



# NEW NADINA EXPLORATIONS LIMITED

## MANAGEMENT DISCUSSION & ANALYSIS For the Three Months Ended November 30, 2007

January 16, 2008

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## **MANAGEMENT DISCUSSION AND ANALYSIS, January 16, 2008**

**Introduction:** Company Act of British Columbia. On December 20, 1977 the name changed from Nadina Explorations Limited NPL to New Nadina Explorations Limited NPL. At that time a four for one roll back occurred where 2,380,005 issued shares of the former company resulted in 595,001 of the new company. On April 9, 1985 the company converted from a specially limited company to a limited company under the name of New Nadina Explorations Limited.

The Company is principally engaged in the acquisition, exploration and development of mineral and diamond properties in British Columbia, Saskatchewan, Northwest Territories, and formerly in Nunavut, and accordingly has no revenue from any of its properties. The Company trades on the TSX Venture Exchange under the trading symbol "NNA" and is extra-provincially registered in the Province of Saskatchewan and extra-territorial registered in the Northwest Territories.

Our accompanying financial statements have been prepared using accounting principles generally accepted in Canada. Our fiscal year end is August 31st and any references to a fiscal year refer to the calendar year in which such fiscal year ends. All reported amounts are in Canadian dollars.

### **Forward-Looking Information**

This management discussion and analysis ("MD&A") contains certain forward-looking statements and formation relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect", "significant" and similar expressions, as they relate to the Company or its management are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and developments of the Company's exploration properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

## **Mineral Project Activity and Annual Highlights**

### **Naket Diamond Project - Nunavut (50%)**

Exploration conducted during the last seven years resulted in little encouragement and the property has been abandoned. As a result of an imbalance of \$46,624 in expenditures, the Company has negotiated a settlement of \$23,312 to Kettle River. Acquisition costs of \$18,234 plus expenditures of \$353 have been written off in year ending August 31, 2007.

### **Monument Diamond Property - Lac de Gras, Northwest Territories (57.49%)**

The property is subject to a 1% gross overriding royalty payable to each of DHK Diamonds Inc. and Kennecott Canada Explorations Inc. Participating interest holders in the Monument Property are Dr. Christopher and Mrs. J. Jennings ("Jennings") (formerly owned by SouthernEra Diamonds Inc.) 22.11%, Archon Minerals Limited 20.4% and the Company as the operator holds 57.49%.

Diamond bearing kimberlites discovered to date are DD42, DD42 dike, (a 2005 discovery west of DD42), 2006 discoveries include NIC, Sonja, and RIP. The largest size to date is DD17. DD17-11 is a kimberlite pipe located 400 meters east of DD-17. In 2007, Genie was discovered, located near the east property boundary, and a dike was encountered near DD39.

For the three months ended November, 2007 the Company has expended \$385,444 on direct costs applicable to this property less \$195,682 contributed from participants netting the Company expense at \$189,762.

**Monument property Microdiamond recovery to date:**

Sieve sizemm	DD-17	RIP	DD17-11	NIC	Sonja	Largest stone (mm)
+3.350	0	1	0	0	0	3.68 x 3.44 x 2.88
+2.360	0	0	0	1	0	4.2 x 3.5 x 1.2
+1.700	0	0	1	0	0	
+1.180	0	1	1	0	0	
+0.850	2	4	2	1	0	
+0.600	9	3	1	4	1	1.38 x 1.1 x 0.64
+0.425	10	3	3	8	1	
+0.300	27	18	8	10	5	
+0.212	28	24	25	16	11	
+0.150	53	32	33	27	8	
+0.106	82	57	40	34	9	
<b>Total Stones</b>	<b>964</b>	<b>413</b>	<b>182</b>	<b>165</b>	<b>50</b>	
<b>Weight (kg)</b>	<b>2,137.63</b>	<b>981.1</b>	<b>280.3</b>	<b>167.95</b>	<b>80</b>	
<b>Stones/Tonne</b>	<b>451</b>	<b>421</b>	<b>649</b>	<b>982</b>	<b>625</b>	

The largest diamond recovered to date is from the RIP kimberlite measures 3.68 x 3.44 x 2.88 mm, weighs 89.129 mg. which is 0.445 carats.

**Kimberlite sizes and topography**

Kimberlite Name	Size (ha) (from known data)	Cover (m)	Topography	Sampling Options
DD17	0.93	5.44	Lake	Drilling
RIP	0.41	4.3	Swamp	Drilling
DD17-11	0.08	3.5	Swamp	Trenching
NIC	0.027	2.8	Land	Trenching
Sonja	0.032	2.2	Land	Trenching

**2008 Spring Program Plans**

A spring 2008 program is being planned to drill test several dozen targets. A two month program during the spring would allow setting up on ice to drill the water based targets and if time allows, continue until the end of April. Two diamond drills currently on site and the all season camp facility will be utilized. Currently we are proceeding to ensure budget/program approval, financing and crew availability. Our current program is accommodated within the current Land Use Permit, a new application is being developed in consideration of future increased usage for both fuel and equipment.

**Silver Queen Property – Central British Columbia (100%)**

The Silver Queen Mine property is located south of Houston, BC and consists of six located (108 units) and 17 Crown Granted mineral claims of approximately 4,250 acres. The property has been the focus of many exploration and development programs since its initial discovery in 1912. The Bradina JV took the property into production during 1972 – 1973. In the late 1980's an extensive development and exploration project was conducted consisting mainly of lateral development on three underground levels. In 1988, Cominco Engineering Services Ltd. conducted a feasibility study. The metal recoveries with the technology available at that time precluded a production decision. Occurrences of silver, zinc and gold have been established by previous work. The property is monitored for environmental purposes. The increased exploration activity in the precious metal district stretching from Houston to Clinton has renewed interest in the Silver Queen project.

The Company is of the opinion that further prospecting is required as work conducted in the late 1990's indicated the presence of silver values in an undeveloped area of the property.

During early 2005 a three dimensional Induced Polarization (3D IP) survey was conducted by SJ Geophysics Ltd. indicating a combined chargeability/resistivity low in the area of the vein and associated fault structure, with the dip of the structures being to the southwest. Under the supervision of Jim Hutter, P.Geo., limited trenching due to weather conditions was conducted in February 2005. Vein and gossan material was encountered.

The highly siliceous nature of the vein, as observed in the trenching, accounts for the low chargeability. The chargeability/resistivity highs observed on both sides of the structure may be due to disseminated pyrite. The latest trenching combined with results of previous work indicates a multiple vein and fault structure with a combined width of up to ten meters. Further diamond drilling is recommended to investigate the structure, as the relatively deep and wet overburden makes trenching unproductive.

A new target area, approximately 1,500 meters to the east of the above trenching, discovered by 3D IP geophysics (refer News Release March 7, 2005) was tested by a single diamond drill hole near the center. The hole was drilled to a depth of 310 meters and encountered disseminated pyrite throughout most of its length. This large pyrite zone can be seen on surface in a few locations through the glacial till. This zone and anomaly is large enough that further exploration is required. The geophysicist recommends further and deeper drilling of this anomaly.

**Current:** Silver Queen expenditures for the period ended November 30, 2007 totalled \$ Nil compared to \$ Nil for the similar period in 2006. On a project to date basis total Silver Queen expenditures to November 30, 2007 amounted to \$4,050,393.

#### **Saskatchewan Silica Sand Lease (50%)**

The Saskatchewan property consists of a 41 acres silica sand-quarrying lease. The lease is in effect until December 1, 2009 subject to payment of an annual rental of \$2 per acre. No income from the lease has been received. For the three month period ended November 30, 2007 Saskatchewan JV expenses totalled \$82 (2006-\$82).

#### **Selected Annual Information-Summary of quarterly reports**

The following discussion and analysis of financial conditions and results of operations should be read in conjunction with the Company's audited financial statements and related costs for the years ended August 31, 2007 and August 31, 2006 and with the Company's interim financial statements and related costs.

The following table sets out financial information for the last 8 most recently completed quarters of the Company's' interim financial statements which are prepared in accordance with Canadian generally accepted accounting principles and expressed in Canadian dollars.

#### **Selected quarterly information**

Period	Net loss for quarter \$	Basic and diluted loss per share \$	Total assets \$
1 <sup>st</sup> Quarter 2008	247,476	0.01	224,157
4 <sup>th</sup> Quarter 2007	572,201	0.02	503,068
3 <sup>rd</sup> Quarter 2007	597,532	0.03	888,625
2 <sup>nd</sup> Quarter 2007	220,438	0.01	211,245
1 <sup>st</sup> Quarter 2007	192,938	0.01	305,111
4 <sup>th</sup> Quarter 2006	208,965	0.01	462,179
3 <sup>rd</sup> Quarter 2006	424,746	0.02	552,433
2 <sup>nd</sup> Quarter 2006	25,854	0.00	178,776

#### **Discussion of Operations and Financial condition**

##### **Three months**

During the three months ended November 30, 2007, the company sustained a loss of \$247,476 (\$0.01 per share) compared to a loss of \$210,185 for the similar period in 2006 (\$0.01 per share). This difference is attributed mostly to a net exploration expense increase to \$189,844 in the three months ended November 30, 2007 from \$47,738 for a similar period in 2006 due to increased activity.

In total, administration costs decreased to \$57,632 in the three month period ending November 30, 2007, from \$162,447 for the same period in the prior year. The difference is mainly attributed to a decrease in stock compensation expense from \$140,687 to \$36,237. Offsetting this decrease were increases in legal, audit and accounting from \$6,845 to \$12,689, licences, fees and other from \$875 to \$3,735, printing, stationery and office from \$4,701 to \$11,407 and travel and promotion from \$5,425 to \$10,481. In addition to these expense increases, joint venture reimbursements of \$26,227 were received (2006 – Nil) and interest income increased from \$28 to \$2,248.

Amounts due to directors and shareholders totalled \$8,330 at November 30, 2007 compared to \$3,366 on August 31, 2007.

Effective September 1, 2003, the Company has prospectively adopted the new recommendations of CICA Handbook Section 3870 “Stock-based Compensation and Other Stock-based Payments” which require fair value accounting for all stock options issued during the year. The prior period’s stock-based compensation expense was only recognized when stock-based compensation awards were made to non-employees, while pro forma disclosure was acceptable for awards made to employees.

There has been no change in the nature of or manner neither in which business is conducted nor in business conditions which would affect the Company’s financial results.

The Company is engaged in the exploration, development and exploitation of mineral resources for precious metals and diamonds. The properties of the Company are without a known economically feasible ore body. The exploration programs undertaken and proposed constitute an exploratory search and there is no assurance that the Company will be successful in its search. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation. The amounts shown as property acquisition costs represent acquisition and holding cost, less amounts written off, and do not necessarily represent present or future values.

### Investing Activities

There were no investing activities during the period.

### Financing Activities

On June 14, 2007, the Company completed a non-brokered private placement issuing 4,000,000 flow-through shares at a price of \$0.25 per share to raise \$1,000,000. Cash payments totalling \$36,750 and 52,800 in shares were paid as Finders’ Fees and resulted in net proceeds of \$963,250. Proceeds were used for exploration on the 57.49% owned Monument diamond project located at Lac de Gras, NWT and the 100% owned Silver Queen property near Houston in Central BC.

### Capital stock

**Authorized:** Unlimited

	<b>2007</b>	
	<b>Number of Shares</b>	<b>Amount</b>
Balance at beginning of period	<b>26,216,428</b>	<b>\$ 7,812,076</b>
<b>Issued for:</b>		
<b>Balance Issued, as of November 30, 2007</b>	<b>26,216,428</b>	<b>\$ 7,812,076</b>
<b>Un-issued:</b>		
Options granted, June 9, 2006 at \$0.25	<b>825,000</b>	<b>206,250</b>
Options granted, February 15, 2007 at \$0.20	<b>490,000</b>	<b>98,000</b>
Warrants at \$0.35 - expiry March 20, 2008	<b>2,195,000</b>	<b>768,250</b>
<b>FULLY DILUTED SHARES to November 30, 2007</b>	<b>29,726,428</b>	<b>\$ 8,884,576</b>

- 1) On June 9, 2006 1,650,000 options were granted and as of November 30, 2006 75,000 options at \$0.50 were cancelled. Additionally, 750,000 unvested options granted to two former directors became un-exercisable under the terms of the Company's Share Option Plan and have been deducted from the total un-issued options granted. On July 12, 2007 the Company received regulatory approval subject to disinterested shareholder approval and a four month hold from date of amendment, to re-price 825,000 director and employee options granted June 9, 2006 and expiring June 9, 2011 from \$0.50 to \$0.25.
- 2) On January 24<sup>th</sup>, 2007, the TSX Venture Exchange approved a one year extension related to 2,195,000 non-transferable warrants at 35 cents. New expiry is March 20, 2008.

### **Liquidity**

The financial statements for the period ended November 30, 2007 have been prepared on the basis of accounting principles applicable to a going concern. This assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has incurred operating losses over the last several fiscal years, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to further explore its mineral property projects and to cover the overhead costs necessary to maintain a public company in good standing. At November 30, 2007, the Company had working capital deficit of \$112,896 compared to working capital of \$43,957 at August 31, 2007.

### **Additional Disclosure for Venture Issuers without Significant Revenue**

Additional disclosure concerning the Company's general and administrative expenses and resource property costs is provided in the Company's "Statement of Operations and Deficit" and the "Schedule of Exploration Expenses by Property" contained in its "Audited Financial Statements for August 31, 2007" and its "Interim financial statements for November 30, 2007" available on its SEDAR page at [www.sedar.com](http://www.sedar.com)

### **Transactions with Related Parties**

Related party transactions are negotiated in the best interest of the Company at arms length basis market terms and are detailed in Note 4 of the "Interim Financial Statements for November 30, 2007".

### **Changes in Accounting Policies**

During the period there have been no changes in accounting policies.

### **Other**

There were no particular investor relation activities undertaken or contracts entered into during the period. Investor relation functions were accomplished through directors whose duties include dissemination of news releases and provision of information as requested by interested parties.

### **Management and Directors**

Current directors and officers are: Ellen Clements, President and CEO, Larry Widmer, Secretary and CFO, Ross Blusson and James Tutton.

### **Financial Instruments and Other Instruments**

The Company's financial instruments consist of cash and cash equivalents, other amounts receivable, marketable securities, accounts payable and shareholders' and directors' loans. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

### **Approval**

The Board of Directors of the Company has approved the disclosure contained in this report. A copy of this MD&A will be provided to anyone who requests it. Financial Statements of the Company are available in pdf on the Company website [www.nadina.com](http://www.nadina.com) and [www.sedar.com](http://www.sedar.com).