NEVADA EXPLORATION INC.
Period Ended January 31, 2008
Management Discussion and Analysis Form 51-102F1

1. Date – January 31, 2008

The following discussion and analysis is a review of operations, current financial position and outlook for Nevada Exploration Inc. (the "Company" or "NGE") and should be read in conjunction with the audited financial statements for the period ended April 30, 2007 and December 31, 2006. Results are presented for the period ended April 30, 2007 and reflect four months of results plus comparative figures as at December 31, 2006. Amounts are reported in Canadian dollars based upon the financial statements prepared in accordance with Canadian generally accepted accounting principles.

All statements in this MD&A, other than statements of historical fact, that address future acquisitions and events or developments that Nevada expects to occur, are forward-looking statements. Although Nevada believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include industry-related risks, regulatory approvals, and continued availability of capital and financing and general economic, market or business conditions.

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

2.1 *Annual Information*

The fiscal year end of NGE is April 30. The following table summarizes NGE's financial results during the years ended April 30, 2007 and December 31, 2006.

	Year ended April 30, 2007	**Year ended December 31, 2006**
Total revenues	13,637	Nil
Loss from continuing operations	(691,899)	(399,483)
Net Income or Loss	(691,899)	(399,483)
Total assets	5,361,518	4,003,074
Total long term liabilities	Nil	Nil
Cash dividends declared	Nil	Nil

Note: NGE was incorporated on April 6, 2006. Annualized financial information reflect the activities of the NGE subsidiaries prior to the incorporation of NGE.

2.2 *Management's Discussion and Analysis*

This management's discussion and analysis ("**MD&A**") provides analysis of NGE's financial results for the three month periods ended January 31, 2008 and 2007. The following information should be read in conjunction with the audited consolidated financial statements of NGE for the fiscal period ended April 30, 2007 (and the notes thereto).

Overview

NGE is a private company incorporated under the *Canada Business Corporations Act* on April 6, 2006. All financial information for the fiscal years ended April 30, 2007 and December 31, 2006 annualized financial information reflecting the consolidated activities of NGE prior to the incorporation of NGE.

NGE's primary operations consist of locating gold deposits in the State of Nevada. The Company has a 100% interest in the property known as “FJ” which consists of 346 unpatented claims. NGE also has the exploration and mineral rights on 3.4 square miles of land known as the “HP Property”.

During this period, NGE continued to execute on its strategy of using ground water chemistry to find new gold reserves cheaper and faster than those using more conventional exploration approaches. NGE raised $1,649,123 through the exercise of all outstanding warrants that were due to expire on February 28, 2008. In addition, NGE also raised an additional $1,020,000 through the completion of a non-brokered private placement. These funds, together with existing cash reserves, allow NGE to continue its innovative program of ground water sampling, acquisition of additional highly prospective land and to increase the rate of RC drill testing of each project.

NGE also completed moving its field exploration office to a larger facility and expanded its exploration staff to eleven employees to better execute its growth strategy. Land acquisition continued on target areas evidencing highly anomalous gold and trace-element ground water chemistry. NGE now controls approximately 60 sq-mi of mineral rights in Nevada on 11 separate projects, largely through wholly-owned unpatented mining claims staked on BLM land.

Hydroprobe water sampling continued to delineate anomalous water chemistry on each project and to define patterns that will be used to target RC drilling. Detailed seismic surveys were completed on two projects to provide deep structural information and a detailed MMI soil sampling survey was completed on one project as a test of the methodology to aid in RC drill target delineation, all with good results.

Reverse Circulation (RC) drilling commenced at Fletcher Junction on November 12, 2007 with a contractor-operated track rig capable of drilling angle holes to approximately 300 meter (1,000 ft) depths. Three holes were completed by December 17, 2007 when operations shut down for the Holidays. Drilling resumed on January 12, 2008. An additional contractor-operated RC track drill rig was added to the Fletcher Junction project on February 1, 2008. The second RC drill rig is capable of drilling angle holes to approximately 600 meter (2,000 ft) depths. As of February 26, 2008 a total of approximately 1,600 meters (5,365ft) had been completed in six RC drill holes. Completion depths range between 200 meters (670 ft) and 300 meters (965 ft). Bedrock was encountered at depths ranging from 130 meters (425 ft) to 245 meters (805 ft). All bedrock showed the effects of hydrothermal alteration consistent with a possible bedrock source for the highly anomalous gold in ground water associated with the Fletcher Junction Project area. Cuttings from all six drill holes have been submitted to American Assay Labs in Sparks, NV for analysis. Drilling is expected to continue at Fletcher Junction.

Targeting and permitting activities on other projects are moving forward smoothly and well in advance of RC drill rig availability.

Drilling progress has been admittedly very slow and has been due largely to unpreventable mechanical difficulties associated with used drilling equipment. Start-up mechanical problems now seem to be resolved and drilling production seems likely to increase substantially.

Overall Performance

NGE incurred a consolidated loss of $579,798 for the three-month period ended January 31, 2008, compared to a loss of $204,914 for the same period in 2007.

NGE's total assets as at January 31, 2008 amounted to $5,996,195 an increase of $634,677 from April 30, 2007. Cash and accounts receivables make up $2,811,927 or (46.8%) of the Company's assets. Cash has decreased by operations but has been somewhat offset by cash received from the exercise of warrants and options that has amounted to $544,896 since April 30. The Company also completed a non-brokered private placement for gross proceeds of $1,020,000. Mineral properties have increased by $1,410,506 and now accounts for 36.33% ($2,178,651 vs $768,145 or 14.32% at April 30) of the total asset balance at January 31, 2008. The balance of the asset base for January 31, 2008 is made up of equipment and receivables. The increase in mineral properties was mainly due the Company's increased exploration efforts on not only the HP and FJ properties but also on 8 other properties. The Company has also started a reverse circulation drilling program on its FJ property with one drill rig now currently operating there with a planned 20 drill sites. NGE may also add additional exploration equipment in 2008. Equipment has increased marginally in the three-month period ended January 31, 2008 as the Company purchased some new equipment.

Results of Operations

Revenue

NGE has not generated any significant revenues in its past fiscal years of 2007/2006 with the exception of some interest income earned on investments placed with financial institutions for guaranteed certificates. The Company continues to expend its resources searching for properties that may contain results allowing the Company to setup mining operations and extract enough gold to be profitable. NGE will continue to spend money searching the properties it hold rights to and will continue to have to raise funding to do so.

Operating Expenses

Overall in the three-month period ended January 31, 2008, NGE incurred significant overhead expenses (January 31, 2008: $579,798, 2007: $215,035 including (i) general and administrative expenses, (ii) stock-based compensation, (iii) amortization costs, and (iv) foreign exchange. The majority of these costs were for stock grants to consultants, directors and employees in the period. The total stock-based expense was $205,251, while in 2007 this number was $25,401. General and administrative expenses accounted for $391,787 in 2008 while in 2007 this figure was $217,769.

General and administrative expenses also increased as the Company increased its field staff to operate the two Geoprobe machines for increased evaluation capacity as well it increased staff again to supervise it's drilling projects at FJ. G&A expenses are subsequently reduced as the Company follows a policy of capitalizing all direct costs related to the acquisition and exploration of mineral properties. NGE has now embarked on a reverse circulation drilling plan on its FJ property and also plans to acquire more properties that will yield positive results for gold.

Amortization

Amortization costs were $32,738 for the three-month period ended January 31, 2008, compared to $329 for the same period in 2007. The increase in amortization results from the purchase of equipment by the Company late in this quarter.

Assets

Total assets have increased from $5,361,518 as at April 30, 2007 to $5,996,195 as at January 31, 2008 as NGE increased its mineral properties from $768,145 at April 30, 2007 to $2,178,651 at January 31, 2008. This increase is solely due to the fact that the Company has increased the number of properties that it evaluates from 2 to 10 properties. Deposits have also increased in this period as the Company in conjunction with its exploration work has had to post reclamation bonds with the State of Nevada to ensure that clean- up work on the properties will be carried out once NGE vacates the land.

Liquidity and Capital Resources

Liquidity

As at January 31, 2008 NGE had cash amounting to $2,790,091 and $3,559,095 as at April 30, 2007. NGE now has begun to expand its target generation and land acquisition programs and believes that now it will be able to meet all of its obligations.

Management expects to finance future operations and growth through the use of (i) issuance of debt and equity securities; (ii) banking and other loan facilities.

The Company had working capital of $2,637,733 at January 31, 2008 while at April 30, 2007 it had $3,580,269 in working capital reserves. The decrease in working capital is mainly due to the increase in mineral properties in the nine-month period ended January 31, 2008 of $1,410,506.

Capital Expenditures

In the three-month period ended January 31, 2008 NGE invested a total of $162,446 in capital assets compared to $168,801 for the same period in 2007. The minimal decrease in capital expenditures in 2008 is a result of NGE now having purchased the majority of its equipment to complete its Geoprobe work and also switching its focus to its drill program which has now been started at FJ.

Long Term Debt and Other Long Term Commitments

The Company has no long term debt at January 31, 2008. The Company entered into a ten year lease agreement with Julian Tomera Ranches, Inc., covering approximately 2,225 acres of land in Humboldt County, Nevada. The lease gives the Company mining rights to the property for the period. Pursuant to the terms of the lease the Company has paid a total of $84,981 up to 2007. Starting in 2008, the Company will pay $22,200 per year. The agreement also calls for the Company to pay Tomera a royalty of 3% Net Smelter Returns from production, if any, on the land covered by this lease. The Company is also obligated to pay Battle Mountain Gold Exploration Corp a royalty of 1.25% of Net Smelter Returns from production of the "HP" and "FJ" properties.

Off Balance Sheet Arrangements

As at January 31, 2008, 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

1. Legal fees of $47,486 (2007 - $48,412), were paid to firms whose partners are directors of the Company.

2. As at January 31, 2008, loans receivable include an amount of $281,811 receivable from two officers of the Company.

Disclosure of Outstanding Share Data

For information regarding outstanding share capital of NGE, please see Note 7 of the unaudited consolidated financial statements of NGE for the period ended January 31, 2008.

Critical Accounting Estimates

For information regarding critical accounting estimates used by NGE, please see Note 2 of the unaudited consolidated financial statements of NGE for the period ended January 31, 2008.

Changes in Accounting Policies including initial Adoption

On January 1, 2007, the Company adopted CICA accounting Handbook section 3855, Financial Instruments – Recognition and Measurement, section 3861, Financial Instruments – Disclosure and Presentation, section 1530, Comprehensive Income, and section 3251, Equity.

Financial Instruments and Other Instruments

NGE's financial instruments consist of cash and cash equivalents, subscription receivables, sales tax receivables, deposits paid and accounts payables and accrued liabilities.

Management does not believe these financial instruments expose NGE to any significant interest, currency or credit risks arising from these financial instruments. The fair market values of these financial instruments approximate their carrying values.

Risks and Uncertainties

In conducting its business, NGE is subject to a wide variety of risks and uncertainties which are more fully described in section 1 of the MD&A.

Subsequent Events

On March 4, 2008, NGE announced that 100% of its outstanding Series' A Warrants have been exercised for total gross proceeds of $1,649,123,

On March 11, 2008, the Company closed its second private placement tranche and issued 790,000 units, valued at $1.00/unit, for total gross proceeds of $790,000. Each unit consists of one common share of NGE plus one 1/2 warrant to purchase a common share of NGE at an exercise price of $1.50 per common share of NGE for a period of 24 months.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the CEO and CFO, on a timely basis so that appropriate decisions can be made regarding public disclosure.

Nevada's Management conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2006. Based on this evaluation, the CEO and CFO have concluded that our disclosure controls and procedures, as defined in Multilateral Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim filings, are effective to ensure that information required to be disclosed in reports that we file or submit under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules and forms.