

Nova Uranium Corp.
(“the Company”)

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
THE YEAR ENDED JUNE 30, 2009

The following discussion and analysis, prepared as of October 22, 2009 should be read together with the unaudited financial statements for the year ended June 30, 2009 and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles. All amounts are stated in Canadian dollars unless otherwise indicated.

The reader should refer to the annual audited financial statements for the years ended June 30, 2008, 2007 and 2006, and the Management Discussion and Analysis for those years.

Statements in the report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Management is responsible for the preparation and integrity of the Financial Statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible to ensure that information disclosed externally, including the Financial Statements and MD&A, is complete and reliable. Management has evaluated the effectiveness of the Company’s disclosure controls and procedures and has concluded that they are operating effectively.

It is important to recognize that the Company has very limited administrative staffing. As a result, internal controls which rely on segregation of duties in many cases are not appropriate or possible. The Company relies heavily on senior management review and approval to ensure that the controls are as effective as possible.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Description of Business

The Company is a natural resource company engaged in the acquisition and exploration of mineral properties. It currently holds uranium properties in the Mont Laurier area of Quebec, the Otish Mountain Basin area of Quebec, and the Fortune property located 8 kilometres north of the St. Lawrence River in Quebec. The Company also holds a gold property in Arizona.

The Company trades on the TSX Venture exchange under the Symbol NUC.

Performances Summary

The following is a summary of significant events and transactions that occurred during the year:

- The Company recovered of \$1,734,051 relating to the previously written-off Mont Laurier property, which is included in earnings for the year.
- The Company granted 1,600,000 options and repriced 100,000 options to directors, employees and consultants.
- The Company Issued 8,800,000 common shares to 26 Broadway Capital for proceeds of \$440,000. The Company paid other share issuance costs of \$20,651 in relation to this transaction.

- The Company also abandoned exploration work on the Pop Pom Project due to unfavorable results and consequently wrote-off acquisition and exploration costs of \$529,242.

Exploration Summary

During the period of June 2008 to June 2009, the company completed fast-paced and systematic regional-scale exploration programs of all three of its Quebec, Canada uranium properties. Exploration work included airborne geophysical surveying (radiometrics & magnetometer), prospecting and in the case of select Otish claims, a lake sediment sampling survey. In September 2009 Nova announced the acquisition of the Gold coin gold exploration property in Arizona USA.

Fortune Uranium

In November 2007, Nova announced a mineral property option agreement to purchase a 100% interest in the Fortune Uranium Property, located about eight kilometres north of the St. Lawrence River. Fortune consists of three claim blocks, covering 3,864 hectares (9,548 acres) of private rural land and is criss-crossed by an excellent network of gravel and paved roads. The Fortune claims cover numerous and consistent north trending, sub-vertical, uraniferous pegmatite dykes, which are semi-concordant with the Pre-Cambrian host rocks. These uranium enriched pegmatite bodies poke through the local soil cover and forming 'windows' of rock outcropping hills. Nova's recent exploration work successfully identified and tested numerous radioactive geophysical anomalies associated with surface or near surface pegmatitic bodies. More than twenty radioactive-pegmatite zones have been identified, five of which are currently considered priority drill targets. These five zones are Soquem, Belisle, Alain, Gaudry and Gaudry South. The Fortune Uranium project is a large, bulk tonnage uranium target that could be potentially be mined using low cost, open-pit mining methods.

Otish Mountain

Nova controls several claim blocks in and around the Otish Sedimentary Basin uranium exploration camp. The 2008 airborne radiometrics & magnetometer survey successfully identified more than 80 near-surface radiometric anomalies and numerous subsurface magnetic signatures. Nova's field crew prospected these geophysical anomalies and collected rock samples and numerous geological data points. Prospecting dominantly focused on geophysical priority areas which have important traits similar to the structurally-related uranium Matoush deposit; such as distinct linear geophysical anomalies, particularly in a north-south direction, which may be related to bedrock hosted mineralized structures or locally transported glacial till.

The ground-based follow-up work on claim blocks within the Otish sedimentary basin, shows that these areas are broadly covered by glacial till which masks both the geochemical and geophysical responses; very few bedrock outcroppings were discovered, thus rock samples collected were from glacially transported boulders. Prospecting work completed on claim blocks outside the sedimentary basin (i.e. underlain by Archean Basement rocks), shows that these areas have less extensive glacial till cover and as a result bedrock outcroppings and insitu rock samples are more common. Site visits to almost all Otish geophysical targets, which are often marked by moderate sized equivalent uranium point source high geophysical anomalies, are mostly attributed to glacially transported moderately radioactive boulders. Samples collected from these boulders report generally sub-anomalous uranium analytical results. Samples collected from the lake sediment survey reported dominantly sub-anomalous analytical values.

Pom Pom (James Bay)

In late 2007, Nova announced it had acquired a 100% interest in claims strategically located within an emerging and prospective uranium district in northern Quebec. The Pom Pom area is located in the paleo-placer James Bay Uranium District that hosts the 10.1 million pound Apple Deposit controlled by Strateco Resources. The project is located on the east side of James Bay, Quebec, approximately 80 kilometres southeast of the small community of Radisson (or 900 km north of Montreal). Uranium mineralization in the Strateco Apple Deposit is found in quartz pebble conglomerates, which is reported to be similar to the

paleo-placer uranium deposits found at Elliott Lake, Ontario and Witswatersrand, South Africa. With helicopter support, Nova's field crew prospected more than 50 radiometric anomalies and numerous subsurface magnetic signatures. A total of 366 rock samples were collected and over 2,700 geological data points were recorded. Prospecting efforts dominantly focused on priority areas which have strong uranium or magnetic geophysical signatures. Due to unfavorable results the Company has abandoned exploration of the property.

Selected Annual Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the Financial Statements.

	Year Ended June 30, 2009	Year Ended June 30, 2008	Year Ended June 30, 2007
Total Interest Income	\$ 72,056	\$ 13,560	\$ 76,075
Net Loss Before Other Items and Income Taxes	(444,683)	(367,748)	(570,251)
Net Income (Loss)	822,182	(4,911,753)	(266,458)
Basic and Diluted income (loss) Per Share	0.03	(0.21)	(0.01)
Total Assets	3,174,452	1,789,885	5,464,090
Total Liabilities	231,269	151,095	363,235
Cash Dividends	-	-	-

During the year ended June 30, 2009 the Company completed one financing and issued 8,800,000 common shares for proceeds of \$440,000. The Company paid other share issuance costs of \$20,651 in relation to this transaction. The Company recovered of \$1,734,051 relating to the previously written-off Mont Laurier property, which is included in earnings for the year. The Company also abandoned exploration work on the Pop Pom Project due to unfavorable results and consequently wrote-off acquisition and exploration costs of \$529,242. The Company granted 1,600,000 options and repriced 100,000 options to directors, employees and consultants and recognized stock-based compensation recognized in the Statement of Operations and Deficit of \$50,362.

During the year ended June 30, 2008 the Company completed a financing and issued 6,515,281 flow-through common shares for gross proceeds of \$2,055,348 with issuance costs of \$220,357 and issued 529,855 warrants with 382,855 exercisable for two years at \$0.35 and 147,000 exercisable for two years at \$0.25 valued at \$69,719. The Mont Laurier mineral property was written-off resulting in a decrease to asset and net loss of \$5,258,651. The Company also acquired interest in two other mineral properties called Fortune Uranium and Pom-pom Project (James Bay).

During the year ended June 30, 2007 the Company completed a financing and issued 1,000,000 flow-through common shares for gross proceeds of \$1,250,000 with issuance costs of \$62,500 and issued 100,000 warrants exercisable at \$1.25 for a period of two years as finders' fees in connection with the private placement. Each warrant entitles the holder to acquire one common share. The Company also issued 300,000 common shares valued at \$222,000 pursuant to a mineral property option agreement and issued 225,000 common shares valued at \$145,000 pursuant to the acquisition of a Mineral Property in the Otish Mountain Basin of Quebec.

The Company has not paid any dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

Results of Operations

The Company incurred a Net Loss before Other Items of \$444,683 for the year ended June 30, 2009, (2008 - \$367,748). Significant decreases in expenses during the year ended June 30, 2009 include Professional fees \$46,519 (2008 - \$71,659) and Office and sundry \$60,780 (2008 - \$84,664). Significant increases in expenses during the year ended June 30, 2009 include Property investigation costs \$58,748 (2008 - \$36,027), Stock based compensation \$50,362 (2008 - \$Nil) and Travel \$80,013 (2008 - \$20,165).

The decrease in Professional fees and Office and Sundry can be attributed to a decrease in activity due to the global economic climate. The increase in Property investigation costs and travel can be attributed to the Company and management searching for and investigating potential mineral property acquisitions. During 2009 the Company granted 1,600,000 (2008 - Nil) options and repriced 100,000 (2008 - Nil) options resulting in stock based compensation of \$50,362 (2008 - \$Nil).

The Company recorded earnings from Other Items of \$1,266,865 (2008 - Loss of \$5,245,091) for the year ended June 30, 2009. During the year the Company recovered mineral property costs of \$1,734,051 (2008 - \$Nil) relating to the previously written-off Mont Laurier property. Interest income increased due to the recovery and the Company earned \$72,056 (2008 - \$13,560) during the year ended June 30, 2009. Due to unfavourable results the Company abandoned the Pom Pom Project, James Bay, Quebec and wrote off \$539,242 (2008 - \$5,258,651) to operations.

Fourth Quarter Results

During the quarter ended June 30, 2009 the Company recovered of \$1,625,372 relating to the previously written-off Mont Laurier property, which is included in earnings for the year. The Company also abandoned exploration work on the Pop Pom Project due to unfavorable results and consequently wrote-off acquisition and exploration costs of \$529,242. The Company granted 1,600,000 options and repriced 100,000 options to directors, employees and consultants and recognized stock-based compensation recognized in the Statement of Operations and Deficit of \$50,362. There were no other significant events or transactions that occurred during the quarter ended June 30, 2009:

Summary of Quarterly Results

	Three Months Ended June 30, 2009	Three Months Ended March 31, 2009	Three Months Ended December 31, 2008	Three Months Ended September 30, 2008
Total Assets	\$ 3,174,452	\$ 1,615,877	\$ 1,526,950	\$ 1,555,211
Mineral Properties and Deferred Costs	1,004,410	1,435,254	1,431,354	1,316,451
Working Capital (deficiency)	1,937,507	109,416	55,657	220,921
Shareholder's equity	2,943,183	1,546,070	1,488,546	1,539,042
Interest/Investment income	71,359	-	21	676
Net Income/(Loss)	\$ 927,402	\$ 57,524	\$ (62,996)	\$ (99,748)
Earnings (loss) per share	0.03	0.01	(0.01)	(0.01)

	Three Months Ended June 30, 2008	Three Months Ended March 31, 2008	Three Months Ended December 31, 2007	Three Months Ended September 30, 2007
Total Assets	\$ 1,789,885	\$ 7,023,765	\$ 7,140,732	\$ 5,347,303
Mineral Properties and Deferred Costs	656,985	5,570,223	5,446,946	5,130,391
Working Capital (deficiency)	979,999	1,417,269	1,639,691	114,045
Shareholder's equity	1,638,790	6,778,209	6,877,548	5,035,541
Interest/Investment Income	3,081	4,128	4,015	2,336
Net Income/(Loss)	\$ (4,622,630)	\$ (96,481)	\$ (127,327)	\$ (65,315)
Earnings (loss) per share	(0.21)	(0.01)	(0.01)	(0.01)

During the three month period ending June 30, 2009 the Company did recovered mineral property costs of \$1,625,372 on the previously written down Mont Laurier property which resulted in a significant increase in earnings and working capital. Mineral Properties decreased during the period as the Company wrote down the Pom Pom project, James Bay, Quebec due to unfavourable results.

During the three month period ending March 31, 2009 the Company did not complete any significant transactions. The Company recovered costs of \$108,679 on the previously written down Mont Laurier property, which resulted in an increase to Working Capital.

During the three month period ending December 31, 2008 the Company did not complete any significant transactions. The Company continued exploration activity on its mineral properties which resulted in a decrease to Working Capital. Interest income is down due to the decrease in cash.

During the three month period ending September 30, 2008 the Company continued property exploration which resulted in an increase to Mineral Properties and Deferred Costs and a decrease to Working Capital.

During the three month period ending June 30, 2008 the Company wrote-off the Mont Laurier Property which resulted in a significant decrease to Mineral Properties, Shareholder's Equity, and Asset and significantly increasing net loss.

During the three month period ending March 31, 2008 the Company continued property exploration which resulted in an increase to Mineral Properties and Deferred Costs and a decrease to Working Capital.

During the three month period ending December 31, 2007 the Company's completion of a flow through private placement generated additional Filing, Transfer Agent, and Professional Fees resulting in a substantial increase to Net Loss from the previous three month period.

During the three month period ending September 30, 2007 the Company's focus on property exploration and acquisitions resulted in an increase in mineral properties and deferred costs and a decrease to working capital. Decrease in financing activities resulted in lower interest income and increase to net loss.

Liquidity

The Company has financed its operations to date primarily through the issuance of common shares pursuant to private placements. The Company does not generate cash from operating activities. The Company will continue to seek capital through the issuance of common shares.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's continuing operations rely on the ability of the Company to continue to raise capital.

Net cash used in operating activities was \$147,195.

Net cash used for investing activities for the year ended June 30, 2009, was \$784,960 (2008 - \$994,757). \$893,639 was used been for exploration activities on the Pom-Pom Project and Otish Basin Mountain, and \$108,679 was recovered on the previously written down Fortune property.

During the year ended June 30, 2009 the Company issued 8,800,000 common shares for proceeds of \$440,000. The Company paid other share issuance costs of \$20,651 in relation to this transaction.

Refer to Liquidity Risk in the Financial instrument section for further discussion on liquidity.

Off-Balance Sheet Arrangements

At June 30, 2009, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Capital Resources

The Company had \$1,133,475 cash as of October 22, 2009. The Company will continue to seek capital through public markets by issuing common shares pursuant to private placements.

Outstanding Share Data

As at October 22, 2009 the Company had 35,722,631 common shares issued and outstanding.

During the year ended June 30, 2009 the Company Issued 8,800,000 common shares for proceeds of \$440,000. Subsequent to year end the Company issued 300,000 shares for proceeds of \$30,000 pursuant to the exercise of options

The following incentive stock options were outstanding at October 22, 2009:

	Number of Shares	Exercise Price	Expiry Date
Options	20,000	0.10	October 26, 2010
	80,000	0.50	October 26, 2010
	100,000	0.50	December 1, 2010
	80,000	0.10	January 23, 2011
	300,000	0.15	October 22, 2011
	1,300,000	0.10	May 25, 2014
	1,650,000	0.15	July 7, 2014
Warrants	382,855	0.35	November 29, 2009
	147,000	0.25	November 29, 2009

Related Party Transactions

The Company entered into transactions with related parties as follows:

- a) Paid or accrued \$60,000 (2008 - \$63,314) for management fees to a company controlled by the spouse of a former director.
- b) Paid or accrued \$10,000 (2008 - \$60,000) in project management fees for mineral property exploration costs to a former director.
- a) Paid or accrued \$12,000 (2008 - \$12,000) for legal fees to an officer of the Company.

Included in prepaids at June 30, 2009 were \$Nil (2008 - \$5,000) for project management fees for mineral property exploration paid to a director of the Company and \$Nil (2008 - \$10,550) for management fees to a company controlled by a spouse of a director.

Included in receivables is \$133,854 (2008 - \$236,238) due from a management company controlled by the spouse of a director. The Company advances funds to the management company which incurs administration expenditures and settles exploration expenditures on behalf of the Company. The revolving nature of the account resulted in a receivable balance at year end. Subsequent to June 30, 2009, the balance was settled.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Financial Instruments

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they come due. As at June 30, 2009, the Company had a cash balance of \$338,190 (June 30, 2008 - \$830,345) to settle current liabilities of \$231,269 (June 30, 2008 - \$151,095). To maintain liquidity, the Company is currently investigating financing opportunities. As disclosed in Note 1, current market conditions make the present environment for raising additional equity financing unfavourable and there can be no assurance these efforts will be successful in the future. All of the Company's financial liabilities are subject to normal trade terms.

Fair value

Financial instruments consist of cash, receivables, and accounts payable and accrued liabilities, the fair value of which are considered to approximate their carrying value due to their short-term maturities or ability of prompt liquidation.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

a) Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and on the Company's obligations are not considered significant.

b) Foreign currency risk

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of commodities, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Proposed Transactions

There are currently no proposed transactions.

Risk Factors

Companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility and practically, risks related to determining the validity of mineral property title claims, commodities prices and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions.

Change in Accounting Policy

Changes in accounting policies

On July 1, 2008, the Company adopted the following provisions of the Canadian Institute of Chartered Accountants (“CICA”) Handbook Sections. The adoption of these new pronouncements did not affect the Company’s financial position or results of operations. The new standards and accounting policy changes are as follows:

Section 1400 – Assessing going concern

CICA Handbook Section 1400 was amended to include requirements for management to assess and disclose an entity’s ability to continue as a going concern (Note 1).

Section 3862 – Financial instruments – disclosures

This Section requires the Company to provide disclosure of quantitative and qualitative information in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the year and at the balance sheet date, and management’s objectives, policies and procedures for managing such risks. Disclosures required by this standard are included in Note 9.

Section 3863 – Financial instruments – presentation

This Section was issued to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. The initial adoption of this standard did not have an effect on the financial statements.

Section 1535 – Capital disclosures

This Section requires the disclosure of qualitative and quantitative information that enables the users to evaluate the Company’s objectives, policies and processes for managing capital as well as the implications of non-compliance (Note 10).

New accounting pronouncements

Goodwill and intangible assets

The CICA issued a new accounting standard, Section 3064 “Goodwill and Intangible Assets” which will replace the existing Section 3062 “Goodwill and Other Intangible Assets” and Section 3450 “Research and

Development Costs”. The new pronouncement establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. This standard is effective for the Company’s interim and annual consolidated financial statements commencing July 1, 2009. The adoption of this standard is not expected to have a material impact on the Company’s financial statements.

Business combinations, non-controlling interest and consolidated financial statements

In January 2009, the CICA issued Handbook Sections 1582 “Business Combinations”, 1601 “Consolidated Financial Statements” and 1602 “Non-controlling Interests” which replace CICA Handbook Sections 1581 “Business Combinations” and 1600 “Consolidated Financial Statements”. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company’s business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company’s interim and annual financial statements for its fiscal year beginning July 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

Credit risk and the fair value of financial assets and liabilities

In January 2009 the Emerging Issues Committee (“EIC”) issued EIC-173 “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities”. This abstract requires companies to take counterparty credit risk into account when measuring the fair value of financial assets and liabilities, including derivatives. This new standard is effective for the Company’s interim and annual financial statements commencing July 1, 2009. The Company does not expect that the adoption of this standard will have a material impact on its financial statements.

International financial reporting standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of July 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

SUBSEQUENT EVENTS

Subsequent to June 30, 2009 the Company:

- a) Granted stock options to acquire 1,650,000 shares at a price of \$0.15 for a period of 5 years.
- b) Granted stock options to acquire 300,000 shares at a price of \$0.15 for a period of 2 years. The options vest over a period of one year.
- c) Issued 300,000 shares for proceeds of \$30,000 pursuant to the exercise of options.
- d) Entered into an option agreement to earn a 100% interest in the Gold Coin Property, Arizona. To earn its interest the Company is required to pay an aggregate of \$1,000,000 over a ten year period. The property is subject to a 2% net smelter return royalty, which may be purchased at any time for \$500,000 per 0.5%.