio investment is classified as available-for-sale financial assets and is measured at fair value, with changes in fair value recorded in other comprehensive income until the financial asset is derecognized or impaired.

Accounts payable and accrued liabilities are classified as other financial liabilities. They are measured at amortized cost using the effective interest rate method.

Transaction costs related to held-for-trading financial assets are expensed as incurred. Transaction costs related to available-for-sale financial assets, other liabilities and loans and receivables are netted

MANAGEMENT DISCUSSION AND ANALYSIS

against the carrying value of the asset or liability and then recognized over the expected life of the instrument using the effective interest method.

The Company uses the effective interest method to recognize the interest income or expense, which includes transaction costs or fees, premiums or discounts earned or incurred for financial instruments.

Revenue Recognition

Investment transactions are accounted for on the transaction date, and the resulting revenues are recognized using the accrual basis. Interest income is accrued based on the number of days the investment is held during the period.

Property, Plant and Equipment

Property, plant and equipment are tested for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. The carrying amount of a long-lived asset is not recoverable when it exceeds the sum of the undiscounted cash flows expected from its use and eventual disposal. In such a case, an impairment loss must be recognized and is equivalent to the excess of the carrying amount of a long-lived asset over its fair value.

The Company provides for amortization on property, plant and equipment using the following rates and methods:

- Office furniture – 30% declining balance
- Computer equipment – 40% declining balance
- Software – 40% declining balance

Mining Properties and Deferred Exploration Expenditures

Costs related to the acquisition, exploration and development of mining properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are developed, capitalized costs for the related property are reclassified as mining properties and amortized according to the unit of production method. If it is determined that capitalized acquisition and exploration costs are not recoverable over the estimated economic life of the property, or if the project is abandoned, the project is written down to its net realizable value. Company management reviews the carrying values of assets on a regular basis to determine whether any write-downs are necessary.

The recovery of amounts recorded for mining properties and deferred exploration expenditures depends on the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete development, and future profitable production or proceeds from the disposition thereof. The amounts shown for mining properties and deferred exploration expenditures do not necessarily represent present or future values.

Environmental and Reclamation Costs

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for future removal and site restoration costs. Both the likelihood of new regulations and their overall effect are not predictable. The Company's policy is to meet or, if possible, surpass standards set by relevant legislation by the application of technically proven and economically feasible measures.

MANAGEMENT DISCUSSION AND ANALYSIS

An estimate of future costs for site rehabilitation is made based upon estimates that consider the anticipated method and scope of site reclamation required to meet legal standards. If required, a provision for the estimated costs is recognized by increasing the carrying amount of the related long-lived asset by the same amount as the liability. Since the Company is not yet at the production stage, no such provision is to be estimated.

Reclamation costs incurred are charged against this provision. The effects of changes in regulations and cost assumptions are recognized when determined.

Share Capital

The amount credited to share capital upon the exercise of stock options or warrants is equal to the exercise price and the fair value of the stock option or warrant initially recorded.

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value based upon the trading price of those shares on the TSX Venture Exchange the day before the transaction date.

Proceeds from unit placements are allocated between shares and warrants issued according to their fair value using the residual method. Under this method, the warrant component is valued first and the difference between the proceeds from the unit placements and the fair value of that amount is assigned to the share capital component.

Flow-Through Shares

The Company has financed a portion of its exploration activities through the issuance of flow-through shares. Shares issued pursuant to flow-through financings are recorded at their selling price. Under the term of the flow-through share agreements, the tax benefit of the exploration expenses is renounced in favour of the investors. The Company records the tax effect related to renounced deductions on the date that the Company renounces the deductions to investors, provided there is reasonable assurance that the expenses will be incurred.

Share Issuance Expenses

Share issuance expenses are recorded as an increase in the deficit in the year in which they are incurred.

Cash Reserved for Exploration

Cash reserved for exploration represents proceeds of financing not yet spent on exploration. The Company must use these amounts for mining exploration activities in accordance with the restrictions imposed by the financings.

Basic and Diluted Loss per Share

The basic loss per share is calculated using the weighted average number of shares outstanding during the year. The computation of diluted loss per share assumes the conversion or exercise of securities only when such conversion or exercise would have a dilutive effect on earnings per share. The dilutive effect of outstanding stock options and warrants described in Note 11 is reflected in the diluted loss per share by application of the treasury stock method.

MANAGEMENT DISCUSSION AND ANALYSIS

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years during which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rate is recognized in income in the year that includes the enactment date. The Company establishes a valuation allowance against future income tax assets if, based on available information, it is more likely than not that some or all of the future tax assets will not be realized.

Stock-Based Compensation and Other Stock-Based Payments

The Company accounts for stock-based compensation provided to employees and directors, and stock-based payments to non-employees, using the fair value-based method. The fair value of stock options at the grant date is determined according to the Black-Scholes option pricing model. Compensation expenses are recognized over the vesting period of the stock options.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates that affect the amount recorded in the financial statements and the notes to the financial statements. Significant estimates include the carrying value of mining properties and deferred exploration expenses, the fair value of options and warrants and the recoverability of future income tax assets. Actual results could differ from those estimates.

Mining Property Option Agreements

From time to time, the Company may acquire or dispose of mining properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as mining property costs or recoveries when the payments are made or received.

CHANGES IN ACCOUNTING POLICIES

On December 1, 2007, in accordance with the applicable transitional provisions, the Company adopted the new recommendations of CICA Handbook Section 3862, "Financial Instruments – Disclosures", Section 3863, "Financial Instruments – Presentation" and Section 1535, "Capital Disclosures". These new standards relate only to disclosure and presentation and have no impact on the Company's results.

Section 3862 describes the required disclosure for the assessment of the significance of financial instruments for an entity's financial position and performance and the evaluation of the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks.

The purpose of Section 3863 is to enhance the financial statements users' understanding of the significance of financial instruments to the Company's financial position, performance and cash flows. It carries forward the presentation-related requirements of Section 3861, "Financial Instruments – Disclosure and Presentation".

MANAGEMENT DISCUSSION AND ANALYSIS

Section 1535 establishes standards for disclosing information about an entity's capital and how it is managed. It describes the disclosure of the entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital, whether the entity has complied with any capital requirements, and if it has not complied, the consequences of such non-compliance.

FUTURE ACCOUNTING CHANGES

In June 2007, the CICA modified Section 1400, "General Standards of Financial Statement Presentation", in order to require that management make an assessment of the Company's ability to continue as a going concern over a period which is at least, but not limited to, twelve months from the balance sheet date. These new requirements are effective for fiscal years beginning on or after January 1, 2008, and the Company will implement them as of December 1, 2008. The new requirements only address disclosure, and will have no impact on the Company's financial results.

In February 2008, the CICA published new Section 3064, "Goodwill and Intangible Assets", to replace Section 3062, "Goodwill and Other Intangible Assets". Publication of this new section resulted in the withdrawal of Section 3450, "Research and Development Costs", and consequential amendments to certain recommendations in the CICA Handbook. The new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets by profit-oriented enterprises. This new section is effective for fiscal years beginning on or after October 1, 2008, and the Company will implement it as of December 1, 2008. Company management is unable to assess the impact that the application of this new section will have on the financial statements.

In October 2008, the CICA issued Handbook Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602 "Non-Controlling Interests". Section 1582 establishes standards for the measurement of a business combination and the recognition and measurement of assets acquired and liabilities assumed. Section 1601 carries forward the existing Canadian guidance on aspects of the preparation of consolidated financial statements subsequent to the acquisition of other than non-controlling interests. Section 1602 establishes guidance for the treatment of non-controlling interests subsequent to acquisition through a business combination. These new standards apply to the Company as of December 1, 2011. The Company is currently evaluating the impact of the adoption of these new standards.

The Accounting Standards Board ("AcSB") requires all public companies to adopt International Financial Reporting Standards ("IFRS") for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. Companies will be required to provide IFRS comparative information for the previous fiscal period. The changeover from Canadian GAAP to IFRS will be applicable for the Company's first quarter of fiscal 2012. The adoption of IFRS will have a significant effect on the Company's financial statements. The Company is assessing the impact of implementing IFRS and is developing plans to facilitate a timely changeover.

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 November 30, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

OTHER REQUIREMENTS OF THE MD&A

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

MINING PROPERTIES AND DEFERRED EXPLORATION EXPENSES

	November 30 (3 months) 2008	November 30 2008
Balance, beginning of period	\$ 2,354,151	\$ 1,600,000
Add:		
Mining properties	-	10,000
Analysis	7,644	29,752
Consultant	-	21,574
Line Cutting	4,134	16,108
Claims	20,574	75,888
Geophysics, Geology and Prospecting	233,630	909,167
Staking	-	4,255
	265,982	1,066,744
Balance, before deduction	2,620,133	2,666,744
Write-off	649,802	668,300
Exchange	-	28,113
	649,802	696,413
Balance, end of period	\$ 1,970,331	\$ 1,970,331

MANAGEMENT DISCUSSION AND ANALYSIS

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

DISCLOSURE OF OUTSTANDING SHARE DATA (as at November 30, 2008)

Common shares outstanding:	27,355,420	
Options outstanding:	1,625,000	
Average exercise price of:	\$ 0.24	
	Number	Exercise
Expiry date	of shares	price
		\$
March 2013	200,000	0.20
May 2013	1,275,000	0.25
October 2013	150,000	0.20
	<u>1,625,000</u>	
Warrants outstanding :	3,020,525	
Average exercise price of:	\$ 0.27	
	Number	Exercise
Expiry date	of shares	price
		\$
December 2008	243,025	0.20
April 2009	1,000,000	0.20
June 2009	327,500	0.25
July 2009	250,000	0.25
October 2009	1,200,000	0.35
	<u>3,020,525</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 underground or surface infrastructure nor any known commercial orebodies on the mineral properties in which the Company owns an interest, and any 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 in the grade of ore mined and fluctuations in the price of any minerals produced.

Property Titles. While the Company has diligently investigated title to the various properties in which it owns interests, and to the best of its knowledge, titles 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 be accurately 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 the 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 that 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 orebody. 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

MANAGEMENT DISCUSSION AND ANALYSIS

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 the 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).

STRATEGY AND OUTLOOK

The gold market is showing a rising trend and the outlook for gold is generally positive. The financing prospects for all the Company's projects are good, which should enable it to significantly advance its exploration program in Quebec, where the potential for discoveries is high.