INV INTERNATIONAL NICKEL VENTURES

## INTERNATIONAL NICKEL VENTURES CORPORATION MANAGEMENT'S DISCUSSION AND ANALYSIS FIRST QUARTER ENDED MARCH 31, 2008

The following management's discussion and analysis of the financial condition and results of operations ("MD&A") of International Nickel Ventures Corporation ("INV" or the "Corporation") was prepared to enable the reader to assess material changes in the financial condition and results of operations of INV as at and for the three month period ended March 31, 2008 in comparison to the corresponding prior year periods. This MD&A is prepared as at May 14, 2008, and is intended to supplement and complement the interim consolidated financial statements of INV for the periods ended March 31, 2008 and 2007 (the "Financial Statements"), which are prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. This MD&A should be read in conjunction with the Financial Statements, the most recent annual financial statements dated December 31, 2007, the most recent Annual Information Form ("AIF") dated March 28, 2008, and a prospectus ("Offering"), dated May 11, 2007, on file 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

Ms. Candace J. MacGibbon, CA, CPA (Illinois) was appointed Vice President and Chief Financial Officer of the Corporation effective March 31, 2008.

On February 21, 2008, the Corporation closed its previously announced offering of 2,400,000 common shares on a flow-through basis by way of guaranteed private placement led by Primary Capital Inc., at a price of $1.25 per share, for aggregate gross proceeds of $3,000,000. In addition, pursuant to INV's existing agreement with Teck Cominco Limited ("Teck Cominco"), Teck Cominco exercised its right to purchase 130,274 flow-through shares to maintain its pro rata interest in INV prior to the offering (approximately 5.1%) resulting in the issuance of a total of 2,530,274 flow-through shares for aggregate gross proceeds of $3,162,843.

On January 17, 2008, INV announced a significant increase in total mineral resources for the Santa Fé/Iporá properties, using data available to October 15, 2007. The mineral resource estimates, using a cut-off grade of 0.8% nickel, increased to 35.7 million tonnes of indicated mineral resources grading 1.14% nickel, and 104.3 million tonnes of inferred mineral resources grading 1.03% nickel.

The Corporation recorded a net loss of $1,018,642 or $0.02 per share for the period ended March 31, 2008 ("Q1/2008"), compared with a net loss of $718,603 or $0.02 per share for the period ended March 31, 2007 ("Q1/2007"). General and administration expenses of $587,032 for Q1/2008, increased by $228,656, as compared to Q1/2007.

Interest income during the quarter of $224,988 increased by $99,621 from Q1/2007, as a result of INV's higher cash balance.

At the Niquelândia property, the soil geochemical survey carried out by INV has identified two highly anomalous trends ranging from 700 metres to 1,300 metres long by 100 metres to 400 metres wide. Copper in soil values range from 250 ppm to a high of 4,000 ppm, nickel from 2,086 ppm to a high of 15,000 ppm (1.5%), platinum from 49 ppb to a high of 476 ppb, and palladium in soil values range from 109 ppb to a high of 655 ppb. The very high metal assays in soil may be a result in part from lateritic enrichment. The induced polarization ("IP") survey outlined 14 anomalous trends, suggesting a potential copper-nickel sulphide bedrock source. Combining the IP, geological and geochemical data has indicated three high priority coincident anomalies ranging up to 1.4 kilometres in length. Mapping and sampling by INV in and near these anomalous areas located a number of rock samples containing up to 3%

disseminated sulphide minerals, indicating nickel-copper sulphide targets rather than nickel laterite targets. Analytical results of bedrock grab sample assays range from anomalous to 0.5% nickel, with one sample assaying 1.4% nickel. Drilling of these high priority coincident geological, geophysical and geochemical targets will follow receipt of the required approvals and permits and is expected to be initiated in the second quarter.

At the Taquaral West property, line cutting, a soil geochemical survey, and an IP survey were carried out over a coincidental 600 metre long strong copper-nickel soil anomaly and airborne electromagnetic ("VTEM") anomaly. A 1,400 metre long, strong, well-defined IP anomaly was identified, coincident with the 600 metre long copper soil geochemical anomaly, and parallel to the nickel soil geochemical anomaly, with peak nickel soil values 50 metres to the east of the IP anomaly. Bedrock geology in this area consists of peridotites, pyroxenites, and gneissic rocks. The combination of a strong soil geochemical anomaly with both VTEM and IP geophysical anomalies within favourable host rocks is considered highly prospective for a potential bedrock copper-nickel sulphide source. A two-hole diamond drill program to test this target began in late April, 2008.

At the Montcalm property, INV has completed line cutting, ground electromagnetic ("UTEM") and magnetometer surveys over the four kilometres of interpreted strike extension of Xstrata Nickel's Montcalm nickel mine host rocks. The UTEM survey, completed by Lamontagne Geophysics Ltd., detected numerous highly prospective conductors. Diamond drilling is anticipated to begin in the second quarter following the compilation and interpretation of the positive results of the UTEM survey.

## RESULTS OF OPERATIONS

The Corporation recorded a net loss of $1,018,642 or $0.02 per share in Q1/2008, as compared with a net loss of $718,603 or $0.02 per share in Q1/2007. The increase in the net loss was due mainly to increased compensation and stock-based compensation expense awarded during the period to new executives and board members, travel expenses related to additional employees and conferences attended within the period, office expenses and general exploration, partially offset by increased interest income.

General and administrative expenses increased by $228,656 from $358,376 in Q1/2007, to $587,032 in Q1/2008. The increase was mainly a result of higher compensation costs, travel, professional, office and shareholder information and regulatory compliance costs as the Corporation has hired a dedicated team to focus on the Corporation's aggressive growth strategy.

Compensation costs increased by $120,535 from $154,054 in Q1/2007, to $274,589 in Q1/2008, mainly due to new executives and full-time employees appointed in 2007 and the first quarter 2008. In the first quarter 2007, INV had a services agreement with FNX Mining Company Inc. ("FNX") to provide administration services and employee personnel. Administrative services expenses were $nil in the quarter compared to $60,639 in Q1/2007, due to the termination of the services agreement with FNX on December 31, 2007.

Shareholder information and regulatory compliance expense increased from $70,713 in Q1/2007, to $103,213 in Q1/2008 as a result of conferences, advertising, and increased shareholder information costs.

General exploration costs increased from $252,382 in Q1/2007, to $323,909 in Q1/2008. The increase in general exploration costs is a result of a newly established office in Brazil, which resulted in increased salaries and related exploration expenditures.

During the quarter, stock options granted to directors, senior management and employees resulted in stock-based compensation expense of $369,665, which is $138,628 higher than in Q1/2007. The increase is primarily due to the increase in the number of stock options granted during the quarter as the

Corporation granted stock options to newly hired executives, employees and appointed directors as it continues to build solid management and support teams in Brazil and Canada.

Interest income increased by $99,621 from $125,367 in Q1/2007, to $224,988 in Q1/2008, due to the increased cash position of the Corporation as a result of the additional funds from the May 18, 2007, and February 21, 2008, financings. The Corporation's cash and cash equivalents are invested in low risk, fully liquid, deposits at a major Canadian chartered bank.

## FOREIGN EXCHANGE

INV reports its financial results in Canadian dollars. The Corporation's expenses include costs incurred in the Brazilian real ("R$"). The Canadian dollar has been relatively steady compared to the Brazilian real during Q1/2008 as the average rate was $0.58/R$ compared to $0.55/R$ in Q1/2007. The Brazilian real was $0.60/R$ as at May 14, 2008.

## 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, 2008, the Corporation had cash of $24,751,899 (2007 - $24,471,515) and working capital of $24,441,597 (2007 - $23,823,367). Cash and working capital have increased significantly from March 31, 2007, as a result of the proceeds from the financings completed on May 18, 2007, and February 21, 2008.

### Operating activities

Cash used in operating activities during Q1/2008 was $822,785 (Q1/2007 – $386,519). Stock-based compensation expense and the equity loss from investment comprise the principle amount that reconciles the statement of loss to the statement of cash flows from operating activities.

### Financing activities

On February 21, 2008, the Corporation completed the offering of 2,400,000 common shares on a flow-through basis at a price of $1.25 per share, for aggregate gross proceeds of $3,000,000. In addition, Teck Cominco purchased 130,274 flow-through shares to maintain its pro rata interest in INV prior to the offering (approximately 5.1%) resulting in the issue of a total of 2,530,274 flow-through shares for aggregate gross proceeds of $3,162,843.

Proceeds from employee stock-based compensation plans were $nil during Q1/2008 as no options were exercised, compared with proceeds of $50,000 in Q1/2007 due to the exercise of 100,000 options. Proceeds of $nil were received during the Q1/2008 on the exercise of warrants, compared to proceeds of $240,000 in Q1/2007.

### Investing activities

Cash used in investing activities for Q1/2008 totaled $1,785,241 (Q1/2007 – $1,777,397). Investing activities in Q1/2008 increased mainly due to the increased expenditures on mineral properties and deferred exploration as the company continues to perform exploration at its properties, partially offset by decreased expenditures on the Santa Fé/Iporá properties. The Corporation's investment in the Santa Fe/Iporá properties ("Investment in INVI" "INVI" per the consolidated financial statements, see below) at the end of Q1/2008 totaled $16,996,434, as compared to $16,691,820 in 2007.

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 until it reaches the production stage and generates cash flow from operations.

## MINERAL PROPERTIES

Expenditures on mineral property and deferred exploration in Q1/2008 totaled $1,453,217, compared to $805,397 in Q1/2007. Exploration activities in the first quarter of 2008 consisted of exploration at a number of newly acquired properties, including expenditures on the Niquelândia and Damolândia properties in Brazil and the Montcalm and Fishtrap properties in Ontario.

### 1) Santa Fé/Iporá properties (presented as "Investment in INVI" on the consolidated financial statements)

INV holds an indirect 20.25% interest in the Santa Fé/Iporá properties, while Teck Cominco holds a 54.75% and the Atalla Group holds a 25% interest.

The Corporation accounts for the Santa Fé/Iporá investment on an equity basis of accounting, hence the presentation of the expenditures for the Santa Fé/Iporá properties within Investment on the consolidated financial statements.

On January 17, 2008, INV announced a significant increase in total mineral resources for the Santa Fé/Iporá properties, using data available to October 15, 2007. The mineral resource estimates, using a cut-off grade of 0.8% nickel, consist of 35.7 million tonnes of indicated mineral resources grading 1.14% nickel, and 104.3 million tonnes of inferred mineral resources grading 1.03% nickel. In the previous published National Instrument 43-101 ("NI 43-101") resource estimates (announced November 23, 2006, and based on drill results up to October 3, 2006), all of the mineral resources were classified as inferred (109 million tonnes grading 1.11% nickel and 0.06% cobalt, using a 0.8% nickel cut-off). The 2007 in-fill drill program allowed a significant portion of the resource to be classified as indicated. A NI 43-101 technical report entitled "43-101F1 Technical Report On The Santa Fé And Iporá Nickel Laterite Properties In Brazil for International Nickel Ventures Corp.", dated March 10, 2008, was filed on SEDAR.

In the first quarter 2008, INV funded $304,337, compared to $972,000 in the first quarter 2007, for its 27% *pro rata* share of expenditures on the Santa Fé/Iporá properties. The 2008 program consists of a scoping study which is scheduled for completion in the second half of 2008. Further work will be based on the results and recommendations of the scoping study.

### 2) Brazilian properties

#### *a) Terracorp Consultoria Serviços de Mineração ("Terracorp") agreements*

The Corporation is currently in negotiations for the renewal of its service agreement with Terracorp, previously Amazonia Mineração Ltda. ("Amazonia"). Under the terms of the service agreement, Terracorp provides certain mineral exploration, technical and administration services for INV's mineral exploration efforts in Brazil. As at March 31, 2008, Terracorp had expended $352,031 in excess of funds advanced by the Corporation (March 31, 2007 – the Corporation had advanced $99,817 of funds in excess of Terracorp's expenditures on behalf of the Corporation). These funds were subsequently reimbursed to Terracorp by INV in April, 2008.

#### *b) Niquelândia property*

INV initiated an exploration program in late-2007, which is ongoing, consisting of soil sampling in order to verify the historic Metago data, shallow auger drilling, and ground geophysical surveys including induced polarization ("IP"), electromagnetic ("EM") and magnetic surveys.

The soil geochemical survey carried out by INV has identified two highly anomalous trends ranging from 700 metres to 1,300 metres long by 100 metres to 400 metres wide. Copper in soil values range from 250 ppm to a high of 4,000 ppm, nickel from 2,086 ppm to a high of 15,000 ppm (1.5%), platinum from 49 ppb to a high of 476 ppb, and palladium in soil values range from 109 ppb to a high of 655 ppb. The very high metal assays in soil may be a result in part from lateritic enrichment. The induced polarization ("IP") survey outlined 14 anomalous trends, suggesting a potential copper-nickel sulphide bedrock source. Combining the IP, geological and geochemical data has indicated three high priority coincident anomalies ranging up to 1.4 kilometres in length. Mapping and sampling by INV in and near these anomalous areas located a number of rock samples containing up to 3% disseminated sulphide minerals, indicating nickel-copper sulphide targets rather than nickel laterite targets. Analytical results of bedrock grab sample assays range from anomalous to 0.5% nickel, with one sample assaying 1.4% nickel. Drilling of these high priority coincident geological, geophysical and geochemical targets will follow receipt of the required approvals and permits and is expected to be initiated in the second quarter.

### *c) Damolândia property*

INV has carried out an exploration program consisting of an airborne EM survey, line cutting, ground geophysics including magnetic, IP and EM surveys, and as of March 31, 2008, seven diamond drill holes totaling 1,552.77 metres were completed. Results will be disclosed when all assays have been received and compiled.

### *d) 100% owned properties*

Over the past two years INV Mineração Ltda., a wholly owned subsidiary of INV, has engaged in an active program of acquiring a 100% interest in various claims (collectively, the "100% Owned Claims") by staking, for their nickel sulphide and/or nickel laterite potential. Certain of these properties are subject to buy-back rights held by Terracorp under the Corporation's former strategic alliance with Terracorp's predecessor Amazonia, as described in section 2 a) herein. These properties have been grouped into several project areas based on geographic proximity, namely Anápolis, Goiás Region, Norte Sul, and São José. The Corporation's strategy on these projects has been to rapidly carry out reconnaissance surveys in order to prioritize and focus its exploration efforts on those claims deemed to have the best potential, and in parallel with that work, consider expressions of interest from third parties that might be interested in farming-into various properties under an option – joint venture agreement, thus leveraging this extensive land position.

#### *i) Anápolis properties*

The Corporation acquired by staking nine granted claims totaling 11,757 hectares at the Taquaral property and 62 other granted claims totaling 92,546 hectares of prospective nickel sulphide properties in Goiás State, Brazil. Exploration activity up to March 31, 2008, comprised geological reconnaissance and mapping, geochemical sampling, assaying and petrography. As a result of this initial reconnaissance, three targets, Taquaral East, Taquaral West, and Águas Claras, were considered as high-priority for follow-up.

At Taquaral West, the regional soil sampling grid with 500 metre line spacing, over a 6.4 kilometre long ultramafic body, defined a nickel anomaly extending for 4.2 kilometres with values above 2,000 ppm to a maximum of 6,335 ppm. This anomaly is interpreted to be largely lithological, due to the weathering of ultramafic rocks, and therefore could represent a nickel laterite target. However, a 600 metre long copper in soil anomaly, defined by contour of 200 ppm copper, was identified in the southwestern portion of the belt, with soil values ranging from 182 ppm to a peak of 476 ppm copper. The rough coincidence of copper and nickel geochemical anomalies suggests the possibility of a sulphide bedrock source.

A VTEM survey was flown in mid-October 2007 over the Taquaral East and West and Águas Claras properties. No further work has been performed at Águas Claras, due to the lack of significant VTEM anomalies. Processing and analysis of the VTEM electromagnetic and magnetic data over the Taquaral property identified six target zones which warrant follow-up. At Taquaral West a VTEM anomaly was located coincidental with the copper-nickel soil geochemical anomaly.

At the Taquaral West property, line cutting, a soil geochemical survey, and an IP survey were carried out over a coincidental 600 metre long strong copper-nickel soil anomaly and airborne electromagnetic ("VTEM") anomaly. A 1,400 metre long, strong, well-defined IP anomaly was identified, coincident with the 600 metre long copper soil geochemical anomaly, and parallel to the nickel soil geochemical anomaly, with peak nickel soil values 50 metres to the east of the IP anomaly. Bedrock geology in this area consists of peridotites, pyroxenites, and gneissic rocks. The combination of a strong soil geochemical anomaly with both VTEM and IP geophysical anomalies within favourable host rocks is considered highly prospective for a potential bedrock copper-nickel sulphide source. A two-hole diamond drill program to test this target began in late April, 2008.

#### *ii) Goiás Region properties*

The Corporation holds beneficial title to 16 granted claims totaling 21,738 hectares known as the Goiás Region properties, located in southwest Goiás State, Brazil. No significant work was carried out on the Goiás Region properties during Q1/2008.

#### *iii) Norte Sul properties*

At March 31, 2008, the Corporation held 36 granted claims totaling 112,156 hectares in Goiás, Pará and Tocantins States (collectively the "Norte Sul" properties). Geological and geochemical reconnaissance, consisting of stream sediment, soil, termite mound, auger and rock sampling, identified only second priority nickel targets; however, several areas considered prospective for gold mineralization were identified.

During Q1/2008, INV initiated an infill soil geochemical survey at NS-07 to better characterize a gold geochemical anomaly identified during INV's initial reconnaissance programs. Sampling is currently in progress at 80 meter centers on 400 meter spaced lines, covering the entire regional anomaly. Detailed mapping and rock sampling is also being carried out.

#### *iv) São José properties*

At March 31, 2008, four properties comprise the São José property, for a total of 33,598 hectares, all with indications of ultramafic rocks and nickel anomalies in stream sediments, soils and termite mounds. No significant work was carried out on São José properties during Q1/2008.

### 3) Ontario properties

The Lansdowne House and Fishtrap properties are located in the James Bay Lowlands area and contain mafic-ultramafic igneous complexes emplaced along major structures which appear to mark the same geological terrain boundary that hosts the recently discovered McFaulds Lake high-grade, nickel-copper-precious metal deposit. At Lansdowne House drilling by previous explorers intersected broad zones of highly anomalous copper-nickel-precious metal mineralization, with results ranging from weakly anomalous to intersections grading 0.79% copper and 0.64% nickel over 21.5 metres and 1.04 g/t platinum + palladium + gold over 25.5 metres. There is no record of any previous drilling on the Fishtrap property. The third property, Montcalm, is contiguous with Xstrata Nickel's producing Montcalm nickel-copper mine. The high priority Montcalm property is northwest of Timmins and covers four kilometres of the interpreted strike extension of the Montcalm deposit's host rocks which have only three known boreholes.

#### *a) Lansdowne House*

The Corporation is currently in discussions and consultations with the Neskantaga First Nation community, in whose traditional territory the Lansdowne House property is located. On execution of a

Letter of Comfort with the community, the 2008 exploration program comprised of line cutting, prospecting, geochemical sampling, geological surveys and ground geophysical surveys will be completed.

### *b) Fishtrap property*

An access agreement has been reached with the Marten Falls First Nation, in whose traditional territory the Fishtrap property is located. Linecutting and a magnetic survey have been initiated over the northern portion of the property where a number of conductive zones were detected by an airborne electromagnetic survey carried out by FNX Mining Company Inc. in 2006. A ground electromagnetic survey will commence following spring breakup. Drilling is anticipated to begin in the fall 2008.

### *c) Montcalm property*

At the Montcalm property, INV has completed line cutting, ground electromagnetic ("UTEM") and magnetometer surveys over the four kilometres of interpreted strike extension of Xstrata Nickel's Montcalm nickel mine host rocks. The UTEM survey, completed by Lamontagne Geophysics Ltd., detected numerous highly prospective conductors. Diamond drilling is anticipated to begin in the second quarter following the compilation and interpretation of the positive results of the UTEM survey.

### 4) General

All of the Corporation's properties other than the Santa Fé/Iporá 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.

This document and the data set forth herein has been reviewed and verified by Mohan Srivastava, President of FSS Canada Consultants Inc. (Santa Fé/Iporá), Paul Golightly, President of Golightly Geoscience Ltd. (Brazil projects), and by Garry Clark, President of Clark Expl. Consulting Inc. (Ontario projects), all independent consultants to INV and Qualified Persons as defined under NI 43-101 of the Canadian Securities Administrators.

## RELATED PARTY TRANSACTIONS

In addition to the related party transaction with Teck Cominco, the Corporation's partner and operator of INVI joint venture and a shareholder of the Corporation and as discussed under the "Financial Condition and Liquidity" within this MD&A, the following are related party transactions for Q1/2008.

A director of the Corporation provided consulting services to the Corporation in Q1/2008 in the amount of $6,955 (2007 – $19,152).

In connection the flow-through offering completed on February 21, 2008, certain directors and insiders of the Corporation purchased an aggregate 399,000 flow-through common shares.

## CONTRACTUAL OBLIGATIONS AND COMMITMENTS

As a result of the Corporation's recent flow-through common share offering for gross proceeds of approximately $3.2 million, INV must incur Canadian Exploration Expenses (within the meaning of the Income Tax Act (Canada)) prior to December 31, 2009, in relation to INV's exploration program to be conducted on its Canadian properties including, but not limited to, the Lansdowne House, Fishtrap and Montcalm properties in Northern Ontario.

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

| | Total | 2008 | 2009-11 | 2012-13 |
|---|---|---|---|---|
| Office leases | $ 214,373 | $ 58,223 | $ 127,650 | $ 28,500 |
| Exploration expenditure commitment from the issuance of flow through shares | $ 3,162,843 | $ - | $ 3,162,843 | $ - |

## SUBSEQUENT EVENTS

Effective April 19, 2008, INV entered into a sublease arrangement to lease office space as a subtenant of FNX in relation to office premises previously occupied by FNX. The sublease will remain in effect to December 30, 2009, and INV will assume the rent otherwise payable by FNX in the proportion of the office space occupied by INV. No amounts were paid by INV to FNX during Q1/2008. The total amount due for rent under the sublease is $110,373.

## 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.

### 1) 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.

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 development 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.

### 2) 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 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.

## OUTLOOK

On February 7, 2008, the Corporation announced a $5.2 million 2008 budget for its 100%-owned exploration projects in Canada and Brazil. The exploration budget for programs at the Montcalm, Lansdowne and Fishtrap properties in Ontario is $1.5 million, with additional funds to be allocated pending identification of drill targets. However, INV must incur approximately $3.2 million in Canadian Exploration Expenses (within the meaning of the Income Tax Act (Canada)) prior to December 31, 2009, as a result of INV's recent flow-through common share offering. The exploration budget for Brazil has been set at $3.7 million. It is anticipated that at least five properties will be subjected to drill programs in 2008, including Damolândia, Niquelândia and Taquaral in Brazil, and Fishtrap and Montcalm in Canada.

A program and budget for the Santa Fé/Iporá advanced nickel laterite project has been prepared in conjunction with the Corporation's joint venture partner Teck Cominco, for the first six months of 2008. The total budget is approximately $1.7 million (INV's 27% interest – approximately $383,000). The program is anticipated to consist of the following: complete government processes for mining properties; density data evaluation; upgrade test work on Santa Fé pit/auger bulk samples; evaluation and analysis of Santa Fé screening upgrade test results; complete land owner compensation agreements and payments; maintain project site-infrastructure (offices, warehouses, vehicles) and staff needed for upgrading test work, project data evaluation and site security; resource evaluation and review for mine plan; mine planning – whittle pit shell, mine plan with Gemcom; processing-update studies; and complete an updated Scoping Study with recommendations for the next phase.

The Corporation believes that the funds on hand are sufficient to conduct all of its currently planned business activities in 2008.

## QUARTERLY FINANCIAL INFORMATION

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

| *Fiscal quarter ended* | **March 31, 2008** | **December 31, 2007** | **September 30, 2007** | **June 30, 2007** |
|---|---|---|---|---|
| Interest income | **$ 224,988** | $ 351,066 | $ 313,972 | $ 229,882 |
| Net loss | **$ (1,018,642)** | $ (854,799) | $ (1,237,137) | $ (532,670) |
| Basic and diluted loss per share* | **$ (0.02)** | $ (0.02) | $ (0.03) | $ (0.01) |

| *Fiscal quarter ended* | March 31, 2007 | December 31, 2006 | September 30, 2006 | June 30, 2006 |
|---|---|---|---|---|
| Interest income | $ 125,367 | $ 158,216 | $ 187,493 | $ 225,167 |
| Net loss | $ (718,603) | $ (2,271,960) | $ (406,803) | $ (407,612) |
| Basic and diluted loss per share* | $ (0.02) | $ (0.08) | $ (0.01) | $ (0.01) |

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

The quarterly trend has generally been towards increasing levels of costs due to the increased corporate activity, partly offset by interest income, since the Corporation invests excess cash in low risk, fully liquid deposits. INV is actively looking for new properties to acquire and the majority of expenses are related to general exploration. The first quarter of 2008 net loss increased as compared to the previous quarter, mainly due to the increase in compensation as well as travel, professional fees and stock based compensation. The fourth quarter of 2007 net loss decreased as compared to the previous quarter, mainly due to a one-time future income tax recovery of $1,010,199. Excluding the future income tax recovery, the fourth quarter net loss increased compared to previous quarters, mainly due to a $1,209,272 write off of resource properties and increased compensation. The third quarter of 2007 increased loss (as compared to the second quarter of 2007) is largely due to the write off of $573,994 of mineral properties and deferred exploration costs, representing accumulated acquisition and exploration costs in areas of no further interest to the Corporation (see "Mineral Properties").

## OUTSTANDING SHARE DATA

As at May 13, 2008, the Corporation had 53,911,008 common shares outstanding, as well as stock options to purchase 5,357,000 common shares at a weighted average price of $1.24, compensation warrants to purchase 144,000 shares at $1.00 per share and share purchase warrants to purchase 6,593,717 and 2,347,886 common shares, at $2.25 per share and $1.40 per share, respectively.

## OFF- BALANCE SHEET TRANSACTIONS

During the three months ended March 31, 2008 and 2007, the Company was not involved in any off-balance-sheet transactions.

## CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

### 1) Changes in accounting policies

#### *a) Capital Disclosures*

In December 2006, the CICA issued Handbook Section 1535, *Capital Disclosures*, which establishes standards for disclosing information about an entity's capital and how it is managed. The entity's disclosure should include information about its objectives, policies and processes for managing capital and disclose whether or not it has complied and the consequences of non-compliance with any capital requirements to which it is subject. The new standard became effective on January 1, 2008 for the Corporation. The adoption of Section 1535 did not have a significant effect on the consolidated financial statements.

#### *b) Financial Instruments – Disclosures and Financial Instruments – Presentation*

In December 2006, the CICA issued Handbook Section 3862, *Financial Instruments – Disclosures*, and Section 3863, *Financial Instruments – Presentation*. Section 3862 modifies the disclosure requirements of Section 3861, *Financial Instruments – Disclosure and Presentation*, including required disclosure for the assessment of the significance of financial instruments for an entity's financial position and performance and of the extent of risks arising from financial instruments to which the Corporation is exposed and how the Corporation manages those risks, whereas Section 3863 carries forward the presentation related requirements of Section 3861. The new standards became effective on January 1, 2008 for the Corporation. The adoption of Section 3862 and Section 3863 did not have a significant effect on the consolidated financial statements.

### 2) Future accounting pronouncements

#### *a) Goodwill and Intangible Assets*

In February 2008, the CICA issued Section 3064, *Goodwill and Intangible Assets*, replacing Section 3062, *Goodwill and Other Intangible Assets*, and Section 3450, *Research and Development Costs*. Concurrent with the introduction of this standard, the CICA withdrew EIC-27, "Revenues and expenses during the pre-operating period." The new pronouncement establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. This Section is effective in the first quarter of 2009. Management is currently assessing the impact that the adoption of Section 3064 will have on the consolidated 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. As the International Accounting Standards Board currently has projects underway that should result in new pronouncements and, since this Canadian convergence initiative is very much in its infancy as of the date of these consolidated financial statements, the Corporation has not yet assessed the impact of the ultimate adoption of IFRS on the Corporation.

## 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 2007 Annual Information Form.

Risks and uncertainties relating 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 relating 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, including the status and results of the Corporation's joint exploration program on its Santa Fé/Iporá properties with Teck Cominco.

Risks related to commodity price and foreign exchange rate fluctuations.

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 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 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's corporate governance practices, please refer to INV's website at www.nickelventures.com.

INV's directors have expertise in exploration, mining, accounting, banking, legal, financing and the securities industry. The Board meets at least four times a year and Committees generally meet before full board meetings and 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 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.

Multilateral 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's CEO and the CFO have evaluated the effectiveness of the Corporation's Disclosure Controls as at March 31, 2008, 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

During Q1/2008, INV management, including its CEO and CFO, evaluated the existence and design of the Corporation's internal controls over financial reporting ("ICFR") and confirm there were no changes to the ICFR that have occurred during the three months ended March 31, 2008, which materially affected, or are reasonably likely to materially affect, the Corporation's ICFR.

## 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's 2007 AIF (the "AIF") and filed with Canadian provincial securities regulatory authorities and available on SEDAR at www.sedar.com 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 financial results and expectations for 2008, including, but not limited to, interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, results of initial feasibility, pre-feasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Corporation's expectations, forecast levels of production of ore and/or metals, 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 based on assumptions and/or estimates related to future economic, market and other conditions. This list is not exhaustive of the factors that may affect the forward-looking statements and other factors should be 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 and/or the AIF, and include unanticipated and/or unusual events. Many of such factors are beyond INV's 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's website at www.nickelventures.com or by accessing the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com.