NSGOLD CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2010

Background

This Management Discussion and Analysis (MD&A) of NSGold Corporation (NSGold or the Company) is dated November 25, 2010 and provides an analysis of the financial operating results for the nine month period ended September, 2010. This MD&A should be read in conjunction with the unaudited interim financial statements including the related note disclosure, all of which are prepared in accordance with generally accepted accounting principles (GAAP) in Canada. All amounts are in Canadian dollars unless otherwise specified. The financial statements and additional information, including news releases, the Filing Statement and technical report referenced herein, are available on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com under the Company's name.

Forward-Looking Information

Certain statements in this Filing Statement are forward-looking statements or information (collectively "forward-looking statements"). The Issuer, NSGold and the Resulting Issuer are hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Issuer, NSGold and the Resulting Issuer have assumed that the current market for gold will continue and grow and that the risks listed below will not adversely impact the business of the Issuer, NSGold or the Resulting Issuer.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Issuer, NSGold or the Resulting Issuer, that could influence actual results include, but are not limited to: limited operating history; exploration, development and operating risks; regulatory risks; substantial capital requirements and liquidity; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; fluctuating mineral prices and marketability of minerals; title to properties; local resident concerns; no mineral reserves or mineral resources; environmental risks; governmental regulations and processing licenses and permits; management inexperience in developing mines; conflicts of interest of management; uninsurable risks; exposure to potential litigation; dividends; and other factors beyond the control of the Issuer, NSGold or the Resulting Issuer.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Issuer, NSGold or the Resulting Issuer undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Issuer, NSGold or the Resulting Issuer or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. See "Risk Factors".

Company Overview

NSGold was incorporated on September 25, 2009 under the Canada Business Corporations Act (CBCA). The registered office of the Company is 1055 West Hastings Street, Suite 2200, Vancouver, B.C. During June 2010 the Company completed a reverse takeover and short form vertical amalgamation with Kermode Capital Ltd. (Kermode) with the amalgamated entity being renamed NSGold Corporation with the new ticker symbol on the TSX Venture Exchange being "NSX". On June 23, 2010 the Company completed a private placement financing raising gross proceeds of $4.1 million.

The Company's fiscal year end is December 31, 2010. Given the reverse takeover and amalgamation transactions were completed in late June 2010, there are no comparative operating results presented as the Company did not have active operations prior to that time.

NSGold a mineral exploration company actively exploring for gold in Nova Scotia, Canada. The Company's flagship property is the Mooseland Gold Project which consists of 115 contiguous mining claims totaling 1,860 hectares in Halifax County, Nova Scotia. The first recorded gold discovery in Nova Scotia was made at Mooseland in 1858, and the property recorded total historical production from 1863 to 1934 of 3,865 ounces of gold recovered from 9,058 tons of crushed material (J. Bates, 1982). More recently, Mooseland was the target of a succession of focused exploration programs by Hecla Mining Company of Canada and Acadia Mineral Ventures, Ltd. (1987-1992) and Azure Resources Corp. (2003-2004). These companies completed a total of 36,858 meters of diamond drilling on Mooseland. Mining infrastructure on the Mooseland property includes a three-compartment shaft sunk to a depth of 125 meters complete with a steel head frame and a ramp to a depth of 50 meters. NSGold has commenced a Phase 1 exploration program at the Mooseland Gold Project that will focus on obtaining data necessary to verify and classify the historical gold resource estimate pursuant to NI 43-101. This program is budgeted at approximately $2 million and includes approximately 6,000 meters of diamond drilling targeting both the West and East Zones.

NSGold also holds under option agreement five early-stage gold and base-metal exploration properties located in Nova Scotia. The projects are as follows; Leipsigate, Indian Path, Blockhouse, French Village and Cheticamp. The first three are former gold-producing properties, each characterized by Meguma-type gold occurrences, while the latter two are gold and base-metal exploration properties.

Results of Operations

The Company was incorporated on September 25, 2009. Prior to the completion of the reverse takeover, amalgamation and concurrent private placement financing the Company did not have any operations.

Summary of Results for the Three and Nine Month Periods Ended September 30, 2010

	Three months ended September 30, 2010	Nine months ended September 30, 2010
Total revenues	$ Nil	$ Nil
Total expenses	$129,092	$215,017
Net loss and comprehensive loss	$129,092	$215,017
Basic and diluted net loss per share	$ 0.01	$0.01

Following the completion of the $4.1 million private placement financing in late June, 2010 the Company commenced the Phase 1 exploration program at the Mooseland Gold Project as referenced above. As a result, the level of general and administrative expenditures incurred in the third quarter increased compared to the prior period as highlighted in the flowing table.

	Three months ended September 30, 2010	Nine months ended September 30, 2010
Consulting fees	$ 25,700	$ 40,700
General and administrative	$ 33,968	$ 36,001
Insurance	$ 25,000	$ 25,000
Professional fees	$ 27,260	$ 87,697
Stock-based compensation expense	$ 5,000	$ 5,000
Travel	$ 12,164	$ 20,169
Total expenses	$129,092	$215,017

During the period the Company expended a total of $1,436,460 on the Mooseland Gold Project. These expenditures are summarized below.

Acquisition of mineral claims	$ 750,000
Purchase of net smelter royalties	$ 415,000
Exploration expenditures	$ 271,460
Balance expended as at September 30, 2010	$1,436,460

Liquidity and Capital Resources

On June 23, 2010 the Company completed a private placement raising gross proceeds of $4.1 million. The financing included the issuance of 15,105,871 units with each unit comprising one "flow-through" or non "flow-through" common share and one-half of one common share purchase warrant. The gross proceeds of $4.1 million comprised $2.06 million "hard" dollars (8,225,140 units priced at $0.25 per unit) and $2.06 million "flow-through" dollars (6,880,731 units priced at $0.30 per unit). Each whole warrant entitles the holder to one common share of the Company at a price of $0.50 per share for a period of 12 months from the private placement closing date. Four months after the Private Placement Closing Date, in the event the Resulting Issuer Shares close above $0.65 per Resulting Issuer Share for ten consecutive days, such common share purchase warrants are subject to an early conversion by which the holders thereof will have to convert such warrants within thirty days of the day the Company provides written notice with respect to such accelerated expiry date.

As at September 30, 2010 the Company had cash of $2,121,281 and working capital of $2,133,011, including drilling deposits aggregating $563,925.

NSGold has commenced a Phase 1 exploration program at the Mooseland Gold Project that will focus on obtaining data necessary to verify and classify the historical gold resource estimate pursuant to NI 43-101. This program is budgeted at approximately $2 million and will be funded from working capital.

NSGold can acquire a 100% interest in the Mooseland Gold Project and the five early-stage properties by making three payments to Globex Mining Enterprises Inc. (TSX-GMX), each in the amount of $250,000. To date, NSGold has made two payments aggregating $500,000 to Globex. The third and final payment of $250,000 must be made by NSGold on the earlier of 30 days after commencement of production on Mooseland or September 1, 2011.

Globex holds a 4% gross metal royalty on all metals produced from the Mooseland Gold Project and the five early-stage properties. In addition, Globex has the right, subject to regulatory approval, to receive a 5% interest in the issued and outstanding share capital of NSGold in the event that any of the Mooseland Gold Project or early-stage properties enters into production.

Obligations With Respect to Flow-Through Shares

Pursuant to the June 2010 private placement financing the Company issued 6,880,731 flow-through shares for gross proceeds of $2,064,219. The Company agreed to incur $2,064,219 of eligible "Canadian Exploration Expenses" from the date of closing to December 31, 2011 and renounce such expenditures with an effective date of no later than December 31, 2010.

Changes in Accounting Policies Including Initial Adoption

Effective January 1, 2008 the Company has adopted the following sections of the Canadian Institute of Chartered Accountants (CICA) Handbook:

Section 1400 – General Standards of Financial Statement Presentation

This section provides revised guidance related to management's responsibility to assess and disclose the ability of an entity to continue as a going concern. The implementation of this Section has no effect on the financial results of the Company.

Section 1535, Capital Disclosures

This section establishes standards for disclosing information that enables users of financial statements to evaluate the entity's objectives, policies and processes for managing capital; quantitative data about what the Company regards as capital; whether the Company has complied with any capital requirements; and if the Company has not complied, the consequences of such non-compliance.The new accounting standard covers disclosure only and had no effect on the financial results of the Company.

Section 3862, Financial Instruments – Disclosures and Section 3863, Financial Instruments – Presentation
These sections replace existing Section 3861, *Financial Instruments – Disclosure and Presentation*.

The presentation standards are carried forward unchanged. The disclosure standards introduce new disclosures to improve the information about financial instruments. This standard requires the disclosure of qualitative and quantitative information about the exposure to risks arising from financial instruments. The new standards cover disclosure only and had no effect on the financial results of the Company.

Recent accounting pronouncements issued and not yet adopted

Business Combinations, Consolidated Financial Statements and Non-controlling Interests

In January 2009, the CICA issued Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-controlling Interests" which replace Section 1581, "Business Combinations" and Section 1600, "Consolidated Financial Statements". Section 1582 establishes standards for the accounting for business combinations that are equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Early adoption of this section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the entity's interim and annual consolidated financial statements for fiscal years beginning on or after January 1, 2011. Early adoption of this section is permitted. If the entity chooses to early adopt any one of these sections, the other two sections must also be adopted at the same time. The Company is currently assessing the impact on its financial statements.

International Financial Reporting Standards (IFRS)

In February 2008, the Canadian AcSB announced that Canadian generally accepted accounting principles ("GAAP") for publicly accountable enterprises will be replaced by International Financial Reporting Standards (IFRS) for fiscal years beginning on or after January 1, 2011. As such, the Company will be required to prepare its December 31, 2011 financial statements including comparative information in compliance with IFRS. The Company is monitoring and reviewing plans to make the transition to IFRS and has not yet determined the impact of the transition on its financial statements.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

During the nine month period the Company incurred legal fees aggregating $180,265 from a law firm of which one of the officers is a partner. The Company recorded $40,000 to share issue costs, $64,248 to professional fee expense and $76,017 to opening share capital in conjunction with the accounting for the reverse takeover transaction. As at September 30, 2010 the amount payable totaled $58,710.

Outstanding Share Data

As at November 25, 2010 the Company has 30,505,871 shares issued and outstanding. As at November 25, 2010 the Company has outstanding 8,352,936 common share purchase warrants, 280,000 stock options and 1,018,643 agent's options. The agent's options entitle the holders thereof to acquire up to an aggregate of 1,018,643 units of the Company at an exercise price of $0.25 per unit for a period of twelve months from the closing of the private placement. Each unit consists of one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder thereof to acquire one additional common share at an exercise price of $0.50 per share for a period of twelve months from the closing of the private placement.

Risks and Uncertainties

The following are certain factors relating to the business of the Issuer assuming Completion of the Qualifying Transaction, which factors investors should carefully consider when making an investment decision concerning the Kermode Shares. These risks and uncertainties are not the only ones facing the Resulting Issuer. Additional risks and uncertainties not currently known to the Issuer, or that the Issuer currently deems immaterial, may also impair the operations of the Resulting Issuer. If any such risks actually occur, the financial condition, liquidity and results of operations of the Resulting Issuer could be materially adversely affected and the ability of the Resulting Issuer to implement its growth plans could be adversely affected.

An investment in the Resulting Issuer is speculative. An investment in the Resulting Issuer will be subject to certain material risks and investors should not invest in securities of the Resulting Issuer unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the business of the Resulting Issuer.

Limited Operating History

The Issuer is a relatively new company with limited operating history and no history of business or mining operations, revenue generation or production history. The Issuer was incorporated on June 25, 2008 and has yet to generate a profit from its activities. The Resulting Issuer will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective. The Resulting Issuer anticipates that it may take several years to achieve positive cash flow from operations.

Exploration, Development and Operating Risks

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in an increase in the Resulting Issuer's resource base.

The Resulting Issuer's operations will be subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity, flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution, and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Resulting Issuer.

Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Resulting Issuer's current and planned mining operations will be required. No assurances can be given that the Resulting Issuer will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Resulting Issuer may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Resulting Issuer or at all. If the Resulting Issuer is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those development plans that can be funded through cash flows generated from its existing operations.

Fluctuating Mineral Prices

The economics of mineral exploration is affected by many factors beyond the Resulting Issuer's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Property.

Regulatory Requirements

The current or future operations of the Resulting Issuer require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Resulting Issuer may require for the facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulation would not have an adverse effect on any exploration and development project which the Resulting Issuer might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulation and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Resulting Issuer and cause increases in capital expenditures or exploration and development costs or require abandonment or delays in the development of new properties.

Financing Risks and Dilution to Shareholders

The Resulting Issuer will have limited financial resources, no operations and no revenues. If the Resulting Issuer's exploration program on the Property is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Resulting Issuer will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Resulting Issuer's shareholders.

Title to Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Issuer cannot give an assurance that title to the Property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that NSGold or the Resulting Issuer, as the case may be, does not have title to the Property could cause the Resulting Issuer to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

Requirement for Permits and Licenses

As NSGold holds an option to acquire the Property, subject to the NSR, it does not currently hold any permits or licences necessary to carry on proposed exploration activities on the Property. A substantial number of permits and licenses may be required should the Resulting Issuer proceed beyond exploration; such licenses and permits may be difficult to obtain and may be subject to changes in regulations and in various operational circumstances. It is uncertain whether the Resulting Issuer will be able to obtain all such licenses and permits.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Resulting Issuer will compete with other mining companies, many of which have greater financial, technical and other resources than the Resulting Issuer, for, among other things, the acquisition of minerals claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Reliance on Management and Dependence on Key Personnel

The success of the Resulting Issuer will be largely dependent upon on the performance of the directors and officers who will be appointed on the Closing Date and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Resulting Issuer's business and prospects. The Resulting Issuer will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Resulting Issuer can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Resulting Issuer and its prospects.

No Mineral Reserves or Mineral Resources

The Property in which the Resulting Issuer will hold an interest is considered to be an advanced stage exploration property, however no mineral reserve or mineral resource estimates have been prepared in respect of the Property. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades, may cause a mining operation to be unprofitable in any particular accounting period.

Environmental Risks

The Resulting Issuer's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Governmental Regulations and Processing Licenses and Permits

The activities of the Resulting Issuer are subject to Canadian and provincial approvals, various laws governing prospecting, development, land resumptions, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters. Although the Resulting Issuer believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Resulting Issuer. Further, the mining licenses and permits issued in respect of its projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Resulting Issuer's investments in such projects may decline.

Local Resident Concerns

Apart from ordinary environmental issues, work on, or the development and mining of the Property could be subject to resistance from local residents that could either prevent or delay exploration and development of the Property.

Management Inexperience in Developing Mines

The proposed management of the Resulting Issuer will have some experience in exploring for minerals, but may lack all or some of the necessary technical training and experience to successfully develop and operate a mine. Without adequate training or experience in these areas, management may not be fully aware of many of the specific requirements related to working within the mining industry and their decisions and choices may not take into account all available and necessary engineering or managerial approaches that experienced mine operating companies commonly use to successfully develop a mine. Consequently, the Resulting Issuer's operations, earnings and ultimate financial success could be materially adversely effected.

Conflicts of Interest

Certain of the directors and officers of the Resulting Issuer will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Resulting Issuer may become subject to conflicts of interest. The BCBCA and CBCA provide that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA and CBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA and CBCA.

Uninsurable Risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks and the Resulting Issuer may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Resulting Issuer's results of operations and financial condition and could cause a decline in the value of the Resulting Issuer Shares. The Resulting Issuer does not intend to maintain insurance against environmental risks.

Litigation

The Resulting Issuer and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

Dividends

To date, neither the Issuer nor NSGold has paid any dividends on its outstanding shares. Any decision to pay dividends on the shares of the Resulting Issuer will be made by its board of directors on the basis of the Resulting Issuer's earnings, financial requirements and other conditions.