

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

Containing Information up to and including January 24, 2007

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. The Company is listed 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. (“Grupo Northair”).

In addition, Northair provides management and/or administrative services to other resource companies, including but not limited to, New Dimension Resources 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 officers in common. (See “Transactions with Related Parties”).

Highlights for the nine months ending November 30, 2006 and subsequent events include:

- In August and September 2006, the Company acquired the La India Project located in the state of Durango, Mexico. The project was acquired for its potential to contain bulk mineable gold deposits.
- In September 2006, the Company completed additional exploration at the Company’s El Reventon Project located in the state of Durango, Mexico.
- In September 2006, the Company appointed Mr. Brian C. Irwin to the Board of Directors.
- The Company continues with its generative program in Western Mexico.
- In November 2006, the Company completed a non-brokered private placement financing for gross proceeds of \$1,515,000.
- In January 2007, the Company announced its 2007 exploration plans which include two drill programs on the La India and Sierra Rosario projects in Mexico.
- In January 2007, the Company announced the appointment of Ms. Brenda Nowak as Corporate Secretary.

¹ **Note to Reader**

This Interim Management Discussion and Analysis (“Interim MD&A”) should be read in conjunction with the Company’s audited financial statements for the years ended February 28, 2006 and 2005 and the Company’s unaudited, interim financial statements for the nine months ended November 30, 2006 and 2005.

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.

Results of Operations

Nine Months Ended November 30, 2006

The Company's loss for the nine months ended November 30, 2006 (the "**Current Period**") was \$363,155, a loss of \$0.03 per share as compared to a loss of \$513,508 or \$0.04 per share for the nine months ended November 30, 2005 (the "**Comparative Period**"). Decreases in the size of the exploration costs written off (Current Period - \$204,589; Comparative Period - \$250,529) and an overall decline in administrative expenses (Current Period - \$198,899; Comparative Period - \$292,493) were the most significant factors affecting the decrease in the Company's loss from the Current Period to the Comparative Period.

General and administrative expenses decreased from \$292,493 in the Comparative Period to \$198,899 in the Current Period. Office, equipment rental and general expenses (including salary expense) decreased significantly, from \$252,579 in the Comparative Period to \$166,617 in the Current Period, mostly because the Company's employees and management increased the time devoted to managing the affairs of the Group companies during the Current Period with a resulting decrease in net salary and benefit expense as well as an overall decrease in the level of the Company's administrative expenses. Shareholder communications and investor relations also decreased from \$55,595 to \$39,348 in the Current Period for similar reasons as did regulatory compliance and transfer agent fees (Current Period - \$18,046; Comparative Period - \$29,440). Professional fees increased from \$27,426 to \$30,689.

Stock-based compensation increased from \$24,215 in the Comparative Period to \$67,671 in the Current Period. Stock-based compensation expense is based on a fair value calculation, in which the size of the grant and the vesting terms as well as the Company's share price on the date of the grant affect the amount of stock-based compensation expense recognized. During the Current Period, the Company granted 405,000 stock options with exercise prices between \$0.30 and \$0.40 per share. Administrative recoveries increased (Current Period - \$123,472; Comparative Period - \$96,762) also contributing to a decrease in the Current Period loss.

Several other factors in the Current Period contributed to the decline in the Company's net loss, the most significant being the decrease in the size of the exploration property write-offs (Current Period - \$204,589; Comparative Period - \$250,529). In the Comparative Period, the exploration write-off related to general exploration in Mexico while in the Current Period, the exploration write-off related to general exploration in both Canada and Mexico. In the Current Period, the Company recorded a gain of \$32,317 (Comparative Period - \$33,558) from the Sierra Rosario property option agreement with Sparton Resources Ltd. During the Current Period, the Company received a cash payment of \$20,000 and 100,000 common shares of Sparton with a value of \$26,000.

Details on the geographical segments are as follows:

	Canada		Mexico		Total	
	Nov. 30, 2006	Nov. 30, 2005	Nov. 30, 2006	Nov. 30, 2005	Nov. 30, 2006	Nov. 30, 2005
Loss for the period	\$ (197,288)	\$ (383,383)	\$ (165,867)	\$ 15,553	\$ (363,155)	\$ (367,830)
Identifiable assets	\$ 2,144,237	\$ 1,148,691	\$ 447,680	\$ 418,797	\$ 2,591,917	\$ 1,567,488
Administrative expenses	\$ 189,548	\$ 287,267	\$ 9,350	\$ (1,744)	\$ 198,898	\$ 285,523

Three Months Ending November 30, 2006

Results of operations for the three months ending November 30, 2006 (the "**Current Quarter**") with comparison to the three months ending November 30, 2005 (the "**Comparative Quarter**") are discussed in the previous paragraph entitled "Nine Months Ended November 30, 2006" and elsewhere in this Interim MD&A.

The Company's loss from operations for the Current Quarter of \$180,453 was higher than the loss in the Comparative Quarter of \$145,678. Most of this difference can be attributed to an increase in stock-based compensation expense (Current Quarter - \$63,287; Comparative Quarter - \$14,671) and increase in administrative

expenses (Current Quarter - \$96,034; Comparative Quarter - \$35,485). The size of the exploration costs written off decreased (Current Quarter - \$76,567; Comparative Quarter - \$94,755) during the Current Quarter.

Exploration Update

The Company continues to maintain its Mexican exploration focus, as we believe that the country holds significant mineral potential. The generative program has been intensified following the recently completed private placement financing and continues to identify potential acquisition candidates.

PROJECTS

El Reventon Project

In early 2006, the Company acquired the El Reventon Project near Durango, Mexico. El Reventon is located in the municipality of Otaez, Durango and is approximately 170 kilometres northwest of the capital city of Durango. Road access is good. The project comprises approximately 3,500 hectares acquired by staking and a further 60 hectares which is the subject of an option agreement. The Company may acquire a 100% interest from the optionor by making payments totaling US\$150,000 over a four year period. El Reventon was identified as an acquisition target by exploration staff early in 2006 as part of the Company's generative exploration program. Initial sampling reported very encouraging silver-lead-zinc mineralization from the El Reventon breccia occurrence. Further reconnaissance and sampling programs in the area also revealed the presence of a number of high grade silver-lead-zinc vein systems as well as potential for other bulk tonnage deposits.

The El Reventon Project lies within the Sierra Madre Occidental geological province and a highly prospective mineral belt that includes the mines and districts of Bacis, Montoros, Metates, La Cienega and Topia. The property position controls a series of occurrences aligned along a northeast trending belt consisting of Upper Jurassic low grade metasedimentary rocks overlain by andesite and rhyolite volcanics belonging to the Inferior and Superior Super Groups intruded by numerous dykes and stocks. The Company's initial exploration was focused primarily on the El Reventon breccia which contains mineralization in intensely altered andesite porphyry. Initial reconnaissance chip sampling from the breccia averaged 164 g/t Ag, 0.81% Pb, and 1.43% Zn from significant sample lengths.

The El Reventon breccia is a high sulfide occurrence hosted within an intensely altered andesite porphyry intruding andesite tuff and agglomerate. Outcrops of the porphyry display intense hydrothermal brecciation, with micro and macro breccia textures. The entire exposed zone has strong epithermal silica flooding and replacement within the matrix and breccia fragments. Mineralization occurs as disseminations, veining, stockworking, and aggregates of coarse pyrite, galena and sphalerite, contained within the intrusive as well as the adjacent volcanics. The exposed outcrop of the intrusive and mineralized breccia is an irregular shape with surface dimensions of approximately 50 by 70 metres. Company geologists believe that the El Reventon breccia could be significantly larger than currently exposed, due to extensive cover by Quaternary deposits. In addition, the depth potential is considered excellent.

Exploration crews have now completed geologic mapping, rock sampling and stream sediment sampling of approximately 30% of the property. Although the El Reventon Breccia remains the Company's primary property target, numerous additional zones of mineralization with historic workings have also been discovered during the recent program. Results from the rock chip samples taken during the recent program are pending, however preliminary assays have been received from stream sediment samples. To date, a total of 47 stream sediment samples have been taken from 5 drainage basins primarily within the northern half of the property position.

Silver results from the stream sediments are exceptionally strong and further follow up is planned. Programs will include further rock chip and stream sediment sampling, soil sampling surveys and trenching prior to drilling. A bulldozer, which is working in the vicinity on local road improvements, will be contracted for mechanical trenching and to provide access to drill sites for some of the higher priority mineralized zones. Drilling may be scheduled by the end of the second quarter.

La India Project

At the La India Project, geological mapping and sampling is continuing. The La India Breccia, which has been

mapped over a strike length of approximately 300 metres with widths locally exceeding 70 metres, is the principle target defined to date. Sampling within the La India Breccia has reported very encouraging gold assays. To date, 100 samples have been taken from the zone, with a global average of 0.844 g/t gold. Highlighted intervals of continuous chip sampling include 15 metres @ 2.42 g/t gold, 32 metres @ 2.31 g/t gold, and 48 metres @ 1.08 g/t gold. Exploration potential within the property position is considered good for the discovery of additional deposits.

The project has excellent access and infrastructure. It is located in the Sierra San Francisco, approximately 30 kilometres east of the small city of Santiago Papasquiaro and approximately 40 kilometres north of the state capital city of Durango. Local access is good with an existing logging road passing within 100 metres of the main zone.

The La India Project was identified as an attractive acquisition target by exploration staff early in June of this year, as part of the Company's generative exploration program. Initial sampling reported encouraging gold mineralization within an intrusive breccia, leading to land acquisition. The Company has acquired concessions covering approximately 1800 hectares through staking and the option to purchase a 300 hectare privately held concession. Northair can acquire a 100% interest in the optioned concession by paying US\$171,000 over a four year period.

Sierra Rosario Project

In April of 2002, the Company staked a concession covering the Sierra Rosario Project in the state of Sinaloa. The Sierra Rosario property lies along the western flanks of the Sierra Madre Occidental geological province approximately 40 kilometres east of Alamos, Sonora. The project was optioned to Sparton Resources Inc. in early 2004. Sparton can earn a 51% interest in the project by paying Northair \$130,000 in cash, issuing 275,000 common shares and incurring \$800,000 in exploration expenditures over a four year period. To-date, the Company has received cash payments of \$55,000 and 175,000 common shares of Sparton. The option agreement remains active and in good standing.

Sierra Rosario contains basement rocks of Laramide age granodiorite overlain by weakly metamorphosed andesite belonging to the Lower Volcanic Complex. These rocks are overlain by Cretaceous massive limestone and calcareous sandstone, and younger rhyolite ignimbrite belonging to the Upper Volcanic Complex. Intrusive rocks consisting of intermediate porphyry dikes and a large intensely altered rhyolite porphyry are exposed at the San Rafael Zone. Northair's exploration staff discovered multiple zones of gold and silver mineralization during preliminary exploration programs. Some of these zones have small scale mine workings and there are over 100 pits within the alluvium where gambusinos have mined gold.

Sparton's ongoing field program has confirmed Northair's initial results, and indicated that Sierra Rosario contains numerous mineralized zones. In the fall of 2005, Sparton completed a sampling, geological mapping and geophysical survey program on the property. Each of the three separate zones of mineralization explored by Sparton, referred to as La Josca, Las Tahunas and San Rafael, are areas of historical production from small underground and open cut excavations. The La Josca and Las Tahunas zones of mineralization, which contain free gold, are at least partly responsible for the widespread placer gold occurrences in the southern portion of the property.

The work initially completed by Sparton involved electrical and magnetic geophysical surveys to systematically cover these areas as well as detailed soil sampling along the zones to extend them through overburden covered areas.

Work at the La Josca Zone succeeded in extending this mineralized zone to over 1.1 km in strike length. The zone is characterized by a wide pyritic gossan zone with strong silicification and quartz veining and widths from 8 to 30 meters. A moderate VLF anomaly is associated with the central 400 meter long section of the zone and is coincident with a strong gold in soil geochemical anomaly (values over 400 ppb). The mineralization contains up to 1.8 % copper in grab samples, and gold values from the current program taken from grab samples of boulders along the mineralized trend range from 1.0 g/t up to 16.4 g/t gold.

In May, 2006, Sparton completed a seven hole drill program to test high priority targets in the La Josca Zone. The holes have tested a 500-metre-long portion of the 1.1-kilometre-long La Josca structure. The structure was intersected in all holes with the best results of 2.62 g/t gold over a one-metre core length in hole 7 and 1.12 g/t gold

over a one-metre core length in hole 3. Additional mapping and trenching will be required to better establish geological controls for the gold mineralization.

The soil sampling and geophysical surveys over the Las Tahunas Zone disclosed a distinct electrical (VLF) anomaly approximately 200m long. It is located along strike with mineralization found in a trench near high grade (up to 33g/t gold) mineralization from boulders associated with the old mine workings.

Northair's field programs concentrated primarily in the San Rafael Zone which contains strong epithermal silver with gold mineralization within an intensely altered rhyolite porphyry having a surface expression of approximately 200 by 70 metres. First phase mapping and sampling by Northair within the San Rafael Zone returned an average of 181 g/t silver and 0.321 g/t gold from 23 chip channel samples.

The San Rafael Zone is the principal target area on the property and the geophysical work, in particular the magnetic survey, delineated a well defined magnetic anomaly associated with the San Rafael rhyolite porphyry body and also located a similar anomaly which is covered by upper volcanic series tuffs and may represent a new buried intrusion. Both skarn and structurally controlled mineralization containing barite, copper, gold, and silver are present in the area and values of up to 7.28% Cu and 13 g/t gold were obtained from samples taken from boulders in a gully below an old mine dump. Strong base/precious metal mineralization is located in a shear fracture zone east of the main rhyolite intrusive as well as in fault zones associated with rhyolite dykes in limestone on the east side of the property where there is a large multi element soil anomaly. An access trail has been completed to the Zone and the Company has been informed by Sparton that drilling of the targets in this area will commence later this season .

El Tesoro

The El Tesoro Project, located in the state of Durango, was acquired in February of 2003. The project was identified during the Company's ongoing generative exploration program. Seven distinct zones of mineralization have been defined containing classic gold bearing, low sulfidation, epithermal quartz veins and associated stockworking and breccias. Between 2003 and 2005, Northair explored El Tesoro by field programs including geologic mapping, sampling, trenching and a twenty hole reverse circulation drill program totaling 1,832 metres. The drill program tested portions of five of the seven known gold bearing zones. Results were positive, with four of the five zones reporting gold and silver values. The drilling program did not however, delineate cohesive continuity of high grade gold mineralization. Consequently, the Company terminated the high cost option agreements on four privately held concessions as of March 2005. The Company continues to maintain its wholly owned concessions within the El Tesoro property, which total nearly 3000 hectares. These concessions cover the G Zone where no drilling has been conducted, but where surface trenching returned values of 18.86 g/t gold and 13.09 g/t silver over 12 metres. In addition, significant gold and silver stream sediment anomalies which lie on the Company's claims to the north, south and east of known mineralization provide further potential on the wholly owned concessions. In 2005, the Company's wholly owned subsidiary, Grupo Northair, entered into an agreement with San Valentin, which allows San Valentin to lease the Company's remaining El Tesoro concessions.

Under the agreement with San Valentin, San Valentin will pay Grupo Northair US\$2,000 per month for the rights to explore and mine the G Zone and US\$3,000 per month for the rights for the remainder of the concessions; for a total of US\$5,000 per month. It is anticipated that the lease will run for a period of 15 years, during which time San Valentin has the option to purchase the G Zone for US\$200,000 and the remainder of the concessions for US\$300,000 for a total purchase price of US\$500,000. Grupo Northair retains a back in right for 49% of the G Zone if San Valentin exercises the purchase option. During the term of the lease, San Valentin will be responsible for all taxes, permitting and environmental aspects of the concessions. The terms of the agreement have been modified slightly to allow San Valentin to make payments under an amenable schedule.

San Valentin has commenced mining of several zones of mineralization identified by Grupo Northair. The material is being processed at San Valentin's nearby milling facility at Calaveras, Durango, for recovery of gold and silver.

Risks and Uncertainties

The risks and uncertainties faced by the Company are substantially unchanged from those disclosed in the Company's Annual MD&A dated June 16, 2006.

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 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)	Diluted Loss per share ⁽¹⁾ - from Continued Operation and Net Income (loss)
3Q 2007	Nil	\$ (180,453)	\$ (0.01)	\$ (0.01)
2Q 2007	Nil	(116,577)	(0.01)	(0.01)
1Q 2007	Nil	(66,125)	(0.01)	(0.01)
4Q 2006	Nil	(81,968)	(0.01)	(0.01)
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)

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

The Company's exploration activities are seasonal, with less work conducted in Mexico during the summer months due to the rainy season. Accordingly, the Company's administrative expenses will typically decline for the same period. The Company's practice is to write-off resources properties when the property is of no further interest and displays limited economic potential. These write-offs affect the Company's quarterly results.

In addition, the Company's quarterly results from operations are also affected by the market for securities. 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 typically increase. Stronger capital markets in 2006 and 2005 allowed the Company to realize gains from the sale of investments during the years ending February 28, 2006 and February 28, 2005. These gains help to offset the Company's administrative expenses, and contribute to an overall reduction in the Company's reported quarterly and annual losses.

Liquidity

Working capital as at November 30, 2006 was \$1,926,627 as compared to \$781,784 at February 28, 2006. During the Current Period, cash and cash equivalents increased by \$1,036,832 to \$1,719,239. (Comparative Period – decreased by \$521,251 to \$468,618). Included in the ending cash balance of \$1,719,239 is \$5,000 held for reclamation deposits and \$66,031 held as collateral for the corporate credit cards.

The reduction in cash and working capital can be attributed primarily to the expenditures on resource properties in Mexico (Current Period - \$307,853; Comparative Period - \$240,517) and to cash used in operating activities (Current Period - \$193,313; Comparative Period - \$267,386). Write-offs of resource property costs (Current Period - \$204,589; Comparative Period - \$250,529), stock-based compensation (Current Period - \$67,671; Comparative Period - \$24,215) and gains from property option agreements (Current Period - \$32,317; Comparative Period - \$33,558) represented the largest non-cash items affecting net income for both the Current and Comparative Periods.

Cash used in investing activities totaled \$295,157 (Comparative Period - \$257,359). The Company's principal investing activity is the acquisition and exploration of resource properties. In the Current Period, the Company received \$6,872 (Comparative Period - \$Nil) from the sale of investments and a cash payment of \$20,000 (Comparative Period - \$15,000) pursuant to a property option agreement.

Cash flows from financing activities were \$1,525,302 (Comparative Period - \$3,494) in the Current Period from the completion of a non-brokered private placement of 6,060,000 units at \$0.25 per unit for gross proceeds of \$1,515,000. Each unit is comprised of one common share and one-half a non-transferable share purchase warrant, with each whole warrant being exercisable to purchase one common share for \$0.40 before November 24, 2007 and

\$0.50 before November 24, 2008. If the closing price of the common shares trades higher than \$0.75 over any 20 consecutive trading day period, the Company may accelerate the expiry date of the warrants.

As part of this private placement, the Company paid a finders' fee equal to 7% of the aggregate amount paid by purchasers, payable through the issuance of 408,100 units of the Company with the same attributes as the offered units. In addition, the Company issued 408,100 finder's warrants, exercisable on a one-for one basis at \$0.40 per warrant in the first year and \$0.50 in year two. The warrants expire November 24, 2008.

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 and develop economically viable mineral deposits. Exploration is a lengthy process that 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, from the exercise of convertible securities and, in the past, from the sale of investments. Although the Company has had past success in obtaining financing, there can be no such assurance that it will be able to obtain adequate financing in the future or that the terms of any financing will be favourable. Many factors influence the Company's ability to raise funds, including the state of the resource market and commodities prices, the climate for mineral exploration, the Company's track record and the experience and caliber of its management.

The Company currently has sufficient financial resources to meet its administrative overhead expenses and to undertake all of its planned exploration activities for the next twelve months. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activity and foreign exchange fluctuations. 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.

The Company has a lease agreement for its office space. The minimum annual commitments for rental expenses are as follows:

2007	\$	131,365
2008		132,973
2009		142,851
2010		135,044
2011		135,044
Total	\$	<u>677,277</u>

In addition to the basic monthly rent, the Company must also pay a proportionate share of the building's operating costs and property taxes. The Company has a sub-lease agreement with Strongbow Exploration Inc., a company with an officer in common. The Company may recover approximately two-thirds of the minimum annual rent commitment pursuant to this sub-lease agreement. In addition, the Company offsets some of this contractual obligation through administrative services agreements with other companies (see "Transactions with Related Parties").

Future minimum lease payments for leased equipment total \$8,464 in 2007 and \$163 in 2008.

Transactions with Related Parties

The Company provides management and/or administrative services to other resource companies, including but not limited to, New Dimension Resources 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 officers 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:

- a) Administrative recoveries of \$123,472 (Comparative Period - \$96,762) are primarily recovered from various companies with certain directors in common.
- b) Total salaries of \$207,000 (Comparative Period - \$206,250) were paid to two directors of the Company. The Company recovered \$217,223 (Comparative Period - \$108,520) based on time spent, from companies with certain directors in common.
- c) The amount of \$Nil (February 28, 2006 - \$87,500) is due to a company with a director and officer in common for the exercise of a stock option.

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by all the related parties.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and short term deposits, accounts receivable, amounts due from related parties, investments, accounts payable and amounts due to related parties. Unless otherwise noted, it is management's opinion that the Company 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.

Additional Information

Additional information relating to Northair is on SEDAR at www.sedar.com

Disclosure controls

The Company's Chief Executive Officer and Chief Financial Officer (the "**Certifying Officers**") are responsible for establishing and maintaining disclosure controls and procedures ("the **Procedures**") which provide reasonable assurance that information required to be disclosed by the Company under regulatory legislation (the "**Required Filings**") is reported within the time periods specified. Without limitation, the Procedures are designed to ensure that material information relating to the Company is accumulated and communicated to management, including its Certifying Officers, as appropriate to allow for timely decisions regarding the Required Filings.

The Certifying Officers evaluate the effectiveness of the Company's Procedures on a regular basis throughout the year and have concluded that the Procedures in place as of the end of the period covered by the Required Filings are effective in providing reasonable assurance that material information relating to the Company is accumulated and communicated to management and reported within the time periods specified.

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 Consolidated Statement of Loss and Deficit and the Consolidated Schedule of Resource Property Costs contained in its interim, Consolidated Financial Statements (unaudited) for the nine months ended November 30, 2006 and 2005 and in the Company's audited, Consolidated Financial Statements for February 28, 2006 and February 28, 2005. These documents 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

Common Shares

Northair's authorized capital is unlimited common shares without par value. As at January 24, 2007, there were 19,690,272 common shares issued and outstanding.

Options

As at January 24, 2007, the Company had 1,585,000 incentive stock options outstanding as follows:

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
325,000	\$ 0.25	July 17, 2007
5,000	\$ 0.40	June 5, 2008
635,000	\$ 0.69	October 21, 2008
65,000	\$ 0.40	June 17, 2009
50,000	\$ 0.35	March 15, 2010
50,000	\$ 0.23	September 14, 2010
20,000	\$ 0.40	April 21, 2011
385,000	\$ 0.30	September 26, 2011
50,000	\$0.32	January 24, 2012
1,585,000		

All of the outstanding options had vested as of January 24, 2007.

Warrants

As at January 24, 2007, the Company had 3,642,150 warrants exercisable at \$0.40 per share outstanding. The warrants expire November 24, 2008.

Changes in Accounting Policies

There were no changes to the Company's accounting policies during the Current Period.

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.