



NICO MINING LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE QUARTER ENDED SEPTEMBER 30, 2009

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of NiCo Mining Limited (the "Company") should be read in conjunction with NiCo's audited consolidated financial statements and notes thereto as at and for the year ended December 31, 2008, and unaudited consolidated financial statements and notes thereto as at and for the nine months ended September 30, 2009. The annual consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The unaudited consolidated financial statements have been prepared in accordance with GAAP for interim financial reporting and, accordingly, do not include all of the information and notes required by GAAP for annual financial statements. In the opinion of management, all adjustments (which consist of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the interim periods are not necessarily indicative of the results that may be expected for any future period.

All financial data in this MD&A has been prepared in accordance with GAAP. Unless otherwise indicated, all amounts in this MD&A are expressed in Canadian dollars.

The date of this MD&A is November 26, 2009.

BACKGROUND

NiCo Mining

NiCo Mining Limited, 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 engaged in the systematic assessment of the nickel/cobalt potential of three permits totaling approximately 2,800 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 evaluated to determine the presence of anomalous nickel and cobalt values. NiCo Mining is also currently considering other opportunities elsewhere in Africa and other areas in the world.

Effective March 12, 2008, the Company completed a 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 unaudited 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 field reconnaissance and geochemical/ geological exploration phases undertaken between December 2007 and November 2008.

29 priority airborne geophysical anomalies were identified within the company permits from the airborne program. All of these were geologically mapped and sampled during field programs in 2008.

In total nearly 1,700 samples were collected from the anomalies from reconnaissance work using a 500x500m GPS controlled soil sample density grid, and from more detailed grids on selected target zones. Alluvium and heavy mineral concentrate samples were collected in drainage channels, laterite, rock and termite mound samples were gathered where applicable, and pit channel samples from hand-dug pits in the higher priority targets. Sieved and panned heavy mineral concentrate samples were collected from suitable drainage trap sites in close proximity to potential kimberlite targets as identified during interpretation of the airborne geophysical data.

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

As a result of the depressed commodities and equity markets, and the outlook for nickel and cobalt in particular, the Company decided in September 2008 to wind down its current exploration activities on its Lomie nickel and cobalt properties in the Cameroon. In the fourth quarter of 2008, upon completion of sampling, environmental conditions were restored through the infill of pits that had been dug, furniture, mining equipment and vehicles located in Cameroon that were not easily transportable out of country were disposed of, and local staff and the office lease were terminated. The exploration properties are being held on a care and maintenance basis until such time as market conditions improve to warrant further exploration. There was no exploration conducted on the properties during the nine month period ended September 30, 2009.

Exploration expenditures for the balance of 2009 will be limited to the care and maintenance requirements to maintain the licenses in good standing, unless there is a change in market conditions, and are not expected to exceed \$25,000.

On April 14, 2009, the NiCo Board of Directors approved a Substantial Issuer Bid to purchase up to 12,000,000 common shares of the Company (approximately 57% of its issued and outstanding common shares prior to the issuer bid) for cancellation at a price of \$0.40 which was approximately equal to the net cash value of the Company's shares at the time of the issuer bid. The transaction was completed July 6, 2009 with 12,000,000 tendered common shares being cancelled and a cash outflow of \$4,800,000 to take up the shares.

On July 17, 2009, the Company executed a subscription agreement with View 22 Technology Inc. providing for the previously announced purchase of up to \$3,000,000 principal amount of 12% secured debentures of View 22. Secured Debentures in the principal amount of \$1,000,000 were purchased upon execution of the subscription agreement. Subject to satisfaction of certain performance milestones and other conditions provided for in the subscription agreement, the remaining secured debentures are to be purchased in two tranches of \$1,000,000 each on or before October 31, 2010. The secured debentures (i) bear interest at the rate of 12% per annum on the principal outstanding payable quarterly; (ii) are repayable at any time but no later than 24 months from their respective dates of issue; and (iii) are secured by a fixed and floating charge on all of the assets and undertaking of View 22.

As part of the transaction, the Company received 600,000 common shares of View 22 (the "Bonus Shares"), of which 300,000 Bonus Shares have been deposited in escrow. The 300,000 shares not subject to escrow have been valued at \$75,000 and are being recognized as interest income over the two year term of the

debenture. The escrowed Bonus Shares will be released to NiCo as to 200,000 shares on, and conditional upon, closing of the second tranche and the remaining 100,000 shares on, and conditional upon, closing of the final tranche of Secured Debentures. Also, while any of the Secured Debentures are outstanding, in the event that View 22 desires to effect a liquidity event involving a reverse take-over or similar business combination, NiCo has been granted a right of first offer, for a period of 60 days, to negotiate with View 22 the terms upon which NiCo would be the counterparty in any such transaction.

NiCo maintains interests in its Lomie nickel and cobalt properties in Cameroon which are being held on a care and maintenance basis and continues to investigate other potential opportunities which may be available to the Company in order to maximize shareholders value while minimizing corporate expenditures during this period of difficult market conditions.

The Company at the present time has sufficient cash resources to maintain its interest in the Lomie properties and to evaluate other potential opportunities. 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, the Company's exploration activities do not generate any revenues.

RESULTS OF OPERATIONS

A summary of selected financial information of NiCo Mining Limited for the seven most recently completed quarters and for the six month period ended December 31, 2007 is provided below:

	3 Months Ended September 30, 2009	3 Months Ended June 30, 2009	3 Months Ended March 31, 2009	3 Months Ended December 31, 2008
Revenue	Nil	Nil	Nil	Nil
Net loss	\$147,294	\$138,964	\$256,249	\$1,435,609
Basic and diluted net loss per share	\$0.02	\$0.01	\$0.01	\$0.07
Total assets	\$4,933,509	\$9,874,332	\$10,172,697	\$10,341,070

	3 Months Ended September 30, 2008	3 Months Ended June 30, 2008	3 Months Ended March 31, 2008	6 Months Ended December 31 2007
Revenue	Nil	Nil	Nil	Nil
Net loss	\$503,286	\$354,515	\$696,583	\$505,571
Basic and diluted net loss per share	\$0.02	\$0.02	\$0.03	\$0.04
Total assets	\$11,738,161	\$12,245,587	\$12,667,765	\$12,850,167

The company is an exploration and development stage mineral resources company that commenced operations in July 2007. During the six quarters ending December 31, 2008, the company was actively engaged in exploration activity at its Lomie properties in Cameroon.

Net loss for the three months ended March 31, 2008 includes \$343,960 in stock-based compensation expense resulting from the revaluation of stock options granted prior to 2008 by the private company that were converted to stock options of the public company effective March 12, 2008, the date of the reverse takeover transaction.

As a result of the depressed commodities and equity markets, and the outlook for nickel and cobalt in particular, the Company wound down its current exploration activities on its Lomie nickel and cobalt properties by December 31, 2008. The permits are being maintained in good standing until such time as the Company reassesses the potential of the properties.

During the fourth quarter of 2008, the Company's impairment analysis resulted in the write down to fair value of its Lomie properties. The analysis took into account exploration results to date, the Company's reduced exploration plans, and general market conditions which have become increasingly unfavourable. Included in the fourth quarter 2008 net loss is an impairment charge for the write-down of the Cameroon mining properties in the amount of \$1,226,605 based on an independent valuation of the Company.

The net loss for the first, second and third quarters of 2009 are lower than previous quarters resulting from the cessation of exploration at the end of December 2008 and the effect of cost reduction initiatives commenced in the fourth quarter of 2008. Net loss for the second and third quarters of 2009 are lower than the first quarter of 2009 largely due to lower consulting costs arising from consulting agreements that terminated with effect from March 31, 2009.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2009

Net loss for the three months ended September 30, 2009 is \$147,294 compared to a loss of \$503,286 for the same period in 2008.

The loss in the current period is comparable to the previous quarter resulting from the cessation of exploration at the end of December 2008, as a result of the implementation of cost reduction initiatives commenced in the fourth quarter of 2008 and the termination of certain consulting agreements effective March 31, 2009.

During the period, the Company continued its evaluation of prospective properties, completed the Substantial Issuer Bid transaction for the purchase and cancellation of 12 million common shares of the Company on July 6, 2009 and completed an investment transaction through the purchase of secured debentures of View 22, a private company engaged in software development. The transaction to purchase an initial secured \$1,000,000 debenture was completed July 17, 2009.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2009

Net loss for the nine months ended September 30, 2009 is \$542,507 compared to a loss of \$1,554,384 for the same period in 2008.

The current nine month period includes \$24,508 of stock-based compensation expense compared to \$411,803 in the similar 2008 period. Consulting and travel expenses for the nine month period ended September 30, 2009 were \$196,025 and \$23,326 respectively compared to \$455,922 and \$104,704 respectively for the comparable 2008 period, a reduction of \$341,275 resulting from the termination of consulting agreements and reduced travel due to the elimination of exploration activity in 2009. As well, general and administrative costs amounting to approximately \$240,000 were incurred in the Cameroon and South Africa subsidiaries during the nine month period ended September 30, 2008 compared to approximately \$14,000 incurred in the similar 2009 period, due to the reduction of activity at those locations at the end of 2008. Interest income of \$188,165 reported in the nine month period ended September 30, 2009 was \$60,465 lower than the \$248,630 reported in the comparable 2008 period resulting from lower cash balances available for investment.

LIQUIDITY AND CAPITAL RESOURCE

As at September 30, 2009 the Company reported working capital of \$2,845,146 compared to \$8,745,299 as at June 30, 2009, \$8,887,612 of working capital as at March 31, 2009, \$9,100,124 as at December 31, 2008, \$9,541,552 as at September 30, 2008, \$10,260,921 as at June 30, \$10,982,884 as at March 31, 2008 and \$11,477,127 as at December 31, 2007. The reduction in working capital in the current quarter results largely from the \$4,800,000 paid to shareholders under the Substantial Issuer Bid and the investment in the \$1,000,000 View 22 debenture.

The Company, at the present time, has sufficient cash resources to maintain its mining properties in good standing and to evaluate other potential opportunities.

CONTRACTUAL OBLIGATION AND COMMITMENTS

The Company, as a condition of maintaining its licences for the three remaining properties in Cameroon, is required to spend a minimum of 300,000,000 CFA (\$779,700) over the initial three year term for each of the three properties. In total, this represents a commitment of 900,000,000 CFA (\$2,339,100) over the initial three year term of the license. Exploration activity to December 31, 2008 will allow the Company to maintain the licences in good standing to at least April 2010 with minimal further activity.

The Company 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 September 30, 2009, there are no estimated contingent payments with respect to such employment agreements.

The Company 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 lease for Canada noted below.

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

Year Ended December 31

Fiscal 2009	9,823
Fiscal 2010	39,292
Fiscal 2011	39,292
Fiscal 2012	<u>\$ 19,646</u>
	<u>\$ 108,053</u>

INVESTMENT IN MINERAL EXPLORATION

Expenditures on mining properties in the third quarter of 2009 were nil compared to expenditures of \$7,000 in the second quarter of 2009 for license permit renewals and compared to first quarter 2009 expenditures of \$5,474. The low expenditure results from the decision to wind down exploration activity by December 31, 2008 and to maintain the Lomie properties on a care and maintenance basis.

Expenditures on mining properties in the third quarter of 2008 during a period of active exploration amounted to \$299,259.

GENERAL AND ADMINISTRATIVE EXPENSE

General and administrative expense for the quarter ended September 30, 2009 amounted to \$144,970 compared to \$431,379 in the comparable quarter in 2008. Included in general and administrative expense in the current quarter is \$0 in stock-based compensation expense compared to \$33,255 of stock-based

compensation expense recorded in the comparable 2008 quarter. Other significant general and administration expenditures in the three month period ended September 30, 2009 with comparative amounts for the similar period in 2008 shown in brackets include consulting fees of \$40,440 (\$158,487), salary costs of \$20,858 (\$20,875), administrative services fees of \$18,694 (\$9,530), rent expense of \$18,838 (\$32,695), professional services fees of \$10,000 (\$15,319) and general and administration costs incurred by the Cameroon and South Africa subsidiaries \$10,783 (\$78,885).

General and administrative expense for the nine month period ended September 30, 2009 amounted to \$603,636 compared to \$1,583,377 in the comparable period in 2008. Included in general and administrative expense in the current nine month period is \$24,508 in stock-based compensation expense compared to \$411,803 of stock-based compensation expense recorded in the comparable 2008 period. Other significant general and administration expenditures in the nine month period ended September 30, 2009 with comparative amounts for the similar period in 2008 shown in brackets include consulting fees of \$196,025 (\$455,922), salary costs of \$65,018 (\$63,044), administrative services fees of \$49,964 (\$21,830), rent expense of \$64,600 (\$69,674), professional services fees of \$72,301 (\$40,855) and general and administration costs incurred by the Cameroon and South Africa subsidiaries \$13,783 (\$239,885).

USE OF OFF BALANCE SHEET ARRANGEMENTS

The Company 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 the Company.

TRANSACTIONS WITH RELATED PARTIES

On September 27, 2007, NiCo Mining Corp. 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 the Company 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.

The Company pays consultation, management, strategic advisor and administrative services fees to companies controlled by officers and directors in lieu of their compensation. The net amount paid during the nine month period ended September 30, 2009 amounted to \$239,443 (2008 - \$513,906). Included in accounts payable is a net amount of \$34,000 (2008 - \$55,346) 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

Effective January 1, 2009, the Company adopted the new standard issued by the CICA, Handbook Section 3064, Goodwill and Intangible Assets to replace Section 3062, "Goodwill and Other Intangible Assets" and to replace Handbook Section 3450, Research and Development Costs and amendments to Accounting Guideline (AcG) 11, Enterprises in the Development Stage and Handbook Section 1000, Financial Statement Concepts. The new standard is intended to reduce the differences with International Financial Reporting Standards ("IFRS") in the accounting for intangible assets. Under the previous Canadian standards, more items were recognized as assets than under IFRS. The objectives of CICA 3064 are to reinforce the principle-based approach to the recognition of assets only in accordance with the definition of an asset and the criteria for asset recognition and to clarify the application of the concept of matching

revenues and expenses such that the current practice of recognizing asset items that do not meet the definition and recognition criteria is eliminated. The new standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets. The adoption of this standard had no impact on the company's presentation of its financial results or results of operations as at September 30, 2009.

In January 2006, the CICA Accounting Standards Board adopted a strategic plan for 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. In February 2008, the Accounting Standards Board announced that interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011 must be prepared in accordance with IFRS. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. Based on a preliminary assessment, the Company does not believe there will be a significant financial reporting impact from the transition from Canadian GAAP to IFRS based on the current operations of the Company..

FINANCIAL INSTRUMENTS

The company's financial instruments consist of cash, Guaranteed Investment Certificates that are cashable at any time without penalty, 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 Canada 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 Canada, 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 September 30, 2009, the Company's foreign currency balances were approximately \$27,416 in cash, \$15,289 in receivables, and \$49,851 in liabilities.

As at September 30, 2008, the Company's foreign currency balances were approximately \$329,167 in cash, \$8,255 in receivables, and \$142,706 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 8,898,100 common shares issued and outstanding as at November 26, 2009.

The following table provides the list of options that are issued as at November 26, 2009.

<u>Exercise Price</u>	<u>Quantity</u>	<u>Expiry Date</u>
\$1.00	60,000	Dec 21, 2012
\$0.75	35,000	May 28, 2011
\$0.75	5,000	Aug 14, 2011
\$0.30	500,000	Nov 24, 2012

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.