NEVADA EXPLORATION INC.
Management Discussion and Analysis – Form 51-102F1
Period Ended January 31, 2010

1 Date – March 19, 2010

The following management discussion and analysis ("MD&A") is a review of operations, current financial position and outlook for Nevada Exploration Inc. (the "Company" or "NGE") for the nine month period ended January 31, 2010, and should be read in conjunction with the unaudited financial statements for the nine month period ended January 31, 2010, and the audited annual financial statements for the year ended April 30, 2009, and the related notes thereto. Amounts are reported in Canadian Dollars based upon the financial statements prepared in accordance with Canadian generally accepted accounting principles. Additional information regarding the Company can be found on www.sedar.com.

Forward looking statements

Certain statements in this MD&A may constitute "forward looking statements" and although management of the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that its expectations will be achieved. Expressions such as "anticipate", "expect", "believe", "estimate" or "forecast" are used to identify these forward looking statements. Such forward looking statements involve risks, uncertainties, and other factors which may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. These statements are based on conditions as of the date of this MD&A and the Company does not undertake to update any forward looking statements that are contained herein except in accordance with applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

At this time, the Company has limited forward looking information to report; however, please refer to the "Liquidity Risk" section on page 15 and the "Risks and Uncertainties" section on page 16. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and/or to commence profitable operations in the future. There can be no guarantee that the Company will be successful in maintaining adequate financing; nor can there be any guarantee that the Company's exploration activities will result in an economic discovery.

2 Selected Consolidated Financial Information and Management's Discussion and Analysis

2.1 Management's Discussion and Analysis

Overview

The primary business of NGE is gold exploration in Nevada. Specifically, NGE is advancing a proprietary groundwater chemistry exploration program to look for new gold deposits in Nevada's underexplored gravel-covered pediment areas where conventional exploration techniques are challenged.

When groundwater flows near a concealed gold deposit it retains a chemical 'memory' or 'fingerprint' of such an encounter and creates a unique kind of water chemical 'scent'. NGE uses innovative proprietary groundwater technology to identify and follow the water chemical 'scent' back up-stream to search for its potentially gold-bearing bedrock source. The use of groundwater chemistry allows the Company to identify high quality exploration properties for a relatively small investment when compared to other traditional exploration techniques.

The Company's results to date have been encouraging and Management believes that NGE has created significant value with its water chemistry exploration program and properties. To continue to identify new prospects, acquire more land, delineate additional targets, and advance its properties, NGE requires additional financing and/or exploration partners. NGE is actively looking at ways to advance its exploration program while balancing both shareholder risk and dilution. NGE is committed to the continued development of its groundwater chemistry exploration program. NGE has begun and continues to be in discussion with interested joint venture partners to advance NGE's current portfolio of high quality gold exploration projects.

Significant events for the nine month period ended January 31, 2010, and through the date of this report are:

1. On June 8, 2009, NGE announced an Exploration and Option to Joint Venture Agreement ("JV Agreement") with International Enexco Ltd. ("Enexco") (TSX-V:IEC) on the Hot Pot Gold Property. The JV Agreement calls for Enexco to complete a work program that includes 6,000 meters (19,600ft) of drilling over three years to earn a 51% interest in the Property, with the option to earn an additional 19%, for 70% total, by drilling another 3,000 meters (9,800ft) during the fourth year. Enexco's minimum annual work commitment during the first three years is 1,500 meters (4,900ft) of drilling.
2. On June 15, 2009, NGE announced the addition of 96 new claims (800 hectares) at the Bull Creek Gold Property. The results from the Company's 2008 Phase I drilling program at Bull Creek show that both the alteration intensity and the geochemically anomalous trace-element geochemistry increase from west to east across the property, which suggests that they were sourced from the east. This interpretation is consistent with the detailed air magnetic and gravity geophysics at Bull Creek, which also suggest a fractured, north-south structural zone to the east of the Phase I drill holes. Together, the geochemical, geophysical, and geologic evidence suggested that the source of the anomalous geochemistry in the shallow, hydrothermally altered volcanic bedrock at Bull Creek was located beyond the eastern boundary of NGE's original claim block. Based on this data, NGE increased its land position to fully cover the developing Bull Creek target.
3. On September 3, 2009, NGE announced the completion of $1.1M non-brokered private placement ("Offering"). Pursuant to the Offering, NGE issued 20,995,673 Units at a price of CAD$0.0525 - each Unit consisted of one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of CAD $0.10 for a period of two years, subject to an accelerated expiry provision.
4. On September 24, 2009, NGE announced the resignation of Randy Koroll as Chief Financial Officer of NGE.
5. On September 30, 2009, NGE announced the appointment of Ms. Jennifer Boyle, B.A., LL.B., to the Board of Directors.
6. On October 13, 2009, NGE announced that it signed a Mining Lease and Option to Purchase Agreement ("Agreement") with Genesis Gold Corporation ("Genesis") to acquire a 100% interest on Genesis's Hot Pot Claims ("Property"), which consist of 254 unpatented mineral claims (approx. 2,000 hectares or 5,000 acres) in the Kelly Creek Basin, in Humboldt County, Nevada. With the addition of the Genesis claims, NGE is now one of the largest property holders in the Kelly Creek Basin.
7. On November 17, 2009, NGE announced the appointment of Mr. Cyrus Driver, CA, to the position of Chief Financial Officer and to the Board of Directors.

8. On November 25, 2009, NGE announced the completion of a brokered financing, pursuant to which, NGE issued 2,792,000 Units at a price of $0.17 for total gross proceeds of $466,140. Each Unit consisted of one common share and one half warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.22 for a period of 18 months.
9. On December 18, 2009, NGE announced the opening of a new corporate office in Vancouver, British Columbia.
10. On January 19, 2010, NGE held its Annual General and Special Meeting. All business before the meeting was approved by shareholders, including the election of directors, the approval of the Company's Incentive Stock Option Plan, the adoption of new Bylaws, and the re-pricing of the exercise price of 1,550,000 options.

Land Acquisition and Maintenance

The cost of land acquisition and yearly holding fees requires careful evaluation to insure that NGE only holds land with the highest exploration potential. When NGE decides that the results from groundwater sampling, soil geochemistry sampling, seismic surveys, gravity surveys, air magnetic surveys, and drilling indicate that certain lands are no longer worth holding, NGE drops these lands. Conversely, when results indicate that certain other lands are worth acquiring, NGE acquires these lands.

As of March 19, 2010, NGE directly holds 2,434 unpatented mining claims and other mineral interests in the following properties through its wholly owned US subsidiary, Pediment Gold LLC:

Project	**NGE Claims**		**OTHER**	**Total**
	Claims	**Area (km^2)**	**Area (km^2)**	**Area (km^2)**
Fletcher Junction (FJ)	127	10.3	0.0	10.3
Hot Pot (HP)	6	0.5	8.8	9.3
Bull Creek (BU)	301	24.4	0.0	24.4
Awakening (AW)	420	34.0	0.0	34.0
Sand Pass (SP)	197	15.9	9.4	25.3
Winnemucca Mountain (WM)	90	7.3	0.0	7.3
Rye Patch (RP)	169	13.7	0.8	14.5
Jungo (JU)	192	15.5	0.0	15.5
Dunphy (DU)	78	6.3	0.0	6.3
Kelly Creek (KC)	581	47.0	20.0	67.0
Whiskey Flats (WF)	273	22.1	0.0	22.1
TOTAL	2,434	197.0	39.0	236.0

On March 1, 2010, the Nevada State Legislature approved an additional fee assessment for mining claims in Nevada. The amount of the fee varies from $70 to $195USD per claim. The fee is payable by June 1,

2011. The company is presently reviewing the applicability of the fee with its legal and other advisors to determine the effect of the fee on the Company.

<u>Exploration Risk Management Strategy</u>

NGE manages exploration risk by focusing exploration resources in specific, planned stages on each property. If the results from one stage are positive, then exploration funds are expended on the next stage. If at any stage, results are negative, the property is dropped from further consideration. NGE's staged exploration strategy manages risk and assures that properties showing positive results move aggressively through the exploration pipeline, and exploration resources are continually focused on the most prospective targets.

NGE's exploration stages include:

- Groundwater Chemistry: NGE first uses its proprietary hydroprobe sampling technology to collect regularized groundwater samples across areas shown to be prospective based on previous samples collected from existing springs and water wells. NGE uses the regularized groundwater chemistry samples to develop a computerized groundwater chemistry model of each target.
- Acquisition: NGE acquires the mineral rights covering prospective targets. If a target of exploration interest is on BLM land, NGE locates mineral claims. If a target lies on private land, NGE completes a title search to determine mineral title ownership, and then negotiates a mineral agreement with the owner to provide NGE with sufficient mineral title to proceed with exploration expenditures.
- Soil Geochemistry: NGE completes detailed soil sampling across areas demonstrating prospective groundwater chemistry to detect the possible vertical migration of gold and trace-elements from the underlying bedrock into the soils above.
- Gravity Geophysics: NGE uses detailed gravity geophysics to provide valuable information about the depth to bedrock across a property. Gravity data can suggest areas of strong changes in the relief or composition of the underlying bedrock, which can be indicative of underlying fault zones of alteration that often control the location of gold deposits.
- Air Magnetics: NGE uses detailed air magnetic geophysics to provide information on the types of rocks, fault zones, and hydrothermal alteration that accompany potential large gold deposits.
- Seismic Geophysics: NGE uses seismic geophysics, where appropriate, to identify deep-seated, steeply-dipping fault zones that can be projected into the near surface environment. Major, high-angle structures are important since they provide a potential conduit or 'plumbing' system for potential gold-bearing, hydrothermal fluids rising from depth to access near-surface areas where gold may be finally deposited from solution to form a gold ore body.
- Drilling: where properties successfully pass through the above exploration stages, NGE uses drilling to test for: (1) shallow bedrock (< 1,000ft beneath the surface), (2) structures or faults in bedrock that may source potential mineralization, (3) bedrock that has been altered by hot water (hydrothermal fluids), (4) concentrations of gold and associated trace-elements in higher-than-normal (anomalous) concentrations in bedrock, and (5) sufficient prospective area to reasonably contain an economic resource. NGE evaluates all drilling results based on these criteria to determine whether or not to (a) continue to maintain a property, and (b) commit further exploration expenditures to a property.

Fletcher Junction (FJ)
The Fletcher Junction Project is located in Mineral County, Nevada, approximately 30km southwest of Hawthorne, Nevada. The Company has a 100% interest in 127 claims (10.3km^2) at the Fletcher Junction Project, subject to a 1.25% net smelter return royalty ("NSR") to Royal Gold, Inc.

On December 18, 2008, NGE announced the completion of Phase I RC drilling at Fletcher Junction, and presented detailed results demonstrating how NGE has used groundwater chemistry to discover a new, gold-bearing hydrothermal system in a covered bedrock setting. All nine wide-spaced drill holes that were completed to target depth encountered altered bedrock containing geochemically anomalous gold and gold-associated trace elements, as well as anomalous gold and trace-element groundwater chemistry. The bedrock, the alteration, and the suite of gold-associated trace elements are similar to those found at the nearby Aurora mining district, noted for historic, high grade underground production. NGE believes the first phase drilling results at Fletcher Junction justify a much larger, Phase II drilling program specifically designed to test the vertical fault zones believed to contain ore-grade gold mineralization that source the anomalous gold in groundwater, alluvium, quartz-boulders and bedrock at Fletcher Junction.

In preparation for Phase II drilling, NGE is working with the US Forest Service for a new Plan of Operations. During the summer of 2009, NGE's biological consultants completed the two required biological surveys, and have submitted these reports to the US Forest Service. NGE's archeological consultant has substantially completed the required cultural resource evaluation, but is awaiting the spring snow melt to complete one more day of field work before submitting the final report to the US Forest Service.

While significant intervals of potentially ore grade mineralization were not encountered in Phase I drilling, management believes that the results at Fletcher Junction are substantive in that they demonstrate how NGE has used its unique and proprietary groundwater exploration technique to discover a new gold-bearing, hydrothermal system in a covered bedrock setting. The results to date at Fletcher Junction add value to NGE's other projects that were all identified using the same groundwater chemistry exploration technology, and they establish NGE as a source of quality exploration projects for potential Joint Venture partners.

Hot Pot (HP)
In 2004, regional reconnaissance groundwater sampling by NGE principals discovered another area of anomalous groundwater chemistry near Hot Pot. In addition, regional gravity data suggested that the Hot Pot area was underlain by a bedrock high that was covered by a thin layer of sand & gravel.

On September 16, 2004, the Company entered into a 10 year Mining Lease Agreement on 8.8km^2 at the Hot Pot Project located in Humboldt County, Nevada, approximately 30km northwest of Battle Mountain, Nevada. The Mining Lease Agreement is subject to a 3% NSR to the land owner. The Company also controls 6 claims at Hot Pot (50 hectares). The lands within the Mining Lease Agreement and the 6 claims are subject to a 1.25% NSR to Royal Gold, Inc.

In 2005, nine RC drill holes were completed at Hot Pot to depths ranging from 92m (300ft) to 190m (620ft) for a total of 1,195m (3,900ft). The widely-spaced, shallow holes confirmed bedrock to range in depth from 33m (110ft) to 112m (370ft). The bedrock was hydrothermally altered and contained anomalous gold and trace elements similar to that associated with the Lone Tree gold mine. The area of anomalous groundwater chemistry was also confirmed and enlarged.

In 2007, NGE used its hydroprobe equipment to complete a detailed groundwater chemistry survey at Hot Pot on a 400m (1/4 mi) grid. The resulting groundwater chemistry model showed highly anomalous gold and trace elements chemistry and further expanded the area of exploration interest. Additionally, in 2007, NGE completed two seismic geophysical lines, which identified several deep, north-trending, steeply-dipping fault zones.

In 2008, NGE completed a detailed gravity geophysical survey, which successfully mapped the relative depth to the underlying bedrock by measuring the density contrast between 200m sampling points. The gravity survey delineated sharp changes in the slope of the bedrock that coincided with the fault zones identified by seismic geophysics.

In 2008, NGE completed 10 vertical, RC drill holes to test small segments of the steeply-dipping fault zones identified by the 2007 seismic and gravity geophysics. Three vertical holes were spaced 100m (330ft) apart on each of three lines. The holes ranged in depth from 50m (165ft) to 175m (575ft) for a total of 1,085m (3,565ft). The shallow drill holes encountered hydrothermally altered bedrock containing anomalous gold and trace elements. Deeper, angle drill holes designed to cross cut the areas where the steeply-dipping fault zones had been projected were planned, but the drilling contractor was unable to complete the program.

Also in 2008, an energy company, with business interests separate from NGE, started a deep test drill hole on the Hot Pot property. In exchange for NGE's seismic data, NGE was granted access to drill cuttings from the 1,372m (4,500ft) drill hole. Significantly, the deep drill hole encountered hydrothermally-altered, Paleozoic Rocks underlying the Hot Pot Project. Hydrothermal alteration includes carbon re-mobilization, local bleaching, clay, de-calcification and secondary pyrite.

Although potentially economic quantities of gold mineralization have not yet been encountered at Hot Pot, drilling to date has been wide-spaced and could have easily missed the type of high-angle fault zones that control significant known gold mineralization elsewhere in the region. The widely-distributed, highly anomalous gold in groundwater together with the large area of hydrothermally-altered and geochemically anomalous bedrock strongly suggests that higher values for gold in bedrock than have been discovered to date may still be located nearby. The next step is more closely-spaced, shallow, vertical drill holes and/or deeper, angle holes targeted to intersect steeply-dipping, potentially ore-bearing fault zones and favorable bedrock units.

On June 4, 2009, the Company entered into an Exploration Agreement with International Enexco Ltd. ("Enexco") whereby Enexco can earn a 51% interest in the Hot Pot Property by drilling 6,000 meters (19,600ft) over three years, with the option to earn an additional 19%, for 70% total, by drilling another 3,000 meters (9,800ft) during the fourth year. On July 2, 2009, NGE announced that Enexco had begun drilling at Hot Pot.

On January 25, 2010, Enexco reported on its 2009 Hot Pot drilling program. In the news release, Enexco reported that they completed 3,462 metres of core drilling in 11 drill holes to develop stratigraphic information and to test for mineralized structures beneath the alluvial cover. The drilling successfully encountered weak but widespread anomalous gold values in all 11 holes across the 8.8-square-kilometre property. Enexco also reported that they have engaged Doug McGibbon, an economic geologist with over 25 years of exploration experience in the Battle Mountain area and responsible for major discoveries at the Marigold and Pinson mines, to review the drilling results and the exploration data to put the Hot Pot property into regional context:

"Mr. McGibbon's study has confirmed that the hydrothermally altered and mineralized lithologies at Hot Pot are similar if not stratigraphically equivalent to those hosting orebodies at the Marigold mine. Although gold values only ranged up to 66 parts per billion, the mineralized zones encountered were up to 149 metres in length beneath overburden cover that was between 40 to 152 metres in all but two of the holes, with the spacing between holes still leaving sufficient room to host a significant gold deposit. Drilling also identified zones of oxidation to depths of 300 metres, significant intervals of brecciated material indicative of several major fault zones and an apparent horst block with similarities to the geologic setting at the Lone Tree mine. Structural analysis is currently under way, and additional geochemical and geophysical work are being considered to focus further drilling."

Bull Creek (BU)
The Bull Creek Project is located in Humboldt County, Nevada, approximately 60km west-northwest of Winnemucca, Nevada. The Company has a 100% interest in 301 claims (24.4km^2) at Bull Creek.

In 2008, NGE completed a detailed groundwater survey at Bull Creek to delineate the project's anomalous groundwater chemistry, and then completed a detailed soil sampling program to both verify and model the surface geochemistry above the prospective groundwater chemistry target. Later in 2008, to further develop the project's exploration model, NGE completed both detailed gravity and airborne magnetic geophysical surveys to better understand the different rock types and possible fault zones concealed beneath the large expanse of sand and gravel covering the target. As a final input to the Bull Creek exploration model, NGE completed seismic geophysics to test for deep-seated fault zones. NGE combined these data sets to develop the conceptual targets for Phase I drill testing.

In 2008, NGE completed a Phase I drilling program at Bull Creek specifically to test the concept that an undiscovered, potentially gold-bearing hydrothermal system is responsible for the anomalous gold and trace-elements discovered in the groundwater. During the 2008 Phase I program, NGE completed 18 RC drill holes at Bull Creek. The holes ranged from 0.4km (0.25mi) to over 1.6km (1.0mi) apart, scattered across the 41km^2 property, and the holes ranged in depth from 100m (300ft) to 300m (1,000ft). The drilling defined shallow bedrock along the eastern margin of the property, ranging in depth from 15m (50ft) to 100m (300ft).

On February 23, 2009, NGE announced completion of data reduction for its Phase I drill program at Bull Creek. The drilling encountered several >200m (>650ft) intervals of hydrothermally altered and geochemically anomalous volcanic rock, but the drilling did not encounter any potentially ore-grade gold intervals at the locations tested. The increase in alteration intensity and geochemically anomalous trace-elements seen in wide-spaced drill holes moving from west to east across the eastern half of the property suggests NGE has discovered the edge of a significant new hydrothermal system of exploration significance. NGE believes additional drilling is warranted farther to the east, and this conclusion is also supported by detailed gravity and air magnetic data. In 2009, NGE increased its claim position towards the east to cover the developing target.

The initial identification of anomalous groundwater chemistry at Bull Creek has resulted in a successful Concept Test: the discovery of a large area of hydrothermally-altered, shallow bedrock containing geochemically anomalous gold and gold-associated trace elements. These features of exploration significance are similar to those found at the nearby Sleeper Mine, which produced 1,700,000 ozs of gold and 1,900,000 ozs of silver from 1986 to 1996. NGE believes that additional drilling is warranted based upon the increase in alteration intensity and geochemically anomalous trace-elements seen in drill holes moving from west to east across the eastern half of the property. These results further demonstrate how NGE is using groundwater chemistry to efficiently and effectively reduce large, sand and gravel covered valley basins to discrete, highly prospective exploration targets deserving of more focused and intense exploration expenditures.

Awakening (AW)
The Awakening Project is located in Humboldt County, Nevada, approximately 50km north-northwest of Winnemucca, Nevada. The Company has a 100% interest in 420 claims (34.0km^2) at Awakening. On July 1, 2008, the Company entered into a Mining Lease agreement with DIR Exploration Inc. on 15 claims (approx. 120 hectares) that are subject to a 3% NSR.

On August 18, 2008, NGE announced commencement of Phase I RC drilling at its Awakening property. Five holes were drilled, but none were completed to target depth due to challenging drilling conditions. Drilling has been suspended awaiting the availability of different drilling equipment.

Sand Pass (SP)
The Sand Pass Project is located in Humboldt County, Nevada, approximately 10km north of Winnemucca, Nevada. The Company has a 100% interest in 197 claims (15.9km^2) at Sand Pass, and on July 10, 2008, the Company entered into a Mining Lease agreement for another 9.4km^2 with multiple parties, subject to a 2% NSR payable to private landholders.

Winnemucca Mountain (WM)
The Winnemucca Mtn. Project is located in Humboldt County, Nevada, approximately 5km west of Winnemucca, Nevada. The Company has a 100% interest in 90 claims (7.3km^2) at Winnemucca Mountain.

Rye Patch (RP)
The Rye Patch Project is located in Pershing County, Nevada, approximately 30km northeast of Lovelock, Nevada. The Company has a 100% interest in 169 claims (13.7km^2) at Rye Patch. On May 22, 2008, the Company entered into a Mining Lease Agreement on another 65 hectares with a private party, subject to a 2.0% NSR; and on July 21, 2008, the Company entered into a Mining Lease Agreement on an additional 16 hectares from another private party, also subject to a 2.0% NSR payable to a private landholder.

Jungo (JU)
The Jungo Project is located in both Humboldt and Pershing Counties, Nevada, approximately 60km west of Winnemucca, Nevada. The Company has a 100% interest in 192 claims (15.5km^2) at Jungo.

Dunphy (DU)
The Dunphy Project is located in Eureka County, Nevada, approximately 40km east of Battle Mountain, Nevada. The Company has a 100% interest in 78 claims (6.3km^2) at Dunphy.

Kelly Creek (KC)
The Kelly Creek Project is located in Humboldt County, Nevada, approximately 40km north-northwest of Battle Mountain, Nevada. The Company has a 100% interest in all 581 claims (47.0km^2) at Kelly Creek.

During the period ended October 1, 2009, the Company entered into a Mining Lease and Option to Purchase Agreement with Genesis Gold Corporation (“Genesis”). Under the Agreement, the Company is the Operator and has the option to purchase 100% of the Genesis claims for 50,000 common shares (issued) and USD$1,500,000, subject to a 1.5% Net Smelter Return Royalty (“Royalty”). The Company also has the option to purchase one half of the royalty (0.75%) for USD$750,000.

With the addition of Genesis’s Hot Pot claims, NGE is now one of the largest property holders in the Kelly Creek Basin.

Whiskey Flats (WF)
The Whiskey Flats Project is located in Mineral County, Nevada, approximately 20km south of Hawthorne, Nevada. The Company has a 100% interest in 273 claims (22.1km^2) at Whiskey Flats.

Summary of Project Work Completed to Date

To date, NGE has completed: detailed groundwater chemistry sampling on all eleven (11) properties; detailed soil chemistry on seven (7) properties; detailed air magnetic geophysics on seven (7) properties; detailed gravity geophysics on seven (7) properties; and Phase I drilling on three (3) properties. The Company's management believes the results to date at each of the properties are encouraging and justify additional exploration expenditures. The table below summarizes the completion dates for the referenced work.

PROPERTY	Water Chemistry	Soil Chemistry	Air Magnetics	Gravity	Phase I Drilling
Fletcher Junction (FJ)	2005				2008
Hot Pot (HP)	2007	2007		2008	2008
Bull Creek (BU)	2008	2008	2008	2008	2008
Awakening (AW)	2008	2008	2008	2008	
Sand Pass (SP)	2007	2008	2008	2008	
Winnemucca Mtn. (WM)	2007	2008	2008	2008	
Rye Patch (RP)	2007	2008	2008	2010	
Jungo (JU)	2008		2008	2008	
Dunphy (DU)	2007	2008			
Kelly Creek (KC)	2007				
Whiskey Flats (WF)	2008		2009		
TOTAL	11	7	7	6	3

Summary of Quarterly Results

The following table sets out selected unaudited financial information, presented in Canadian dollars and prepared in accordance with generally accepted accounting principles in Canada, for each of the last eight quarters. The information contained herein is drawn from interim financial statements of the Company for each of the aforementioned eight quarters.

	2010	**2009**	**2009**	**2009**
Quarter Ending	**January 31**	**October 31**	**July 31**	**April 30**
Revenue	121	5,370	2,470	15,255
Working Capital (Deficiency)	275,053	176,375	(147,413)	75,864
Expenses	440,931	510,042	308,983	125,060
Net Loss	(440,810)	(504,178)	(319,428)	(109,805)
Net Loss (per Share)	(0.01)	(0.01)	(0.01)	(0.03)

	2009	**2008**	**2008**	**2008**
Quarter Ending	**January 31**	**October 31**	**July 31**	**April 30**
Revenue	-	23,036	4,533	99,824
Working Capital	307,729	400,536	1,401,806	2,742,917
Expenses	465,495	855,707	573,602	1,069,462
Net Loss	(465,495)	(832,671)	(569,069)	(969,638)
Net Loss (per Share)	(0.008)	(0.01)	(0.01)	(0.01)

Results of Operations

Revenue
NGE did not generate any significant revenue in the nine month period ending January 31, 2010. The Company continues to expend its resources searching for and advancing properties that may contain economic resources that would allow the Company either to sell its interests or to setup profitable mining operations.

Operating Expenses
During the nine month period ended January 31, 2010, NGE’s expenses were $1,259,904, compared to $1,894,804 for the nine month period ended January 31, 2009. The decrease was due to a decrease in activity and a reduction of staff.

Office expenses during the nine month period ended January 31, 2010, were $64,702, compared to $274,110 for the nine month period ended January 31, 2009. The decrease was due to a decrease in activity and a reduction of staff.

Professional fees, consulting, and investor relations costs during the nine month period ended January 31, 2010, were $157,818, compared to $195,561 for the nine month period ended January 31, 2009. The decrease was due to a decrease in activity and a decrease in the use of professionals, consultants, and investor relations.

Rent costs for the nine month period ended January 31, 2010, were $75,914, compared to $62,244 for the nine month period ended January 31, 2009. During the year ended April 30, 2009, the Company deferred a portion of its rent, and in the period ended January 31, 2010, the Company paid off this deferral.

Salaries and related expenses during the nine month period ended January 31, 2010 were $372,297, compared to $444,763 for the nine month period ended January 31, 2009. Salary expenses for the nine month period ended January 31, 2010, include $80,243 (USD$74,930) in salaries to officers and directors that have been accrued, not paid. Salary related expenses for the nine month period ended January 31, 2010, include approximately $64,254 (USD$60,000) in taxes, penalties, and fees for payroll related taxes due in prior periods.

The total stock-based compensation expense for the nine month period ended January 31, 2010, was $454,037, compared to $677,970 for the nine month period ended January 31, 2009. Stock-based compensation expense during the period ended January 31, 2010 relates to:

i. the fair value of options granted in the current period,

ii. the fair value of options re-priced in the period, and

iii. the fair value of options, granted in prior periods, that vested during the period ended January 31, 2009.

Travel costs for the nine month period ended January 31, 2010, were $13,399 compared to $19,751 for the nine month period ended January 31, 2009. The decrease was due to a decrease in activity.

Assets & Liabilities

The Company's long term debt as at January 31, 2010, is $42,968 compared to $74,142 at April 30, 2009. The long term debt consists of loans for one vehicle and one backhoe. During the nine month period ended January 31, 2010, NGE sold three vehicles and some drilling equipment.

Deposits for land reclamation also add to the Company's asset base. Deposits as at January 31, 2010, are $96,274. These deposits (bonds) are required by the U.S Bureau of Land Management (BLM) and US Forest Service (USFS) to ensure that reclamation and clean-up work on NGE's properties will be completed to the satisfaction of the BLM and the USFS. NGE has completed all required BLM reclamation work to date, including dirt-work and seeding, and has to wait for vegetation to regrow before 100% of the bonds will be released. Several roads remain un-reclaimed on USFS lands at NGE's Fletcher Junction property, while all other reclamation has been completed.

Liquidity and Capital Resources

The Company has financed its operations primarily through the issuance of common shares. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing.

	January 31, 2010	April 30, 2009
Working capital	$ 275,053	$ 75,864
Deficit	(8,180,782)	(6,916,366)

Net cash used in operating activities for the period ended January 31, 2010 was $742,401 compared to net cash used of $1,440,488 during the period ended January 31, 2009 and consists primarily of the operating loss and changes in non-cash working capital items.

Net cash provided by financing activities for the period ended January 31, 2010, was $1,411,304 compared to net cash provided of $250,101 for the period ended January 31, 2009. The increase in financing activities was primarily a result of the two private placement financings completed during the period.

Net cash used by investing activities for the period ended January 31, 2010 was $496,855 compared to net cash used $636,797 during the period ended January 31, 2009. NGE has slowed down its exploration activities and sold some equipment, leading to cash provided in 2010 compared to cash used in 2009.

Capital Resources

During the nine month period ended January 31, 2010, the Company:

i. received a loan of USD$100,000. The loan had interest attached of 25% per annum. On September 16, 2009, the Company settled the loan in full;

ii. issued 20,995,673 units for gross proceeds of $1,102,273 by way of a non-brokered private placement. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share at an exercise price of $0.10 for a period of two years. In the event that the Company's volume weighted average share price averages at or above $0.20 per share for 20 consecutive trading days on the TSX Venture Exchange, then the Company shall have the right to accelerate the warrant exercise period to the 30th day after the date on which the Company gives notice of acceleration. All shares issued are subject to a four month hold period expiring December 21, 2009, as well as to any other re-sale restrictions imposed by applicable securities regulatory authorities; and

iii. issued 2,742,000 Units at a price of $0.17 for total gross proceeds of $466,140, by way of a brokered private placement. Each Unit consisted of one common share and one half warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.22 for a period of 18 months. All shares issued are subject to a four month hold period, as well as to any other re-sale restrictions imposed by applicable securities regulatory authorities. In connection with the private placement the Company paid cash share issuance costs of $37,291, issued 274,200 agent warrants with a fair value of $20,900; and issued 50,000 units to the agent with a fair value of $0.17 per unit, or $9,500.

Off Balance Sheet Arrangements

As at January 31, 2010, NGE had no off balance sheet arrangements such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market or credit risk to NGE.

Transactions with Related Parties

During the period ended January 31, 2010, the Company:

i. paid or accrued $279,602 (US$256,500) in management fees, recorded as salaries, to officers and directors of the Company; and

ii. paid or accrued $49,409 in professional fees to a firm in which an officer and director of the Company is a partner.

As at January 31, 2010:

i. loans receivable include an amount of $221,697 (April 30, 2009 - $234,927) receivable from two officers and directors of the Company. The loans receivable are guaranteed by 2,100,000 common shares of the Company that are currently being held in trust. To date loans receivable includes interest of approximately $33,061, $7,445 of which was accrued during the nine month period ended January 31, 2010; and

ii. accounts payable and accrued liabilities included:

   - an amount of $15,000 due to a firm in which an officer and director of the Company is a partner; and
   - an amount of $80,243 (USD$74,930) due to officers and directors of the Company for salary payable.

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

Disclosure of Outstanding Share Data

As at March 19, 2010, the Company has 82,866,777 common shares issued and outstanding and has the following stock options and warrants outstanding:

	Number of Shares	Exercise Price	Expiry Date
Stock options	200,000	$ 0.60	March 9, 2012
	400,000	0.15	March 9, 2012
	500,000	0.60	April 23, 2012
	150,000	0.95	June 8, 2012
	200,000	0.15	June 8, 2012
	150,000	1.00	June 11, 2012
	200,000	1.00	March 4, 2013
	750,000	0.15	March 4, 2013
	200,000	0.15	June 13, 2013
	1,300,000	0.16	September 30, 2014

	600,000	0.17	November 17, 2014
Warrants	4,019,481	0.10	August 20, 2011
	6,639,356	0.10	September 2, 2011
	1,670,200	0.22	May 19, 2011

During the nine month period ended January 31, 2010, NGE re-priced the exercise price of 1,550,000 options, with the approval of the TSX Venture Exchange and, where required, disinterested shareholders. The options' original exercise prices were $0.60-$1.00. The options' exercise price was re-priced to $0.15 resulting in an incremental fair value of $49,200 using the Black-Scholes Option Pricing model. Accordingly, $45,963 was recorded as contributed surplus on the balance sheet; the remainder will be recorded in future periods to match the vesting periods. The weighted average fair value of the options re-priced was $0.03 per option.

In total, during the nine month period ended January 31, 2010, NGE granted 1,900,000 stock options resulting in stock-based compensation of $282,500 using the Black-Scholes Option Pricing model. These amounts were recorded as contributed surplus on the balance sheet. The weighted average fair value of the options granted was $0.15 per option. The Company also recorded stock based-compensation of $125,574 as a result of vesting provisions tied to options granted in previous fiscal years.

Financial Instruments and Other Instruments

Risk Management Policies
The Company is exposed to risk due to the nature of its financial instruments. Risk management is the responsibility of management and the Company did not use derivative instruments.

Fair Value
The Company estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value because of the near maturity of those instruments.

As at January 31, 2010, the carrying amount of current financial assets and liabilities approximated the fair value because of the near maturity of those instruments and the carrying value of term deposits and the long-term debt is considered to approximate fair value since it bears interest at current rates for similar types of borrowing arrangements or investments.

The Company has implemented the following classifications:

- Cash and cash equivalents and deposits are classified as held-for-trading and any period change in fair value is recorded through net income.
- Term deposits, accounts receivable and loans receivable are classified as loans and receivables and are measured at amortized cost using the effective interest rate method.
- Accounts payable and accrued liabilities and long-term debt are classified as other than held-for-trading liabilities and are measured at amortized cost using the effective interest rate method.

Credit Risk and Interest Rate Risk
Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risk arising from these financial instruments

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure and financial leverage, as outlined in Note 11 ("Capital Disclosures"). It also manages liquidity risk by continuously monitoring actual and projected cash flows. The Board of Directors reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the normal course of business.

As at January 31, 2010, the Company was holding cash of $208,263 and current liabilities of $167,711. As a result of the limited cash and no significant revenue, the Company is exposed to liquidity risk and remains reliant on the Company's ability to complete equity financings in order to continue its exploration activities, maintain its properties, and generally continue as a going concern.

Foreign Exchange
The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. A significant portion of the Company's expenses is denominated in US dollars. Consequently, certain assets, liabilities and operating expenses are exposed to currency fluctuations. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. At the period ending January 31, 2010, the Company is exposed to currency risk through the following assets and liabilities denominated in US dollars:

	$US
Cash and cash equivalents	22,219
Loans receivable	211,598
Deposits and bonds	89,900
Accounts payable and accrued liabilities	(103,383)
Long term debt	(64,649)

Net Exposure
Based on the above net exposures as at January 31, 2010, and assuming that all other variables remain constant, a 10% change in the value of the US dollar against the Canadian dollar would result in an increase of $15,600 in the loss from operations.

<u>Capital Disclosures</u>

The Company's objectives when managing capital are: to safeguard its ability to continue as a going concern; and, to have sufficient capital to be able to fund the exploration and development of its mineral properties and acquisition of other mineral resources, for the benefit of its shareholders.

In order to maintain its capital structure, the Company, is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares and incentive stock options. In the management of capital, the Company includes the components of shareholders' equity as well as cash.

The Company prepares annual estimates of exploration expenditures and monitors actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to invest its cash in highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest penalty. The Company currently has insufficient capital to fund its exploration programs and is reliant on completing an equity financing to fund further exploration. The Company is not subject to any externally imposed capital requirements.

<u>Risks and Uncertainties</u>

In conducting its business of mineral exploration, NGE is subject wide variety of known and unknown risks, uncertainties and other factors which may affect the results, performance or achievement of the Company. Such risks and factors include, among others: risks related to the actual results of current and future exploration activities; future prices for gold, silver, and other commodities; environmental risks and hazards; the Company's lack of substantial revenue; the Company's ongoing need to raise money through equity financings; increases to operating, labour, and supply costs; and changes to government regulation, taxes, and fees. Although the Company attempts to identify and plan for these important factors that could affect results materially, the Company cautions the reader that the above list of risk factors is not exhaustive there may be other factors that cause results to differ from anticipated, estimated, or intended results.

Ultimately, there can be no guarantee that the Company will be successful in making an economic mineral discovery.

<u>Recent accounting pronouncements</u>

Business Combinations
In January 2009, the CICA issued Handbook Section 1582, Business Combinations, which replaces the existing standards. This section establishes the standards for the accounting of business combinations, and states that all assets and liabilities of an acquired business will be recorded at fair value. Estimated obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. This standard is equivalent to the International Financial Reporting Standards on business combinations. This standard is applied prospectively to business combinations with acquisition dates on or after January 1, 2011. Earlier adoption is permitted. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Consolidated Financial Statements
In January 2009, the CICA issued Handbook Section 1601, consolidated financial statements, which replaces the existing standards. This section establishes the standards for preparing consolidated financial statements and is effective for interim and annual consolidated financial statements beginning on or after January 1, 2011. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Goodwill and Intangible Assets
The AcSB issued CICA Handbook Section 3064 which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008 and is not expected to have an impact on the Company's financial results.

International financial reporting standards ("IFRS")
In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended April 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Change in Management

During the period ended December 31, 2009, the Company announced the resignation of Randy Koroll as Chief Financial Officer and Shawn Noe as Director, and the appointment of Mr. Cyrus Driver as Chief Financial Officer and Director.