NUINSCO RESOURCES LIMITED

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2014 AND 2013

DATED MAY 14, 2014

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, 2014 and 2013 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, 2014** (unaudited)	December 31, 2013
ASSETS			
Current assets			
Cash and cash equivalents	*6*	**$ 233**	$ 249
Receivables	*7*	**165**	109
Marketable securities	*8*	**5,207**	3,656
Total current assets		**5,605**	4,014
Non-current assets			
Property and equipment	*9*	**93**	93
Exploration and evaluation projects	*10*	**13,047**	12,982
Interest in CBay Minerals Joint Venture	*11*	**6,316**	6,331
Loan receivable	*12*	**4,200**	4,100
Total non-current assets		**23,656**	23,506
Total Assets		**$ 29,261**	$ 27,520
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables	*13*	**$ 404**	$ 338
Loan payable	*14*	**2,466**	2,427
Total current liabilities		**2,870**	2,765
Total Liabilities		**2,870**	2,765
Shareholders' equity			
Share capital	*16*	**98,169**	98,169
Contributed surplus		**5,572**	5,560
Accumulated other comprehensive loss		**(129)**	(1,458)
Deficit		**(77,221)**	(77,516)
Total shareholders' equity		**26,391**	24,755
Total Liabilities and Shareholders' Equity		**$ 29,261**	$ 27,520

NATURE OF OPERATIONS (Note 1)

CONTINGENCY (Note 23)

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, 2014 (unaudited)		2013 (unaudited)
Other expenses					
General and administrative		**$**	**(237)**	$	(284)
Share-based payments:	*18*				
Options			**(12)**		(21)
Amortization of property and equipment	*9*		**(5)**		(6)
Pre-exploration write-offs	*10*		**(48)**		(16)
Operating loss			**(302)**		(327)
Finance income	*19*		**777**		135
Finance costs	*19*		**(111)**		(46)
Net finance income			**666**		89
Income (loss) before the undernoted			**364**		(238)
Interest in CBay Minerals Joint Venture	*11*		**(62)**		(107)
Income (loss) before income taxes			**302**		(345)
Income tax expense	*8*		**(7)**		-
Net Income (Loss) for the Period		**$**	**295**	$	(345)
Earnings per share	*17*				
Basic earnings per share		**$**	**0.00**	$	(0.00)
Diluted earnings per share		**$**	**0.00**	$	(0.00)

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

Consolidated Statements of Comprehensive Income (Loss)

(in thousands of Canadian dollars)	Note		Three months ended March 31, 2014 (unaudited)		2013 (unaudited)
Net Income for the Period		**$**	**295**	$	(345)
Other comprehensive income (loss)					
Net change in fair value of financial assets	*8*		**1,322**		(213)
Income tax recovery			**7**		-
Other comprehensive income (loss) for the period			**1,329**		(213)
Total Comprehensive Income (Loss) for the Period		**$**	**1,624**	$	(558)

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 Income (Loss)	Deficit	Total Equity
Balances as at January 1, 2013	***Notes***	$ 98,169	$ 5,436	$ (1,753)	$ (79,239)	$ 22,613
Total comprehensive income (loss) for the period						
Net loss for the period					(345)	(345)
Other comprehensive loss						
Net change in fair value of financial assets	*8*			(213)		(213)
Income tax recovery				-		-
Total other comprehensive loss				(213)		(213)
Total comprehensive loss for the period						(558)
Transactions with owners, recorded directly in equity						
Contributions by owners in the period						
Options granted and vesting	*18*	-	21	-	-	21
Total contributions by owners		-	21	-	-	21
Total transactions with owners		-	21	-	-	21
Balances as at March 31, 2013		$ 98,169	$ 5,457	$ (1,966)	$ (79,584)	$ 22,076
Balances as at January 1, 2014		$ 98,169	$ 5,560	$ (1,458)	$ (77,516)	$ 24,755
Total comprehensive loss for the period						
Net income for the period					295	295
Other comprehensive loss						
Net change in fair value of financial assets	*8*			1,322		1,322
Income tax recovery				7		7
Total other comprehensive income				1,329		1,329
Total comprehensive income for the period						1,624
Transactions with owners, recorded directly in equity						
Contributions by owners in the period						
Options vesting	*18*	-	12	-	-	12
Total contributions by owners		-	12	-	-	12
Total transactions with owners		-	12	-	-	12
Balances as at March 31, 2014		**$ 98,169**	**$ 5,572**	**$ (129)**	**$ (77,221)**	**$ 26,391**

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, 2014 (unaudited)	2013 (unaudited)
Cash flows from operating activities			
Net income (loss) for the period		**$ 295**	$ (345)
Adjustments for:			
Share-based payments	*18*	**12**	21
Amortization of property and equipment	*9*	**5**	6
Interest in CBay Minerals Joint Arrangement	*11*	**62**	107
Net finance income	*19*	**(666)**	(75)
Income tax expense		**7**	-
Net change in non-cash working capital:			
Change in receivables		**(56)**	(2)
Change in trade and other payables		**96**	88
Net cash used by operating activities		**(245)**	(200)
Cash flows from investing activities			
Expenditures on exploration and evaluation projects	*10*	**(95)**	(277)
Funding to CBay Minerals Joint Venture	*11*	**(47)**	(288)
Proceeds on sale of marketable securities	*8*	**417**	-
Net purchase of equipment	*9*	**(5)**	(56)
Interest received	*12*	**31**	39
Net cash from (used by) investing activities		**301**	(582)
Cash flows from financing activities			
Interest paid	*14*	**(72)**	(19)
Net proceeds of loan	*14*	**-**	984
Net cash (used by) from financing activities		**(72)**	965
Net (Decrease) Increase in Cash and Cash Equivalents		**(16)**	183
Cash and Cash Equivalents, Beginning of the Period		**249**	2,223
Cash and Cash Equivalents, End of the Period		**$ 233**	$ 2,406

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 condensed consolidated financial statements of the Company as at and for the three months ended March 31, 2014 and 2013 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 (Note 20). 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 10, 11 and 12 to these condensed consolidated financial statements.

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

Going Concern

These consolidated 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, 2014, the Company had working capital of $2,735,000 (December 31, 2013 – working capital of $1,249,000). Working capital is defined as current assets, including assets held for sale, less current liabilities, excluding restricted cash, if any. Marketable securities comprise investments in other resource companies the markets for which are not always liquid. The loan payable is due in June 2014 and is classified as a current liability; it can be extended for a six-month period as described in Note 14.

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, realization on its marketable securities as required 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. Advancing the Company's projects through exploration and development 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.

In an effort to generate cash from the Company's available assets, the Company has entered into a secured loan agreement with Victory Nickel Inc. ("Victory Nickel") which has a conversion feature which, pursuant to contractual terms, could generate cash flows as described in Note 12. The loan has provided the initial funding required by Victory Nickel to implement a three-phase business plan to enter the frac sand business with first sales being achieved in March 2014.

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 as part of *Interest in CBay Minerals Joint Arrangement* on the consolidated balance sheets and held through CBay Minerals Inc. ("CBay") a joint venture with Ocean Partners Investments Limited ("Ocean Partners"). Refer to Note 11 to these financial statements. Furthermore, the Company has received reassessments from the Canada Revenue Agency ("CRA") - refer to Note 23.

Should the Company not be able to continue to achieve favourable exploration results, obtain the necessary financing, achieve future profitable production or sale of properties or realize timely cash flows from the conversion of the loan with Victory Nickel, 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. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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 unaudited condensed consolidated financial statements reflect the accounting policies described in Note 3 to the Company's Audited Consolidated Financial Statements for the years ended December 31, 2013 and 2012 ("2013 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. In 2013, the Company changed its accounting policy for its investment in the CBay Minerals Joint Arrangement to accord with the stipulations of IFRS 11 *Joint Arrangements* ("IFRS 11") which came into effect on January 1, 2013. This requires the Company to account for its interest in CBay using the equity method of accounting rather than recognizing the Company's proportionate share of individual assets, liabilities, revenues and expenses.

IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* ("IAS 8") requires the Company to treat this as a retrospective adjustment. Accordingly, the Company has restated its condensed consolidated financial statements for the period ended March 31, 2013 as if the accounting policy was in force throughout that period. The Company considers that the effect of this change is not material.

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 14, 2014 and are made available to shareholders and others through filing on SEDAR shortly thereafter.

(b) Basis of Measurement

The financial statements have been prepared on the historic cost basis except for derivative financial instruments such as warrants which are measured at fair value with changes through operations and financial assets such as marketable securities which are measured at fair value with changes recorded through other comprehensive income or loss ("OCI").

(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 stated in thousands of dollars.

(d) Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgements 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.

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.

Significant estimates and assumptions

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.

Information regarding significant areas of estimation uncertainty 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:

- Note 8 valuation of financial assets at fair value through OCI and operations;
- Note 10 measurement of the recoverable amounts of exploration and evaluation projects;

- Note 12 valuation of loan receivable; and
- Note 18 measurement of share-based payments.

Significant Judgements
Judgements are reviewed on an ongoing basis. Changes resulting from the effects of amended judgements are recognized in the period in which the change occurs and in any future periods presented.

Information regarding significant areas of 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:

- Note 1 going concern assessment;
- Note 10 classification of expenditures as exploration and evaluation projects or operating expenses;
- Note 10 impairment of exploration and evaluation projects; and
- Note 23 disclosure of contingencies.

3. SIGNIFICANT ACCOUNTING POLICIES
The accounting policies of the Company are set out in detail in Note 3 to the 2013 Audited Consolidated Financial Statements. Such policies have been applied consistently to all periods presented in these condensed consolidated 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 2013 Audited Consolidated Financial Statements, the IASB and International Financial Reporting Interpretations Committee ("IFRIC") have issued several new and revised standards and interpretations. However, the revised standards and interpretations are not applicable to the Company or are expected to have minimal impact.

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 2013 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 condensed consolidated financial statements.

Credit Risk
Loan receivable
The loan receivable bears interest at a fixed rate and is secured on equipment of the borrower through registered security agreements. Failure of the borrower to meet contractual obligations will result in seizure of the borrower's assets. Upon Conversion, as described in Note 12, the loan receivable became unsecured.

Liquidity Risk
The Company has no significant long-term liabilities. All other contractually-obligated cash flows are payable within the next fiscal year with the exception of the Company's lease commitment described in Note 15.

Market Risk
Interest rate risk
The Company's debt (Note 14) and loan receivable (until Conversion – see Note 12) bear interest at fixed rates. Accordingly, the estimated effect of a 50bps change in interest rate would not have a material effect on the Company's results of operations. None of the Company's other financial instruments are interest-bearing. Consequently, the Company is not exposed to any significant interest rate risk which could be caused by a sudden change in market interest rates.

Other market price risk
The Company's marketable securities and strategic investments are subject to equity price risk. The values of these investments will fluctuate as a result of changes in market prices, the price of metals or other factors affecting the

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

value of the investments. The Company's exposure to this risk increased significantly in the third quarter of 2013 as a result of the participation in Victory Nickel's rights offering (Notes 8 and 12).

Capital Management Disclosures

	Note		**March 31, 2014**		December 31, 2013
Shareholders' equity		**$**	**26,391**	$	24,755
Loan payable	*14*		**2,466**		2,427
		$	**28,857**	$	27,182

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 period.

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 2013 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, 2014		December 31, 2013
Bank balances	**$**	**233**	$	249
Cash and Cash Equivalents in the Statements of Cash Flows	**$**	**233**	$	249

7. RECEIVABLES

	Notes		**March 31, 2014**		December 31, 2013
Receivables from Victory Nickel Inc.					
Due under management agreement	*21*	**$**	**119**	$	56
Commitment fees receivable	*12*		**12**		11
Other receivables			**6**		5
Prepaid expenses and deposits			**28**		37
		$	**165**	$	109

8. MARKETABLE SECURITIES

		March 31, 2014		December 31, 2013
Financial assets at fair value through OCI				
Victory Nickel Inc. - shares	**$**	**3,563**	$	2,701
Chalice Gold Mines Limited		**111**		-
Coventry Resources Limited		**22**		87
Other		**5**		7
		3,701		2,795
Financial assets at fair value through operations				
Victory Nickel Inc. - warrants		**1,506**		861
	$	**5,207**	$	3,656

All of the Company's marketable securities are in companies which are publicly-listed; financial assets at fair value through OCI are valued using Level 1 methodologies, financial assets at fair value through operations are valued using Level 3 methodologies as described below.

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

The subscription under the rights offering on July 30, 2013 brought Nuinsco's interest in Victory Nickel's shares to approximately 12.24% on a non-diluted basis and, accordingly, Nuinsco became a related party of Victory Nickel at that time. The Company continues to account for its investment in Victory Nickel as marketable securities and any changes in the value of shares will be accounted for through OCI with changes in the value of warrants from recognition date being accounted for through *Finance income* or *Finance costs* in the consolidated statement of operations.

The fair value of warrants is based upon the Black-Scholes option-pricing model with assumptions described in the table below:

		March 31, 2014		December 31, 2013
Fair value	**$**	**0.039**	$	0.027
Share price at valuation date	**$**	**0.060**	$	0.045
Assumptions				
Exercise price	**$**	**0.035**	$	0.035
Expected volatility		**123%**		115%
Expected remaining term (years)		**1.33**		1.58
Expected dividends		**-**		-
Risk-free interest rate		**1.20%**		1.12%

9. PROPERTY AND EQUIPMENT

Equipment		**Cost**		**Accumulated Depreciation**		**Carrying Amount**
Balance as at January 1, 2013	**$**	**413**	**$**	**311**	**$**	**102**
Additions		11		-		11
Amortization		-		20		(20)
Balance as at December 31, 2013		**424**		**331**		**93**
Additions		5		-		5
Amortization		-		5		(5)
Balance as at March 31, 2014	**$**	**429**	**$**	**336**	**$**	**93**

10. EXPLORATION AND EVALUATION PROJECTS

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

		January 1, 2014		**Current Expenditures**		**Writedown of E&E Projects**		**March 31, 2014**
URANIUM AND RARE METALS								
Diabase Peninsula	$	9,308	$	35	$	-	**$**	**9,343**
Prairie Lake		3,674		30		-		**3,704**
	$	12,982	$	65	$	-	**$**	**13,047**

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

	January 1, 2013	Current Expenditures	Writedown of E&E Projects	March 31, 2013
URANIUM AND RARE METALS				
Diabase Peninsula	$ 9,046	$ 28	$ -	$ 9,074
Prairie Lake	3,372	53	-	3,425
	12,418	81	-	12,499
GOLD, COPPER AND ZINC				
Chibougamau Camp	440	180	-	620
Berta	1,202	3	-	1,205
	1,642	183	-	1,825
	$ 14,060	$ 264	$ -	$ 14,324

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 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 (as defined). Accordingly, Trend's interest was converted to a royalty and Nuinsco owns the project in its entirety. Effective December 19, 2012, the Company acquired that royalty through a one-time cash payment of $15,000. Accordingly, Trend has no remaining interest whatsoever in the Diabase Peninsula property.

The property consists of ten contiguous claims encompassing 21,949 hectares ("ha"). Three claims were optioned while seven were staked by Nuinsco. Exploration for uranium has been undertaken at Diabase Peninsula since March, 2005, with the most recent drill program being completed in the winter of 2011 to 2012. During the winter of 2013 a modest program of geochemical sampling was initiated which included a survey consisting of sampling for detection of radon gas which is an indicator of uranium mineralization.

In order to maintain the option on one of the claims, the Company was required to make an option payment of approximately $935,000 by September 2, 2012; in May 2012, the Company was successful in extending the option terms for a year, with additional extensions being possible, for four quarterly cash payments of $9,350 and $37,600 of the Company's shares. This deferred the option payment of $935,000 by at least one year. The shares were issued in the third quarter of 2012 and all quarterly cash payments have been made.

In September, 2013, the Company negotiated a further extension whereby it is required to make payments totalling $1,028,500 as follows: an aggregate sum of $400,000 payable in quarterly instalments of $25,000 up to and including June 2, 2017 and a lump sum of $628,500 on or before September 2, 2017. The Company made two instalments of $25,000 on each of September 2, 2013 and December 2, 2013. A further $25,000 was paid on March 2, 2014.

The claims are subject to a 3% gross production royalty payable to the vendor of the original Diabase Peninsula claim; the royalty is defined as actual metal/mineral sales with no deduction for refining or transportation expenses.

Prairie Lake

The Prairie Lake property consists of nine claims comprising 38 claim units, encompassing 608 ha. Given the presence of an historic uranium resource, as well as strongly-anomalous tantalum, niobium and phosphorus, 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. The property was subject to a 2% NSR payable on any production. Up to a maximum of one-half of the royalty could 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 entire 2% NSR through issuing 3,157,894 shares with a market value of $300,000. The property is now royalty-free.

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

Gold & Copper

Chibougamau Camp

In 2012, the Company entered into an option agreement with CBay to make expenditures on its Portage and Corner Bay properties in exchange for an undivided interest in each property. Aggregate expenditures incurred on the Chibougamau camp amounted to $1,024,000 when Nuinsco exercised its rights under the option agreement in December 2013 ($620,000 was expended to March 31, 2013). In December 2013, pursuant to the option agreement, Nuinsco acquired interests in the Chibougamau camp aggregating that amount; subsequently, an additional $20,000 was spent and written off to *Writedown of exploration and evaluation projects* in the consolidated statement of operations in the fourth quarter of 2013.

On December 19, 2013, CBay exercised its right to reacquire the acquired interests through issuing 1,024,263 shares in CBay Ocean Partners also acquired 1,024,263 shares at the same time in order to maintain the 50:50 ownership interest in CBay (Note 11).

Berta

In October, 2003, the Company entered into the Berta Joint Venture Agreement with Falconbridge Limited, now Glencore Xstrata plc ("Glencore"). The Berta property is located approximately 50 km south of the Black Sea coast in north-eastern 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. Glencore participates pro rata in funding exploration expenditures. Discussions with Glencore have been ongoing, including discussions to buy Glencore's share of the joint venture. As a result, Nuinsco has allowed itself to be diluted to approximately 36%; the effect of dilution was a $616,000 reduction in the value of Berta during 2011. 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.

In 2012, Glencore commenced a 7,500 metre drilling program with budgeted expenditures of US$2,672,000 to the end of December 2012 of which US$1,491,000 was spent by Glencore. Full results and accounting for the work program have now been received. Nuinsco has not agreed to participate in the funding of the recent program. The Company is discussing the possible implications of this non-participation on its interest in Berta with Glencore. Subsequent to the end of the 2012 drilling program, Glencore informed Nuinsco that it would resign as operator of the project. Nuinsco has been examining the options with regard to additional exploration and/or diamond drilling on the property taking into account the existing challenges and protracted timing presently associated with permitting in Turkey. Due to the uncertainty of the aforementioned challenges, in the final quarter of 2013, the Company recorded a writedown of $1,151,000 on this project as well as a reversal of an accrual of $64,000 no longer considered necessary.

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 $48,000 were written off during the period ended March 31, 2014, (March 31, 2013 - $16,000).

11. INTEREST IN CBAY MINERALS JOINT VENTURE

		March 31, 2014		March 31, 2013
Balance as at beginning of period	**$**	**6,331**	$	4,779
Equity interest in loss of CBay		**(62)**		(107)
Funding to CBay		**47**		288
Balance as at end of period	**$**	**6,316**	$	4,960

Nuinsco owns a 50% interest in CBay and jointly controls the company with Ocean Partners; this interest is the culmination of the lengthy process jointly undertaken by both companies to gain control over significant assets which had secured loans to Campbell formerly originated by both parties. Effective January 1, 2013, IFRS significantly restricted the use of proportionate consolidation to account for joint arrangements. Accordingly, Nuinsco changed its accounting for CBay to equity accounting.

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

CBay's Chibougamau assets represent a very substantial presence in a mining camp which has produced 1.6 billion pounds of copper and 3.2 million ounces of gold from 18 past-producing mines located on the Lac Doré Complex. Through CBay, 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;
- three partially-developed copper projects - Corner Bay, Devlin and the Perch River option;
- a permitted 2,722 tonnes per day mill and tailings facility; and,
- in excess of 38,000 ha of highly-prospective exploration property.

CBay's assets, liabilities, revenues and expenses are as follows:

		March 31, 2014		March 31, 2013
CBay Minerals Inc.				
Cash and cash equivalents	**$**	**47**	$	54
Receivables		**69**		96
Property and equipment		**1,874**		1,902
Exploration and evaluation project		**11,258**		8,840
Current liabilities		**(124)**		(534)
Long-term liability		**(492)**		(438)
Net assets of CBay Minerals Inc.		**12,632**		9,920
Nuinsco's interest in CBay Minerals at 50%	**$**	**6,316**	$	4,960

		Three months ended March 31,		
		2014		2013
General and administrative	**$**	**(110)**	$	(202)
Net finance costs		**(14)**		(12)
Net loss of CBay Minerals		**(124)**		(214)
Nuinsco's interest in CBay Minerals at 50%	**$**	**(62)**	$	(107)

12. LOAN RECEIVABLE

	Note		**March 31, 2014**		December 31, 2013
Advance for working capital		**$**	**1,000**	$	1,000
Advance under Amended Loan for standby commitment			**1,207**		1,207
Aggregate advances			**2,207**		2,207
Accrued interest receivable			**-**		-
			2,207		2,207
Less: settled in Units of Victory Nickel			**(1,207)**		(1,207)
Less: unamortized loan fees			**(124)**		(161)
Change in fair value	*20*		**3,324**		3,261
		$	**4,200**	$	4,100

The Company entered into a loan agreement in November 2012 with Victory Nickel that provided an advance for $1,000,000. The Loan bears interest at 12% per annum and matures on January 31, 2015; it is secured by equipment and a general security agreement over the borrower's assets.

On March 26, 2013, the Company announced that it had amended and restated the loan agreement to increase the secured loan facility to up to $3,000,000 under certain circumstances (the "Amended Loan"). As with the original loan, the Amended Loan bears interest at 12% per annum, payable quarterly in arrears, and matures on January 31, 2015. Upon the earlier of June 1, 2014 or notification that the frac sand plant is at commercial production, the Company has the right to convert the outstanding balance of the Amended Loan into a participating interest (the "Conversion") whereby the Company is entitled to receive a share of cash flows earned from the sale of frac sand from the borrower's frac sand business. On Conversion, the Amended Loan would be considered paid in full.

Under the terms of the Amended Loan, Nuinsco agreed to provide a standby commitment for any equity offering initiated by Victory Nickel. This commitment was triggered for the rights offering of Victory Nickel which closed on July 30, 2013. Under the agreement, Nuinsco subscribed for 50,316,018 units for cash of $1,207,584 (Note 8). Each Unit comprised one common share and one common share purchase warrant. This brought cumulative advances under the Amended Loan to Victory Nickel to $2,207,584 and capped the Amended Loan amount at $2,707,584 (from a maximum possible $3,000,000) with $500,000 remaining for draw down and to be used to develop Victory Nickel's frac sand business. The subscription under the standby commitment, among other things, is included in the calculation of Nuinsco's potential participation under the Conversion of the Amended Loan.

Interest income has been received in cash of $30,000 in the three months ended March 31, 2014 (2013 - $39,000; $9,000 of which related to 2012).

On February 4, 2014, both Nuinsco and Victory Nickel agreed to cancel the amount available to be drawn down under the Amended Loan. This fixed the commitment fee to be paid in shares at $12,000 and also amended the range of the Company's participation in the net cash flows earned from the sale of frac sand to a maximum of $10,222,831 with a minimum of $7,667,124 on the basis of a sharing percentage of 52.16%. This range could be decreased should Victory Nickel repay some or all of the $1,000,000 balance outstanding before Conversion.

The Conversion feature requires the classification of the loan as a financial asset at fair value through the statement of operations. From initial recognition until the fourth quarter, the Company considered that the fair value of the loan was equal to its amortized cost since the Company had not converted its loan and the 7P Plant was under construction with significant parts to be completed and there were other significant uncertainties. During the fourth quarter, the plant construction was well underway and the probability of Conversion increased substantially. Accordingly, the Company revalued the loan at that time using an effective interest rate of 22% (equivalent to a discount rate of 14%) and a probability-weighted average estimation of future expected cash flow scenarios of approximately 55% of the ceiling maximum of $10,222,831 based on current expectations of business results, capital costs and pre-operating expenditures. These cash flows were on the basis of Phase 1 completion only.

On April 22, 2014, the Company announced that it had converted its secured loan into an unsecured participation in net cash flows. Victory Nickel has announced its first sales from preliminary production at the 7P Plant and is in the final stages of completing a working capital facility to assist in financing its operations.

As described earlier, the percentage participation in net cash flows is 52.16% and the applicable ceiling for Phase 1 is $10,222,831. Based on the estimated cash flows, payments could commence as early as mid-2015. These assumptions resulted in an estimated fair value of the loan as at March 31, 2014 of $4,200,000 (December 31, 2013 - $4,100,000 and, accordingly $63,000 was recorded as a *change in the fair value of a financial asset* through the statement of operations for the period ($3,261,000 was recorded in the fourth quarter of 2013).

Effective March 31, 2014, certain adjustments were made to the expected cash flows to reflect more current business expectations. In particular, because of the harsher winter and the effects of the subsequent spring break-up at the site, additional expenditures will be required. The effect of this adjustment has delayed the expected date of future payment of the net participation in cash flows but, due to the effects of the passage of time on cash flows, the revised fair value of the loan has increased.

This is a Level 3 methodology and is subject to the highest level of uncertainty. The Company will continue to review and revise its estimates of fair value as the expectations of payments of the participating interest change. Changes in that estimate will be recorded through the statement of operations with appropriate adjustment for actual cash flows received.

The discounted cash flow model was tested for sensitivity which could result from changes in key inputs used in the estimation model. The effect of any change is discrete unless otherwise stated.

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

Change in Model Key Input	Fair Value of Loan	Change in Fair Value of Loan
Carrying value of loan	$ **4,200**	$ -
Effect of:		
Decrease in sales price per ton of $5	**3,989**	(211)
Increase discount rate by 1%	**4,114**	(86)
Decrease volumes by 5%	**4,147**	(53)
Increase discount rate by 1% and decrease sales price per ton of $5	**3,889**	(311)

13. TRADE AND OTHER PAYABLES

	March 31, 2014	December 31, 2013
Trade payables		
E&E projects	$ **28**	$ 55
Non-project related	**180**	49
Other payables	**7**	18
Accrued liabilities		
E&E projects	**-**	4
Non-project related	**189**	212
	$ **404**	$ 338

14. LOAN PAYABLE

	March 31, 2014	December 31, 2013
Advances	$ **2,500**	$ 2,500
Unamortized loan fees	**(34)**	(73)
	2,466	2,427

On December 18, 2012, the Company entered into a loan agreement with a third party for a $2,500,000 loan facility (the "Facility"). The Facility can be drawn down in minimum amounts of $500,000, with $1,500,000 immediately available and the balance available six months from closing. The Facility matures on June 18, 2014 with the availability of a one-time extension period of six months upon issuance of 3% of the principal amount extended payable in CBay shares owned by Nuinsco; this represents 112,538 shares at an agreed value of $0.666 per share which represents approximately 0.375% of the outstanding shares of CBay. The Facility is secured by a first ranking pledge upon Nuinsco's CBay shares. Interest of 11.5% per annum is payable quarterly in arrears.

The Facility was drawn down by $1,000,000 on February 1, 2013 with three additional draws of $500,000 being received on May 1, 2013, August 1, 2013 and October 21, 2013. The aggregate fees and expenses related to the Facility are being amortized through operations as interest expense using the effective interest rate method over the life of the loan; amortization of $39,000 was charged during the three months ended March 31, 2014 (2013 - $27,000) and interest of $72,000 was paid in cash (2013 - $19,000).

15. OPERATING LEASE

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, 2014	December 31, 2013
Office rental		
Less than 1 year	$ **104**	$ **102**
Between 1 and 5 years	**163**	**190**
Total Minimum Lease Payments Payable	$ **267**	$ **292**

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, 2014, $49,000 was recognized as rent expense through operations in respect of operating leases including operating costs (2013 –$49,000).

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

16. CAPITAL AND OTHER COMPONENTS OF EQUITY

Share Capital

Authorized

The Company is authorized to issue an unlimited number of common shares with no par value. 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; all shares are fully paid. There were no shares issued in the three months ended March 31, 2014; the Company has 295,525,745 shares outstanding for $98,169,000.

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 2013 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.

17. EARNINGS PER SHARE

The calculation of basic and diluted EPS for the three months ended March 31, 2014 and 2013 was based on the information in the table below.

	Three months ended March 31, 2014	Three months ended March 31, 2013
Balance as at beginning of period	**295,526,000**	295,526,000
Effect of shares issued	**-**	-
Weighted average number of common shares - basic	**295,526,000**	295,526,000
Effect of options granted and outstanding	**2,041,000**	13,000
Effect of warrants issued and outstanding	**-**	-
Weighted average number of common shares - diluted	**297,567,000**	295,539,000
Number of options excluded	**23,109,000**	23,217,000
Number of warrants excluded	**-**	9,293,000
Net income (loss) attributable to shareholders	**$ 295**	$ (345)
Basic earnings per share	**$ 0.00**	$ (0.00)
Diluted earnings per share	**$ 0.00**	$ (0.00)

The effect of adjustments to the weighted average number of common shares would be anti-dilutive when the Company incurs losses. The table above provides the weighted average number of shares on a dilutive basis for periods when losses are incurred for information only. The average market value of the Company's shares for purposes of calculating the dilutive effect of share options is based on quoted market prices for the respective periods during which the options were outstanding.

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

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.

18. SHARE-BASED PAYMENTS

Description of the Share-based Payment Arrangements

The Company's share-based payment arrangements are described in Note 21 to the Company's 2013 Audited Consolidated Financial Statements.

Stock option plan (equity-settled)

As at March 31, 2014, the Company had 19,179,000 (December 31, 2013 – 12,454,000) 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)

There are no outstanding warrants as at March 31, 2014. 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 19 to the Company's 2013 Audited Consolidated Financial Statements.

Terms and Conditions of Share-based Payment Arrangements

The terms of the Company's share-based payment arrangements Bonus Plan are set out in Note 21 to the Company's 2013 Audited Consolidated Financial Statements.

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, 2014	December 31, 2013	**March 31, 2014**	December 31, 2013
Outstanding as at beginning of period	**31,875,000**	24,230,000	**$ 0.09**	$ 0.11
Granted	**-**	9,395,000	**$ -**	$ 0.02
Forfeit	**-**	(350,000)	**$ -**	$ 0.10
Expired	**(6,725,000)**	(1,400,000)	**$ 0.11**	$ 0.18
Outstanding as at end of period	**25,150,000**	31,875,000	**$ 0.07**	$ 0.08
Exercisable as at end of period	**21,802,500**	28,528,000	**$ 0.08**	$ 0.09

	Number of options outstanding		Weighted average remaining contractual life (years)	
	March 31, 2014	December 31, 2013	**March 31, 2014**	December 31, 2013
Range of exercise prices				
$0.015 to $0.015	**5,800,000**	5,800,000	**4.71**	4.96
$0.020 to $0.020	**120,000**	120,000	**4.11**	4.36
$0.030 to $0.050	**4,575,000**	8,075,000	**3.38**	1.71
$0.055 to $0.055	**-**	1,100,000	**-**	1.61
$0.060 to $0.075	**5,430,000**	5,430,000	**3.00**	3.25
$0.080 to $0.100	**4,350,000**	4,350,000	**0.76**	1.01
$0.110 to $0.350	**4,875,000**	7,000,000	**1.95**	1.55
	25,150,000	31,875,000	**2.88**	2.49

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

Additional disclosures relating to the Company's options are as follows:

	Three months ended March 31, 2014	2013
Number of options granted during the period	**-**	-
Weighted average fair value of options granted at grant date	**n/a**	n/a
Number of options subject to vesting as at end of period	**3,347,500**	1,725,000
Share-based payment expense - vesting options	**$ 12**	$ 21
Share-based payment expense - extended options	**$ -**	$ -
Unvested options not yet charged to operations	**$ 17**	$ 1

Share purchase warrants
There are no warrants outstanding as at March 31, 2014 or December 31, 2013.

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 periods are as follows:

	Options		Warrants	
	March 31, 2014	December 31, 2013	**March 31, 2014**	December 31, 2013
Fair values at grant/modification date	**n/a**	$0.011 to $0.019	**n/a**	n/a
Share prices at grant/modification date	**n/a**	$0.015 to $0.03	**n/a**	n/a
Assumptions				
Exercise prices	**n/a**	$0.015 to $0.03	**n/a**	n/a
Expected volatilities	**n/a**	86% to 102%	**n/a**	n/a
Life (years)	**n/a**	4	**n/a**	n/a
Expected dividends	**n/a**	-	**n/a**	n/a
Risk-free interest rates	**n/a**	1.19% to 1.56%	**n/a**	n/a

19. FINANCE INCOME AND FINANCE COSTS

	Notes	Three months ended March 31, 2014	2013
Interest income on bank deposits		**$ 1**	$ 6
Interest income on loan receivable	*12*	**66**	32
Commitment fee	*12*	**1**	-
Flow-through premium		**-**	92
Net foreign exchange gain		**-**	5
Net change in fair value of financial assets at fair value through operations			
Warrants	*8*	**646**	-
Loan receivable	*12*	**63**	-
Finance income		**777**	135
Interest expense on loan payable	*14*	**111**	46
Finance costs		**111**	46
Net Finance Income		**$ 666**	$ 89

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

20. 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 21). 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.

Geographic Information

	Notes		**March 31, 2014**		December 31, 2013
Canada					
Corporate		**$**	**9,898**	$	8,207
Interest in CBay Minerals Joint Venture	*11*		**6,316**		6,331
Diabase Peninsula	*10*		**9,343**		9,308
Prairie Lake	*10*		**3,704**		3,674
Total Assets		**$**	**29,261**	$	27,520

Revenues in each period are generally 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.

21. RELATED PARTIES AND MANAGEMENT AGREEMENTS

Related Party Balances and Transactions

Short-term employee benefits provided by the Company to key management personnel 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 Share Bonus Plan and the Stock Option Plan (Notes 16 and 18).

Balances and transactions with related parties as at March 31, 2014 and December 31, 2013 and for the periods ended March 31, 2014 and 2013 are shown in the following tables:

		March 31, 2014		December 31, 2013
Balances Outstanding				
Payable to key management personnel	**$**	**90**	$	99

Key management personnel compensation comprised:

		Three months ended March 31, 2014		2013
Short-term employee benefits	**$**	**161**	$	175
	$	**161**	$	175

Balances and Transactions with Victory Nickel and CBay under the Management Agreements

The Company shares management, administrative assistance and facilities with Victory Nickel and CBay pursuant to separate management agreements; management operates under the supervision of the respective board of directors of each respective company; there is only one common director being Mr. René Galipeau. 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.

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

Balances and transactions with Victory Nickel and CBay under the management agreements as at March 31, 2014 and December 31, 2013 and for the periods ended March 31, 2014 and 2013 are shown in the following tables:

		March 31, 2014		December 31, 2013
Balances Outstanding under Management Agreements				
Receivable from Victory Nickel Inc.	**$**	**119**	$	56

		Three months ended March 31, 2014		2013
Transaction Values under Management Agreements				
Overhead charges to Victory Nickel Inc.	**$**	**201**	$	158
Overhead charges from Victory Nickel Inc.	**$**	**-**	$	6
Project costs charged by Victory Nickel Inc.	**$**	**5**	$	8
Project recoveries charged to Victory Nickel Inc.	**$**	**13**	$	-
Overhead charges to CBay Minerals Inc.	**$**	**61**	$	82
Project recoveries charged to CBay Minerals Inc.	**$**	**7**	$	-

Amounts due to or from Victory Nickel and CBay under the management agreements 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.

Balances and Transactions with Victory Nickel under the Amended Loan

The terms of the Amended Loan with Victory Nickel and the balances and transactions related thereto are described in Note 12.

22. COMPANY ENTITIES

Significant Subsidiaries and Jointly-controlled Entities

Ownership Interest	**Country of Incorporation**	**March 31, 2014**	December 31, 2013
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.

23. 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; this amount does not include interest and penalties which could be substantial. The Company filed notices of objection on May 19, 2011. On July 22, 2011, the Company filed a request for adjustment to correspondingly adjust its tax pools and losses, in the unlikely event that the Company's appeal is unsuccessful. On March 7, 2014, the Company received a notice of confirmation with respect to one entity whereby the CRA denied that entity's notice of objection and confirmed the reassessment. The Company has sought, and is following the advice of its tax counsel in this matter.

The appeal process could be lengthy and the Company believes that its position is correct and that it will prevail. Accordingly, the Company has not recorded any liability with respect to this matter.

24. SUBSEQUENT EVENT

There have been no other additional developments not already discussed elsewhere in these condensed consolidated financial statements.