INTERNATIONAL NICKEL VENTURES CORPORATION MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE QUARTER ENDED MARCH 31, 2010

The following management's discussion and analysis of the financial condition and results of operations ("MD&A") of International Nickel Ventures Corporation ("INV Metals" or the "Corporation") was prepared to enable the reader to assess material changes in the financial condition and results of operations of INV Metals as at and for the three month period ended March 31, 2010, in comparison to the corresponding prior year periods. This MD&A is prepared as at May 11, 2010, and is intended to supplement and complement the consolidated financial statements of INV Metals for the three month period ended March 31, 2010 and 2009 (the "Financial Statements"), which are prepared in accordance with Canadian generally accepted accounting principles for financial statements. This MD&A should be read in conjunction with the Financial Statements and the Annual Information Form ("AIF") in respect of the 2009 year dated March 22, 2010, filed with the Canadian provincial securities regulatory authorities and available on SEDAR at www.sedar.com. This MD&A contains certain forward looking statements based on management's current expectations (please see "Cautionary Note Regarding Forward Looking Statements" below). All references to dollars herein are in Canadian dollars unless otherwise specified.

HIGHLIGHTS

The Board of Directors approved the change of the Corporation's name to INV Metals Inc. The Corporation's shareholders will be requested to ratify the name change at the Corporation's annual general meeting to be held on June 9, 2010. As such, the Corporation is referred to in this MD&A as INV Metals.

The planned 5,100 metre drill program commenced at the Kaoko property in Namibia in late April. Drilling is currently underway at the Okohongo target where it is expected INV Metals will drill approximately 2,600 metres in 12 holes.

In April, INV Metals announced the drill results of the four hole, 1,570 metre drill program at the RN-7 target area and in-fill soil sampling program at the RN-11 target area at the Rio Novo property, Brazil.

In February, INV Metals announced the discovery of a new prospective copper zone in the Sesfontein area ("Sesfontein"), along a 26 km strike length within the Kaoko copper property ("Kaoko"). A regional 1:25,000 scale geological mapping program in the Sesfontein area was initiated in November 2009. During the course of the on-going program INV Metals discovered fifty-five copper showings over a strike length of 26 kilometres. The new copper showings are proximal to a sandstone-shale/dolostone contact that hosts significant copper-silver mineralization in other areas of the extensive property, a similar setting to that hosting the world class copper deposits found within the Zambian and Congolese Copperbelt.

In January, the Corporation released its exploration and operating budget for 2010, which is estimated at $7.8 million, including planned exploration expenditures of $2.7 million at the Rio Novo copper-gold property ("Rio Novo") and $2.2 million at the Kaoko copper property.

As at March 31, 2010, the Corporation had cash resources of approximately $12.0 million. The Corporation recorded a net loss of $845,438 or $0.01 per share for the three month period ended March 31, 2010 ("Q1/2010"), compared with a net loss of $536,097 or $0.01 per share for the corresponding period ended March 31, 2009 ("Q1/2009"). General and administration expenses for Q1/2010 were $715,832, compared to $883,239 for Q1/2009. Interest income during the period totaled $3,911 which decreased by $29,400, from $33,311 in Q1/2009.

RESULTS OF OPERATIONS

The following table presents the changes between INV Metals' Consolidated Statement of Operations for the three month periods ended March 31, 2010 and 2009.

For the three months ended March 31,		**2010**		2009		Change
Expenses						
General and administration						
Shareholder information and regulatory compliance	**$**	**23,373**	$	35,131	$	(11,758)
Compensation		**518,225**		624,728		(106,503)
Travel		**38,497**		51,144		(12,647)
Professional fees		**65,036**		11,639		53,397
Office		**55,886**		89,943		(34,057)
Telecommunications		**6,738**		5,291		1,447
Other		**8,077**		65,363		(57,286)
Total general and administration		**715,832**		883,239		(167,407)
General exploration		**-**		119,072		(119,072)
Mineral properties and deferred exploration written off		**-**		357,300		(357,300)
Stock-based compensation		**124,145**		190,075		(65,930)
Equity loss from investment		**-**		(83)		83
Foreign currency exchange loss (gain)		**9,372**		286		9,086
Interest income		**(3,911)**		(33,311)		29,400
Loss before income taxes		**845,438**		1,516,578		(671,140)
Future income tax recovery		**-**		(980,481)		980,481
Net loss and comprehensive loss	**$**	**845,438**	$	536,097	$	309,341
Basic and diluted loss per share	**$**	**0.01**	$	0.01	$	0.00

The Corporation recorded a net loss of $845,438 or $0.01 per share for Q1/2010 compared with a net loss of $536,097 or $0.01 per share for Q1/2009. The decrease in the loss was primarily due to lower compensation costs as a result of severance payments in Q1/09, a non-recurring loss on fixed assets from the closure of the Brazilian office, a write off of mineral properties of deferred exploration in Q1/09 and focused exploration activity at the Rio Novo property during Q1/10, which resulted in exploration activities capitalized to the property. The Corporation recorded a future tax recovery in Q1/2009 of $980,481 due to the renunciation of flow-through share expenditures.

General and administrative expenses decreased from $883,239 in Q1/2009 to $715,832 in Q1/2010. The decrease was mainly a result of decreased compensation relating to severance paid in prior year as a result of the closure of the Brazil and Vancouver offices, partially offset by bonuses paid to staff during the period. Shareholder information and regulatory compliance expenses totaled $23,373 for the three month period

RESULTS OF OPERATIONS (continued)

ending March 31, 2010, compared to $35,131 in Q1/2009, resulting in a $11,758 decrease. The decrease was a result of cost saving initiatives implemented by management.

Professional fees increased from $11,639 in Q1/2009 to $65,036 in Q1/2010 as a result of costs associated with the incorporation of the Barbadian and Namibian subsidiaries.

Travel expense decreased by $12,647 from $51,144 in Q1/2009 to $38,497 in Q1/2010, due to prudent management travel policies and certain exploration related travel expenses capitalized to the mineral properties.

General exploration costs decreased to $Nil in Q1/2010 from $119,072 in Q1/2009. In Q1/10, exploration costs were attributed to the mineral properties versus in Q1/09, when certain costs were allocated to general exploration in Brazil. The decrease in Q1/10 general exploration costs was also a result of the Brazilian office closure in February 2009.

During Q1/2010, stock options and restricted share units granted to directors, senior management and employees resulted in stock-based compensation expense of $124,145, a decrease of $65,930 from $190,075 in Q1/2009, as a result of fewer Brazilian employees due to the closure of the Brazilian office and a decrease in the valuation of options that were granted and continue to vest.

Interest income decreased by $29,400 from $33,311 in Q1/2009 to $3,911 in Q1/2010, due to the decreased cash position of the Corporation in the year, as well as significantly decreased interest rates compared to the prior year. The Corporation's cash is invested in low risk, fully liquid deposits at a major Canadian chartered bank.

FOREIGN EXCHANGE

INV Metals reports its financial results in Canadian dollars. The Corporation's expenses include costs incurred in the Brazilian real ("R$") and Namibian dollar ("N$"). The Canadian dollar decreased relative to the Brazilian real during Q1/2010 as the average rate was $0.5771/R$ compared to $0.5378/R$ in Q1/2009. The Brazilian real was $0.5834/R$ as at May 10, 2010. The Namibian dollar was $0.1420/N$ as at May 10, 2010.

FINANCIAL CONDITION AND LIQUIDITY

Cash and cash flows

The Corporation is not in commercial production on any of its resource properties and accordingly, it does not generate cash from operations. The Corporation finances its activities by raising capital through equity issues. As at March 31, 2010, the Corporation had cash of $11,984,985 (2009 - $13,586,446) and working capital of $11,505,452 (2009 - $13,072,826). Cash and working capital have decreased from December 31, 2009, as a result of funds spent on exploration and operating activities as well as closure costs related to the Vancouver and Brazil offices. The majority of the Corporation's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Cash used in operating activities for Q1/2010 totaled $725,203 compared to $644,112 in Q1/2009. Stock-based compensation expense and change in working capital comprise the principal amounts that reconcile the statement of loss to the statement of cash flows from operation activities.

Financing activities

The Corporation did not raise capital during Q1/2010.

FINANCIAL CONDITION AND LIQUIDITY (continued)

Investing activities

Cash used in investing activities for Q1/2010 totaled $876,258 compared to $271,411 in Q1/2009. Investing activities in Q1/2010 increased mainly due to increase of expenditures on the Rio Novo property in Brazil and the Kaoko property in Namibia.

In management's view, the Corporation has sufficient financial resources to fund currently planned exploration programs and ongoing operating expenditures. The Corporation will continue to be dependent on raising equity capital as required unless it reaches the production stage and generates cash flow from operations.

OUTLOOK

At Rio Novo, a diamond drill program commenced in November 2009 and four drill holes were completed at the RN-7 target. The 2010 drill program is estimated at 4,450 metres, which includes the completed drill program at RN-7 and drill programs at the RN-5 and RN-11 target areas, scheduled to commence after the rainy season. Further soil sampling and IP surveys over selected areas are also planned. An auger drill program is planned for the Rio Novo North claim to assess the potential of the area. The eastern boundary of the Rio Novo North claim is located approximately 2 kilometres west of the well known Serra Pelada gold and precious metals deposit.

The planned 2010 exploration program at Kaoko consists of a reverse circulation drill program totalling approximately 5,300 metres that will test high priority target areas at Okohongo, Sesfontein and Horseshoe. Drilling commenced at Okohongo in late April. Regional mapping is planned at various targets throughout the year, with additional mapping recently completed at Okohongo to aid in the definition of specific drill targets. INV Metals expects to complete IP surveys at Horseshoe, Oravanjai, Otjohorowara and Sesfontein. A stream sediment sampling program initiated in late 2009 at two target areas (Ozombombo and Onganga) was completed in March 2010 with a number of copper anomalies identified which warrant follow-up exploration.

MINERAL PROPERTIES

Expenditures on mineral property and deferred exploration in Q1/2010 totaled $849,289, compared to $278,278 in Q1/2009. Exploration activities in Q1/2010 were carried out on the Rio Novo property in Brazil, and the Kaoko property in Namibia.

1) Brazilian properties

i) Rio Novo, Brazil

The Rio Novo property consists of approximately 29,000 hectares and is located in the Carajás region in the state of Pará, Brazil. The Carajás region is one of the premier mining camps in the world and hosts one of the world's largest known concentrations of large tonnage, open pittable iron oxide-copper-gold deposits. The region is also home to some of Vale S.A.'s largest Brazilian iron ore mines.

INV Metals commenced an exploration program at the Rio Novo property in November 2009. The field exploration program completed to-date consists of a four hole 1,570 metre drill program at the RN-7 target area and an induced polarization ("IP") survey and in-fill soil sampling program at the RN-11 target area. Drilling was suspended in March due to the rainy season and is scheduled to recommence in mid-May, subject to the weather conditions.

INV Metals completed a four-hole, 1,570 metre diamond drill program in March 2010 to test several targets

MINERAL PROPERTIES (continued)

1) Brazilian properties (continued)

i) Rio Novo, Brazil (continued)

In the RN-7 prospect area. Holes RND-31 and RND-32 were drilled to test a strong 1.8 kilometre long conductor identified by an airborne electromagnetic survey ("VTEM") performed by Teck, subsequent to a two-hole drill program which intersected 0.66% copper over 102 metres (hole RND-29) and 0.40% copper over 69 metres (hole RND-30). Hole RND-33 was drilled to further test a strong soil geochemical anomaly, 400 metres west of Teck's historical hole RND-29. Hole RND-34 tested a copper-in-soil geochemical anomaly with a coincident VTEM conductor 800 metres west of RND-33. The results of the drill program are summarized in Table 1 which shows all intersections greater than 0.1% copper.

The VTEM conductor was explained by the presence of brecciated to massive hydrothermal magnetite, which is the classic host rock for copper mineralization in iron oxide copper-gold ("IOCG") deposits. Although no significant grades of copper mineralization were intersected, disseminated to patchy chalcopyrite occurs throughout all of the boreholes, along with intense chlorite-albite-garnet-actinolite-hydrothermal magnetite alteration characteristic of large IOCG systems. In hole RND-34, a thick oxidized interval contained several patches of native copper. The drilling to-date at target RN-7 indicates an intense alteration system within typical IOCG deposit host rocks with pervasive anomalous copper mineralization over a strike length of at least 2.4 kilometres. To date there has been insufficient drilling to understand the geometry of the mineralized zones and therefore the relationship between mineralized intercepts reported in Table 1 and the true width of the intersections is not known at this time.

Further work at RN-7 will include in-fill soil sampling and a review of the drill core to determine alteration vectors which may help indicate the centre of the mineralized system. Additional drilling is required.

Table 1: RN-7 Copper Intersections >0.1% Copper

Hole	From	To	Width	Grade
	m	m	m	% Cu
RN-31	79.0	80.0	1.0	0.11
	83.0	84.0	1.0	0.15
	177.0	178.0	1.0	0.70
	184.2	187.0	2.9	0.14
RN-32	98.8	107.9	9.1	0.11
	143.5	145.2	1.7	0.32
	148.0	149.0	1.0	0.14
	157.0	158.0	1.0	0.26
	190.7	192.0	1.3	0.12
	198.0	200.0	2.0	0.37
	244.0	245.0	1.0	0.12
	371.9	378.0	6.1	0.40
	388.0	389.0	1.1	0.20
	413.7	414.7	1.0	0.12
	416.7	417.8	1.1	0.22

Hole	From	To	Width	Grade
	m	m	m	% Cu
RN-33	184.0	185.0	1.0	0.41
	192.0	193.0	1.0	0.82
	203.6	205.3	1.7	0.16
	207.1	207.9	0.8	0.16
	211.1	213.5	2.4	0.11
	225.0	233.4	8.4	0.18
	237.5	239.0	1.6	0.33
	241.1	242.2	1.1	0.19
	246.0	247.5	1.5	0.17
	250.6	252.8	2.2	0.16
	256.0	257.6	1.6	0.12
	259.0	260.3	1.3	0.19
	311.2	312.1	1.0	0.55
	337.0	338.0	1.0	0.61
	353.7	355.3	1.7	0.25
	358.1	359.0	0.9	0.14
	360.0	361.0	1.0	0.10

MINERAL PROPERTIES (continued)

1) Brazilian properties (continued)

i) Rio Novo, Brazil (continued)

Table 1: RN-7 Copper Intersections >0.1% Copper (continued)

Hole	From m	To m	Width m	Grade % Cu
RN-34	24.4	67.0	42.6	0.24
including	63.6	67.0	3.4	1.48
which includes	64.6	65.3	0.7	5.45
	186.8	187.6	0.8	0.14
	192.3	193.3	1.0	0.11
	206.5	207.7	1.2	0.12
	234.0	246.0	12.0	0.18
	265.0	266.0	1.0	0.10
	304.5	307.0	2.5	0.25
	334.0	340.0	6.0	0.11

The in-fill soil sampling program at the RN-11 prospect was designed to aid in the identification of drill targets by in-filling a prospective copper soil anomaly previously identified by Teck. The Teck soil sampling program was carried out on lines spaced 400 metres apart, while the INV Metals in-fill program completed sampling along lines at 200 metre intervals. The results of the Teck program outlined a 1.4 kilometre long by 150 to 700 metre wide copper-in-soil anomaly, with copper values ranging from 300 ppm to 1,258 ppm. The INV Metals in-fill soil sampling program extended the potential strike length of the copper anomaly to approximately 2 kilometres, discontinuously, with values ranging from 300 ppm copper to a high of 1,644 ppm copper. The peak copper-in-soil value of 1,644 ppm was collected approximately 100 metres east of a gossanous rock which graded 27.6 % copper, 4.6 grams per tonne gold, and 73.1 gram per tonne silver. The IP survey outlined a moderate chargeability anomaly roughly coincident with the soil anomaly. INV Metals expects to initiate a preliminary seven-hole, approximate 1,750 metre diamond drill program at RN-11 in mid-May.

Additional exploration at the Rio Novo property will include geological mapping and in-fill soil sampling at copper targets RN-5 and RN-7, and at the Rio Novo North area to further define known coincident gold-palladium soil anomalies that occur within the interpreted strike extension of the host rocks to the Serra Pelada gold-palladium-platinum deposit located 2 km east of the Rio Novo North claim boundary.

Potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a mineral resource on the Rio Novo property, and it is uncertain if further exploration will result in such property being delineated as a mineral resource.

2) Namibia property

i) Kaoko, Namibia

The Kaoko property located in Kaokoland, Northwest Namibia and comprises of a roughly 8,000 km^2 prospective land package in a belt geologically analogous and similar in size to the Zambian Copper Belt. The objective of exploration at the Kaoko property is the discovery of world-class, low cost, sediment-hosted copper and silver deposits in a politically favourable jurisdiction.

In preparation for a contemplated 5,300 metre reverse circulation drilling program, which commenced in late April at the Okohongo target, INV Metals completed detailed structural mapping at Kaoko. Teck's previous drill program intersected 25.2 metres of 1.93% copper and 28.9 grams per tonne silver at Okohongo. INV

MINERAL PROPERTIES (continued)

2) Namibia property (continued)

i) Kaoko, Namibia (continued)

Metals' planned drill program of approximately 2,600 metres will bracket and test down-dip extensions to this mineralization. The 2010 planned program will also include drilling 1,500 metres at the Horseshoe target area and 1,200 metres at the newly discovered Sesfontein target area.

As a follow-up to INV Metals' discovery of 55 copper showings in the Sesfontein area, mapping at a 1:25,000 scale was completed to aid with the definition of drill targets. On the western side of the target area, a copper-bearing chlorite schist was traced discontinuously for a total strike length of 8 kilometres. Individual copper oxide (malachite) showings throughout the schist vary in width from a few centimetres up to a few metres and are exposed over distances of a few to over a couple hundred metres, depending on their location relative to structurally thickened hinge-zones or overturned limbs. The chlorite schist is laterally persistent and flat dipping, possibly sub-cropping below shallow surficial sediments, making the area an attractive drill target. Three composite rock samples assayed 2.95% copper and 0.114 grams per tonne gold over 1.5 metres, 2.18% copper and 0.217 grams per tonne gold over 1 metre, and 1.53% copper and 0.104 grams per tonne gold over 2 metres, respectively.

On the eastern side of the target area, a calcareous sericite schist unit is mineralized with disseminated chalcocite over more than a 4 metre width and is in contact with an overlying blue marble formation that serves as a useful marker horizon. One composite grab sample was taken and assayed 4.64% copper, 147 grams per tonne silver over the sampled width of 4 metres where it is exposed along a 30 metre strike length. Further work in the Sesfontein area will include detailed mapping at a 1:5,000 scale, followed by a gradient array induced polarization ("IP") geophysical survey and drilling.

The Horseshoe target area is underlain by variably folded siltstones, shales and dolostones. These host rocks, referred to as the Horseshoe Member, display copper mineralization over a broad area where the rocks are discontinuously exposed in fold limbs. In 2008, Teck drilled six diamond drill holes in the area. Four holes returned weak to moderate copper grades within an area measuring three kilometres by up to 800 metres. Teck's best intersection comprised 4.5 metres of 0.7% copper and 18 grams per tonne silver.

The Horseshoe target covers approximately 8 km^2 and is defined by the discontinuous exposure of mineralized Horseshoe Member throughout the area. The size of the target area and the presence of widespread copper mineralization indicate the potential for a large tonnage, sediment-hosted copper deposit. Recent detailed mapping by INV Metals geologists was aimed at precisely plotting the trace of the Horseshoe Member in outcrop and under cover, while adding to our structural understanding of the area. During the course of mapping a previously undocumented dolostone and siltstone hosted copper showing was identified two to three metres thick and exposed over 200 metres of strike length. Integrating INV Metals and Teck mapping with the results from Teck's gradient array and pole-dipole IP surveys will aid in developing drill targets to be tested with a planned 1,500 metres drill program.

The Manuela area was first visited and its mineral showings described by Tsumeb Corporation Limited ("TCL") geologists in 1979. Two brief visits resulted in the decision to do no further work due to the remoteness of the area and the deteriorating security situation of the time. Recent detailed geological mapping at the Manuela target area by INV Metals geologists has established a structural and sedimentological context for the previously known copper showings and a new showing identified by INV Metals geologists. Known showings include shear zone hosted copper mineralization in basement gneiss and copper mineralization hosted by Nosib Group volcaniclastic conglomerate. The newly identified showing comprises copper mineralization (chalcopyrite and chalcocite) hosted in dolostone near the base of the Nosib Group. Historical TCL sample results for the conglomerate range from 0.5% to 3.4% copper and 11-20 grams per tonne silver. Chip samples from the mineralized shear zone range from 4.9% to 10.5% copper and from 6-148 grams per tonne silver. INV Metals assay results from the mineralized dolostone

MINERAL PROPERTIES (continued)

2) Namibia property (continued)

i) Kaoko, Namibia (continued)

are pending. Strike length of the showings is limited, ranging from 100-200 metres but integration of surface data with the results from an IP survey suggests that there may be potential for additional mineralization down dip and/or down plunge. INV Metals plans to complete several lines of pole-dipole IP in 2010 to aid drill target definition.

The two most northwestern Exclusive Prospecting Licences (EPLs), which had not been explored by Teck, have been covered by a comprehensive stream sediment sampling program which began in October 2009 and was completed during the first quarter of 2010. A total of 1,802 samples was collected with each sample representing a sub-watershed. A number of anomalous areas were identified which warrant follow-up exploration. Four samples contain over 100 ppm copper, with a high of 585 ppm, with an additional dozen samples containing 50 to 100 ppm. The anomalous basins will be subjected to reconnaissance mapping and prospecting.

3) General

All of the Corporation's properties are early stage grassroots projects. Potential quality and grade is conceptual in nature. There has been insufficient exploration to define a mineral resource on any of these properties and it is uncertain if further exploration will result in any such targets being delineated as mineral resources.

a) INV Metals Quality Assurance and Quality Control Program

i) Drilling

Diamond drill core selected to be sampled is split into approximately equal halves utilizing a core saw with one half sent for analysis and the remaining half labeled and retained in core boxes for future reference. Core cutting is oriented by the geologist responsible for logging the core to ensure proper splitting. Cut core is placed into clean, unused transparent plastic sample bags into which a pre-printed sample ticket is placed. The sample number is also written on the bag. The geologist inserts one blank sample and one in-house standard sample with each sample batch with a minimum of one each per every 40 samples in order to monitor contamination and data accuracy. Once samples have been cut and bagged they are sealed, and the appropriate laboratory sample preparation and analysis requisitions are prepared. The samples arethen transported to SGS Geosol Laboratorios Ltda.'s preparation, who then forward the pulps to their laboratory in Vespasiano, Minas Gerais, Brazil, Brazil for gold fire assay-AAS (50 g) and ICP-OES for 40 elements. In addition, 5% of the rejects are reanalyzed to monitor sample homogeneity and preparation procedures, and 5% of the pulps are submitted to a secondary laboratory to verify analytical methodology, laboratory bias and data accuracy.

ii) Data Evaluation

All data is rigorously evaluated by INV Metals' geologists and contractors, and also by its Qualified Persons, to ensure that the data is reliable and accurate, based on the analysis of the blanks, standards and duplicate samples.

This document and the scientific and technical data set forth herein has been reviewed and verified by Mr. Scott Jennings a Qualified Person as defined under National Instrument 43-101 ("NI-43-101") of the Canadian Securities Administrators.

INV Metals entered into a lease arrangement to lease office space effective December 31, 2009. The lease will remain in effect to December 31, 2012.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

As per the option agreements with Teck regarding the Rio Novo and Kaoko properties, upon closing of the transaction on October 28, 2009, the Corporation committed to first year aggregate expenditures on the combined properties of $3 million. The Corporation guaranteed expenditures on the Kaoko property of $3 million over two years, and expenditures of $4 million over two years on the Rio Novo property. As at March 31, 2010, $1,224,044 has been spent in aggregate on both properties.

The Corporation is required to make the following cash payments under its office lease agreement and is committed to the following exploration expenditures:

	Total	2010	2011	2012-14
Exploration expenditure commitment at Kaoko property	$ 3,000,000	$ -	$ 3,000,000	$ -
Exploration expenditure commitment at Rio Novo property	$ 4,000,000	$ -	$ 4,000,000	$ -
First year aggregate exploration expenditure commitment at Rio Novo and Kaoko properties	$ 3,000,000	$ 3,000,000	$ -	$ -
Office leases	$ 189,600	$ 47,400	$ 71,100	$ 71,100

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in accordance with Canadian GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Management evaluates the estimates periodically including those considered to be critical: mineral reserve and resource determinations; impairment and future income and resource taxes. Actual results may differ from these estimates by material amounts.

Mineral properties and deferred exploration

The Corporation considers its exploration and evaluation costs to have the characteristics of property, plant and equipment. As such, the Corporation defers all exploration and evaluation costs, including acquisition costs, field exploration and field supervisory costs relating to specific properties until those properties are brought into production, at which time, they will be amortized on a unit-of-production basis or until the properties are abandoned, sold or considered to be impaired in value, at which time, an appropriate charge will be made.

When impairment indicators are identified, long-lived assets including mineral properties and deferred exploration are reviewed for impairment to determine whether a write down of their carrying amount is required. Since the Corporation is in the exploration stage and has not established mineral reserves and, therefore, does not have a basis to prepare cash flow projections to support the carrying amount of these assets, other factors are considered in determining whether a write down is required. Such factors include future planned exploration work, past exploration work and general market conditions.

Future income and resource tax liabilities

The Corporation uses the asset and liability method in accounting for income taxes. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary differences). Future income tax assets and liabilities are measured using the substantively enacted income tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets

CRITICAL ACCOUNTING POLICIES AND ESTIMATES (continued)

Future income and resource tax liabilities (continued)

and liabilities of a change in income tax rates is included in income in the year in which the change is enacted or substantively enacted. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized.

Stock Based Compensation

The Corporation has a stock-based compensation plan. The Corporation recognizes as an expense the cost of stock-based compensation based on the estimated fair value of new stock options and restricted share units granted to employees, consultants, officers and directors. The fair value of each stock option granted is estimated on the date of the grant using the Black-Scholes and other option-pricing models and is expensed over the vesting period. The fair value of each restricted share unit granted is calculated on the date of the grant using the closing stock price on the date prior to the grant and is expensed over the vesting period. Forfeitures of stock options and restricted share units are recognized as incurred.

QUARTERLY FINANCIAL INFORMATION

The following selected financial data has been derived from the Corporation's unaudited interim consolidated financial statements prepared in accordance with Canadian generally accepted accounting.

Period ended	**March 31, 2010**	**December 31, 2009**	**September 30, 2009**	**June 30, 2009**
Interest income	**$ 3,911**	**$ 3,904**	**$ 5,586**	**$ 9,353**
Net loss	**(845,438)**	**(884,244)**	**(626,523)**	**(635,594)**
Basic and diluted loss per share*	**$ (0.01)**	**$ (0.02)**	**$ (0.01)**	**$ (0.01)**

Period ended	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
Interest income	$ 33,311	$ 103,859	$ 149,325	$ 183,890
Net loss	(536,097)	(19,358,754)	(1,314,128)	(1,468,861)
Basic and diluted loss per share*	$ (0.01)	$ (0.36)	$ (0.02)	$ (0.03)

**Basic and diluted loss per share is calculated based on the weighted-average number of shares outstanding. The conversion of stock options, restricted share units and warrants is not included in the calculation of the diluted loss per share because the conversion would be anti-dilutive.*

The quarterly trend in Q1/2010 has generally been towards maintaining cost levels. In Q4/2009, the net loss increased compared to Q3/2009, due to the increase in travel expenses in the quarter relating to travel to and from the Rio Novo and Kaoko properties, as well as a write-down of the Itaporã property relating to dropped claims. In Q3/2009, the net loss decreased marginally compared to Q2/2009, mainly as a result of decreased costs related to stock-based compensation. During the second quarter of 2009, the net loss declined, excluding the recovery of the future taxes relating to the renunciation of Canadian Exploration.

Expenditures ("CEE") in Q1/2009, as a result of decreased compensation, travel, professional fees, costs relating to general exploration, and stock-based compensation expense. In the first quarter of 2009, the net

QUARTERLY FINANCIAL INFORMATION (continued)

loss declined compared to the last quarter of 2008, excluding the write-down of the Investment in INVI of $13.6 million, primarily due to a decreased write-down of mineral properties, decreased general and administrative costs and a future tax recovery as a result of the Corporation renouncing CEE in the quarter. The fourth quarter of 2008 net loss increased compared to the previous quarter, due to the write off of $5.1 million of expenses relating to mineral properties, the write down in the investment in INVI of $13.6 million, as well as an increase in compensation, general exploration, travel, and stock based compensation. The third quarter of 2008 net loss decreased compared to the previous quarter, due to the decrease in exploration activities in Brazil, certain cost saving programs initiated during the quarter and decreased stock-based compensation.

OUTSTANDING SHARE DATA

As at May 11, 2010 the Corporation had 57,186,937 common shares outstanding, as well as stock options to purchase 5,627,000 common shares at a weighted average price of $1.04, restricted share units of 200,000 shares at a weighted average price of $0.91 per share and share purchase warrants to purchase 2,347,886 common shares at $1.40 per share.

OFF-BALANCE SHEET TRANSACTIONS

During the three month period ended March 31, 2010 and year ended December 31, 2009, the Corporation was not involved in any off-balance-sheet transactions.

CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

1) Changes in accounting policies

a) Financial Instruments – Disclosures

During 2009, the CICA amended Section 3862*, Financial Instruments – Disclosures* to require disclosures regarding the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurements. The amendment of the section had no impact on the Corporation's consolidated financial statements.

2) Future accounting pronouncements

a) Business Combinations, Consolidated Financial Statements and Non-controlling Interests

In January 2009, the CICA issued three new accounting standards: Section 1582, *Business Combinations*; Section 1601, *Consolidated Financial Statements*; and Section 1602, Non-*controlling Interests*. These new standards will be effective for fiscal years beginning on or after January 1, 2011, and earlier adoption is permitted as of the beginning of a fiscal year. The Corporation is in the process of evaluating the requirements of the new standards.

Section 1582 replaces Section 1581, *Business Combinations* and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards IFRS 3 – *Business Combinations.*

Section 1601 and 1602 together replace section 1600, *Consolidated Financial Statem*ents. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of

CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS (continued)

2) Future accounting pronouncements (continued)

a) Business Combinations, Consolidated Financial Statements and Non-controlling Interests (continued)

International Financial Reporting Standard IAS 27 – *Consolidated and Separate Financial Statements*.

b) Convergence with International Financial Reporting Standards

On February 13, 2008, Canada's Accounting Standards Board ratified a strategic plan that will result in Canadian GAAP, as used by public companies, being evolved and converged with International Financial Reporting Standards ("IFRS") over a transitional period to be complete by 2011. The official changeover date from Canadian GAAP to IFRS is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

The implementation project consists of three primary phases: the scoping and diagnostic phase; the impact analysis, evaluation and design phase; and the implementation and review phase. The Corporation completed its IFRS transition plan in early 2009, which included a timetable for assessing the impact of IFRS on accounting policies, data systems, internal controls over financial reporting, and business activities. The Corporation is now in the impact analysis, evaluation and design phases on its consolidated financial statements, and expects completion of this phase in the first half of 2010. INV Metals will also incorporate any future changes to IFRS to ensure compliance by 2011.

Many of the differences identified between IFRS and Canadian GAAP are not expected to have a material impact. However, there may be significant changes as a result of the IFRS accounting principles and provisions for first time adoption. The Corporation has not yet determined the full accounting effects of adopting IFRS, since some key accounting policy alternatives and implementation decisions are still being evaluated.

The Corporation will adopt IFRS 1 ("First-Time Adoption of International Financial reporting Standard" "IFRS1"). IFRS 1 will provide the Corporation with a number of optional and mandatory exemptions, in certain areas when transitioning to IFRS from Canadian GAAP. The Corporation is analyzing the various accounting policy choices available and will implement those determined to be the most appropriate.

The following summarizes the key elements of the Corporation's plan for transitioning to IFRS and the progress made for each activity:

i) Accounting policies and procedures

The key activities are identifying the differences between IFRS and the Corporation's existing policies and procedures, analysis and select ongoing policies to determine which IFRS 1 exemptions will be taken on transition to IFRS.

The Corporation is currently assessing accounting policy alternatives. Management approval and audit committee review of the policy decisions and recommendations are expected to take place in the first half of 2010.

ii) Financial statement preparation

The key activities are preparing financial statements and note disclosures in compliance with IFRS, quantifying the effects of converting to IFRS, and preparing first-time adoption reconciliations required under IFRS 1.

CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS (continued)

2) Future accounting pronouncements (continued)

b) Convergence with International Financial Reporting Standards (continued)

ii) Financial statement preparation (continued)

The Corporation has started mapping IFRS accounting policy note disclosures with the current Canadian GAAP disclosures, and management is beginning to quantify the effects of key differences between IFRS and Canadian GAAP. Management approval and audit committee review of the key differences and disclosures are expected to take place in the first half of 2010.

iii) Control environment

The key activities are assessing the effectiveness of internal controls over financial reporting ("ICFR") and disclosure controls and procedures ("DC&P") and to implement any changes that management and the audit committee feel are necessary and design and implement internal controls over the IFRS changeover process.

The Corporation's relevant internal controls are being assessed each quarter and specific controls have been established and documented in relation to the IFRS changeover process.

RISKS AND UNCERTAINTIES

An investment in the Corporation entails certain risk factors, which should be considered carefully, including but not limited to, those set out below. A discussion of these and other factors that may affect the Corporation's actual results, performance, achievements or financial position is contained in "Risk Factors" and elsewhere in the Corporation's Annual Information Form in respect of the 2009 year.

Risks and uncertainties related to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations.

Risks that the results of scoping studies, pre-feasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Corporation's expectations.

Risks related to possible variations in reserves, grade, and changes in project parameters as plans continue to be refined.

Exploration and potential future development risks, including risks related to the grant of access rights to the properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes) or other unanticipated difficulties with or interruptions in exploration and development.

The potential for delays in exploration or potential future development activities or the completion of feasibility studies.

Risks related to market sentiment, commodity price and foreign exchange rate fluctuations.

Risks related to the Corporation not having any reserves. All of INV Metals' mineral properties are in the exploration stage and do not contain a known body of economically extractible ore.

Risks related to the global economy. Recent market conditions, including disruptions in the international credit markets and other financial systems and the deterioration of the global economic conditions, could impede the Corporation's access to capital.

RISKS AND UNCERTAINTIES (continued)

Risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities.

Risks related to environmental regulation and liability.

Risks of potential losses, liabilities and damages arising from the lack of insurance coverage related to the business that are uninsured or uninsurable.

Risks related to the loss of the services of key executives, including the directors of the Corporation and a small number of highly skilled and experienced executives and personnel.

Political and regulatory risks associated with conducting mineral exploration in Canada and foreign countries.

Other risks and uncertainties related to the Corporation's prospects, properties and business strategy.

CORPORATE GOVERNANCE

Management and the Board of Directors (the "Board") of INV Metals recognize the value of good corporate governance and the need to adopt best practices. The Corporation is committed to continuing to improve its corporate governance practices in light of its stage of development and evolving best practices and regulatory guidance.

The Board has adopted a Board Mandate outlining its responsibilities and defining its duties. The Board has four committees (the Audit committee, the Compensation committee, the Safety, Health and Environment committee, and the Corporate Governance and Nominating committee). The Audit committee has an approved committee charter, which outlines the committees' mandate, procedures for calling a meeting, and provides access to outside resources. The Corporation's Safety, Health and Environmental committee has adopted a Safety, Health and Environmental Policy concerning the Corporation's treatment of environmental matters.

The Board has also approved a Code of Ethics, which governs the ethical behavior of all employees, management and directors. Separate trading blackout and disclosure policies are also in place. For more details on INV Metals' corporate governance practices, please refer to INV Metals' website at www.invmetals.com.

INV Metals' directors have expertise in exploration, metallurgy, mining, accounting, banking, financing and the securities industry. The Board meets at least four times a year and Committees meet as required. While the Corporation is subject to Canadian regulatory provisions, the Board and management incorporate strong corporate governance practices in the belief that such practices provide protection for its investors and add value to the Corporation.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls

Disclosure controls and procedures ("Disclosure Controls") are procedures designed to provide reasonable assurance that all relevant information required to be disclosed in documents filed with securities regulatory authorities is recorded, processed, summarized and reported on a timely basis, and is accumulated and communicated to the Corporation's management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure. Management, including the CEO and the CFO, does not expect that the Corporation's Disclosure Controls will prevent or detect all error and all fraud. The inherent limitations in all control systems are such that they

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING (continued)

Disclosure Controls (continued)

can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Corporation have been detected.

National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", issued by the Canadian Securities Administrators ("CSA") requires the CEO and CFO to certify that they are responsible for establishing and maintaining Disclosure Controls for the issuer, that Disclosure Controls have been designed to provide reasonable assurance that material information relating to the issuer is made known to them, that they have evaluated the effectiveness of the issuer's Disclosure Controls, and that their conclusions about the effectiveness of those Disclosure Controls at the end of the period covered by the relevant annual filings have been disclosed by the issuer.

INV Metals' CEO and the CFO have evaluated the effectiveness of the Corporation's Disclosure Controls as at December 31, 2009, and concluded that, subject to the inherent limitations noted above; those disclosure controls were effective for the year then ended.

Internal Controls over Financial Reporting

National Instrument 52-109 also requires CEO's and CFO's to certify that they are responsible for conducting an evaluation of the effectiveness of internal controls over financial reporting ("ICFR"), as defined by the CSA, for the Corporation, that the ICFR have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP, and that the Corporation has disclosed any changes in its ICFR during its' most recent interim period that has materially affected, or is reasonably likely to materially affect, its' financial reporting.

As discussed above, the inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Corporation have been detected. Therefore, no matter how well designed, ICFR has inherent limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

Management conducted an assessment of the effectiveness of ICFR in place as of March 31, 2010, and concluded that such procedures are adequate and effective to ensure accurate and complete disclosures in annual filings. The board of directors assesses the integrity of the public financial disclosures through the oversight of the Audit Committee.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this document constitute "forward-looking statements" and are based on current expectations and involve risks and uncertainties, referred to above and/or in INV Metals' AIF in respect to the year 2010, that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in the forward-looking statements. Examples of such forward looking statements include statements regarding future anticipated results of exploration programs (including, without limitations, with respect to the Rio Novo and Kaoko properties), financial results and expectations for 2010, including, but not limited to, interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, and the possibility that future exploration, development or mining results will not be consistent with the Corporation's expectations, metal prices, demand for metals, currency exchange rates, political and operational risks inherent in mining or development activities, legislative factors relating to prices, taxes, royalties, land use, title and permits, importing and exporting of minerals, environmental protection, expenditures on property, plant and equipment, increases and decreases in reserves and/or resources and anticipated grades and recovery rates and are or may be

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS (continued)

based on assumptions and/or estimates related to future economic, market and other conditions. This list is not considered carefully by prospective investors, who should not place undue reliance on such forward-looking statements. Factors that could cause actual results, developments or events to differ materially from those anticipated include, among others, the factors described or referred to elsewhere herein including, without limitation, under the heading "Risks and Uncertainties" and/or the AIF, and include unanticipated and/or unusual events as well as actual results of planned exploration programs and exploration risk. Many of such factors are beyond INV Metals' ability to control or predict. Actual results may differ materially from those anticipated. Readers of this MD&A are cautioned not to put undue reliance on forward looking statements due to their inherent uncertainty. Forward-looking statements are made based upon management's beliefs, estimates and opinions on the date the statements are made, which management believes are reasonable, and the Corporation undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law. These forward-looking statements should not be relied upon as representing management's views as of any date subsequent to the date of this MD&A.

Additional information, including interim and annual consolidated financial statements, the AIF, management information circulars and other disclosure documents, may also be examined and/or obtained through the Internet by accessing INV Metals' website at www.invmetals.com or by accessing the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com.