NUINSCO RESOURCES LIMITED

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012 AND 2011

DATED MAY 10, 2012

Management's Comments on Unaudited Condensed Consolidated Financial Statements

The accompanying unaudited condensed consolidated financial statements of Nuinsco Resources Limited for the three months ended March 31, 2012 and 2011 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith discloses that the accompanying unaudited condensed consolidated financial statements have not been reviewed by an auditor.

Condensed Consolidated Balance Sheets

(in thousands of Canadian dollars)	Notes	March 31, 2012 (unaudited)	December 31, 2011
ASSETS			
Current assets			
Cash and cash equivalents	*6*	**$ 359**	$ 516
Receivables	*7*	**154**	120
Marketable securities	*8*	**1,549**	1,531
Royalty interest held for sale	*10*	**3,000**	-
Total current assets		**5,062**	2,167
Non-current assets			
Property and equipment	*11,13*	**1,380**	1,443
Exploration and evaluation projects	*12,13*	**17,089**	15,944
Royalty interest	*10*	**-**	3,000
Total non-current assets		**18,469**	20,387
Total Assets		**$ 23,531**	$ 22,554
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables	*14*	**$ 1,508**	$ 1,029
Total current liabilities		**1,508**	1,029
Non-current liabilities			
Long-term liability	*15*	**272**	266
Total Liabilities		**1,780**	1,295
Shareholders' equity			
Share capital	*17*	**97,986**	97,195
Contributed surplus		**5,140**	4,985
Accumulated other comprehensive loss		**(1,137)**	(1,155)
Deficit		**(80,238)**	(79,766)
Total shareholders' equity		**21,751**	21,259
Total Liabilities and Shareholders' Equity		**$ 23,531**	$ 22,554

NATURE OF OPERATIONS (Note 1)

CONTINGENCY (Note 26)

The accompanying notes are an integral part of these condensed consolidated financial statements

Condensed Consolidated Statements of Operations

(in thousands of Canadian dollars, except per share amounts)	*Notes*		Three months ended March 31, **2012** (unaudited)		2011 (unaudited)
Other expenses					
General and administrative		**$**	**(417)**	$	(537)
Share-based payments:	*19*				
Options			**(69)**		(489)
Amortization of property and equipment	*11*		**(3)**		(3)
Pre-exploration write-offs	*12*		**-**		(5)
Writedown of exploration and evaluation projects	*12*		**(79)**		-
Operating loss			**(568)**		(1,034)
Finance income	*20*		**102**		56
Finance costs	*20*		**(6)**		(5)
Net finance income			**96**		51
Loss before income taxes			**(472)**		(983)
Income tax expense			**-**		(25)
Net Loss for the Period		**$**	**(472)**	$	(1,008)
Loss per share	*18*				
Basic loss per share		**$**	**(0.00)**	$	(0.00)
Diluted loss per share		**$**	**(0.00)**	$	(0.00)

The accompanying notes are an integral part of these condensed consolidated financial statements

Condensed Consolidated Statements of Comprehensive Loss

(in thousands of Canadian dollars)	*Note*		Three months ended March 31, **2011** (unaudited)		2010 (unaudited)
Net loss for the period		**$**	**(472)**	$	(1,008)
Other comprehensive income (loss)					
Net change in fair value of financial assets	*8*		**18**		(92)
Income tax recovery			**-**		25
Other comprehensive income (loss) for the period			**18**		(67)
Total Comprehensive Loss for the Period		**$**	**(454)**	$	(1,075)

The accompanying notes are an integral part of these condensed consolidated financial statements

Condensed Consolidated Statements of Shareholders' Equity

(unaudited) (in thousands of Canadian dollars)		Share Capital	Contributed Surplus	Accumulated Other Comprehensive (Loss) Income	Deficit	Total Equity
Balances as at January 1, 2011	***Notes***	$ 94,340	$ 4,259	$ 596	$ (75,363)	$ 23,832
Total comprehensive loss for the period						
Net loss for the period					(1,008)	(1,008)
Other comprehensive income						
Net change in fair value of financial assets	*8*			(92)		(92)
Income tax recovery				25		25
Total other comprehensive income				(67)		(67)
Total comprehensive loss for the period						(1,075)
Transactions with owners, recorded directly in equity						
Contributions by owners in the period						
Issue of common shares and warrants		425	68	-	-	493
Options granted and vesting	*19*	-	489	-	-	489
Options exercised	*19*	5	(2)	-	-	3
Warrants exercised	*19*	84	(15)	-	-	69
Total contributions by owners		514	540	-	-	1,054
Total transactions with owners		514	540	-	-	1,054
Balances as at March 31, 2011		$ 94,854	$ 4,799	$ 529	$ (76,371)	$ 23,811
Balances as at January 1, 2012		$ 97,195	$ 4,985	$ (1,155)	$ (79,766)	$ 21,259
Total comprehensive loss for the period						
Net loss for the period					(472)	(472)
Other comprehensive income						
Net change in fair value of financial assets	*8*			18		18
Income tax recovery				-		-
Total other comprehensive income				18		18
Total comprehensive loss for the period						(454)
Transactions with owners, recorded directly in equity						
Contributions by owners in the period						
Shares issued for property, net	*12,17*	288	-	-	-	288
Issue of flow-through common shares and warrants	*17*	503	86	-	-	589
Options granted and vesting	*19*	-	69	-	-	69
Total contributions by owners		791	155	-	-	946
Total transactions with owners		791	155	-	-	946
Balances as at March 31, 2012		**$ 97,986**	**$ 5,140**	**$ (1,137)**	**$ (80,238)**	**$ 21,751**

The accompanying notes are an integral part of these condensed consolidated financial statements

Condensed Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)	*Notes*		Three months ended March 31, **2012** (unaudited)		2011 (unaudited)
Cash flows from operating activities					
Net loss for the period		**$**	**(472)**	$	(1,008)
Adjustments for:					
Share-based payments	*19*		**69**		489
Amortization of property and equipment	*11*		**3**		3
Writedown of exploration and evaluation projects	*12*		**79**		-
Net finance income	*20*		**(95)**		(38)
Income tax expense			**-**		25
Net change in non-cash working capital:					
Change in receivables			**(50)**		204
Change in trade and other payables			**122**		(157)
Net cash used by operating activities			**(344)**		(482)
Cash flows from investing activities					
Proceeds on sale of equipment	*11*		**60**		-
Expenditures on exploration and evaluation projects	*12*		**(771)**		(1,312)
Proceeds on sale of marketable securities			**-**		931
Net cash used by investing activities			**(711)**		(381)
Cash flows from financing activities					
Issue of common shares and warrants	*17*		**898**		565
Net cash from financing activities			**898**		565
Net Decrease in Cash and Cash Equivalents			**(157)**		(298)
Cash and Cash Equivalents, Beginning of the Period			**516**		628
Cash and Cash Equivalents, End of the Period		**$**	**359**	$	330

The accompanying notes are an integral part of these condensed consolidated financial statements

1. REPORTING ENTITY

Nature of Operations

Nuinsco Resources Limited ("Nuinsco" or the "Company") is a company domiciled in Canada. The address of the Company's registered office is 80 Richmond St. West, Suite 1802, Toronto, Ontario, M5H 2A4. The consolidated financial statements of the Company as at December 31, 2011 and 2010 comprise the Company and its subsidiaries (together referred to as "Nuinsco" and individually as "Nuinsco entities") and Nuinsco's interest in jointly-controlled entities. Nuinsco is primarily engaged in the acquisition, exploration and evaluation of properties for the mining of precious and base metals in Canada and internationally when attractive opportunities arise. The Company conducts its activities on its own or participates with others on a joint venture basis. The Company also makes strategic investments through equity or loan financing to companies engaged in the exploration and development of resource properties. Refer to Notes 12 and 13 to these financial statements.

The Company is listed on the Toronto Stock Exchange ("TSX") under the symbol "NWI".

Going Concern

These financial statements have been prepared using generally accepted accounting principles ("GAAP") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. As at March 31, 2012, the Company had working capital of $3,554,000 (December 31, 2011 - $1,138,000). Working capital is defined as current assets including assets held for sale less current liabilities, excluding restricted cash, if any.

The Company is subject to the risks and challenges experienced by other companies at a comparable stage. These risks include, but are not limited to, continuing losses, dependence on key individuals and the ability to secure adequate financing or to complete corporate transactions to meet the minimum capital required to successfully complete its projects and fund other operating expenses. Development of the Company's current projects to the production stage will require significant financing. Given the current economic climate, the ability to raise funds may prove difficult.

None of the Company's projects has commenced commercial production and, accordingly, the Company is dependent upon debt or equity financings and the optioning and/or sale of resource or resource-related assets for its funding. The recoverability of the carrying value of exploration and evaluation projects, and ultimately the Company's ability to continue as a going concern, is dependent upon exploration results which have the potential for the discovery of economically recoverable reserves and resources, the Company's ability to finance exploitation of its projects through debt or equity financings and the optioning and/or sale of resource or resource-related assets for its funding.

The Company continues to examine a number of strategies to maximize the realization of previously written-down amounts due from Campbell Resources Inc. ("Campbell") presently recorded under *Property and equipment* and *Exploration and evaluation projects* and formerly held under *Interest in Chibougamau* on the consolidated balance sheets and held through CBay Minerals Inc. ("CBay") a jointly-controlled company with Ocean Partners Investments Limited ("Ocean Partners"). Refer to Notes 11, 12 and 13 to these financial statements. Furthermore, the Company has received reassessments from the Canada Revenue Agency ("CRA") refer to Note 26.

Should the Company not be able to continue to achieve favourable exploration results, obtain the necessary financing or achieve future profitable production or sale of properties, the carrying value of the Company's assets could be subject to material adjustment and, in addition, other adjustments may be necessary to these financial statements should such adverse events impair the Company's ability to continue as a going concern as contemplated under GAAP.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The condensed consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board ("IASB") and in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34"). This is GAAP for a Canadian public company.

These condensed consolidated financial statements reflect the accounting policies described in the Company's Audited Consolidated Financial Statements for the years ended December 31, 2011 and 2010 ("2011 Audited

Consolidated Financial Statements") (with the exception of any changes set out in Note 3 below) and accordingly, should be read in conjunction with those financial statements and the notes thereto.

The management of Nuinsco prepares the unaudited condensed consolidated financial statements which are then reviewed by the Audit Committee and the Board of Directors. The unaudited condensed consolidated financial statements were authorized for issue by the Board of Directors on May 10, 2012. Shortly thereafter, the financial statements are made available to shareholders and others through filing on SEDAR.

(b) Basis of Measurement

The financial statements have been prepared on the historic cost basis except for the following:

- financial assets at fair value through operations are measured at fair value; and
- financial assets at fair value through Other Comprehensive Income or Loss ("OCI") are measured at fair value.

(c) Functional and Presentation Currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information is expressed in Canadian dollars unless otherwise stated. Tabular amounts are shown in thousands of dollars.

(d) Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

It is reasonably possible that, on the basis of existing knowledge, outcomes in the next financial year that are different from the assumptions used could require a material adjustment to the carrying amount of the asset or liability affected.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The accompanying unaudited condensed consolidated financial statements include all adjustments that are, in the opinion of management, necessary for fair presentation. The results of operations and cash flows for the current periods as presented are not necessarily indicative of the results to be expected for the full year.

Information regarding significant areas of estimation uncertainty and critical judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Notes 8 and 9 — valuation of financial assets at fair value through OCI;
- Note 10 — valuation of royalty interest and recoverable amount;
- Note 12 — measurement of the recoverable amounts of exploration and evaluation projects;
- Note 13 — valuation and allocation of interest in Chibougamau;
- Note 19 — measurement of share-based payments; and
- Note 26 — contingencies.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company are set out in detail in Note 3 to the 2011 Audited Consolidated Financial Statements. Such policies have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Nuinsco entities.

(a) New Accounting Policies

There have been no new accounting policies adopted by the Company.

(b) New Standards and Interpretations Not Yet Adopted

Since the issuance of the Company's 2011 Audited Consolidated Financial Statements, the IASB and International Financial Reporting Interpretations Committee ("IFRIC") have issued no additional new and revised standards and interpretations which are applicable to the Company. Refer to Note 3 to those statements.

(all tabular amounts in thousands of Canadian dollars, except common share and per share information)

4. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT DISCLOSURES

Overview

The Company has exposure to credit risk, liquidity risk, market risk and operational risk from its use of financial instruments. A complete description of the Company's financial risk management and capital management is included in Note 4 to the 2011 Audited Consolidated Financial Statements. This note updates information about the Company's exposure to each of the above risks where there have been material or noteworthy changes. Further quantitative disclosures are included throughout these financial statements.

Credit Risk

Receivables

The Company's receivables consist primarily of amounts due from federal and provincial governments. Amounts due from related parties are settled on a regular basis.

Market Risk

Currency risk

The Company conducts transactions or has balances in the United States and Australian dollars ("US$" and "A$", respectively) as well as the European Euro ("Euro" or "€"), the Egyptian Pound ("LE") and Turkish Lira ("TL").

Capital Management Disclosures

		March 31, 2012		December 31, 2011
Shareholders' equity	**$**	**21,751**	$	21,259
Long-term liability		**272**		266
Balance as at end of period	**$**	**22,023**	$	21,525

Neither the Company, nor any of its subsidiaries, are subject to externally imposed capital requirements. There were no changes in the Company's approach to financial risk management or capital management during the year.

5. DETERMINATION OF FAIR VALUES

There have been no changes in how the Company determines fair value for both financial and non-financial assets and liabilities from the descriptions included in Note 5 to the Company's 2011 Audited Consolidated Financial Statements. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

6. CASH AND CASH EQUIVALENTS

		March 31, 2012		December 31, 2011
Bank balances	**$**	**359**	$	516
Cash and Cash Equivalents in the Statement of Cash Flows	**$**	**359**	$	516

In 2010, the Company issued a letter of guarantee to support the obligations of its activities in Egypt on its own and its partner's obligations in the amount of US$200,000; the letter of guarantee expired in the fourth quarter of 2011.

7. RECEIVABLES

	Note		**March 31, 2012**		December 31, 2011
Due from CBay Minerals Inc.	*22*	**$**	**34**	$	-
Other receivables			**90**		83
Prepaid expenses and deposits			**30**		37
		$	**154**	$	120

(all tabular amounts in thousands of Canadian dollars, except common share and per share information)

8. MARKETABLE SECURITIES

	Note		March 31, 2012		December 31, 2011
Financial assets at fair value through OCI: Shares	9				
Victory Nickel Inc.		$	**499**	$	582
Coventry Resources Limited			**1,035**		926
Other			**15**		23
		$	**1,549**	$	1,531

All of the Company's marketable securities are publicly-listed. All of the Company's shares are valued using Level 1 methodologies.

The amount of change in fair value of Coventry shares attributable to the change in foreign exchange rates and included in OCI is a loss of $7,000 for the three months ended March 31, 2012 and a loss of $54,000 for the three months ended March 31, 2011.

Sensitivity Analysis – Equity Price Risk

All of the Company's financial assets at fair value through OCI are listed on public stock exchanges, including the TSX, the TSX-V and the ASX. For such investments, a 5% increase in the equity prices at the reporting date would have increased equity by $68,000, net of tax effects of $10,000 (December 31, 2011 - an increase of $67,000, net of tax effects of $10,000); an equal change in the opposite direction would have had the equal but opposite effect on the amounts shown above. The analysis was performed on the same basis for 2012 and 2011.

9. FINANCIAL INSTRUMENTS

Credit Risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Notes		March 31, 2012		December 31, 2011
Carrying amount					
Cash and cash equivalents	6	$	**359**	$	516
Receivables	7		**154**		120
Financial assets at fair value through OCI	8		**1,549**		1,531
		$	**2,062**	$	2,167

Liquidity Risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments.

	Non-derivative financial liabilities					
		Long-term liability		Trade and other payables		Total
As at March 31, 2012						
Carrying amount	$	272	$	1,508	$	1,780
Contractual cash flows		300		1,117		1,417
6 months or less		-		1,117		1,117
2 - 5 years		300		-		300
As at December 31, 2011						
Carrying amount	$	266	$	1,029	$	1,295
Contractual cash flows		300		858		1,158
6 months or less		-		858		858
2 - 5 years		300		-		300

The contractual cash flows reflected in the table above exclude the non-cash flow-through premium liability.

Currency Risk

Exposure to currency risk

The Company's exposures to foreign currency risk are as follows based on foreign-denominated amounts translated into Canadian dollars ("C$") at the respective dates:

(in thousands of Canadian dollars) As at March 31, 2012	C$	US$	A$
Cash and cash equivalents	$ 352	$ 7	$ -
Receivables	154	-	-
Marketable securities	514	-	1,035
Trade and other payables	(1,460)	(48)	-
Long-term liability	(272)	-	-
Net exposure	$ (712)	$ (41)	$ 1,035

(in thousands of Canadian dollars) As at December 31, 2011	C$	US$	A$
Cash and cash equivalents	$ 468	$ 48	$ -
Receivables	120	-	-
Marketable securities	605	-	926
Trade and other payables	(945)	(84)	-
Long-term liability	(266)	-	-
Net exposure	$ (18)	$ (36)	$ 926

Sensitivity analysis

A strengthening of the Canadian dollar, as indicated below, against US$ and A$ would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting periods. The analysis assumes that all other variables, in particular interest rates, remain constant.

As at March 31, 2012	Equity	Profit or Loss
US$ (10 percent strengthening)	$ (4)	$ (4)
A$ (10 percent strengthening)	$ 104	$ -

As at December 31, 2011	Equity	Profit or Loss
US$ (10 percent strengthening)	$ (4)	$ (4)
A$ (10 percent strengthening)	$ 93	$ -

A weakening of the Canadian dollar against the above currencies would have had the equal but opposite effect on the amounts shown above. Note that the Company has transactions and balances in the Euro, LE and TL, but the balances as well as the effect of exchange rate differences would not be material.

Fair Value

Fair values versus carrying amounts

The fair values of financial assets and liabilities equal the carrying amounts shown in the balance sheets. The Company has not made any reclassifications between financial assets recorded at cost or amortized cost and fair value.

There have been no transfers of financial assets between Level 1 and Level 2 during the current and previous reporting periods. All of the shares owned by the Company are valued using Level 1 methodologies.

Interest rate used for determining fair value

The interest rate used to discount estimated cash flows, when applicable, is based on the rate charged in the most recent financing obtained by the Company and was 8%.

(all tabular amounts in thousands of Canadian dollars, except common share and per share information)

10. ROYALTY INTEREST

On April 20, 2010, pursuant to the sale of Cameron Lake to Coventry, the Company received a royalty interest in the Cameron Lake property. The royalty interest is a 3% NSR under which Coventry has the right to reduce the royalty to a 1% NSR at any time within five years of April 20, 2010 by making, at Coventry's option, either a cash payment of $2,000,000 or issuing additional Coventry shares with an equivalent market value. The royalty is accounted for using the cost basis. The royalty has no end date therefore is considered to have an indefinite life. The Company will monitor Coventry's plans to determine whether conditions affecting the royalty change such that it becomes an intangible with a finite life. As described above, this is an investment which is subject to the highest degree of measurement uncertainty. Accordingly, future changes in any parameters used in the valuations could give rise to material changes to this asset's carrying values.

The valuation of the royalty interest was based upon cash flow models of the project previously developed by the Company as adjusted for metals prices and expectations of Coventry's plans and discounted using a rate of 8%. The Company will continue to monitor Coventry's progress towards bringing the property into production and will review the royalty for impairment on an annual basis. During 2011, Coventry announced a 17% increase in resources and gold prices continued to rise. The Company considers that the royalty itself is a Cost Generating Unit for the purposes of impairment testing.

Management has decided to sell its royalty interest in the Cameron Lake property which is held by Coventry. Accordingly, this asset has been reflected as being held for sale and has been reclassified as a current asset.

11. PROPERTY AND EQUIPMENT

Equipment	*Note*	Cost	Accumulated Depreciation	Carrying Amount
Balance as at January 1, 2011		**$ 356**	**$ 286**	**70**
Transfer from Interest in Chibougamau	*13*	1,386	-	1,386
Depreciation		-	13	(13)
Balance as at January 1, 2012		**1,742**	**299**	**1,443**
Disposal		(60)	-	(60)
Depreciation		-	3	(3)
Balance as at March 31, 2012		**$ 1,682**	**$ 302**	**$ 1,380**

Effective October 25, 2011, the Company, through CBay, owns a 50% proportionate interest in the mill and related equipment at the Chibougamau camp; in the three months ended March 31, 2012, CBay sold a truck, the disposal represents 50% of the effect of that transaction. Refer to Note 13 for additional information.

12. EXPLORATION AND EVALUATION PROJECTS

Cumulative costs relating to the acquisition of mineral properties and exploration and evaluation (" E&E") expenditures have been incurred on the following projects:

	January 1, 2012	Current Expenditures	Writedown of E&E Projects	March 31, 2012
URANIUM AND RARE METALS				
Diabase Peninsula	$ 8,041	$ 601	$ -	**$ 8,642**
Prairie Lake	2,886	410	-	**3,296**
	10,927	1,011	-	**11,938**
GOLD, COPPER AND ZINC				
Chibougamau Camp	3,820	133	-	**3,953**
Berta	1,197	1	-	**1,198**
Bukari	-	23	(23)	**-**
J. Tobrar	-	40	(40)	**-**
	5,017	197	(63)	**5,151**
	$ 15,944	$ 1,208	$ (63)	**$ 17,089**

(all tabular amounts in thousands of Canadian dollars, except common share and per share information)

	January 1, 2011	Current Expenditures	Writedown of E&E Projects	March 31, 2011
URANIUM AND RARE METALS				
Diabase Peninsula	$ 6,943	$ 663	$ -	$ 7,606
Prairie Lake	2,333	368	-	2,701
	9,276	1,031	-	10,307
GOLD, COPPER AND ZINC				
Berta	1,733	28	-	1,761
Elmalaan	1,100	24	-	1,124
Bukari	273	298	-	571
	3,106	350	-	3,456
	$ 12,382	$ 1,381	$ -	$ 13,763

Uranium and Rare Metals

Diabase Peninsula

In December, 2004, Nuinsco entered into an agreement with Trend Mining Company ("Trend") to acquire a 50% interest in the Diabase Peninsula property in the Athabasca Basin of northern Saskatchewan upon the expenditure of $1,000,000. As at March 31, 2012, cumulative expenditures have increased this ownership interest to greater than 90% as Trend did not contribute its share of expenditures. Under the agreement, should a participant's interest drop below 10%, that participant will relinquish its entire participating interest and will have the right to receive a royalty equal to 3% of the net value of all mineral products produced from the property; net value is defined as proceeds less processing and treatment charges, transportation costs, sales, marketing and brokerage costs and taxes. Accordingly, Trend's interest has been converted to a royalty and Nuinsco owns the project in its entirety.

The property consists of ten contiguous claims encompassing 21,949 hectares ("ha"). Three claims are optioned while seven were staked by Nuinsco; all are subject to the option agreement with Trend. Exploration for uranium has been undertaken at Diabase Peninsula since March, 2005 with the most recent work program being completed in autumn of 2010 and winter of 2011. Trend had a one-time 50% back-in right, subject to certain conditions, which expired upon its conversion to a royalty interest. In order to maintain the option on one of the claims, the Company must make an option payment of approximately $935,000 by September 2, 2012. That same claim is subject to a 3% gross production royalty ("GPR") defined as actual metal/mineral sales with no deduction for refining or transportation expenses. The GPR can be purchased before September 2, 2012 for $11,000,000 as follows: first percentage - $1,000,000; second percentage - $3,000,000; third percentage - $7,000,000.

Prairie Lake

The Prairie Lake property consists of nine claims, 38 claim units, encompassing 608 ha of mineral claims. Given the presence of an historic uranium resource, as well as strongly anomalous tantalum-niobium and phosphorous, along with widespread rare metals mineralization, diamond drilling, surface sampling and mapping programs were conducted in 2007, 2008 and 2010. A review and analysis of past results took place during 2009 as did metallurgical testing and the completion of an Estimated Tonnage Mineralized Inventory which was announced in early 2010 and updated by the Company in October 2011. The property is subject to a 2% NSR payable on any production from any claim that comprises the property. Up to a maximum of one half of the royalty can be purchased for $1,000,000 in either cash or common shares of the Company. On January 23, 2012, the Company announced that it had acquired the NSR through issuing 3,157,894 shares with a market value of $300,000. The property is now royalty-free.

Gold, Copper & Zinc

Chibougamau Camp

The Chibougamau assets represent a very substantial presence in a mining camp which has produced 1.6 billion pounds of copper and 3.4 million ounces of gold from 18 past-producing mines. Nuinsco and Ocean Partners own:

- eight past-producers on the Lac Doré fault and the significant potential to add to the known mineralization at these projects;
- one partially-developed high-grade copper mine - the Corner Bay Mine;
- a permitted 2,772 tonnes per day mill and tailings facility (included in *Property and equipment* on the consolidated balance sheet – Note 11); and,

- in excess of 11,000 ha of highly-prospective exploration property.

The amount of $3,820,000 was transferred from *Interest in Chibougamau* on the consolidated balance sheet upon completion of the asset transfer agreement (Note 13).

Berta

In October, 2003, the Company entered into the Berta Joint Venture Agreement with Falconbridge Limited, now Xstrata Copper Canada ("Xstrata"). The Berta property is located approximately 50 kilometres south of the Black Sea coast in northeastern Turkey. Pursuant to the agreement, the Company was required to spend US$350,000 to earn a 50% interest in the project.

As a result of the work programs conducted by Nuinsco during 2005, the Company became vested with 50% of the project. Xstrata participates pro-rata in funding exploration expenditures and is the operator of the project. Discussions with Xstrata have been ongoing, including discussions to buy Xstrata's share of the joint venture. Xstrata has advised that it is no longer interested in selling its share of Berta. As a result, Nuinsco has allowed itself to be diluted to approximately 36%.

In 2006 and 2007, the Company completed airborne geophysics followed by diamond drilling. Drilling intersected a significant, continuous domain of strong sulphide mineralization with copper, gold, silver and zinc values. Three drill holes were completed in 2008 demonstrating further evidence of widespread copper mineralization. The Berta property is subject to a 2% NSR.

Elmalaan

The decision was made in the first quarter of 2012 to not continue with Elmalaan. Accordingly, the Company recorded a writedown of $1,100,000 to record the carrying value of Elmalaan at $nil effective December 31, 2011.

Egypt

In February, 2010, the Company announced that it had been successful, along with its Egyptian partner, in the bid process for gold exploration concessions in Egypt – Bukari and Umm Samra. In the first quarter of 2012, the Company announced that it had decided not to pursue tenure of the Egyptian properties and advised EMRA of this on March 27, 2012. Accordingly, at that time, a net writedown of $803,000 was recorded in *Writedown of exploration and evaluation projects* which comprises $629,000 expenditures, $378,000 receivable from Quartz Core for Mineral Resources ("QCC"), the Company's partner in Egypt. representing its share of expenditures as described below offset by $204,000 reversal of an accrual which is no longer required. The writedown brought the value of the Bukari project to $nil. Any commitments under the concession agreements for future expenditures are no longer applicable.

The shareholders' agreement between the Company and QCC governing the 50%-owned company contains dilution provisions. Presently, the Company has exceeded its expenditure commitment. Nuinsco has recorded an incremental amount of $16,000 in the first quarter of 2012 with an equal and opposite amount in *Writedown of exploration and evaluation projects* (December 31, 2011 - $378,000) for the expenditure difference. Should QCC fail to make the required expenditures, its interest in the company will be proportionately reduced and Nuinsco will record an increased proportionate interest in the company.

In the first quarter of 2012, the Company incurred $23,000 of expenditures on its Egyptian properties before its decision to not pursue tenure, accordingly, these were written off to *Writedown of exploration and evaluation projects.*

Sudan

On July 18, 2011, the Company announced that it had expanded its presence in the Middle East North Africa ("MENA") region by entering into an option agreement with Makaseb Holding LLC ("Makaseb"), to acquire an 85% interest in that company's subsidiary UAE for Gold Minerals and Investment Company Ltd. ("UAE Gold"). UAE Gold owns 100% of the J. Tobrar (Block 64) concession, located in northeastern Sudan that hosts the Hamil Gold Vein System.

On February 7, 2012 the Company announced that it had elected not to exercise the option. Accordingly, expenditures were written down to $nil effective December 31, 2011. Expenditures of $40,000 were incurred prior to the decision being made. Accordingly, these were written off to *Writedown of exploration and evaluation* projects in the first quarter of 2012.

(all tabular amounts in thousands of Canadian dollars, except common share and per share information)

Pre-exploration write-offs

Pre-exploration expenditures are written off at the end of each reporting period to *Pre-exploration write-offs* through operations. Exploration costs in the amount of $nil were written off during the three months ended March 31, 2012, (three months ended March 31, 2011 - $5,000).

The following tables show the pre-exploration expenditures and associated write-offs made immediately through operations:

	Current Expenditures	Pre-exploration Write-offs	March 31, 2012
PRE-EXPLORATION EXPENDITURES - Other	$ -	$ -	$ -

	Current Expenditures	Pre-exploration Write-offs	March 31, 2011
PRE-EXPLORATION EXPENDITURES - Other	$ 5	$ (5)	$ -

13. INTEREST IN CHIBOUGAMAU

The Company held various investments in and loans to Campbell. Given the nature of the security underlying the loan and convertible debenture, the Company considers these elements together and had recorded them in *Interest in Chibougamau* on the consolidated balance sheet. The Company's security on amounts owing by Campbell included Corner Bay and other exploration and evaluation properties, among other things.

Effective December 31, 2008, the Company determined that its balances with Campbell were impaired and therefore recorded an aggregate impairment allowance against the balances of $7,923,000 through operations as a provision for writedown of amounts owing from Campbell.

On January 28, 2009, Campbell announced that it had re-entered protection under the CCAA under which a court-appointed monitor was engaged. Since that date, the Company has been actively involved in trying to protect its interests throughout the CCAA proceedings and has held several meetings with the court-appointed monitors as well as attended court sessions.

In 2010, the Company, along with Ocean Partners, through a jointly-owned company, acquired substantially all of the remaining secured debt and claims of Campbell (that the Company and Ocean Partners did not already own) for aggregate staged payments over a three-year period of $4,050,000 (including those deposits already made by each of Nuinsco and Ocean Partners). The face value of the aggregate debt acquired by the Company and Ocean Partners was $24,245,000 excluding interest. Acquisition of all of the secured debt rationalized the number of secured creditors and the complicated security over the Campbell assets including Corner Bay, the Copper Rand mill and other exploration properties in the Chibougamau mining camp in Québec.

The agreements require additional staged payments by the Company of $200,000 within one year of signing of the asset transfer agreement and $300,000 by no earlier than April 20, 2013; discounted at 8%, the fair value of the long-term payable was $241,000 at that time. Such liabilities are included in *Trade and other payables* (Note 14) and *Long-term liability* (Note 15) in the consolidated balance sheet.

The CCAA process concluded on October 25, 2011 with the completion of the asset transfer as described below; accordingly, the Company's share of expenditures incurred in the three months ended March 31, 2012 to protect its interest in Campbell assets amounted to $nil, (three months ended March 31, 2011 - $152,000). Such expenditures included legal fees, court-appointed monitor's fees, certain property taxes and other costs and were included in *General and administrative costs* in the consolidated statement of operations.

On June 28, 2011, the Company announced that the Québec Superior Court had accepted the Company's proposal made through its jointly-controlled company, CBay, and directed the receiver to transfer the assets, thereby giving ownership to Nuinsco and Ocean Partners of all exploration, mining and processing and other assets located in and near Chibougamau, Québec. The Company, along with Ocean Partners, completed the asset transfer agreement effective October 25, 2011. Upon completion of the agreement and transfer of legal ownership, the Company commenced capitalization of eligible project expenditures to the *Interest in Chibougamau* and also increased the carrying value of the *Interest in Chibougamau* by an amount of $870,000; the increase in the carrying value was reflected as *Recovery of provision for Chibougamau* in the consolidated statement of operations. The Company believes that carrying value is fair value and that capitalized costs will be recovered.

(all tabular amounts in thousands of Canadian dollars, except common share and per share information)

	Notes		December 31, 2011
Acquisition of debt and claims		$	2,055
Less: fair value adjustment			(59)
			1,996
Originated debt	*(a)*		2,297
			4,293
Revaluation to estimated recoverable amount			870
Project costs			43
			5,206
Transfer to property and equipment	*11*		(1,386)
Transfer to exploration and evaluation projects	*12*		(3,820)
		$	-

(a) The Originated debt is shown net of Québec mining duties of $203,000.

In order to complete the asset transfer, the Company and Ocean Partners transferred their rights to the originated debt, the acquired debt and claims to CBay. Accordingly, the estimated recoverable amount of the transferred assets can be viewed as the value of the assets or originated debt being given up. This was based upon an analysis of the transactions to acquire claims or debt compared with the gross amount of the debt or claim. The Company determined an appropriate ratio and applied that to the originated debt values to derive a surrogate value.

Furthermore, an alternative value of the estimated recoverable amount (similar to the approach adopted in 2010) was derived based primarily upon a discounted cash flow model of the Corner Bay project, adjusted for other potential claims against the property and taking into account the continuation of the partnership with Ocean Partners. However, additional factors were also taken into account including: the estimated value of a fully-permitted mill, probabilities and risk weightings of outcomes, discussions with potential acquirers and estimated value of possible deals, the length of time of alternatives including time to production and so on.

There is a high degree of variability in many of the factors used to arrive at an estimated recoverable amount. The Company believes that, absent any acceptable definitive offer, the methodology used is an appropriate, prudent measure of the estimated recoverable amount. The Company is continuing to assess its options to best realize on its interests and will continue to be actively involved in the process with CBay and Ocean Partners until its conclusion.

Given that CBay now owns assets directly, the Company has reclassified the former *Interest in Chibougamau* into its direct asset components being *Property and equipment* of $1,386,000 (Note 11) and *Exploration and evaluation projects* of $3,820,000 (Note 12) on the consolidated balance sheets. The allocation between components is subject to a high degree of measurement uncertainty.

(all tabular amounts in thousands of Canadian dollars, except common share and per share information)

14. TRADE AND OTHER PAYABLES

	Note		March 31, 2012		December 31, 2011
Trade payables					
E&E projects		$	229	$	162
Non-project related			211		123
Flow-through premium liability			391		171
Other payables			2		5
Due to Victory Nickel Inc.	22		39		20
Accrued liabilities					
E&E projects			130		60
Non-project related	22		506		488
		$	1,508	$	1,029

The following table shows the continuity of the flow-through premium liability:

	Notes		March 31, 2012		December 31, 2011
Balance as at beginning of year		$	171	$	48
December, 2010 financing:					
Flow-through premium through finance income	20		-		(48)
July and August, 2011 financing:					
Flow-through premium			-		150
Flow-through premium through finance income			(101)		(24)
December, 2011 financing:					
Flow-through premium			-		45
February and March, 2012 financing:					
Flow-through premium	17		321		-
		$	391	$	171

15. LONG-TERM LIABILITY

Payable from Acquisition of Campbell Debt

The Company, through CBay, has an obligation under a long-term arrangement with respect to the acquisition of debt of Campbell (Note 13). The Company is required to pay $300,000 no earlier than April, 2013. The fair value of the amount, using a discount rate of 8%, is $272,000 as at March 31, 2012 (December 31, 2011 - $266,000). Nuinsco will accrete the value of the obligation by interest charges through operations until its repayment. In the three months ended March 31, 2012, accretion of $6,000 (three months ended March 31, 2011 - $5,000) was added to long-term obligations and recorded as interest expense.

16. OPERATING LEASE

Lease as Lessee

In June, 2011, the Company amended and extended its main lease for premises at 80 Richmond Street West, Toronto. The extension term is for five years terminating on September 30, 2016 and includes basic rent commitments as follows:

		March 31, 2012
Office rental		
Less than 1 year	$	98
Between 1 and 5 years		366
Total Minimum Lease Payments Payable	$	464

It is not expected that the cash flows reflected in the maturity analysis would occur significantly earlier, or at significantly different amounts. During the three months ended March 31, 2012, $48,000 was recognized as net rent expense through operations in respect of operating leases including operating costs (three months ended March 31, 2011 – $23,000). Furthermore, $11,000 was recognized as a contra to rent expense through operations in respect of a sublease in the three months ended March 31, 2011; the sublease expired on June 30, 2011.

(all tabular amounts in thousands of Canadian dollars, except common share and per share information)

17. CAPITAL AND OTHER COMPONENTS OF EQUITY

Share Capital

Authorized

The Company is authorized to issue an unlimited number of common shares. The Company is also authorized to issue an unlimited number of Class A special shares, issuable in series, an unlimited number of Class B special shares, issuable in series, an unlimited number of Class C special shares, issuable in series, an unlimited number of Class D special shares, issuable in series, and an unlimited number of Class E special shares, issuable in series.

Number of shares issued and outstanding

There are no special shares outstanding. The issued and outstanding common shares during the three months ended March 31, 2012 are as follows:

	Notes	Number of Shares	Gross Proceeds/ Consideration	Non-cash Items	Share Issue Costs	Flow-through Premium	Warrants and Options	Share Capital
Balance as at January 1, 2012		280,211,807						$ 97,195
Shares issued for property	*(a)*	3,157,894	-	300	(12)	-	-	288
Issue of flow-through common shares	*(b)*	7,142,858	1,000	-	(90)	(321)	(86)	503
Balance as at March 31, 2012		**290,512,559**	**$ 1,000**	**$ 300**	**$ (102)**	**$ (321)**	**$ (86)**	**$ 97,986**

(a) On January 23, 2012, the Company issued 3,157,894 common shares to acquire the royalty on the Prairie Lake property (Note 12).

(b) On March 13, 2012, the Company issued 7,142,858 flow-through units (each a "Unit") at a subscription price of $0.14 per Unit generating aggregate proceeds of $1,000,000. Each Unit consisted of one common share and one-half of a warrant.

Share Incentive Plan

The Company has a Share Incentive Plan which includes both a Share Purchase Plan and a Share Bonus Plan. Both are described fully in the Company's 2011 Audited Consolidated Financial Statements.

Shareholder Rights Plan

The Company has a Shareholder Rights Plan which is described fully in the Company's 2011 Audited Consolidated Financial Statements.

Accumulated Other Comprehensive Income or Loss ("AOCI")

AOCI is comprised of the following separate components of equity:

Net change of financial assets at fair value through OCI

This comprises the cumulative net change in the fair value of financial assets at fair value through OCI until the financial assets are derecognized.

Income tax on OCI

This comprises the amount of income tax determined to be required on the cumulative net change in the fair value of financial assets at fair value through OCI.

18. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share ("EPS") for the three months ended March 31, 2012 was based on the loss attributable to common shareholders of $472,000 (the three months ended March 31, 2011 – loss of $1,008,000) and a weighted average number of common shares outstanding of 284,445,000 (2011 – 257,388,000) and after adjustment for the effects of all dilutive potential common shares of 287,884,000 (2011 – 277,122,000).

There have been no significant capital transactions from the reporting date to the date of this filing which have had a material impact on earnings per share.

(all tabular amounts in thousands of Canadian dollars, except common share and per share information)

Weighted Average Number of Common Shares Basic and Diluted

	Notes	Three months ended March 31, 2012	2011
Balance as at beginning of period		**280,212,000**	254,205,000
Effect of share options exercised	*19*	**-**	40,000
Effect of warrants exercised	*19*	**-**	330,000
Effect of shares issued pursuant to private placements	*17*	**1,491,000**	2,813,000
Effect of shares issued for property	*17*	**2,742,000**	-
Weighted average number of common shares basic		**284,445,000**	257,388,000
Effect of share options granted and outstanding	*19*	**3,439,000**	8,287,000
Effect of warrants issued and outstanding	*19*	**-**	11,447,000
Weighted average number of common shares diluted		**287,884,000**	277,122,000

For the period ended March 31, 2012, 17,076,000 options and 14,893,000 warrants (2011 – 14,173,000 and 16,452,000 warrants) were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive. The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the respective periods during which the options were outstanding.

19. SHARE-BASED PAYMENTS

Description of the Share-based Payment Arrangements

The Company's share-based payment arrangements are described in Note 22 to the Company's 2011 Audited Consolidated Financial Statements.

Stock option plan (equity-settled)

As at March 31, 2012, the Company had 23,062,000 (December 31, 2011 – 21,517,000) common shares available for the granting of future options. Options are exercisable at the market price of the shares on the date preceding the date of grant. The Company does not have any cash-settled transactions.

Share purchase warrants (equity-settled)

Outstanding warrants as at March 31, 2012 consist of warrants issued pursuant to private placements. The Company does not have any cash-settled transactions.

Share Bonus Plan

The terms of the Company's Share Bonus Plan are set out in Note 20 to the Company's 2011 Audited Consolidated Financial Statements.

Terms and Conditions of Share-based Payment Arrangements

The terms of the Company's share-based payment arrangements are set out in Note 22 to the Company's 2011 Audited Consolidated Financial Statements.

(all tabular amounts in thousands of Canadian dollars, except common share and per share information)

Disclosure of Share-based Payment Arrangements
Stock Option Plan
The number and weighted average exercise prices of options are as follows:

	Number of options			Weighted average exercise price		
	March 31, 2012	December 31, 2011		**March 31, 2012**		December 31, 2011
Outstanding as at beginning of period	**20,515,000**	17,535,000	**$**	**0.14**	$	0.14
Granted	**-**	5,105,000	**$**	**-**	$	0.17
Exercised	**-**	(100,000)	**$**	**-**	$	0.06
Expired	**-**	(2,025,000)	**$**	**-**	$	0.24
Outstanding as at end of period	**20,515,000**	20,515,000	**$**	**0.14**	$	0.14
Exercisable as at end of period	**20,450,000**	19,362,500	**$**	**0.14**	$	0.14

For options granted during 2011, the weighted average fair value at the date of grant was $0.15. No options have been issued in the three months ended March 31, 2012.

	Number of options outstanding		Weighted average remaining contractual life (years)	
	March 31, 2012	December 31, 2011	**March 31, 2012**	December 31, 2011
Range of exercise prices				
$0.030 to $0.050	**4,600,000**	4,600,000	**1.95**	2.20
$0.055 to $0.055	**1,100,000**	1,100,000	**3.36**	3.61
$0.060 to $0.100	**4,480,000**	4,480,000	**2.82**	3.07
$0.110 to $0.150	**1,350,000**	1,350,000	**0.67**	0.92
$0.160 to $0.170	**4,750,000**	4,750,000	**3.95**	4.18
$0.180 to $0.210	**-**	-	**-**	-
$0.220 to $0.260	**2,400,000**	2,400,000	**2.01**	2.26
$0.270 to $0.350	**1,635,000**	1,635,000	**0.81**	1.06
$0.360 to $0.488	**200,000**	200,000	**0.03**	0.28
	20,515,000	20,515,000	**2.49**	2.74

A total of 5,105,000 options were granted during 2011 to key management personnel, employees and consultants. This resulted in share-based payment expenses of $595,000 in 2011. Of the 20,515,000 options outstanding as at March 31, 2012, 65,000 are subject to vesting in the following year (as at December 31, 2011 – 20,515,000 options were outstanding of which 1,152,500 were subject to vesting in the following year). The aggregate fair value of these unvested options not yet charged to operations is $3,000 (as at December 31, 2011 - $32,000). For options exercised during 2011, the weighted average market price was $0.15.

The Company's jointly-controlled company, CBay, has entered into an arrangement with its CEO to provide options in that company. Nuinsco's share of the cost of the option arrangement is $40,000. Given that CBay is a private entity and newly-created, there is a high degree of measurement uncertainty associated with this estimate which was derived using an estimated term to expiry of 1 year and a volatility of 68%.

(all tabular amounts in thousands of Canadian dollars, except common share and per share information)

Share purchase warrants

The number and weighted average exercise prices of warrants are as follows:

	Date Issued	Life (1)	Number of warrants March 31, 2012	Number of warrants December 31, 2011	Weighted average exercise price March 31, 2012	Weighted average exercise price December 31, 2011
Issued pursuant to private placements						
	October 4, 2010	24	**5,600,000**	5,600,000	**$ 0.10**	$ 0.10
	January 10, 2011	24	**1,562,500**	1,562,500	**$ 0.22**	$ 0.22
	Expired		**(1,562,500)**			
	July 29, 2011	24	**1,833,315**	1,833,315	**$ 0.20**	$ 0.20
	August 3, 2011	24	**2,151,533**	2,151,533	**$ 0.20**	$ 0.20
	August 29, 2011	24	**333,334**	333,334	**$ 0.20**	$ 0.20
	August 30, 2011	24	**970,984**	970,984	**$ 0.20**	$ 0.20
	December 30, 2011	18	**22,833**	22,833	**$ 0.09**	$ 0.09
	February 24, 2012	18	**3,410,750**		**$ 0.20**	
	February 24, 2012	18	**409,290**		**$ 0.14**	
	March 12, 2012	18	**138,250**		**$ 0.20**	
	March 13, 2012	18	**22,429**		**$ 0.20**	
Outstanding as at end of period			**14,892,718**	12,474,499	**$ 0.16**	$ 0.16

(1) The life of warrants is stated in months from issue date.

Inputs for Measurement of Grant Date Fair Values

The grant date fair value of share-based payments, including any modifications, was measured based on the Black-Scholes option-pricing model. Expected volatility is estimated by considering historic average share price volatility.

The inputs used in the measurement of the fair values at grant date of the share-based payments granted, modified or issued during the years are as follows:

	Options March 31, 2012	Options December 31, 2011	Warrants March 31, 2012	Warrants December 31, 2011
Fair value at grant date	**n/a**	$0.055 to $0.169	**$0.018 to $0.031**	$0.041 to $0.064
Share price at grant date	**n/a**	$0.075 to $0.235	**$0.09 and $0.095**	$0.08 to $0.18
Assumptions				
Exercise price	**n/a**	$0.075 to $0.235	**$0.14 and $0.20**	$0.09 to $0.22
Expected volatility	**n/a**	104% and 108%	**87% and 93%**	88% to 97%
Life (years)	**n/a**	4	**1.5**	1 to 2
Expected dividends	**n/a**	-	**-**	-
Risk-free interest rate	**n/a**	1.18% and 2.31%	**1.12% to 1.20%**	0.96% to 1.67%

20. FINANCE INCOME AND FINANCE COSTS

	Notes	Three months ended March 31, 2012	Three months ended March 31, 2011
Interest income on bank deposits		**$ 1**	$ 1
Flow-through premium	*14*	**101**	48
Net foreign exchange gain		**-**	7
Finance income		**102**	56
Interest expense on financial liabilities measured at amortized cost	*15*	**6**	5
Finance costs		**6**	5
Net Finance Income		**$ 96**	$ 51

(all tabular amounts in thousands of Canadian dollars, except common share and per share information)

21. OPERATING SEGMENT

Reporting Segment

The Company is engaged in the exploration and evaluation of properties for the mining of precious and base metals. The Company does not have formal operating segments and does not have operating revenues, products or customers. The corporate office operates to support the Company's projects as well as providing administrative support to Victory Nickel and CBay (Note 22). The projects are currently located in Canada and Turkey. Senior management makes decisions by considering exploration potential and results on a project basis. Any applicable amounts relating to projects are capitalized to the relevant project as *Exploration and evaluation projects* on the consolidated balance sheets.

Geographical Information

	Notes		**March 31, 2012**		December 31, 2011
Canada					
Corporate		**$**	**2,116**	$	2,224
Royalty interest	*10*		**3,000**		3,000
Chibougamau camp	*11,12,13*		**5,279**		5,206
Diabase Peninsula	*12*		**8,642**		8,041
Prairie Lake	*12*		**3,296**		2,886
			22,333		21,357
Turkey					
Berta	*12*		**1,198**		1,197
			1,198		1,197
Total Assets		**$**	**23,531**	$	22,554

Revenues in each period are all attributable to the corporate office in Canada. There have been no changes in the reportable segments or the treatment of segmented assets and revenues year-over-year.

22. RELATED PARTIES & MANAGEMENT AGREEMENTS

Transactions and Balances with Victory Nickel, CBay and Related Parties

The Company shares management, administrative assistance and facilities with Victory Nickel and CBay pursuant to separate management agreements. The costs recovered from Victory Nickel and CBay are recorded at the cost to the Company of such services plus 10 per cent. The management agreement for Victory Nickel commenced February 1, 2007 and is terminable by the Company upon 90 days notice and by Victory Nickel upon 180 days notice. The management agreement for CBay commenced February 14, 2012 and is terminable by the Company upon 90 days notice and by CBay upon 60 days notice upon the earlier of February 14, 2013 or listing on a stock exchange.

Balances and transactions with Victory Nickel, CBay and related parties as at and for the periods ended March 31, 2012 and 2011 are shown in the following tables:

		March 31, 2012		December 31, 2011
Balances Outstanding				
Receivable from CBay Minerals Inc.	**$**	**34**	$	-
Payable to Victory Nickel Inc.	**$**	**39**	$	20
Payable to key management personnel	**$**	**131**	$	158

		Three months ended March 31, 2012		2011
Transaction Values				
Overhead charges to Victory Nickel Inc.	**$**	**214**	$	197
Overhead charges from Victory Nickel Inc.	**$**	**7**	$	-
Project costs charged by Victory Nickel Inc.	**$**	**9**	$	7
Project recoveries charged to Victory Nickel Inc.	**$**	**5**	$	16
Overhead charges to CBay Minerals Inc.	**$**	**36**	$	-
Project recoveries charged to CBay Minerals Inc.	**$**	**3**	$	-

(all tabular amounts in thousands of Canadian dollars, except common share and per share information)

Amounts due to or from Victory Nickel and CBay are unsecured, non-interest bearing and due on demand. Amounts due to or from Victory Nickel and CBay are settled on a regular basis. Payables to key management personnel generally relate to directors' fees, consulting fees and expense reimbursements.

Transactions with Key Management Personnel
Short-term employee benefits provided by the Company include salaries, consulting fees, directors' fees, statutory benefit contributions, paid annual vacation and paid sick leave as well as non-monetary benefits such as medical care. The Company's non-monetary benefit package for key management personnel is the same as that available to all full-time employees. In addition to short-term employee benefits, the Company may also issue shares as part of the Stock Option Plan and the Share Bonus Plan (Note 19).

Key management personnel compensation comprised:

	Note		Three months ended March 31, **2012**		2011
Short-term employee benefits		**$**	**175**	$	163
Share-based payments - options	*19*		**-**		451
		$	**175**	$	614

23. COMPANY ENTITIES

Significant Subsidiaries and Jointly-controlled Entities

Ownership Interest	Country of Incorporation	**March 31, 2012**	December 31, 2011
Lakeport Gold Corporation	Canada	**100%**	100%
CBay Minerals Inc.	Canada	**50%**	50%
Nuinsco Madencilik Sanaye Ticaret	Turkey	**100%**	100%
Nuinsco Exploration Inc.	BVI	**50%**	50%
Z-Gold Resources Limited (through Nuinsco Exploration Inc.)	Egypt	**50%**	50%
NuMENA Minerals Corp.	Canada	**100%**	100%

None of the companies included in the table above is a public company. Lakeport Gold Corporation is inactive; CBay Minerals Inc. is a jointly-controlled entity with Ocean Partners and owns the Chibougamau mining camp; Nuinsco Madencilik Sanaye Ticaret is a wholly-owned subsidiary and was incorporated to hold the Company's Turkish licenses; Nuinsco Exploration Inc. is a jointly-controlled entity with QCC and was pursuing the rights, through Z-Gold Resources Limited to the gold concessions in Egypt; NuMENA Minerals Corp. is presently inactive and was incorporated as a potential vehicle to spin off certain of the Company's assets in the MENA region. This initiative has been put on hold. NuMENA will be inactive until circumstances warrant otherwise.

24. JOINTLY-CONTROLLED ENTITIES

The Company has interests in two joint ventures that are jointly-controlled. The joint ventures are proportionately consolidated. Included in the Company's consolidated financial statements are the following items that represent the Company's interests in the assets and liabilities, revenues and expenses of the respective joint ventures:

CBay Minerals Inc.	*Notes*		**March 31, 2012**		December 31, 2011
Current assets		**$**	**53**	$	2
Property and equipment	*11*	**$**	**1,326**	$	1,386
Exploration and evaluation project	*12*	**$**	**3,953**	$	3,820
Current liabilities		**$**	**301**	$	212
Long-term liability	*15*	**$**	**272**	$	266
Writedown of interest in Chibougamau	*(a)*	**$**	**-**	$	3,526
Other expenses		**$**	**92**	$	29

(a) The writedown of interest in Chibougamau in 2011 is offset by an equal and offsetting adjustment in Nuinsco therefore the writedown is $nil on consolidation, before taking effect of revaluation of estimated recoverable amount.

(all tabular amounts in thousands of Canadian dollars, except common share and per share information)

Nuinsco Exploration Inc.		**March 31, 2012**		December 31, 2011
Current assets	**$**	**10**	$	10
Exploration and evaluation projects	**$**	**-**	$	-
Current liabilities	**$**	**-**	$	-
Other expenses	**$**	**5**	$	44

25. COMMITMENT

Flow-through Commitments

As at March 31, 2012, the Company had a remaining flow-through commitment outstanding for flow-through share financings in 2011 of $655,000 (December 31, 2011 - $1,668,000). The 2011 commitment is required to be satisfied by December 31, 2012. In addition, there is a commitment from the flow-through financing in 2012 of $1,000,000; this is required to be satisfied by December 31, 2013.

26. CONTINGENCY

CRA Reassessment

In March, 2011, the Company received notices of reassessment in the aggregate amount of approximately $4,400,000 from the CRA related to transactions completed in 2006. The Company filed notices of objection on May 19, 2011 and also, on July 22, 2011, filed a request for adjustment to correspondingly adjust its tax pools and losses, in the unlikely event that the Company's appeal is unsuccessful. The appeal process could be lengthy and the Company believes that its position is correct and believes it will prevail. Accordingly, the Company has not recorded any liability with respect to this matter.

27. SUBSEQUENT EVENT

There are no subsequent events not already disclosed elsewhere in the financial statements except as follows:

On April 5, 2012, the Board approved the grant of 5,550,000 options to directors, employees and consultants at an exercise price of $0.065. Of the options granted, 3,825,000 vest immediately and 1,725,000 vest over one year.