



NICO MINING LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE PERIOD ENDED JUNE 30, 2008

This interim Management's Discussion and Analysis ("MD&A") provides an update on matters discussed in, and should be read in conjunction with, the MD&A and audited financial statements of NiCo Mining Corp. for the period from incorporation June 29, 2007 to December 31, 2007 included in the Filing Statement of Sudbury Capital Corporation dated February 28, 2008. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Unless otherwise indicated, all amounts in this MD&A are expressed in Canadian dollars.

The date of this MD&A is August 25, 2008.

BACKGROUND

NiCo Mining

NiCo Mining Limited (the "Company"), formerly Sudbury Capital Corporation, is a Canadian-based nickel/cobalt exploration and development company focused on opportunities in Africa and is traded on the TSX Venture Exchange ("TSXV") under the symbol NCL.

It is currently engaged in the systematic assessment of the nickel/cobalt potential of four permits totaling approximately 3,100 square kilometers located near Lomié in Southeast Cameroon, Africa through its 95% owned subsidiary, Resource Capital Group Cameroon Ltd. The exploration program is directed towards delineating the presence of at least one economically viable nickel/cobalt resource using modern exploration techniques. This program was initiated with the undertaking of a 24,000 km airborne geophysical survey of its exploration permits to define laterite-capped ultramafic bodies. Twenty nine priority anomalies were identified and are being evaluated to determine the presence of anomalous nickel and cobalt values. Nico Mining is also currently considering other opportunities elsewhere in Africa.

Effective March 12, 2008, the Company completed a previously announced transaction with NiCo Mining Corp. (NiCo), a company incorporated under the Business Corporation Act (Ontario). This transaction was accounted for as a reverse takeover as the control of the Company was acquired by the former shareholders of NiCo. After this transaction, the Company's name was changed to NiCo Mining Limited from Sudbury Capital Corporation.

The consolidated financial statements and amounts reflected in this MD&A include the accounts of the Company and its subsidiaries from March 12, 2008. Prior period results and comparatives are those of Nico Mining Corp and its subsidiaries for the period from incorporation June 29, 2007. Although legally, NiCo Mining Limited is regarded as the parent or continuing company, NiCo Mining Corp. whose shareholders now hold more than 50% of the voting shares of the Company, is treated as the acquirer under Canadian generally accepted accounting principles. Consequently, NiCo Mining Limited is deemed to have been acquired in consideration for the issuance of shares.

OVERALL PERFORMANCE

The company is targeting Nickel/Cobalt laterite deposits in a known Nickel/Cobalt region in its exploration permits adjacent to significant identified resources held by Geovic Cameroon PLC. NiCo's exploration program is directed towards the identification of economic concentrations of laterite hosted mineralization through the delineation of highly magnetic serpentinite intrusive bodies. This is being realized through the airborne geophysical survey flown in 2007 combined with the detailed reconnaissance and geochemical exploration phase undertaken from December 2007 to July 2008.

29 priority airborne geophysical anomalies were identified within the company permits from the airborne program. Of these 18 were geologically mapped and sampled during the recent reconnaissance phase from March to June 2008.

In total more than 800 samples were collected from the anomalies and from reconnaissance work using a 500x500m GPS controlled soil sample density grid. In addition alluvium and heavy mineral concentrate samples were collected in drainage channels from the geophysical anomalies. Laterite, rock and termite mound samples were gathered where applicable.

The samples were submitted to the Alex Stewart International sample preparation laboratory in Yaoundé, Cameroon. The prepped pulps were subsequently assayed at the OMAC laboratory in Co. Galway, Ireland, a subsidiary of Alex Stewart.

Of the top ranked anomalies sampled during the reconnaissance phase the most promising is the discovery of a new serpentinite intrusive overlain by an area of potential Ni-Co laterite. Significant soil sample results of up to 105ppm Co + 535ppm Ni and laterite sample results of up to 518ppm Co + 1,434ppm Ni were obtained from this anomaly (designated number 20). The laterite samples collected in the area of anomaly 20 varied from 1-518ppm Co and 15-1,434ppm Ni, while the soil samples varied from 4-105ppm Co and 15-535ppm Ni. In excess of 25% of the Co assays and 60% of the Ni assays from these soil and laterite samples were in excess of 1 standard deviation from the mean of the sampled population from the detailed reconnaissance exploration phase.

The serpentinite body within anomaly 20 has a strike of at least 600 metres between mapped outcrops with extensions beyond this indicated by soil mapping. The width of the intrusive body is estimated to be at least 450 metres. Mapping has located indications of contact metamorphism that at least doubles the dimensions in one direction. The size of the intrusive remains open in the other three directions.

This prospect will be investigated in further detail in the next field season when it is planned to determine its dimensions, mineralisation depth and overall morphology. Consideration is being given to the use of ground penetrating radar technology to determine the vertical dimensions. Subject to weather conditions it is planned to collect preliminary samples for metallurgical testwork which will be submitted to an internationally recognized metallurgical testing laboratory.

A serpentinite outcrop has also been identified on a further area of interest (designated anomaly 10). Very limited reconnaissance sampling and mapping has been completed, with preliminary geochemical sampling yielding results of 93ppm Co + 1,116ppm Ni in laterite, 53ppm Co + 906ppm in alluvium and 83ppm Co + 1,849ppm in rock. These are the only samples collected from the vicinity of anomaly 10 to date. These will be followed up in the next field season.

Additional exploration will be conducted on the remaining 11 geophysical anomalies within the Lomie 1, 2 & 3 permits some of which are expected to be caused by serpentinite intrusive bodies. Within the company's Lomie 4 permit, target generation studies have identified a significant area of Co geochemical stream sediment sample anomalies with values of 41-150ppm recorded from historical data. These anomalies will be assessed in the field with soil traverse lines along interfluves across the permit.

Dependant on results it is planned to commence drilling on the most promising prospects towards the end of the year.

This work will lead to the establishment of a data set of sufficient quality to enable the estimation of a mineral resource. The budget for the exploration program totals U.S.\$6,410,000 and covers a period of two years commencing July 2007. Progress from Phase 1 to Phase 2 and later exploration, is contingent on exploration success in the previous stage.

Exploration expenditures for the remaining two quarters of 2008 are planned to be approximately \$1,200,000, conditional upon the achievement of satisfactory results.

Concurrent with the exploration in the Lomie 1, 2, 3 and 4 permits, on-going target generation studies have identified other properties in the immediate area of the permits and in south-east Cameroon which are being actively pursued. There has been no change in any known factors that would affect the value of the project.

NiCo has not yet determined whether these properties contain reserves that are economically recoverable.

NiCo Mining Corp. was incorporated under the OBCA on June 29, 2007 and has raised funds to explore its mineral properties primarily through the issuance of shares and warrants. NiCo, at the present time, has sufficient cash resources to complete the exploration program it has planned. The exploration of mineral properties involve significant financial risks and the success of NiCo will be influenced by a number of factors including risks associated with exploration and eventual extraction, foreign investment regulation, and political uncertainty. At present, NiCo's exploration activities do not generate any revenues.

RESULTS OF OPERATIONS

Period from January 1 to June 30, 2008

During the period, NiCo had a net loss of \$1,051,098 and had no material revenues. Included in the current period net loss are stock based compensation costs of \$378,548 resulting from the revaluation of stock options issued prior to 2008, triggered by the reverse takeover transaction and unrealized foreign exchange losses amounting to \$71,656. Excluding the stock based compensation expense and unrealized foreign exchange loss, net loss for the period would be \$600,894.

This compares to a net loss of \$505,571 for the period from incorporation June 29 2007 to December 31, 2007. The net loss for this period includes a foreign exchange gain of \$550.

SUMMARY OF RESULTS

	<u>3 Months Ended</u>	<u>3 Months Ended</u>	<u>6 Months Ended</u>
	<u>June 30, 2008</u>	<u>March 31, 2008</u>	<u>December 31, 2007</u>
Revenue	Nil	Nil	Nil
Net loss	\$354,515	\$696,583	\$505,571
Basic and diluted net loss per share	\$0.02	\$0.03	\$0.04
Total assets	\$12,245,587	\$12,667,765	\$12,850,167
Total long term financial liabilities	Nil	Nil	Nil
Cash dividends declared per share	Nil	Nil	Nil

Net loss for the three months ended June 30, 2008 includes \$34,558 in stock-based compensation expense compared to \$343,960 in stock-based compensation expense for the three month period ended March 31, 2008. For the six month period ended December 31, 2007, \$129,046 in stock-based compensation expense was recorded. Excluding stock-based compensation, net loss for the three month period ended June 30, 2008 would have been \$319,957 compared to \$352,623 for the three month period ended March 31, 2008 and \$376,525 for the six month period ended December 31, 2007

LIQUIDITY AND CAPITAL RESOURCE

As at June 30, 2008, NiCo reported a working capital of \$10,260,921 compared to \$10,982,884 as at March 31, 2008 and \$11,477,127 as at December 31, 2007.

NiCo, at the present time, has sufficient cash resources to complete the exploration program it has planned.

CONTRACTUAL OBLIGATION AND COMMITMENTS

NiCo, as a condition of maintaining its licences for the initial four properties in Cameroon, is required to spend a minimum of 300,000,000 CFA (U.S.\$631,140) over the initial three year term for each of the three properties. In total, this represents a commitment of 1,200,000,000 CFA (U.S.\$2,524,560) over the initial

three year term of the license. The exploration program planned by management and the current cash resources will allow NiCo to fulfill these obligations.

NiCo has consulting agreements and a management services agreement which provides for the services of certain key management which specify salary, termination provisions and other terms and conditions. As at June 30, 2008, there are no estimated contingent payments with respect to such employment agreements.

NiCo does not have any other commitments, contractual obligation, long term debt, capital lease obligations, or purchase obligations other than leases which are part of day to day corporate business activities such as the office rental leases for Canada and Cameroon noted below.

The minimum future payments as at June 30 are approximately as follow:

<u>Year Ended December 31</u>	<u>2008</u>
Fiscal 2008	\$ 64,598
Fiscal 2009	61,786
Fiscal 2010	39,292
Fiscal 2011	39,292
Fiscal 2012	<u>\$ 19,646</u>
	<u>\$ 224,614</u>

INVESTMENT IN MINERAL EXPLORATION

Expenditures on mining properties year to date amounted to \$603,434. The majority of the spending was for geological consulting fees (\$265,648), salaries and wages (\$104,797), meals, travel and accommodation (\$102,611), equipment consumables (\$27,124) and fuel (\$21,109).

No comparative value is available as NiCo Mining Corp. was incorporated on June 29, 2007.

GENERAL AND ADMINISTRATIVE EXPENSE

General and administrative expense year to date amounted to \$1,151,998. Included in this amount is a charge of \$378,548 for stock based compensation resulting from the revaluation of stock options issued prior to 2008 by the private company and reissued by the public company at the date of the reverse takeover, March 12, 2008. Excluding the stock based compensation costs described above, general and administrative costs for the period amount to \$773,450, of which \$297,435 relate to consulting and management fees.

No comparative value is available as NiCo Mining Corp. was incorporated on June 29, 2007.

USE OF OFF BALANCE SHEET ARRANGEMENTS

NiCo has not entered into any specialized financial agreement to minimize its investment, currency or commodity risk. There are no off balance sheet arrangements, such as a guarantee contract, contingent interest in assets transferred to an entity, derivative instruments obligations and or any obligations that trigger financing, liquidity, market or credit risk to NiCo.

TRANSACTIONS WITH RELATED PARTIES

On September 27, 2007, NiCo issued 5,000,000 common shares to acquire all of the outstanding shares of Nickel Resources Corporation Limited, a Bermuda company. These shares were issued primarily to individuals, or entities controlled by individuals, who are shareholders, officers or directors of NiCo.

Amounts due to the related parties, are payable to entities controlled by shareholders, officers or directors of NiCo as are transactions with these related parties. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated otherwise.

NiCo pays consultation, management, strategic advisor and project management fees to companies controlled by officers and directors in lieu of their compensation. The net amount paid during the six-month period ending June 30, 2008 amounted to \$271,620 (December 31, 2007 - \$167,491). Included in accounts payable is a net amount of \$52,589 (December 31, 2007 - \$18,778) due to related parties.

These transactions, other than the share exchange that is not in the normal course of operations and is recorded at its carrying value of \$12,000, are in the normal course of operations and have been valued at the exchange amount which is the amount of consideration established and agreed to by the related parties.

CHANGES IN ACCOUNTING POLICIES

As of January 1, 2008, the company adopted the provisions of CICA handbook sections 3862 "Financial Instruments- Disclosure", 3863 "Financial Instruments – Presentation" and 1535 "Capital Disclosures". The new standards include enhanced disclosure requirements on the nature and extent of risks arising from financial instruments and how the Company manages those risks. In addition, section 1535 requires qualitative and quantitative disclosures that enable the users to evaluate the Company's objectives, policies and processes for managing capital. The impact of the adoption of these new sections had no material effect on the Company's financial statements or results of operations.

FUTURE ACCOUNTING CHANGES

The Company has assessed new and revised accounting pronouncements that have been issued that are not yet effective and determined that the following may have a significant impact on the company:

- In January 2006, the CICA Accounting Standards Board adopted a strategic plan from the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards ("IFRS") by 2011. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.
- In January 2008, the CICA issued Handbook section 3064, "Goodwill and Intangible Assets", to replace Section 3062, "Goodwill and Other Intangible Assets". The standard provides guidance on the recognition of intangible assets in accordance with the definition of an asset and the criteria for asset recognition as well as clarifying the concept of matching revenues and expenses, whether those assets are acquired separately or developed internally. This standard will apply to the company's interim and annual financial statements beginning January 1, 2009. The Company has not yet determined what the impact of adopting this standard may have on the consolidated financial statements.

FINANCIAL INSTRUMENTS

The company's financial instruments consist of cash, other receivables and accounts payable and accrued liabilities. Financial instruments are recorded on the consolidated balance sheet at carrying values that are representative of, or approximate, fair value.

Fair Value

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash and cash equivalents, receivables, accounts payable and accrued liabilities approximates their fair value because of the short-term nature of these instruments.

Concentration of Credit and Foreign Currency

The Company maintains its cash with major financial institutions in North America and generally exceeds that of government insured levels. Cash requirements to meet short term operating requirements are held in financial institutions in Cameroon and South Africa.

The Company's operations are outside of North America, therefore, the Company is exposed to foreign currency risks.

Market Risk

Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. For purposes of this disclosure, the Company segregates market risk into three categories: fair value risk, interest rate risk and currency risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's financial liabilities consist of accounts payable. The company has no liquidity risk as there are sufficient cash resources on order to allow it to meet its financial obligations in the foreseeable future.

Interest Rate, Currency and Credit Risk

The Company is subject to interest risks, or currency risk and credit risk arising from these financial instruments in the normal course of business.

As at June 30, 2008, the Company's foreign currency balances were approximately \$490,884 in cash, \$10,391 in receivables, and \$169,225 in liabilities.

As at December 31, 2007, the Company's foreign currency balances were approximately \$359,155 in cash, \$211,982 in receivables, and \$59,753 in liabilities.

FORWARD LOOKING STATEMENTS

Certain information in this management discussion and analysis contains forward-looking statements involving the Company's current expectations regarding future results and other matters. These forward-looking statements reflect management's current forecast of certain aspects of the Company's future business, and are subject to certain risks and uncertainties that could cause actual results of operations to differ materially from current expectations. The words "plan", "expect", "believe", "intend", "anticipate", "forecast", "target", "estimate" and similar expressions identify forward-looking statements. Risk factors include shifts in customer demand, product shipment schedules, product mix, competitive products and pricing, technological shifts and other variables. Readers are referred to the Company's most recent reports filed with the Ontario Securities Commission for a more complete discussion of other risks and uncertainties. The factors underlying forecasts are dynamic and subject to change. As a result, forecasts speak only as of the date they are given and do not necessarily reflect the Company's outlook at any other point in time. The Company does not undertake to update or review these forward-looking statements.

Other MD&A REQUIREMENTS

The Company has 20,898,100 common shares issued and outstanding as at July 31, 2008.

The following table provides the list of options that are issued as at July 31, 2008.

<u>Exercise Price</u>	<u>Quantity</u>	<u>Expiry Date</u>
\$0.75	750,000	Aug 30, 2010
\$1.00	779,880	Oct 3, 2009
\$1.00	1,190,000	Dec 21, 2012
\$1.00	20,000	Sept 5, 2008
\$1.00	40,000	Aug 31, 2011
\$0.75	35,000	May 28, 2011

The following table provides the list of warrants that are issued and outstanding as at July 31, 2008.

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Type</u>	<u>Expiry Date</u>
2,500,000	\$0.75	Class A Warrants	July 4, 2009
6,499,000	\$1.50	Class B Warrants	Oct 3, 2009
389,940	\$1.50	Class B Warrants	Oct 3, 2009

ADDITIONAL INFORMATION

Additional information regarding the Company and its business and operations is available on the company's profile at www.sedar.com. This information is also accessible on the Company's website at www.nicomining.com.