

NORTHERN ABITIBI MINING CORP.

UNAUDITED INTERIM FINANCIAL STATEMENTS

**1st Quarter Reports
December 31, 2005**

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In accordance with national instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim consolidated balance sheet as at December 31, 2005 nor the unaudited interim consolidated statements of operations and cash flows for the three month periods ended December 31, 2005 and December 31, 2004.

NORTHERN ABITIBI MINING CORP.
INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited - prepared by management)

	December 31, 2005	September 30, 2005
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 565,329	\$ 634,131
Accounts receivable	1,906	1,446
Prepaid expenses	7,732	3,110
	<u>574,967</u>	<u>638,687</u>
OTHER	2,018	8,260
MINERAL PROPERTIES Note 2	<u>157,789</u>	<u>45,978</u>
	<u>\$ 734,774</u>	<u>\$ 692,925</u>

LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 47,645	\$ 13,487
Due to related parties Note 4	23,515	5,435
	<u>71,160</u>	<u>18,922</u>

SHAREHOLDERS' EQUITY		
CAPITAL STOCK Note 3		
Authorized:		
Unlimited number of common shares without par value		
Issued:		
38,337,314 common shares (Sept.30, 2005- 38,712,314)	8,920,970	9,008,231
CONTRIBUTED SURPLUS Note 3	577,467	490,206
DEFICIT	<u>(8,834,823)</u>	<u>(8,824,434)</u>
	<u>663,614</u>	<u>674,003</u>
	<u>\$ 734,774</u>	<u>\$ 692,925</u>

Commitments Note 5

Approved by the Board

"Lesley Hayes" _____ Lesley Hayes, Director

"Jean Pierre Jutras" _____ Jean Pierre Jutras, Director

See accompanying notes to the financial statements

NORTHERN ABITIBI MINING CORP.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

Three months ended December 31	2005	2004
REVENUE		
Interest	\$ 3,375	\$ 151
Mining duties rebate	-	4,883
	<u>3,375</u>	<u>5,034</u>
EXPENSES AND OTHER		
General and administrative	11,840	4,337
Professional fees	1,637	4,577
Stock exchange and transfer agent fees	1,494	1,376
Foreign exchange gain	(1,207)	-
	<u>13,764</u>	<u>10,290</u>
NET LOSS	(10,389)	(5,256)
DEFICIT, beginning of period	(8,824,434)	(8,727,750)
DEFICIT, end of period	\$ (8,834,823)	\$ (8,733,006)
LOSS PER SHARE		
basic and diluted	\$ 0.00	\$ 0.00
WEIGHTED AVERAGE SHARES		
OUTSTANDING - basic and diluted	<u>38,658,743</u>	<u>27,998,028</u>

See accompanying notes to the financial statements

NORTHERN ABITIBI MINING CORP.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended December 31	2005	2004
Increase (decrease) in cash and cash equivalents:		
OPERATING ACTIVITIES		
Interest received	\$ 3,375	\$ 151
Cash operating expenses	<u>(11,543)</u>	<u>(2,169)</u>
	<u>(8,168)</u>	<u>(2,018)</u>
INVESTING ACTIVITIES		
Mineral property additions	<u>(61,841)</u>	<u>-</u>
FINANCING ACTIVITIES		
Mining duties rebate	<u>-</u>	<u>4,883</u>
FOREIGN EXCHANGE GAIN ON CASH HELD IN FOREIGN CURRENCY		
	<u>1,207</u>	<u>-</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(68,802)	2,865
CASH AND CASH EQUIVALENTS:		
beginning of period	<u>634,131</u>	<u>37,053</u>
end of period	<u>\$ 565,329</u>	<u>\$ 39,918</u>

Supplementary Information:

Interest and taxes

No cash was expended on interest or taxes during the three month periods ended December 31, 2005 and December 31, 2004 respectively.

Non-cash transactions

During the three months ended December 31, 2005 the Company cancelled 375,000 escrow shares for no consideration and the average carrying value of the shares reduced capital stock and increased contributed surplus. See note 3.

See accompanying notes to the financial statements

NORTHERN ABITIBI MINING CORP.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005
(Unaudited – prepared by management)

1. Accounting Policies

Basis of Presentation and Continuance of Operations

These unaudited interim consolidated financial statements, that were not subject to audit or review by the Company's external accountants, follow the same accounting policies and methods of computation as the audited consolidated financial statements for the year ended September 30, 2005. These interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended September 30, 2005 as not all disclosures required by Generally Accepted Accounting Principles for annual financial statements are presented.

These consolidated financial statements include the accounts of the Company and its wholly owned U.S. subsidiary NAMCOEX Inc.

Management has estimated that the Company will have adequate funds from existing working capital to meet its obligations, including all payments related to properties, for the coming year. If the Company is to expand its exploration plans significantly, it will require additional financing.

2. Mineral Properties

The following expenditures were incurred on the Silver Park, Nevada mineral property during the three months ended December 31, 2005. There were no expenditures incurred on mineral properties during the three months ended December 31, 2004, nor were there mineral properties carried on the books at December 31, 2004.

	Silver Park, Nevada
EXPLORATION COSTS:	
Cumulative exploration costs to September 30, 2005	\$ 9,701
Geological consulting	14,963
Drilling	71,386
Geochemical analysis	13,734
Travel	5,894
Field	5,834
Cumulative exploration costs to December 31, 2005	121,512
ACQUISITION COSTS:	
Cumulative acquisition costs to September 30, 2005 and December 31, 2005	36,277
TOTAL MINERAL PROPERTIES DECEMBER 31, 2005	\$ 157,789

The above comprises the Company's only assets outside of Canada. There were no significant revenues and expenses associated with U.S. operations.

Pursuant to acquisition agreements, in order to acquire a 100% interest in the claims comprising the Silver Park, Nevada property, the Company is committed to make cash payments aggregating \$32,000 U.S. during the fourth quarter of fiscal 2006 and is committed to make the following annual payments in aggregate for each subsequent fiscal year ended September 30:

<u>Fiscal year of payment</u>	<u>Payment Amount US Dollars</u>
2007	\$ 40,000
2008	\$ 55,000
2009	\$ 65,000
Total	\$ 160,000

The Company is not obligated to make or incur these payments unless it wishes to continue to exercise its purchase option. If the Company completes its obligations to acquire the respective claim groups, it has the option to purchase 2% of the vendor's 4% Net Smelter Royalty Interest of one claim group for \$1million U.S. and 1.5% of the vendor's 3% Net Smelter Royalty interest of the second claim group for \$750,000.

NORTHERN ABITIBI MINING CORP.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2005
(Unaudited – prepared by management)

3. Capital Stock and Contributed Surplus

a) Issued

	Number of Shares	Capital Stock	Contributed Surplus
Balance September 30, 2005	38,712,314	\$9,008,231	\$ 490,206
Cancel escrow shares	(375,000)	(87,261)	87,261
Balance December 31, 2005	38,337,314	\$8,920,970	\$ 577,467

During the period, the Company cancelled 375,000 common shares and returned them to treasury. The shares had been held in escrow pursuant to a property acquisition agreement and the requisite terms of escrow release could not be met. The average carrying cost of these shares was relieved from capital stock and reported as an increase to contributed surplus.

b) Stock options and warrants

i) Options

The Company has an option plan, (the Plan), in which up to 10% of the issued and outstanding common shares are reserved for issuance. Under the plan, the options that have been granted expire at the earlier of five years from the grant date, the date at which the Directors determine, or 60 days from the date from which the optionee ceases to be a director, officer, employee or consultant. The exercise price of the options granted under the Plan will not be less than the market price of the common shares, defined as the weighted average of the trading price per share for the last five trading days before the grant date. The options vest immediately upon granting. The following summarizes stock options outstanding at December 31, 2005:

Expiry date	Number of shares	Exercise price
April 10, 2006	1,187,000	\$0.10
June 11, 2006	650,000	\$0.14
May 15, 2007	335,000	\$0.12
March 23, 2008	200,000	\$0.10
Total	2,372,000	

ii) Warrants

Pursuant to a private placement during the year ended September 30, 2005, the Company issued 10,714,286 warrants that may be exercised to acquire an equal number of common shares at \$0.10 per share until March 9, 2007. All of these warrants were outstanding at December 31, 2005.

4. Related Party Transactions

During the three months ended December 31, 2005, the Company was billed \$1,300 for its share of base office lease costs and \$1,200 for its share of lease operating and office costs by a company related by virtue of certain common officers and directors. A company related by virtue of certain common officers and directors billed the Company for its share of general and administrative costs and allocated secretarial salaries. The total billed for the three months ended December 31, 2005 was \$3,700. Officers of the Company billed for their consulting services at hourly or daily rates, either personally or through their controlled corporations. The aggregate billed for the three months ended December 31, 2005 was \$18,500, (\$15,000 of which was directly related to mineral exploration and was capitalized to mineral properties). Related party payables related to the most recent consultants' billings and general and administrative and secretarial billings.

Related party transactions were in the normal course of business and were measured at the exchange amount, being the amount of consideration established and agreed to by the related parties. See also note 5.

5. Commitments

Pursuant to an amended sublease agreement with a company related by virtue of certain common officers and directors, the Company is committed to make base office lease payments of \$4,000 during the remainder of the fiscal year ended September 30, 2006 and \$1,300 in fiscal 2007, the final year of the lease. In addition the Company is committed to pay its share of annual lease operating costs which are expected to aggregate \$3,600 during the remainder of fiscal 2006 and \$1,300 in fiscal 2007. See note 2 for mineral property commitments.

6. Comparative Figures

Certain comparative figures have been reclassified to conform to the current period's presentation.

**NORTHERN ABITIBI MINING CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2005**

The information included in this document should be read in conjunction with the unaudited financial statements for the three months ended December 31, 2005 and related notes thereto. The financial information in this Management Discussion and Analysis, (MD&A), is derived from the Company's financial statements prepared in accordance with Canadian Generally Accepted Accounting Principles. The effective date of this MD&A is February 20, 2006. All dollar amounts are in Canadian Dollars unless otherwise stated.

1) Principal Business of the Company

The Company is engaged exclusively in the business of mineral exploration and development and, as the Company has no mining operations, is considered to be in the development stage. The recoverability of the amounts comprising mineral properties is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain financing to complete the development of the properties where necessary and upon future profitable production; or, alternatively, upon the Company's ability to recover its costs through a disposition of its interests. The Company's philosophy is to acquire projects at the grass roots level and advance them to a point where partners can be brought in to further the properties to the stage where a mine is commercially feasible or the property can be sold outright.

The Company has no operating income and no earnings; exploration and operating activities are financed by the sale of common shares. None of the Company's properties are in production. Consequently, the Company's net income is not a meaningful indicator of its performance or potential.

2) Mineral Properties

Silver Park, Nevada, USA

On July 12, 2005 the Company, through its wholly-owned subsidiary NAMCOEX Inc., entered into an option agreement with a non-related Company to acquire a 100% interest in three patented mining claims aggregating 61 acres in Lincoln County, Nevada. Pursuant to the agreement, the Company paid the vendor \$16,000 US and will be required to make the following payments in order to acquire a 100% interest, subject to a 4.0% Net Smelter Royalty Interest retained by the vendor:

<u>On or before July 15</u>	<u>Payment amount</u> <u>US Dollars</u>
2006	\$ 20,000
2007	25,000
2008	35,000
2009	45,000
Total	<u>\$125,000</u>

At any time before July 15, 2009 the Company can prepay required payments to acquire the 100% interest in the property. The payments summarized in the table above are optional and the Company shall not be obligated to make or incur them unless it wishes to continue to exercise its purchase option. Once the Company has completed the acquisition it may acquire 2% of the vendor's 4% Net Smelter Royalty Interest for \$1 million US.

On August 5, 2005, the Company, through its wholly-owned subsidiary NAMCOEX Inc., entered into an option agreement to acquire 30 unpatented mining claims surrounding the claims described above. The Company can earn a 100% interest in the 30 unpatented claims, subject to a Net Smelter Royalty of 3.0% retained by the vendor, by paying \$13,981 US upon signing the agreement, (paid), and making the following payments to the vendor, Hot Spring Gold Corporation:

<u>On or before August 5</u>	<u>Payment amount</u> <u>US Dollars</u>
2006	\$ 12,000
2007	15,000
2008	20,000
2009	20,000
Total	<u>\$ 67,000</u>

**NORTHERN ABITIBI MINING CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2005**

2) Mineral Properties

Silver Park, Nevada, USA (continued)

At any time before August 5, 2009 the Company can acquire the property interest by prepaying the remaining required payments at that time. The payments summarized in the table above are optional and the Company shall not be obligated to make or incur them unless it wishes to continue to exercise its purchase option. Once the Company has completed the acquisition it may acquire 1.5% of the vendor's 3.0% Net Smelter Royalty Interest for \$750,000 US.

The property acquisition was a related party transaction as the president of Hot Spring Gold Corporation was a director of the Company. The original payment of \$13,981 US for the acquisition represented the aggregate costs expended on the property by the Director's company from its acquisition date to August 5, 2005. The terms of the acquisition from the related party were approved by non-related directors.

With the acquisition from Hot Spring, the Company's land position at Silver Park has been increased to a total of 275 hectares covering several zones of alteration and mineralization, the largest of which exceeds 800 meters in length and 50 to 250 meters in width. The property covers past producing high-grade underground mines plus a partially delineated zone of near-surface disseminated mineralization.

High-grade silver-gold veins were mined at Silver Park from the 1870's, with select samples grading 590 ounces per ton silver and 0.225 ounces per ton gold. In the 1970's shallow rotary drilling, (less than 30 meters deep), defined a near surface zone of disseminated mineralization at Silver Park. A portion of this was mined by open pit and contained approximately 138 grams per tonne silver and up to one gram per tonne gold or more. Almost no publicly available information is available on exploration at Silver Park after 1977. It appears that the prospect has not been systematically drill-tested for high-grade mineralization at depth, and there is still potential for bulk zones of mineralization below 30 meters in depth.

The Company posted a bond for \$2,600 to cover expected restoration requirements associated with the fall/winter 2005 exploration program which had been approved as adequate for planned activity by the Bureau of Land Management in Nevada.

The Company completed an 8 hole, 922 meter, reverse circulation drill program in January, 2006. The drill results demonstrated that Silver Park contains a large area of strong alteration with elevated precious metal values occurring over an area at least 1200 meters by 600 meters. Higher grade drilling intercepts included 1.0 gram per tonne gold over 1.52 meters and 115 grams per tonne silver over 1.52 meters. Data is being compiled and interpreted in order to reclassify the targets on site and consider further work.

3) Operating Results

Three months ended December 31, 2005 compared to three months ended December 31, 2004

A summarized statement of operations appears below to assist in the discussion that follows:

	<u>2005</u>	<u>2004</u>
Revenue		
Interest	\$ 3,375	\$ 151
Mining duties rebate	-	4,883
Foreign exchange gain	1,207	-
Expenses		
General and administrative	11,840	4,337
Professional fees	1,637	4,577
Stock exchange and transfer agent fees	1,494	1,376
Loss	<u>\$(10,389)</u>	<u>\$(5,256)</u>

**NORTHERN ABITIBI MINING CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2005**

3) Operating Results (continued)

Interest income has increased substantially, due to higher cash balances outstanding throughout the current period. Cash balances were at a minimum in the comparative period. The private placement in March, 2005 contributed \$728,000, after issue costs, to the treasury. The mining duties rebate that was received in the comparative period pertained to Quebec exploration in prior years. Normally this rebate would have offset related property costs, however, all such costs had been previously written-off.

General and administrative expenses increased approximately \$7,000 from the prior period. The increase is a function of increased exploration and related administrative activity. During the prior period the Company had very limited cash resources and therefore had reduced administrative costs as much as possible.

The Company received certain of its private placement share subscription payments in US dollars and maintained this cash in US dollar deposits since all mineral property expenditures on the Nevada properties are paid in US currency. Fluctuations in the exchange rates result in foreign exchange gains or losses.

The following summarizes the components of professional fees included in the statement of earnings:

	<u>Three months ended December 31, 2005</u>	<u>Three months ended December 31, 2004</u>
Legal and filing fees	\$ 637	\$ 77
Audit fees	1,000	4,500
Total	<u>\$1,637</u>	<u>\$ 4,577</u>

The Company had recorded audit fees in the invoice period in the past due to their immateriality. Effective September 30, 2005, the Company began to accrue audit fees as at the year-end for which the audit would subsequently be rendered. The difference in the timing of recording these fees resulted in higher audit expense during the comparative period.

4) Liquidity and Capital Resources

The Company's working capital position at December 31, 2005 was \$504,000, (September 30, 2005 - \$620,000). Cash has decreased \$69,000 from September 30, 2005. The Company expended \$8,000 on administrative operations, (2004 - \$2,000). Further, the Company expended approximately \$62,000 of cash on mineral properties, (2004 - \$Nil), all exploration costs associated with the drill program on the Nevada mineral property.

The Company has sufficient funds to cover administrative costs for the current year and current expected exploration and acquisition expenditures. Should the Company expand its exploration plans, further equity financing will be required.

5) Financing

The Company received gross proceeds of \$750,000 from a non-brokered private placement in March, 2005. Pursuant to the private placement, the Company issued 10,714,286 Units at \$0.07 per unit. Each unit was comprised of one common share and one warrant that may be exercised to acquire one common share at \$0.10 per share to March 9, 2007. These funds will be used to investigate, acquire and explore new mineral properties and to fund working capital. Mineral property expenditures on the Nevada property aggregated \$158,000 to December 31, 2005.

6) Contractual Obligations

The Company has office lease obligations that require the payment of base lease costs aggregating \$4,000 during the remainder of fiscal 2006 and \$1,300 in fiscal 2007, the final year of the lease. The Company is also responsible for paying its share of lease operating costs that are expected to aggregate approximately \$3,500 during the remainder of fiscal 2006 and \$1,300 in fiscal 2007.

Pursuant to option agreements that the Company has entered into, it will be required to make annual payments in order to acquire 100% interests, subject to Net Smelter Royalties, in the Silver Park Nevada claims discussed above under 2) Mineral Properties. The Company may choose to cease these payments at any time if it decides that it no longer wishes to acquire the property.

NORTHERN ABITIBI MINING CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2005

7) Exploration Expenditures

Refer to the Mineral Property Schedule included in the unaudited consolidated financial statements, for details of expenditures incurred during the three month period ended December 31, 2005.

8) Selected Annual Financial Information

The following selected financial data has been extracted from the audited financial statements, prepared in accordance with Canadian Generally Accepted Accounting Principals, for the fiscal years indicated and should be read in conjunction with those audited financial statements.

For the years ended or as at September 30,	2005	2004	2003
Financial Results			
Interest Income and other	\$ 11,000	\$ 1,217	\$ 2,037
Net Loss	\$ (96,684)	\$ (2,681,036)	\$ (272,812)
Basic and diluted loss per share	0.00	\$ (0.10)	\$(0.01)
Financial Position			
Working capital	\$ 619,765	\$ 36,934	\$ 105,569
Total assets	\$ 692,925	\$ 44,862	\$ 2,735,423
Share Capital	\$ 9,008,231	\$ 8,587,720	\$ 8,587,720
Contributed Surplus	\$ 490,206	\$ 183,206	\$ 183,206
Deficit	\$ (8,824,434)	\$ (8,727,750)	\$ (6,046,714)

The large loss in 2004 and the large decrease in total assets from year-end 2003 to year-end 2004 is due to the write-off of mineral properties aggregating \$2.6 million in fiscal 2004, (2003 - \$81,000). Stock-based compensation expense of \$79,000 in 2003, (2005 and 2004 - \$Nil), caused the 2003 loss before mineral property write-downs to be greater than in the subsequent years.

9) Selected Quarterly Information

The following selected financial data has been extracted from the unaudited interim financial statements, prepared in accordance with Canadian Generally Accepted Accounting Principals, for the fiscal periods indicated and should be read in conjunction with those unaudited financial statements.

Three months ended:	Dec. 31 2005	Sept. 30 2005	June 30 2005	Mar. 31 2005	Dec.31 2004	Sept.30 2004	Jun.30 2004	Mar.31 2004
Interest & Other	\$ 3,375	\$ 4,032	\$ 1,688	\$ 246	\$ 5,034	\$ 151	\$ 171	\$ 366
Net loss before mineral property write-offs	\$(10,389)	\$(42,966)	\$(26,540)	\$(18,160)	\$(5,256)	\$(5,542)	(12,237)	\$(33,615)
Mineral property write-offs	-	\$ (3,762)	-	\$ -	\$ -	\$ (13)	(2,607,900)	\$ -
Net Loss	\$(10,389)	\$(46,728)	\$(26,540)	\$(18,160)	\$(5,256)	\$(5,555)	(2,620,137)	\$(33,615)
Basic and diluted loss per share	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ (0.10)	\$ 0.00

The most significant influence on net income/loss is the amount of mineral property write-offs. Timing of the Company's write-offs typically cannot be predicted in advance and will vary from one reporting period to the next. As a result, there may be dramatic changes in the financial results and balance sheet position reported by the Company. General and administrative expenses tend to be higher in the quarter ended March 31 because annual report and other annual mailings as well as annual meeting costs are incurred almost exclusively in this period. The result is a higher net loss before mineral property write-offs in these periods. The high revenue amount in the December 31, 2004 quarter was due to the receipt of a mining duties rebate in that quarter. Normally this amount would have offset related exploration costs capitalized, however all such costs had been previously written-off. The loss in the quarter ended March 31, 2005 was significantly lower than the comparative March, 2004 quarter due to the sharp decrease in activities associated with cash shortages prior to the March, 2005 private placement. Expenses began to increase again in subsequent quarters due to the private placement financing and resultant related administrative costs and due to time and expenses spent investigating new mineral property prospects.

**NORTHERN ABITIBI MINING CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2005**

9) Directors and Officers

Shane Ebert	Director and President
Jean Pierre Jutras	Director and Vice-President
Lesley Hayes	Director
Shari Difley	Chief Financial Officer
Barbara O'Neill	Corporate Secretary

10) Management Remuneration

The President, Vice-President and Chief Financial Officer bill the Company through their majority-owned companies or individually for number of days or hours worked. Their rates and annual billings for the three months ended December 31, 2005 are as follows:

<u>Officer and position</u>	<u>Rate</u>	<u>Billing for the three months ended December 31, 2005</u>
Mr. Ebert, President	\$450 per day	\$ 15,000
Mr. Jutras, Vice-President	\$400 per day	\$ 300
Ms. Difley, Chief Financial Officer	\$ 60 per hour	\$ 3,200

Ms. O'Neill is employed by a related corporation. The related corporation bills the Company quarterly for the Company's share of her salary, based on time devoted to Company business. Ms. O'Neill's salary billed to the Company for the three months ended December 31, 2005 aggregated \$1,300.

Directors are not remunerated in cash for time spent fulfilling their directorial responsibilities; however they receive stock options in recognition of their service. No stock options were granted during the three months ended December 31, 2005.

11) Related Party Transactions

The following non-arm's length transactions occurred during the three months ended December 31, 2005:

- i) paid or accrued \$1,300 to a corporation related by virtue of common officers and directors for rent of shared office space and \$1,200 for lease operating and miscellaneous costs.
- ii) paid or accrued \$3,500 for consulting fees charged by officers and directors or their companies on a per diem basis for accounting and administrative services provided and \$15,000 for geological consulting services provided, such fees having been capitalized to property.
- iii) paid or accrued to a corporation related by virtue of certain common officers and directors \$3,700 for allocated office and secretarial expenses

The purpose of related company office and rent charges is to realize certain economies associated with sharing office space and administrative services. Related party 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.

12) Capital Stock

a) Issued:

Refer to Note 3 to the financial statements. The only change to issued capital stock from December 31, 2005 to February 20, 2006 related to the issue of 60,000 shares at \$.12 per share pursuant to option exercises.

12) Capital Stock (continued)

b) Stock Options and Warrants

i) Options

The Company has an option plan, (the Plan), in which up to 10% of the issued and outstanding common shares are reserved for issuance. Under the plan, the options that have been granted expire at the earlier of five years from the grant date, the date at which the Directors determine, or 60 days from the date on which the optionee ceases to be a director, officer, employee or consultant. The exercise price of the options granted under the Plan will not be less than the market price of the common shares, defined as the weighted average of the trading price per share for the last five trading days before the grant date. The options vest immediately upon granting. There have been no options granted and none cancelled from December 31, 2005 to February 20, 2006. During January, 2006, 60,000 options were exercised at \$.12 per share. Refer to note 3 to the financial statements for details of the first quarter, 2005 option transactions and period end balances.

ii) Warrants

Pursuant to the private placement described in 5) Financing, the Company issued 10,714,286 warrants that may be exercised to acquire an equal number of common shares at \$0.10 per share until March 9, 2007. All of these warrants were outstanding at December 31, 2005 and none have been exercised from December 31, 2005 to February 20, 2006.

13) Investor Relations

With the exception of responding to shareholder inquiries, the Company undertook minimal investor relation activities during the three months ended December 31, 2005. The Company does not employ a dedicated "investor relations" individual or firm.

14) Outlook

The Company's primary objective is to discover mineral resources in economic quantities capable of supporting an operating mine. As the Company does not have expertise in operating a mine, should it discover such a promising property, it would attempt to ally with a more senior mining company that might option-in on the property or purchase the property outright. The private placement funds that netted \$728,000 are being used to finance the acquisition of the mineral claims in Nevada, and the drilling program on these claims, the investigation and acquisition of other mineral properties as applicable, and working capital needs. Subsequent to period-end the Company completed its drilling program on the Silver Park, Nevada property. The President is currently investigating other possible property acquisitions in Nevada, and is open to opportunities in any part of North America.

15) Risks

The success of the Company's business is subject to a number of factors including, but not limited to, those risks normally encountered in the mineral exploration industry such as operating hazards, exploration uncertainty, increasing environmental regulation, competition with companies having greater resources, lack of operating cash flow, and base and precious metal price fluctuations. As the Company relies on the sale of its common shares to finance operations and exploration, the state of the markets will affect its ability to raise further funds. The state of the markets is dependent on investor confidence and the price of mineral resources at any point in time, among other things.

16) Critical Accounting Estimates

The most significant accounting estimate for the Company relates to the carrying value of its mineral property assets. Mineral properties consist of exploration and mining concessions. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sales or abandonments. The estimated values of all properties are assessed by management on a quarterly basis by reference to project economics, including the timing of the exploration and/or development work, the work programs and exploration results experienced by the Company and others, and the extent to which optionees have committed, or are expected to commit to, exploration on the property. When it becomes apparent that the carrying value of the property exceeds its estimated net recoverable amount based on the foregoing criteria, an impairment provision is made for the decline in value.

**NORTHERN ABITIBI MINING CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2005**

16) Critical Accounting Estimates (continued)

Another significant accounting estimate relates to accounting for stock-based compensation. The Company uses the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted and vested during the year.

17) New Accounting Policies

No new accounting policies were adopted in the current reporting period.

18) Cautionary Statements

Statements and/or financial forecasts that are unaudited and not historical are to be regarded as forward-looking statements that are subject to risks and uncertainties that can cause actual results to differ materially from those anticipated. Such risks and uncertainties include risks related to the Company's business including, but not limited to: general market and economic conditions, limited operating history, continued industry and public acceptance, regulatory compliance, potential liability claims, additional capital requirements and uncertainty of obtaining additional financing and dependence on key personnel.

19) Disclosure Controls and Procedures

Management, including the Company's President and Chief Financial Officer, evaluated the effectiveness and operation of the Company's disclosure controls and procedures. The President and Chief Financial Officer concluded that, as of December 31, 2005, the disclosure controls and procedures were effective, in all material respects, to ensure that information required to be disclosed in the reports the Company files and submits under the Exchange Act is recorded, processed, summarized and reported as and when required. The Company's President and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are also effective to ensure that information required to be disclosed in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its President and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

20) Other

Additional information relating to the Company may be found on SEDAR at www.sedar.com.