

Form 51-102F1
Interim Management Discussion and Analysis¹
For
International Northair Mines Ltd.
(“Northair” or the “Company”)

Containing Information up to and including January 9, 2006

Overall Performance

Northair is a mineral exploration company actively engaged in the acquisition, exploration and development of strategic mineral properties throughout North America with a particular focus in Mexico. It is classified as a Tier 1 company on the TSX Venture Exchange (“TSXV”) and trades under the symbol “INM”. In Mexico, exploration is conducted by its wholly owned subsidiary, Grupo Northair de Mexico, S.A. de C.V.

In addition Northair provides management and administrative services to other resource companies, including but not limited to, NDT Ventures Ltd, Stornoway Diamond Corporation, Sherwood Copper Corporation, Tenajon Resources Corp. and Troon Ventures Ltd. (collectively referred to herein as the “Northair Group” or the “Group”). Each company within the Group is related to Northair through directors and/or shareholders in common. (See “Transactions with Related Parties”).

Operational Highlights

- At the Sierra Rosario Project in Sinaloa State, results from its ongoing sampling, geological mapping and geophysical survey program confirmed the presence of high grade gold, base metal and silver mineralization in three key areas of the property. In light of these results, an additional 590 hectare claim was staked and drilling is planned for 2006.
- A generative exploration program continues in Western Mexico.

Results of Operations

The economic and industry factors that affect the Company are substantially unchanged from those disclosed in the Annual Management Discussion & Analysis.

¹ **Note to Reader**

Readers of the following Interim Management Discussion and Analysis (“Interim MD&A”) should refer to the Company’s audited financial statements for the year ended February 28, 2005 and the related Annual Management Discussion and Analysis (“Annual MD&A”) dated June 14, 2005. The following Interim MD&A is an update to the Company’s Annual MD&A.

This Interim MD&A should be read in conjunction with the Company’s financial statements for the nine months ended November 30, 2005 together with the notes thereto. The interim financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles.

Forward-Looking Information

When used in this document, words like "anticipate", "believe", "estimate" and "expect" and similar expressions are intended to identify forward-looking statements. Such statements are used to describe management’s future plans, objects and goals for the Company and therefore involve inherent risks and uncertainties. The reader is cautioned that actual results, performance or achievements may be materially different from those implied or expressed in such statements.

Nine months ending November 30, 2005

The Company's loss from operations for the nine months ended November 30, 2005 (the "**Current Period**") of \$513,508 was slightly more than the loss in the nine months ended November 30, 2004 (the "**Comparative Period**") of \$454,976. The results of operations were largely influenced by reduced administrative recoveries, write-offs of resource property costs, and gains from resource property option agreements.

Administrative recoveries from companies Northair provides management and administrative services to decreased from \$258,471 in the Comparative Period to \$96,762 in the Current Period. During the Current Period, a one-time adjustment for the administrative fees charged to the Northair Group reduced the amount usually recovered. This one time adjustment was necessary to reconcile the year to date administrative recoveries between the Northair Group.

The Company capitalizes all acquisition and exploration costs until the property to which those costs related is placed into production, sold or abandoned. During the Current Period the Company spent \$240,517 (Comparative Period - \$744,752) to explore its resource properties. The decision to abandon a property is largely determined from exploration results, and the amount and timing of the Company's write-offs of capitalized resource property costs will vary in a fiscal period from one year to the next and typically cannot be predicted in advance. During the Current Period, the Company wrote-off capitalized resource property costs of \$250,529 (Comparative Period – \$243,446). After the write-off, the Company's capitalized resource property costs totalled \$384,779 at November 30, 2005.

Gains from resource property option payments occur when cash and/or securities received during the period from property optionees exceed the resource property costs recorded in the books. During the Current Period the Company recorded gains of \$33,558 (2004 - \$nil) from resource property option agreements. Most of the gain was attributed to the Sierra Rosario Property.

General and administrative expenses increased from \$235,028 in the Comparative Period to \$287,251 in the Current Period, the result of the aforementioned reduction in administrative recoveries. Otherwise, salaries and benefits, office, investor relations and professional fees all experienced slight decreases from the Comparative Period as a result of a general decline in corporate activity.

Three months ending November 30, 2005

Results of operations for the three months ending November 30, 2005 (the "**Current Quarter**") with comparison to the three months ending November 30, 2004 (the "**Comparative Quarter**") are discussed in the previous paragraph entitled "nine months ending November 30, 2005" and elsewhere in this Interim MD&A. No material differences in corporate, industry, or economic trends exist between the Current Quarter and the Current Period.

The Company's loss from operations for the Current Quarter of \$145,678 was slightly more than the loss in the Comparative Quarter of \$137,198. The results of operations were largely influenced by reduced administrative recoveries and write-offs of resource property costs.

Administrative recoveries decreased from \$85,395 in the Comparative Quarter to \$59,770 in the Current Quarter. As discussed earlier, these decreases are a result of a general decline in corporate activity.

During the Current Quarter, the Company wrote-off capitalized resource property costs of \$94,755 (Comparative Quarter – \$94,917).

Exploration Update

During the quarter the company intensified its general exploration program in Mexico, concentrating its efforts in the Sierra Madre Occidental. Several potential acquisition targets have been identified and due diligence is ongoing.

Our corporate objective remains to identify and develop high grade as well as bulk tonnage precious metal deposits. We utilize a strategy that combines favourable geological belt exploration, submittal solicitation and evaluation of potentially available advanced stage projects to further our goals. The program generally focuses on less explored yet highly prospective metallogenic geological provinces that the Company believes have a higher than normal opportunity for significant discovery.

At the Sierra Rosario Project in Sinaloa State, Sparton Resources Inc. has reported positive results from its ongoing sampling, geological mapping and geophysical survey program. The program confirmed the presence of high grade gold, base metal and silver mineralization in three key areas of the property. In light of these results, an additional 590 hectare claim was staked and drilling is planned for 2006. Sparton is earning a 51% interest in the property by paying Northair \$130,000 in cash, issuing 275,000 common shares and incurring \$800,000 in exploration expenditure over a four year period.

At the El Tesoro Project in Durango State, the Company has entered into a lease agreement with Compania Minera San Valentin, S.A. de D.V. (San Valentin). San Valentin is a publicly held company with corporate offices in Durango and Houston, Texas. Under the agreement, after an initial due diligence period, San Valentin will pay the Company up to \$5,000 US/month for the right to mine the Company's concessions; with an option to purchase the concessions for \$500,000 US.

At the Las Moras Project in Durango State, the Company has returned the optioned concession to the vendor due to high payments and accordingly, wrote-off capitalized acquisition and exploration costs totaling \$22,890 during the current period. Northair maintains an adjacent wholly owned claim covering a base metal occurrence.

All field exploration programs are under the direction of Mr. Jim Robinson, Northair's Vice President, Exploration, who is a Qualified Person as defined by NI 43-101.

Risks and Uncertainties

The risks and uncertainties affecting the Company remain unchanged from those disclosed in its Annual MD&As.

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information of Northair and is derived from unaudited quarterly financial statements prepared by management. Northair's interim financial statements are prepared in accordance with Canadian generally accepted accounting principles and expressed in Canadian dollars.

Period	Revenues	Income or (Loss) from Continued Operation and Net Income (loss)	Basic Earnings (Loss) per share ⁽¹⁾ from Continued Operation and Net Income (loss)	Fully Diluted Loss per share ⁽¹⁾ - from Continued Operation and Net Income (loss)
3Q 2006	Nil	\$ (145,678)	\$ (0.01)	\$ (0.01)
2Q 2006	Nil	(257,552)	(0.02)	(0.02)
1Q 2006	Nil	(110,278)	(0.01)	(0.01)
4Q 2005	Nil	(963,031)	(0.07)	(0.07)
3Q 2005	Nil	(137,198)	(0.01)	(0.01)
2Q 2005	Nil	(192,566)	(0.01)	(0.01)
1Q 2005	Nil	(125,212)	(0.01)	(0.01)
4Q 2004	Nil	(342,509)	(0.04)	(0.04)

(1) Based on the treasury share method for calculating diluted earnings.

The factors affecting the Company's quarterly results are substantially unchanged from those factors described in the Annual MD&A.

Quarterly results will vary in accordance with the Company's exploration and financing activities.

Mineral exploration is typically a seasonal business, and accordingly, the Company's administrative expenses and cash requirements will fluctuate depending upon the season. The Company's primary source of funding is through the issuance of share capital. When the capital markets are depressed, the Company's activity level normally declines accordingly. As capital markets strengthen and the Company is able to secure equity financing with favorable terms, the Company's activity levels and the size and scope of planned exploration projects will also increase.

Another factor that affects the Company's reported quarterly results are write-downs or write-offs of capitalized mineral property costs. The Company will write-down or write-off capitalized resource property costs when exploration results indicate that no further work is warranted. The size and timing of these write-offs cannot typically be predicted and affect the Company's quarterly results. The Company regularly reviews its mineral properties to determine whether or not a write-down or write-off of capitalized mineral property costs is required.

In addition, the Company's quarterly results are also affected by the market for securities. Stronger capital markets in 2005 and 2004 allowed the Company to realize gains from the sale of investments during the years ending February 28, 2005 (\$31,731) and February 29, 2004 (\$182,957). These gains offset the Company's administrative expenses, and contribute to an overall reduction in the Company's reported quarterly and annual losses.

Liquidity

The Company's working capital at November 30, 2005 was \$609,027, consisting mostly of cash and cash equivalents. During the Current Period, the cash position decreased by \$521,251 to \$468,618 at

November 30, 2005. Cash used in operating activities during the Current Period totaled \$267,386 (2004 - \$425,557). Write-offs of resource property costs (\$250,529) and gains from resource property options (\$33,558) represent the largest non-cash operating items affecting net income.

Cash used in investing activities totaled \$257,359 (Comparative Period - \$771,367). The Company's principal investing activity is the acquisition and exploration of its resource properties. During the Current Period the Company expended \$240,517 to acquire and explore its resource properties (Comparative Period - \$744,752). The Company also received property option payments of \$15,000 (2005 - \$nil).

The Company has a lease agreement for its office space. The minimum annual commitment for rental expenses (excluding operating expenses) for the leased premises is \$115,752 until 2008. The Company offsets some of this contractual obligation through administrative services agreements with other companies (see "Transaction with Related Parties").

Capital Resources

The Company has no operations that generate cash flow and its long term financial success is dependant on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales and from the exercise of convertible securities. Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the company's track record and the experience and caliber of its management. At the present time the Company has no plans to use debt financing to further its acquisition and exploration activities.

The Company currently has sufficient financial resources to meet its administrative overhead expenses for the next twelve months and is confident it can raise additional funds to undertake all of its planned exploration activities. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activity. Management believes it will be able to raise equity capital as required in the long term, but recognize there will be risks involved that may be beyond their control. The Company intends to continue to use various strategies to minimize its dependence on equity capital, including the securing of joint venture partners where appropriate.

At January 9, 2006 the Company had 1,295,000 stock options outstanding which, if exercised, would increase the Company's available cash by approximately \$627,750.

Additional Disclosure for Venture Issuers Without Significant Revenue

Additional disclosure concerning Northair's general and administrative expenses and resource property costs is provided in the Company's Interim Consolidated Statement of Loss and Deficit and the Interim Consolidated Schedule of Resource Property Costs contained in its Interim Consolidated Financial Statements for November 30, 2005 and the audited annual financial statements dated February 28, 2005 that are available on Northair's website at www.northair.com/Northair/ or on its SEDAR Page Site accessed through www.sedar.com

Outstanding Share Data

The Company's authorized capital is unlimited common shares without par value. As at January 9, 2006 there were 13,027,172 common shares issued and outstanding.

As at January 9, 2006 the following options outstanding:

Number	Exercise Price	Expiry
75,000	\$0.15	October 17, 2006
325,000	\$0.25	July 17, 2007
5,000	\$0.40	June 5, 2008
635,000	\$0.69	October 21, 2008
20,000	\$1.20	January 8, 2009
65,000	\$0.40	June 17, 2009
50,000	\$0.35	March 15, 2010
120,000	\$0.23	September 14, 2010
1,295,000		

As at January 9, 2006, the Company has nil (February 28, 2005 – 1,493,931) warrants outstanding. The following warrants expired during the period.

Number	Price per share	Expiry date
1,493,931*	\$0.80	September 30, 2005

* Represents the number of common shares to be acquired upon exercise.

Transactions with Related Parties

The Company provides management and administrative services to other resource companies, including but not limited to, NDT Ventures Ltd, Stornoway Diamond Corporation, Sherwood Copper Corporation, Tenajon Resources Corp. and Troon Ventures Ltd. (collectively referred to as the "Northair Group"). Each company within the Northair Group is related to the Company through directors and/or shareholders in common.

The amounts due from (to) related parties are for expense reimbursements and are receivable from (payable to) various companies with directors in common. The amounts are non-interest bearing and are receivable (payable) within the following year, and therefore, have been classified as current

During the Current Period the Company had the following transactions with related parties:

- Administrative recoveries of \$96,762 (Comparative Period - \$258,471) are primarily recovered from various companies with certain directors in common.
- Total salaries of \$206,250 (Comparative Period - \$193,500) were paid to two directors of the Company. The Company recovered \$108,520 (Comparative Period - \$133,885) based on time spent, from companies with certain directors in common.

Changes in Accounting Policies

The Company made no changes in its accounting policies from those disclosed in its Annual MD&A.

Financial Instruments and Other Instruments

Northair's financial instruments consist of cash and short-term deposits, accounts receivable, amounts due to/from related parties, investments, reclamation deposits and accounts payable. Unless otherwise noted, it is management's opinion that Northair is not exposed to significant interest, currency or credit risks arising from the financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

Approval

The Board of Directors of Northair has approved the disclosure contained in this Interim MD&A. A copy of this Interim MD&A will be provided to anyone who requests it.

Additional Information

Additional information relating to Northair is available on the Company's website at www.internationalnorthair.com or on SEDAR at www.sedar.com