NUINSCO RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009

DATED MARCH 18, 2011

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The following discussion of the results of operations and financial condition of Nuinsco Resources Limited ("Nuinsco" or "the Company") prepared as of March 18, 2011 consolidates management's review of the factors that affected the Company's financial and operating performance for the years ended December 31, 2010 and 2009, and factors reasonably expected to impact on future operations and results. This discussion is intended to supplement and complement the Company's audited consolidated financial statements as at and for the years ended December 31, 2010 and 2009 ("2010 Audited Consolidated Financial Statements") and the notes thereto. Readers are encouraged to consult the 2010 Audited Consolidated Financial Statements which were prepared in accordance with Canadian generally accepted accounting principles (Canadian "GAAP") and are available at www.sedar.com and at the Company's website www.nuinsco.ca. All amounts disclosed are in Canadian dollars, unless otherwise stated. All tabular amounts are in thousands of Canadian dollars.

COMPANY OVERVIEW

Nuinsco is focused on identifying and exploiting mineral investment opportunities worldwide using its exploration programs and operating and financial expertise. The Company currently has gold, uranium, rare metals, copper and zinc assets in world-class mineralized belts in Canada, Egypt and Turkey. In 2010, the Company, in conjunction with an Egyptian-based partner, was the winning bidder on two gold exploration concessions in Egypt for which tenure has yet to be granted. In addition to its property holdings, Nuinsco owns common shares of Gold Hawk Resources Inc. ("Gold Hawk") TSXV: GHK, common shares of Victory Nickel Inc. ("Victory Nickel") TSX:NI and common shares of Coventry Resources Limited ("Coventry") listed on the Australian Stock Exchange ("ASX") ASX:CVY. These investments are available to be monetized to finance the Company's exploration programs and minimize equity dilution to shareholders. Shares of Nuinsco trade on the Toronto Stock Exchange ("TSX") under the symbol NWI.

Sale of Cameron Lake Property to Coventry Resources Limited

On December 23, 2009, the Company announced that it had entered into a binding agreement with Coventry to sell its Cameron Lake property and mill ("Cameron Lake"). The transaction was completed on April 20, 2010 and involved the receipt of consideration as follows:

- Cash of $100,000 received in December 2009;
- Cash of $5,900,000 received on April 20, 2010;
- 12 million Coventry shares, representing 17% of the then-outstanding shares of that company. Coventry shares had a closing price of A$0.265 ($0.247) on April 20, 2010; and
- A 3% net smelter return ("NSR") royalty under which Coventry will have the right to reduce the NSR to 1% 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. (Note 8 to the 2010 Audited Consolidated Financial Statements)

The following table illustrates the components of the gain on sale of Cameron Lake:

Consideration received				
Cash			$	6,000
Coventry shares				2,958
Royalty interest				3,000
Aggregate consideration				11,958
Net book value of assets sold (liabilities assumed) and expenses of sale				
Cameron Lake property	$	1,796		
Mill		54		
Asset retirement obligation ("ARO") assumed		(114)		
		1,736		
Transaction expenses		114		
				1,850
Gain on sale of Cameron Lake				10,108
Provision for income taxes (drawdown of previously recorded future income tax asset)				1,297
Net after-tax gain			$	8,811

The provision for income taxes was a non-cash item and offset the recovery for income taxes recognized in the fourth quarter of 2009. Upon completion of the sale of Cameron Lake, the Company repaid its interest-bearing promissory note (the "Note") with Jien International Investment, Ltd. ("JIIL") as described below, along with accrued interest thereon. Refer to Liquidity and Capital Resources section.

Transactions with Jien International Investment, Ltd.

On July 31, 2009, the Company entered into an agreement with JIIL, a Canadian subsidiary of Jilin Jien Nickel Industry Co. Ltd. of the city of Panshi, Province of Jilin, China, which enabled it to repay a short-term loan and related balances, originally due June 15, 2009, in full. The terms of the financing arrangement entered into are described in Note 1 to the 2010 Audited Consolidated Financial Statements and enabled Nuinsco to settle its short-term loan, provided Victory Nickel with a strategic investor, reduced the rate of interest and eliminated immediate cash debt-servicing requirements. As described above, the Note was settled with funds from the Cameron Lake sale.

Going Concern

The transactions described above have resulted in a company with an improved financial condition which should be well-positioned to grow and take advantage of future opportunities presented by its existing complement of properties or through acquisitive growth.

Nonetheless, 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. Refer to the Risks and Uncertainties section for additional information.

None of the Company's projects has commenced commercial production and, accordingly, the Company is dependent upon debt and/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 development projects, and ultimately the Company's ability to continue as a going concern, is dependent upon exploration results which indicate 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 has made significant progress in its strategy to maximize the realization of previously written-down amounts due from Campbell Resources Inc. ("Campbell"). In July,2010, the Company announced that it, along with Ocean Partners Holdings Limited ("Ocean Partners"), through a jointlyowned Canadian subsidiary, had acquired substantially all of the remaining secured debt of Campbell that Nuinsco and Ocean Partners did not previously own. Nuinsco and Ocean Partners will make additional payments over three years to complete the purchase; the Company's payments are described in Note 7 to the 2010 Audited Consolidated Financial Statements. As a result, the two companies now hold Campbell's secured debt and have effectively gained control over one of Canada's major mining camps.

The Company's 2010 Audited Consolidated Financial Statements have been prepared using the going concern assumption which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. If the going concern assumption were not appropriate, then adjustments to the carrying values of assets and liabilities, reported expenses and balance sheet classifications may be necessary. These adjustments could be material. At December 31, 2010, the Company had working capital of $4,411,000 (December 31, 2009 – $2,696,000).

SIGNIFICANT EVENTS

During and subsequent to the year ended December 31, 2010, the Company:

Corporate

- Completed the sale of Cameron Lake to a wholly-owned subsidiary of Coventry for aggregate consideration valued at approximately $12,000,000.
- Acquired, along with Ocean Partners, substantially all of the remaining debt of Campbell, and with it, effective control of the Chibougamau mining camp.
- Signed a binding letter agreement to combine the Company with Gold Hawk. Gold Hawk subsequently served notice purporting to terminate the binding letter agreement without cause.
- Appointed three new independent directors: Marvin Singer, Ed Guimaraes and Dr. J.M. Franklin.
- Completed private placements generating gross proceeds of approximately $2,000,000.
- Received, and commenced an appeal of, notices of reassessment from the Canada Revenue Agency ("CRA").

Gold

- Won, through Z-Gold Resources Limited ("Z-Gold"), the Company's Egyptian subsidiary, its bid for two gold concessions in Egypt's Eastern Desert.
- Terminated the option agreements on the Olympian gold project, in Kenora, Ontario.
- Finalized a concession agreement with the Egyptian Mineral Resources Authority ("EMRA") covering the Bukari gold concession.
- Began field exploration at the Bukari gold concession.
- Announced that the Egyptian State Council had approved the Bukari Concession Agreement.
- More than doubled the known strike length of the Bukari One gold showing and confirmed the existence of a previously-unknown gold vein system, Bukari North, with a strike length of five kilometres.
- Confirmed a four kilometre strike length at the Talat Gadalla gold showing on the Bukari concession.
- Announced assays from surface sampling on the Bukari concession grading up to 75.1 g/t (2.19 oz/t).

Uranium and Rare Metals

- Announced an Exploration Target Mineralization Inventory ("ETMI") at the Prairie Lake rare metals project totalling between 330 and 360 million tonnes averaging 3.5% to 3.7% phosphorous ("P_2O_5") and 0.12% to 0.14% niobium ("Nb_2O_5") (1.2 to 1.4kg/tonne), along with tantalum, uranium and rare earth elements.
- Announced positive test results that confirm the ability to produce a concentrate, using low-cost flotation methods, grading up to 23.4% P_2O_5 and 0.17%, or 1.7kg/tonne, Nb_2O_5 at Prairie Lake.
- Completed a large-scale trenching program at Prairie Lake, with initial positive results including intersections grading up to 1,570 ppm Nb_2O_5.
- Completed the initial phase of 2010 exploration at the Diabase Peninsula uranium property in Saskatchewan's Athabasca Basin.

- Completed a 3,500m drill program at Prairie Lake.
- Completed an initial 2,000m drill program in November at the Diabase Peninsula property and commenced a further 2,000m of drilling in March 2011.

OUTLOOK

Economies around the globe remain in a state of confusion. Now, turmoil in the Middle East and North Africa ("MENA") adds to the uncertainty of the world. The U.S. dollar continues to weaken and gold climbs making new highs on a regular basis. Base metal prices have recovered and appear to be holding at attractive levels and copper sits at or near all-time highs. Uranium pricing was also showing signs of recovery and rare earth element shortages are making headlines almost daily.

This can only be good for Nuinsco with its involvement in all of these minerals. Nuinsco is very active with exploration programs ongoing at its Diabase uranium project, its Prairie Lake rare metals project, its copper, zinc, gold projects in Turkey and its Egyptian concessions. The recent turmoil in Egypt will most likely delay our ability to embark on a full exploration program, but Nuinsco is ready when Egypt's politics stabilize. Three surface programs have been completed and a recent news release described the very promising results with gold grades of up to 2.19 oz/t of the first such program. The Egyptian civil service continues to operate as evidenced by the approval from the State Council of the Bukari concession agreement and its recommendation that the People's Assembly enact the agreement into law. When final approval is received, Nuinsco will be in a position to move ahead with its full exploration program at Bukari.

Nuinsco is fortunate to have very attractive projects in world class locations and therefore hopes to have increased investment interest over the next year. While today's confused equity markets appear to be recovering for juniors, a significant disconnect between share price and asset value continues. We believe this disconnect cannot persist. The recent lack of funding available for the exploration activities that are required to replace depleting resources and to fuel growing demand for natural resources will hopefully result in a recovery as the availability of advanced exploration projects disappears.

Unfortunately, financing exploration activities during recessionary times has always been difficult. Exploration is high-risk and investors are disinclined to participate in high-risk activities when cash is tight. The existence of flow-through equity financing in Canada is of vital importance to the exploration industry. It has allowed exploration to continue at unprecedented rates and has kept Canada as a world leader in mining.

Exploration companies must find creative ways to fund their activities. The sale of the Company's Cameron Lake gold project is one such example that accomplished two very important objectives. The first objective was to secure funding to support the Company's ongoing exploration activities; the second was to ensure that the Cameron Lake project will advance without subjecting the Company to the significant dilution that would have been necessary to finance the required start-up costs for the Cameron Lake mine. Over the last couple of years, management attempted to find a non-dilutive transaction which would have maximized the value of Cameron Lake for its shareholders. The decision to sell the asset, while maintaining upside through the equity participation in the purchaser, Coventry, and retention of a royalty interest, was considered the best alternative.

Funding exploration activities outside of Canada is even more difficult. For this reason, the Company is actively taking steps to create a new public company by combining its Turkish and Egyptian assets. This will form the base of a new company focused on the MENA region. We believe MENA countries are significantly underexplored and will provide excellent opportunities in the future. That's why we are establishing our presence now. In addition, creation of a MENA-focussed company will enable direct funding of programs on these projects which will not dilute Nuinsco's other projects and vice versa.

Management continues to look for high-potential projects to add to its already attractive portfolio. The recent property acquisitions in Egypt and the Olympian gold project options in Kenora are examples of these activities. As mentioned earlier, we believe that Egypt and the surrounding region is the next attractive exploration frontier and we want to be there early. Unfortunately, recent exploration results on the options comprising the Olympian project were not sufficiently attractive to support further work. As a result, these option agreements were terminated. Projects will only be worked and options retained when the Company believes in the potential for discovery in the near term.

Nuinsco continues to be active and currently has several field programs underway. In addition to Egypt, recent programs were undertaken at the Olympian, Prairie Lake and Diabase Peninsula projects. Assay results from the Prairie Lake trenching program were delayed due to problems encountered at the laboratory performing the analysis. This has been resolved and assays are beginning to be released. A diamond drill program was completed in late 2010 at the Diabase uranium project in the Athabasca Basin of Saskatchewan and a second drill program is currently underway. Three surface programs were completed on the Bukari and Umm Samra concessions in Egypt and results for the second and third programs are pending. The first program, as recently reported, indicates very attractive potential. The Board of Directors has approved a budget for 2011 which provides for significant programs at both the Elmalaan and Berta projects in Turkey.

The Company announced the acquisition of substantially all of the secured debt of Campbell not already owned in conjunction with Ocean Partners. Nuinsco and Ocean Partners are now in a position to determine the best approach to take the substantial assets of the Chibougamau camp forward. The Company and Ocean Partners are assembling a comprehensive inventory and evaluation of the substantial assets available. Following this exercise, a decision will be made on the best alternative to realize value from these assets. Alternatives include: a potential sale in aggregate, piecemeal sale of individual assets and creating a new public company and distributing shares to shareholders to name just a few. Management has always believed that the Chibougamau properties not only present production opportunities but also extremely attractive exploration potential.

The share price has significantly recovered from its low over the last 12 months of $0.04 per share. This would suggest that the markets are beginning to recognize the value of the Company's assets and the asset value/share price disconnect is fixing itself.

The Company is in the exploration business and value can only be generated with good exploration results. The way to get results is by being active. With its activities in Canada, Turkey and Egypt, Nuinsco is very active.

SELECTED FINANCIAL INFORMATION

(in thousands of Canadian dollars, except per share amounts)	**2010**	2009	2008
Summary Operating Results Data			
Consulting fees	**$ -**	$ -	$ 225
Interest income	**3**	1	548
Other (expenses) income	**(158)**	250	998
General and administrative expenses	**1,422**	927	1,488
Foreign exchange (gain) loss	**(161)**	(897)	881
Interest expense	**224**	964	576
Writedown of exploration and development projects	**695**	879	-
Gain on sale of Cameron Lake	**10,108**	-	-
(Loss) gain on securities held for trading	**(403)**	686	-
Net amount related to equity-accounted investees	**-**	1,002	(16,245)
Future income tax provision (recovery)	**692**	(1,903)	(1,740)
Net income (loss)	**6,216**	1,676	(15,792)
Comprehensive income (loss)	**7,568**	2,453	(18,086)
Income (loss) per share	**0.03**	0.01	(0.09)

(in thousands of Canadian dollars, except per share amounts)		2010		2009		2008
Summary Balance Sheet Data						
Cash and cash equivalents	**$**	**628**	$	1,490	$	793
Marketable securities		**5,463**		2,099		548
Other current assets		**873**		350		135
Investment in equity-accounted investees		**-**		-		1,732
Exploration and development projects		**12,266**		9,657		11,687
Exploration property held for sale		**-**		1,700		-
Future income tax asset		**-**		1,297		-
Total assets		**26,563**		18,949		17,519
Current liabilities		**2,553**		1,243		7,526
Long-term obligations		**246**		3,012		99
Total shareholders' equity	**$**	**23,764**	$	14,694	$	9,894

RESULTS OF OPERATIONS

Year Ended December 31, 2010, Compared With Year Ended December 31, 2009

In the year ended December 31, 2010, the Company generated net income of $6,216,000, or $0.03 per share, compared with net income of $1,676,000, or $0.01 per share, in the year ended December 31, 2009. The primary reasons for the significant change relates to the gain on sale of Cameron Lake as described above.

The loss on sale of marketable securities in the year ended December 31, 2010 of $158,000 relates to the sale of a portion of the Company's holdings of Gold Hawk for liquidity purposes; the sales generated gross proceeds of $889,000. The gain on sale of marketable securities of $250,000 in the year ended December 31, 2009 relates primarily to the Rainy River Resources Inc. ("Rainy River Resources") share sale.

General and administrative expenses increased by $495,000 from $927,000 in 2009 to $1,422,000 in 2010. Overhead recoveries through charges to Victory Nickel for services under the management agreement and deducted from operating expenses amounted to $719,000 in the year ended December 31, 2010, compared with $612,000 in the same period of 2009. Costs allocated to Victory Nickel pursuant to the management agreement between the Company and Victory Nickel are activity related. Such amounts are recorded at the exchange amount which is equal to the cost to the Company of such services plus 10%. The increase in costs allocated is primarily a function of salary increases in 2010 as well as the hiring of a controller in early July. In 2009, salaries were held at the same base level as in 2008.

It is estimated that approximately $575,000 of general and administrative expenditures were incurred on supporting the Company's public status in the year ended December 31, 2010 (2009 - $438,000). The Company has continued to control its regular expenditures but improvements in the Company's financial position have facilitated spending on various initiatives considered essential to preserving asset values and advance its projects.

The main contributing factors to increases in general and administrative expenditures are: legal and other support costs for the preservation of recoverable value of the interest in Campbell of $343,000 compared with $46,000 in 2009, other legal costs including those related to the terminated acquisition of Gold Hawk and the effect of employment costs including: salary increases, new hire of controller in the third quarter and statutory benefits on the catch-up of directors' fees paid in 2010.

The Company recognized a net foreign exchange gain of $161,000 in the year ended December 31, 2010, primarily as a function of loan-related balances; there was a net foreign exchange gain of $897,000 in the comparative period in 2009. As at December 31, 2010, the Company has US-denominated balances of approximately US$433,000 in net liabilities; as at December 31, 2009 the Company had US-denominated net liabilities of approximately US$3,514,000. Accordingly, the impact of US$ foreign exchange fluctuations has been reduced. The Company also has a significant holding of marketable securities which is denominated in Australian dollars ("A$"); A$3,600,000 as at December 31, 2010. Consequently, fluctuations in the Australian dollar impact the fair value of the securities, any changes in which are recorded through other comprehensive income ("OCI").

The Company incurred interest expense of $224,000 on the loan in the year ended December 31, 2010 compared with $964,000 in 2009. As noted above, the loan and related balances were repaid in full on April 20, 2010. Although the interest expense in 2010 reflects a charge of $121,000 related to the unamortized balance of loan fees charged upon repayment, the interest expense is much lower as a function of a reduced rate and lower loan balances across the comparative years.

Stock option compensation across the years increased from $252,000 in 2009 to $346,000 in 2010 which is a function of the higher fair value of options in 2010 compared with 2009, options issued to new directors as well as the cost to modify the terms of a retiring director's options which would otherwise have expired. The Company also issued shares under the Share Bonus Plan in the second quarter of 2010, at a cost of $131,000.

Routine writedowns of exploration and development projects in the year ended December 31, 2010 aggregated $16,000; combined with the writedown of the Triggs option within the Olympian Project of $679,000, aggregate writedowns amounted to $695,000. In 2009, project writedowns of $879,000 were made, of which $760,000 was related to the writedown of the Marijane and Huston Lakes projects (refer to Note 9 of the 2010 Audited Consolidated Financial Statements).

The gain on sale of Cameron Lake of $10,108,000 has been described earlier. The loss on securities held for trading of $403,000 relates primarily to the change in the fair value of Victory Nickel warrants prior to their exercise in the year ended December 31, 2010. In the year ended December 31, 2009, the gain reflects the difference between the fair value and the purchase cost of Victory Nickel shares acquired under the rights offering as well as the change in fair market value to the end of the year. The warrants were not acquired until August 2009 and were not considered to have any fair value until the fourth quarter of 2009 when they first became "in-the-money".

The Company no longer has any equity-accounted investees. In 2009, the share of losses of equity-accounted investee was $36,000 and related solely to the Company's investment in Victory Nickel. In addition, the Company recorded a dilution loss of $322,000 in 2009 which related to the Company's share of Victory Nickel's flow-through renunciations through capital in the first quarter of 2009. In the third quarter of 2009, the Company sold its interest in Victory Nickel except for certain rights from the rights offering completed in August of 2009. A gain on sale of $1,360,000 was recorded. No such transactions occurred in 2010.

The Company renounced flow-through share expenditures in February of 2010 and 2009. Accordingly, income tax recoveries of $500,000 and $606,000 were recorded in 2010 and 2009, respectively, as the Company has recorded a full valuation allowance against its future income tax asset. The amounts are a function of the magnitude of the related flow-through share financings and the expected future income tax rates. In 2009, the Company recorded an additional recovery of $1,297,000 due to the expected close in 2010 on the sale of Cameron Lake. The recovery of $500,000 with respect to flow-through renunciation in 2010 is combined with a recovery of $105,000 recorded for utilization of capital losses offset against a provision for income taxes in the second quarter of $1,297,000 against the sale of Cameron Lake – these net to a provision of $692,000 for the year ended December 31, 2010.

OCI of $1,352,000 in the year ended December 31, 2010 represents net increases in the market value of the Company's available-for-sale securities from December 31, 2009 or date of acquisition, net of amounts transferred through operations upon sale of $158,000 and after tax effects of $105,000. The main components are the improvement in the values of Gold Hawk shares and Coventry shares, of approximately $936,000 and $706,000, respectively, offset by a reduction in the value of Victory Nickel shares of $353,000. Note that the fair value of Coventry shares is impacted by the fluctuation in the value of the A$. Approximately $169,000 of the OCI in the year is attributable to improvements in the exchange rate since the acquisition of Coventry shares.

The Company has capital loss pools available to it of approximately $4,982,000 (Note 13 to the 2010 Audited Consolidated Financial Statements). However, Canadian GAAP requires that amounts recorded through OCI are tax-effected, accordingly, a future income tax provision is recorded through OCI for the tax effects of the unrealized gains in market value. Since Nuinsco has valuation allowances against such capital losses, a future income tax recovery of an equal and opposite amount is recorded through operations.

OCI of $777,000 in the year ended December 31, 2009 represents the net increases in the market value of the Company's marketable securities year-over-year – primarily shares of Gold Hawk and Victory Nickel. Approximately $642,000 relates to Gold Hawk with the balance attributable to Victory Nickel.

A discussion of the more significant changes not addressed in other sections of this MD&A is as follows:

Marketable securities have increased from $2,099,000 as at December 31, 2009 to $5,463,000 as at December 31, 2010. The increase is primarily as a result of the Coventry shares received as part of the consideration for the Cameron Lake sale. At the date of acquisition, the shares had an aggregate market value of $2,958,000. By the end of 2010, the aggregate fair value had improved to $3,665,000. The market value of the Gold Hawk shares was $945,000 at the end of 2009 at a price per share of $0.79 and improved to a price per share of $1.99 by the end of 2010, albeit on a smaller portfolio of shares with a market value of $991,000.

The Company disposed of 698,800 Gold Hawk shares in the year for liquidity purposes, generating gross proceeds of approximately $889,000. The remaining balance comprises mainly of shares of Victory Nickel which were acquired through the exercise of rights during 2009 at an aggregate cash cost of $400,000 and through the exercise of warrants in 2010 as described earlier; the shares have a market value of $807,000 as at the end of 2010, compared with $800,000 at the end of 2009.

The Company has continued to record the changes in market value on Gold Hawk shares through OCI. Gold Hawk shares have been close to or above the Company's cost since the end of 2010.

The interest in Campbell has increased by $1,966,000 to $4,263,000 from $2,297,000 as at December 31, 2009. As reported in the second quarter of 2010, the Company, along with its partner with respect to Campbell matters, Ocean Partners, has acquired substantially all of the secured debt not collectively already owned. This has been completed primarily through a jointly-controlled subsidiary. The Company paid $1,525,000 in the year ended December 31, 2010 and has two scheduled payments outstanding; $200,000 due within one year (included in accounts payable and accrued liabilities) and $300,000 due no earlier than April 2013; recorded at a discounted value of $246,000 – this amount is being accreted over time using the effective interest method. The latter amount is included in long-term obligations. Refer to the Investments section for additional discussion.

The sale of Cameron Lake in April, 2010, has accounted for other significant changes in the consolidated balance sheets. For example, the exploration property held for sale has been derecognized. The consideration included a royalty interest in Cameron Lake with an estimated fair value of $3,000,000. The future income tax asset recorded in 2009 was eliminated through recognition of a provision for income taxes on the sale in 2010. The ARO was also eliminated and the loan payable and related balances were repaid in full.

Accounts payable and accrued liabilities have increased to $2,453,000 from $1,243,000 as at December 31, 2009. This is due to project related payables on the two drilling programs at Diabase and Prairie Lake; project activity at the end of December 31, 2009 was quite limited, accordingly, project payables were low.

Share capital has increased by $918,000. This is as a result of the shares issued for the Olympian option, the Company's Share Bonus Plan and two flow-through financings closing in October and December 2010, partly offset by the tax effect of the renunciation of flow-through expenditures in February, 2010. All of which are discussed under Liquidity and Capital Resources.

Accumulated other comprehensive income (loss) improved significantly over the period from a loss of $617,000 to income of $735,000. This is as a result of the net after-tax improvements in the market value of securities as discussed above.

Year Ended December 31, 2009, Compared With Year Ended December 31, 2008

In 2009, the Company had net income of $1,676,000, or $0.01 per share, compared with a net loss of $15,792,000, or $0.09 per share, in 2008. The primary reasons for the significant change relates to gains on the sale of securities of Victory Nickel aggregating $2,046,000, as well as the recognition of future income tax recoveries of $1,297,000 related to the recognition of income tax benefits that were to be realized on the sale of Cameron Lake in April 2010. In 2008, the Company wrote down amounts related to Campbell of

$8,359,000 and had an unrealized loss on the Company's equity-accounted investment in Victory Nickel of $3,785,000, both of which were related to the significant deterioration of capital markets.

Consulting fees in 2008 were $225,000 which represents nine months of fees from Campbell; there were no such fees in 2009. An operating consulting agreement with Campbell was terminated in November, 2008.

Interest income of $548,000 was earned in 2008, which compares with $1,000 in 2009. In 2009, there were minimal invested cash balances and interest rates were significantly lower. In 2008, interest was recorded on amounts due from Campbell until the fourth quarter.

In 2009, other income was comprised solely of realized gains on the sales of securities: $296,000 was realized on the sale of Rainy River Resources shares and a loss of $46,000 on the sale of Victory Nickel shares (refer also to discussion below on gain on securities held for trading). Other income in 2008 of $998,000 included a number of items. In 2008, the Company sold its royalty interest on the Rainy River exploration property which it formerly owned. The aggregate proceeds were $630,000 which comprised cash of $500,000 and 200,000 shares of Rainy River Resources, all of which were sold in 2009. In addition, a royalty interest related to the Bucko nickel property in Manitoba was sold for cash of $300,000.

General and administrative expenses were reduced in 2009, being $927,000 compared with $1,488,000 in 2008. Overhead recoveries through charges to Victory Nickel for services under the management contract and deducted from operating expenses aggregated $612,000 in 2009, compared with $650,000 in 2008. In addition, other charges amounting to $59,000 for project-related costs (2008 - $66,000) were charged to Victory Nickel. Such amounts are recorded at the exchange amount which is equal to the cost to the Company of such services plus 10%. Amounts charged to Victory Nickel are activity based. On average, activity was relatively comparable year-over-year, except that in 2008 there was a lot of activity towards the latter half of the year supporting an acquisition made by Victory Nickel. That increase is offset by the fact that costs in 2008 are shown net of amounts charged to Nuinsco by Victory Nickel for financial reporting personnel. In 2009, the overall finance staff complement reduced by one individual; furthermore, costs in 2008 included a portion of severance related to service time earned at Nuinsco amounting to $120,000.

The Company has continued to reduce its expenditures through a concerted effort to eliminate discretionary spending and defer cash outlays. Directors attend meetings telephonically where possible, payment of directors' fees, while being accrued, have been deferred since mid-2008 and management agreed to defer a portion of salaries until financial circumstances further improve. The aggregate amount of such deferrals included in general and administrative expenses in the year ended December 31, 2009, is approximately $172,000. The number of directors as well as the number of meetings declined in 2009 compared with 2008, thereby reducing the amount of directors' fees otherwise due. In aggregate, the fees for directors' meetings, including travel costs, was reduced by approximately $70,000 year-over-year.

Couriers are used sparingly ($20,000 reduction year-over-year), consultants have, to a great extent, been eliminated unless absolutely necessary for compliance purposes and so on (discretionary consulting reduced by almost $40,000). Nonetheless, it is estimated that approximately $438,000 of general and administrative expenditures were incurred on supporting the Company's public status in the year ended December 31, 2009 (2008 - $700,000). Certain non-discretionary consultants have been challenged to revisit costs and reductions have been attained in 2009 which related to the cost of services accrued in 2008. Furthermore, in 2009, the Company eliminated the formal review process on its interim financial statements. Approximately $52,000 was saved through a combination of cost concessions and service level changes.

Lower levels of exploration activity and the expenditure controls outlined above have resulted in reduced general and administrative expenditures including expenses incurred on investor and public relations where reporting is performed in as cost-effective a manner as possible and by taking advantage of mailing exemptions in order to conserve cash resources. The annual report in 2009 was a very simple document and production costs were reduced through lower quantities and simplicity of content. Approximately $100,000 was saved year-over-year on investor relations and shareholder support costs. Lower general activity also meant reduced legal costs.

In July, 2008, the Company entered into a loan agreement denominated in US dollars which was advanced in several tranches and aggregated US$5,000,000 as at December 31, 2008. Due to a weakening Canadian dollar, the Company incurred a net foreign exchange loss of $881,000 in 2008, primarily due to the loan. Effective July 31, 2009, that loan and related accrued interest was repaid and replaced by one with a US$2,800,000 principal, a lower interest rate and an extended two-year term with no cash servicing costs. A strengthening Canadian dollar across 2009 resulted in a gain on foreign exchange of $897,000, also primarily due to the loan.

The Company incurred interest expense of $964,000 on the loans in 2009 (2008 – $576,000). These amounts include amortization of loan fees pertaining to each loan as required under Canadian GAAP. The loan was repaid in April 2010 upon consummation of the sale of Cameron Lake. Refer also to the Liquidity and Capital Resources discussion.

The share of losses of equity-accounted investees decreased significantly in 2009 to $36,000 from $4,203,000, in 2008. Effective July 31, 2009, the Company sold its then equity-accounted interest in Victory Nickel and thus no longer had any equity-accounted investees. The Company had ceased having significant influence over Campbell in the fourth quarter of 2008. Effective September 30, 2008, the Company considered that there was no value to its equity investment in Campbell and made an adjustment of $436,000 through operations (which is included in the writedown of amounts related to Campbell in the table above), as well as reversing an amount of $910,000 formerly recorded through OCI to record its interest at $nil.

Other amounts related to equity-accounted investees include a dilution loss of $322,000 in 2009 for Victory Nickel, compared with a net gain of $102,000 in 2008. This relates to a net dilution loss of $153,000 in 2008 on Victory Nickel with a dilution gain of $255,000 arising from Campbell. Dilution gains and losses arise as a consequence of a net increase or decrease in the share of an equity-investee's net assets resulting from transactions through share capital.

The gain on sale of Victory Nickel of $1,360,000 occurred upon the sale to JIIL of the whole of Nuinsco's then interest in shares of Victory Nickel along with certain rights. The rights retained by Nuinsco were exercised in August 2009 resulting in the Company owning 6,662,477 shares and 3,331,238 warrants of Victory Nickel for an aggregate cash payment of approximately $400,000 or $0.06 per unit (each unit comprised one share and one half a share purchase warrant; each warrant exercisable for one year commencing August 18, 2010 at $0.12 per share). At that time, Victory Nickel shares had a market value of $0.11 per share and the Company determined that the warrants had a fair value of $nil.

Accordingly, the Company recorded the Victory Nickel shares at their aggregate fair value of $733,000 (using $0.11 per share) and recorded the difference of $333,000 through operations as gain on securities held for trading – effectively this represents a value associated with the rights then exercised and realized. Note that any gain or loss on sale of Victory Nickel shares is calculated using $0.11 as cost rather than the cash purchase price of $0.06 which explains the loss on sale of $46,000 referred to above even though the sale price exceeded the cash cost. Effective December 31, 2009, the Company determined that the warrants had appreciated in fair value using the Black-Scholes option-pricing model which indicated a fair value of $0.106 per warrant. This unrealized amount of $353,000 is also recorded as gain on securities held for trading through the consolidated statement of operations; any subsequent change in value will also be reflected through operations. No similar gains were recorded in 2008.

Campbell announced that it had re-entered CCAA protection in January 2009. Accordingly, the Company recorded a writedown of $7,923,000 in the fourth quarter of 2008 against its interest in Campbell. The Company continues to work with legal advisors to protect its interests and to maximize potential recoveries from any liquidated assets or ensure it benefits from restructuring of Campbell. No similar writedowns were required for impairment in 2009 primarily because of improvements in the outlook for copper and the consequent effect on cash flow models for Corner Bay.

While the Company has security over other assets, including other exploration properties owned by Campbell and the permitted mill and tailings facility at the Copper Rand Mine, the primary asset which is most amenable to valuation is considered to be the high-grade Corner Bay copper project. As at December 31, 2009, the Company recorded its aggregate estimated recoverable amount as Interest in Campbell on the consolidated balance sheets at a carrying value net of Québec mining duties receivable of $2,297,000.

In 2008, Victory Nickel suffered a significant decline in market value which required an adjustment of $3,785,000 through the consolidated statement of operations, thereby recording its investment at market value on December 31, 2008. No such unrealized losses were recorded in 2009.

The Company recorded income tax recoveries of $1,903,000 in 2009 (2008 - $1,740,000). Income tax recoveries of $606,000 were recorded (2008 - $1,740,000) as a function of renunciation of flow-through share expenditures as the Company has recorded a valuation allowance against its future income tax assets. In addition, in 2009, the Company recorded an additional recovery of $1,297,000 since the sale of Cameron Lake was expected to close in 2010 which meant that it was more-likely-than-not that the income tax benefits would be realized. Generally speaking, since the Company has no recurrent source of operating revenue, income tax recoveries are only recorded upon renunciation of flow-through share expenditures or when income tax provisions are recorded on net gains on marketable securities through OCI.

Comprehensive income totals $2,453,000. This includes net income of $1,676,000 as well as $777,000 OCI which represents the net increases in the market value of the Company's marketable securities year-over-year – primarily shares of Gold Hawk and Victory Nickel. Approximately $642,000 relates to Gold Hawk with the balance attributable to Victory Nickel. In 2008, comprehensive loss of $18,086,000 included a net loss of $15,792,000 and OCI of a loss of $2,294,000. The primary components are a decrease in the market value of Gold Hawk from acquisition to December 31, 2008 of $1,384,000 combined with the reversal of $910,000 of OCI related to Campbell.

A discussion of the more significant changes not addressed in other sections of this MD&A is as follows:

Cash and cash equivalents have improved to $1,490,000 in 2009 from $793,000 in 2008.

Marketable securities have improved from $548,000 in 2008 to $2,099,000 as at December 31, 2009. The market value of Gold Hawk shares was $299,000 in 2008 and improved to $945,000 by the end of 2009. The Rainy River Resources shares had a market value of $248,000 at the end of 2008 and were sold for net proceeds of $426,000 during 2009. The remaining securities are shares and warrants of Victory Nickel which were acquired through the exercise of rights during the year at an aggregate cash cost of $400,000; the shares (after sales during 2009) have a market value of $800,000; the warrants were "in-the-money" as at December 31, 2009 and were valued using the Black-Scholes option-pricing model at $354,000. The warrants could not be exercised until August 18, 2010.

The Company continued to believe in the value of Gold Hawk, as evidenced by its offer to merge with that company at a then-premium of approximately 98%, and therefore considered the loss to be temporary. As such, it has continued to record the changes in the market value of Gold Hawk shares through OCI. This view was supported by the markets in 2010 when the market value of Gold Hawk recovered significantly and the price exceeded the Company's cost.

The exploration property held for sale of $1,700,000 represents the Cameron Lake project and related assets which were sold or otherwise eliminated upon consummation of the deal with Coventry. Given that the deal was expected to close in April 2010, it is more-likely-than-not that certain tax pools and non-capital tax losses will be utilized. In accordance with Canadian GAAP, a future income tax asset related to the tax recovery on the deal has been recognized as discussed above.

The investment in equity-accounted investees balance in 2008 was $1,732,000 which represented the market value of Victory Nickel as at December 31, 2008. This interest was eliminated upon the sale of the interest in Victory Nickel to JIIL on July 31, 2009.

Total assets have increased year-over-year due to the recognition of future income taxes related to the Cameron Lake sale to Coventry and as described above.

Current liabilities of $1,243,000 have decreased from $7,526,000 in 2008 largely as a result of repayment of the short-term US-denominated loan during the year. At that time, the Company had a long-term US-denominated loan with a principal of US$2,800,000 and a stronger Canadian dollar exchange rate. However, the debt was repaid in early 2010, as expected, from a portion of the proceeds of the sale of Cameron Lake.

Shareholders' equity has increased by approximately $4,800,000. This is as a result of net income in the year, improvements in the market value of securities available for sale, the rights offering which closed in April and the two flow-through financings closing in 2009 and which are discussed under Liquidity and Capital Resources.

SUMMARY OF QUARTERLY RESULTS

Selected financial information for each of the last eight quarters ended December 31, 2010 is as follows:

Fiscal year 2010	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue and other income	$ 58	$ (182)	$ 1	$ 1
Net (loss) income	$ (248)	$ (1,391) (2)	$ 8,060 (4)	$ (205) (6)
Other comprehensive income (loss)	$ 1,158 (1)	$ 1,212 (3)	$ (1,130) (5)	$ 112
Loss (income) per share - basic and diluted	$ (0.00)	$ (0.01)	$ 0.03	$ (0.00)

Fiscal year 2009	4th Quarter	3rd Quarter *(Restated)* (8)	2nd Quarter	1st Quarter
Revenue and other income	$ (46)	$ -	$ 297	$ -
Net income (loss)	$ 429 (7)	$ 1,798 (9)	$ 194 (10)	$ (745) (11)
Other comprehensive income (loss)	$ 181	$ (842)	$ 557	$ 881
Income (loss) per share - basic and diluted	$ 0.00	$ 0.01	$ 0.00	$ (0.00)

(1) Includes improvements in the fair values of Coventry and Gold Hawk securities of $924,000 and $438,000, respectively, net of income taxes of $105,000.

(2) Includes a loss on sale of marketable securities of $215,000, writedown of exploration and development projects of $635,000, primarily related to the Triggs option, as well as a loss on securities held for trading of $183,000.

(3) Includes improvements in the fair values of Coventry and Gold Hawk securities of $805,000 and $234,000, respectively.

(4) Reflects a gross gain on the sale of Cameron Lake of $10,108,000 partially offset by a non-cash future income tax provision of $1,297,000.

(5) Includes a decrease in the fair value of Coventry from the date of acquisition of $1,023,000.

(6) Includes the tax effect of renunciation of flow-through expenditures in February 2010 of $500,000.

(7) Includes recognition of a future income tax recovery of $1,297,000 related to tax benefits that were expected to be realized upon the closing of the sale of Cameron Lake to Coventry in April 2010.

(8) Restated in the fourth quarter to include a gain on securities held for trading of $333,000 in net income which had previously been included in other comprehensive income.

(9) Includes $1,360,000 gain on sale of Victory Nickel as well as $493,000 foreign exchange gain primarily on the Company's loan-related balances.

(10) Includes $538,000 net foreign exchange gain primarily on the Company's loan payable as well as $296,000 gain on sale of Rainy River Resources shares.

(11) Includes $606,000 of income tax recoveries on flow-through share renunciations offset by a dilution loss of $322,000 on the share of Victory Nickel's flow-through share renunciations.

Variations in the quarterly results of operations are largely a function of the timing of property and other writedowns, gains on sales of marketable securities or properties, tax recoveries or provisions and the recording of losses of equity-accounted investees and dilution gains and losses therein. Variations in comprehensive income are primarily a function of the changes in the fair values of the Company's available-for-sale securities.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2010, the Company had working capital of $4,411,000 (December 31, 2009 - $2,696,000).

The improvement is as a result of the Cameron Lake sale which closed in April 2010. The Company repaid its loan from cash proceeds of $5,900,000 ($100,000 was received in 2009) and received marketable securities of Coventry with a closing-date fair value of approximately $2,958,000. The sale also facilitated the removal of encumbrances over the Gold Hawk shares and enabled the Company (along with Ocean Partners) to acquire substantially all of the secured debt of Campbell which they did not previously own.

The Company used cash in the year ended December 31, 2010 of $862,000, compared with an increase in cash of $697,000 during 2009.

In the year ended December 31, 2010, the Company used cash of $1,701,000 in operating activities, compared with the use of cash totalling $953,000 in 2009. The Company has no recurring sources of revenue and no regular operations and the change in non-cash working capital in the year ended December 31, 2010 was a use of $328,000 compared with a source of $21,000 in 2009. The main reason for the change in non-cash working capital relates to changes in accounts receivable partly offset by changes in non-project accounts payable and accruals.

The non-routine nature of the Company's transactions is further highlighted by the fact that the most significant elements of the change in operating activities are non-recurring items such as gains on sales of marketable securities and projects, writedown of exploration and development projects, interest capitalization, tax recoveries on renunciation of flow-through expenditures and loan-related items.

In the year ended December 31, 2010, by far the most significant transactions related to the Cameron Lake sale. The gross gain on sale was $10,108,000. The gains and losses on securities held for trading relate to the warrants and shares of Victory Nickel acquired pursuant to the rights offering; the warrants were exercised in September 2010 as described earlier therefore the Company no longer holds any securities held for trading, any changes in fair value of which are accounted for through operations. Accordingly, unless circumstances change, there should be no further fair value changes through operations causing volatility in the Company's results under Canadian GAAP.

Cash used by financing activities was $1,485,000 in 2010, compared with cash used of $655,000 in 2009. To December 31, 2010, shares and warrants have been issued for net cash proceeds of $1,487,000, compared with $2,424,000 in 2009. In 2009, there were $5,915,000 in repayments on the bridge loan and the then-new two-year facility was entered into for net proceeds of $2,836,000. In 2010, the loan and related balances were repaid in full on April 20, 2010 upon receipt of funds from the Cameron Lake sale. The Company is now debt-free and has no significant encumbrances over its assets. The only other long-term payable is the $300,000 due in April 2013 with respect to the acquisition of debt of Campbell (recorded at a discounted value of $246,000 after non-cash accretion during 2010 of $5,000 recorded in interest expense).

Despite the improvement in financial position, management is continuing to actively pursue additional ways to realize on the potential of its assets or secure financing in order to provide funds for operations and continue its return to active exploration in Canada and elsewhere. In October, 2010, the Company announced the closing of two private placements raising aggregate gross proceeds of approximately $1,000,000. One financing was issued on a flow-through basis to progress Canadian exploration projects and the other was on a "hard-dollar" basis for the Company's foreign projects in Turkey and Egypt. In December, 2010, the Company announced another closing of private placements, raising gross proceeds of approximately $438,000, on a flow-through basis to further progress Canadian exploration projects. The terms of the financings are described in Note 12 to the 2010 Audited Consolidated Financial Statements.

Other cash proceeds were raised pursuant to the exercise of warrants and options. In 2009, the Company completed a rights offering which included warrants which could be exercised after one year and up to two years after the rights offering date. The warrants are exercisable at $0.10 and expire in April 2011. Due to improvements in the Company's share price, most of the Company's warrants are "in-the-money" and are presently exercisable (Note 12 to the 2010 Audited Consolidated Financial Statements). Should all the 27,025,962 warrants outstanding be exercised, this would generate approximately $3,350,000 for the

Company. Of this amount, approximately $734,000 relates to the warrants under the rights offering which expire in April 2011. Subsequent to the end of December and to March 18, 2011, 528,076 warrants have been exercised for aggregate cash proceeds of approximately $53,000.

In January 2011, the Company completed a private placement which generated approximately $500,000 in gross proceeds. Details of the offering are shown in Note 20 to the 2010 Audited Consolidated Financial Statements.

Investing activities in 2010 provided funds of $2,324,000, compared with provision of funds of $2,305,000 in the 2009 year. Aggregate payments of $1,525,000 were made by the Company with respect to Campbell debt acquisition. This amount includes deposits reported previously as under the confidential bid process for Campbell's assets in conjunction with Ocean Partners. The Company, along with Ocean Partners, through a jointly-controlled Canadian subsidiary, has acquired substantially all of the remaining secured debt of Campbell that Nuinsco and Ocean Partners did not previously own. Nuinsco will make a further payment of $200,000 by April 2011 (which is included in accounts payable and accrued liabilities) and $300,000 no earlier than April 2013 (which is included in long-term liabilities at a fair value of $246,000 using a discount rate of 8%). As a result, the two companies have effectively gained control over a significant Canadian mining camp. The Chibougamau mining camp in Québec historically has produced over 40 million tonnes of ore, 3 million ounces of gold and 1.5 billion pounds of copper.

As discussed in the Outlook, there are several alternatives available to Nuinsco and Ocean Partners once the courts have completed the CCAA proceedings and ownership of assets is transferred to Nuinsco and Ocean Partners.

Expenditures on exploration and development projects amounted to $2,367,000 in 2010, compared with $673,000 in 2009. Refer to the Exploration and Development Activities section for additional discussion.

In 2010, the Company received the remaining cash proceeds from the sale of Cameron Lake totalling $5,900,000 ($100,000 had been received in December of 2009). In 2010, gross proceeds of $889,000 on sale of Gold Hawk shares were received; the Company no longer considers this a strategic investment. Accordingly, shares are being sold for liquidity purposes. As at December 31, 2010, the Company owned 498,000 Gold Hawk shares. As at March 18, 2011, the Company owns 184,500 shares of Gold Hawk. In 2009, $426,000 and $120,000 in proceeds was generated from the sale of Rainy River and Victory Nickel shares, respectively.

The purchase of marketable securities used funds of $366,000 in 2010 and $400,000 in 2009. In the prior year, the funds were used to exercise the rights which the Company had retained from its prior ownership of Victory Nickel. In 2010, the purchase represented the cash cost of exercising the warrants which were acquired in 2009 along with Victory Nickel shares (net of loan fee of $33,000 - Note 5 to the 2010 Audited Consolidated Financial Statements). The Company currently owns 8,493,715 shares of Victory Nickel. The portfolio also includes 12,000,000 shares of Coventry which are no longer subject to any hold periods and are available for sale.

In order to facilitate exploration on the Bukari project in Egypt, the Company was required to issue a letter of guarantee supported by US$200,000. Accordingly, the Company deposited funds with its bank supporting the guarantee. Such funds are restricted until either one year from issue date of the letter of guarantee or upon EMRA providing official notification that the concession agreement has been ratified by the Egyptian People's Assembly.

At December 31, 2010, the Company had an outstanding flow-through expenditure commitment of $217,000. This commitment is expected to be fulfilled through expenditures on the Diabase and Prairie Lake projects as announced in December 2010.

In 2011, upon ratification of the Bukari concession agreement by the Egyptian People's Assembly, Nuinsco will have a commitment of US$2,000,000 of expenditures in the first year of exploration on the Bukari concession. The Company is actively considering financing alternatives for this commitment, as discussed earlier. Due to the decision to not pursue the projects collectively known as the Olympian project shortly after the end of the third quarter of 2010, the Company no longer has any expenditure commitment for that option. In order to maintain the option on one of the Diabase Peninsula claims, the Company must make an option payment of approximately $935,000 by September 2, 2012.

Nuinsco does not own asset-backed commercial paper. The Company has a corporate policy of investing its available cash in cash equivalents comprising Canadian government instruments and certificates of deposit or other direct obligations of major Canadian banks, unless otherwise approved by the Board. The portfolio of marketable securities is available to fund the Company's activities.

As described above, exploration and development companies such as Nuinsco are heavily reliant upon the equity markets to fund their activities as they typically have no short-term sources of revenue other than through monetization of assets. Opportunities available to Nuinsco for financing would normally be through private placements in the equity markets. However, today's equity markets continue to make this alternative difficult if not impossible without incurring significant dilution to existing shareholders. The Company sold the Cameron Lake property in April 2010 and has closed two financings in October and one in December 2010 generating approximately $1,438,000 in gross proceeds with an additional financing in January 2011 of $500,000. However, additional financings will be required to properly exploit the Company's Canadian and foreign assets. The Company will consider all alternatives given appropriate pricing and other market conditions. Such alternatives could include earn-in options with third parties, other partnership arrangements, corporate transactions and further sales of marketable securities or project assets.

The Company's estimated monthly commitments, net of recoveries from Victory Nickel for ongoing administrative support in 2011, are approximately $136,000. The Company's working capital requirements continue to be modest. At December 31, 2010, the major routine item requiring financing was an HST/GST receivable of $120,000 which averaged approximately $50,000 per quarter in 2010 – this is activity-related and has increased with higher Canadian-based expenditures and the higher-rated HST which came into force on July 1, 2010. We estimate that approximately $600,000 is required on an ongoing annual basis to support the Company as a public entity. Although such costs were reduced significantly to a "bare bones" level in 2009, this would not be recommended as a sustainable measure. Such expenditures are not eligible for flow-through funding and must be financed through other means.

Given its current cash and marketable securities position with no significant debt, the Company is in a relatively strong financial position. The Company will continue to make expenditures on Canadian exploration activities to fulfil flow-through commitments. Partners are also being sought for certain of the Company's projects where significant funding would be required for proper exploration programming.

The Company is taking active steps towards creating a new company focussed on the MENA region which will include the Company's Turkish and Egyptian interests. Nuinsco believes the MENA region is underexplored and this makes it an interesting proposition for the Company and should attract prospective investors.

As mentioned above, the Company, along with Ocean Partners, has considerably advanced the prospects of realizing value from the Campbell assets. Nuinsco and Ocean Partners hold substantially all of the secured debt of Campbell and are in a position to execute the security in order to restructure the assets in the manner most advantageous for our shareholders. Nuinsco and Ocean Partners are exploring several alternatives.

Measures which were implemented to control costs in 2010 remain in place as described above to ensure the Company remains viable and exploits its assets at an appropriate level until market conditions further improve in the junior resource sector.

EXPLORATION AND DEVELOPMENT ACTIVITIES

In the year ended December 31, 2010, the Company incurred exploration and development costs of $3,304,000 on its mineral interests, compared with $595,000 in 2009 (shown gross of $100,000 deposit from Coventry). Expenditures were significantly lower in 2009 due to the general economic and financing environment experienced during that year. The most significant expenditures in 2010 were on the Diabase Peninsula project in the amount of $1,171,000 (2009 - $35,000). Programs at Prairie Lake cost $791,000

(2009 - $81,000); Olympian $679,000 (2009 - $nil) and Egypt $480,000 (2009 - $2,000, included in "other").

Paul Jones, President, is a "qualified person" as defined under NI-43-101, and he has supervised the preparation, and has approved, the information relating to the material mineral projects of the Company described herein.

A synopsis of the Company's properties follows; complete details of the mineral properties are available on the Company's website at www.nuinsco.ca.

URANIUM AND RARE METALS

Diabase Peninsula Property, Saskatchewan

Nuinsco's Diabase Peninsula uranium project is located 150km northwest of La Ronge, Saskatchewan within the Athabasca Basin; the region that hosts the world's richest uranium mines. The 21,900ha Diabase Peninsula property is located on the western shore of Cree Lake approximately 5km from the southern boundary of the Athabasca Basin. The property encompasses a 35km strike length covering a north-easterly-trending graphite-bearing conductive horizon of regional extent lying beneath the Athabasca sandstones, and the sub-parallel oft-juxtaposed Cable Bay Shear Zone – a major terrane boundary within the Proterozoic basement sequence which is considered to be an important potential host structure for uranium mineralization in this part of the Athabasca Basin.

The Diabase Peninsula project is a joint venture with Trend Mining Company of Denver ("Trend") whose interest approximates 11%. 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. If the project progresses to a development stage before its interest drops below 10% as described above, Trend has a one-time 50% back-in right upon reimbursing Nuinsco for 140% of its total expenditures to that date. 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.

Since acquiring the property in early 2005, as uranium demand began to drive prices into a steep climb from their US$15-US$20 per pound historic range, Nuinsco has completed a property-wide deep-penetrating MEGATEM survey which mapped the regional graphite-pyrite conductor the length of the property. This was followed by ground geophysical TEM surveys over two priority target areas (the Main and Rowan Lake grids) located 8km apart, and has been complemented by both widespread geophysical gravity-survey profiling to map fault structures along the length of the Cable Bay trend and detailed gravity work upon both gridded priority targets.

Initial diamond drilling (10 holes) in 2005-2006 confirmed the highly-prospective nature of the geology and structure present within the Main grid area, and has focussed the Company's attention upon a 1.5km length segment of the 6km of strike covered by the Main grid. Geochemical evidence of uranium-related mineralizing processes and significantly anomalous radioactivity and uranium values were encountered in several holes. A radon gas survey in summer 2006 revealed a strong anomaly at the northern end of the 1.5km target area, but thick glaciofluvial esker cover elsewhere along the segment may have obscured additional bedrock sources. A winter 2007-2008 $2,500,000 drilling program consisted of 17 holes (plus extending a 2006 hole which had failed to reach basement), with 5 holes devoted to follow-up on the Main grid and the remainder testing four high-ranking gravity survey/fault structure targets scattered the length of the property.

Two of the 2007-2008 holes returned sub-ore grade uranium intercepts of particular significance, 707ppm U at the unconformity in hole ND0801 and 410ppm U well below the unconformity in hole ND0807 (total dissolution-ICP methods). Uranium values in excess of only 10ppm are generally regarded by the exploration and academic community as representative of the alteration halo surrounding a potential ore-grade deposit. ND0801 is within the core of the main grid target, while ND0807 is 2.8km to the north within a water-covered portion of the Main grid. A further 8km to the north ND0808, the first upon the Rowan Lake grid target, encountered evidence of similar alteration processes and encountered a peak value of 247ppm U in a single sample 3.5m above the unconformity. Given that this hole was the first to be directed at a target over 450m below surface, the results are deemed extremely encouraging.

Following completion of this work, which aggregated 28 drill-holes totalling 11,205m, all parts of the project area have sufficient assessment work filed to hold the property 10-12 years without additional work. Key dispositions, where the bulk of the drilling has been undertaken, are in good standing for 15-20 years.

No new field work was conducted at Diabase Peninsula in 2009. In March, 2010, a gravity survey at 100m line-spacing was completed upon the segment of interest on the Main grid, and lake sediment Soil Gas Hydrocarbon ("SGH") surveys were completed over the water-covered target in the northern Main grid area, and across the Rowan Lake grid, nearly entirely water-covered, with the samples tested by proprietary methods developed by Actlabs of Ancaster, Ontario.

The 2010 gravity survey revealed two 200m long, 100m wide anomalies in the southern portion of the Main grid segment, coincident with the area where Nuinsco's drilling has found the strongest alteration and highest uranium values in drilling completed to date. The SGH lake sediment work has confirmed the high potential of the Main grid north water-covered target and, as well, identified three areas within the Rowan Lake grid where coincident geophysical and geochemical responses suggest the presence of uranium. To quote Dale Sutherland Ph.D., Organics Manager and Director of Research for Actlabs, "the SGH data is not only indicating redox cell trends, it is indicating trends which have an organic signature associated specifically with uranium mineralization".

The November-December 2010 2,000m drill program was completed and we are awaiting assay results. The March-April 2011 drill programs which budgeted for 2,000m in 8-10 drill-holes is presently underway to examine in detail the vicinity of both the gravity and the radon anomalies upon the land-based portion of the Main grid. Due to the small size of uranium orebodies relative to most other types of economic mineral deposits, tight drill-hole spacing is necessary in order to adequately evaluate prospective targets.

Although the potential for discovery in the Main grid north and Rowan Lake grid areas is assessed as excellent, further work in these areas has been deferred for the present time due to the arduous permitting process and technically-challenging nature of drilling from the frozen lake surface, plus the time requirement and cost per hole for greater hole lengths in the northward-thickening sandstone sequence. Nonetheless, the work to date in these areas has clearly demonstrated their high potential to host uranium mineralization and, as Nuinsco's priorities and general economic conditions dictate, these most attractive targets will be drill tested in due course.

Prairie Lake Property, Ontario

Prairie Lake, located near Marathon, Ontario, hosts a near-surface historic (non-NI-43-101-compliant) uranium resource of over 180,000 tonnes grading 0.09% U_3O_8 (and 0.25% niobium) identified in exploration dating from the mid-1960s.

On January 13, 2010, the Company announced the results of an ETMI that demonstrated the presence of between 330 million and 360 million tonnes averaging 3.5% to 3.7% P_2O_5 and 0.12% to 0.14% Nb_2O_5. The surface area used for the ETMI covers just 12% of the total project surface area.

In a substantial backhoe trenching program completed during the summer of 2010, approximately 2km of trenches were excavated. Four trenches, ranging in length from 340m to 685m, were excavated mainly in parts of the Prairie Lake complex that to date have seen little systematic sampling. More than 1,000 samples were collected from the trenches. Samples were analyzed for a suite of elements of economic interest in the complex including phosphorus, tantalum, niobium, uranium and rare metals. Channel sampling results from the first of the four trenches, the Dragonfly Trench, included values of up to 13.67% P_2O_5 and 0.356% Nb_2O_5, and an intersection of 3.03% P_2O_5 and 0.157% Nb_2O_5 over 46.5m.

In December, 2010, the Company completed a 4,000m drilling program in the western half of the Prairie Lake complex. The drill program was designed to test the northward extension of the SW target defined in the ETMI and included 7 holes, each 500m to 600m in length. Approximately 1,800 core samples were collected. Analytical results for the drill program and the balance of the trenching program are still pending.

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.

Marijane and Huston Lakes Property
In 2009, the Company determined that the results to date on this exploration property did not support further expenditures and accordingly, decided to writedown the property to $nil. The Company advised Temex Resources Corp. ("Temex") that it will not complete its commitment to earn the 50% undivided interest in the property.

GOLD, COPPER AND ZINC
Turkish Properties
Nuinsco has two properties in northeastern Turkey: the Berta copper project and the Elmalaan copper-zinc project. Berta is a 50:50 joint venture with Xstrata Copper Canada ("Xstrata"), one of the commodity business units within Xstrata plc. Exploration began at Berta in 2004. The Company completed its 100% earn-in at Elmalaan in 2007 subject to Xstrata's back-in right to reacquire a 50% interest. Xstrata's back-in right is exercisable upon, among other things, incurring expenditures equal to 200% of the aggregate expenditures incurred by the Company. In addition, Xstrata is entitled to acquire a further 20% interest in the property by incurring an additional US$20,000,000 in expenditures. In the event that Xstrata elects not to exercise its back-in right, it will be entitled to a 2% NSR which can be reduced to 1% on payment by the Company of US$1,000,000. Under the terms of the joint venture agreement, Xstrata is the operator.

At Berta during 2007, the Company intersected a significant, continuous domain of strong sulphide mineralization grading up to 30.0% copper and 7.19% zinc. Copper, gold, silver and zinc values occurred over the entire 771.5m length of Hole SD-07-08, which was drilled adjacent to the interpreted Berta copper porphyry system and ended in mineralization.

Highlights of Hole SD-07-08 include: 710.9m grading 0.28% copper and 0.07g/t gold between 3.80m and 714.7m, including: 6.85m grading 3.79% copper, 0.22g/t gold, 11.6g/t silver and 1.05% zinc; 5.90m grading 2.60% copper, 1.14g/t gold and 8.3g/t silver; and 9.0m grading 1.03% copper. Copper values peaked at 30% over 0.25m between 592.10m and 592.35m down hole.

The results in this spectacularly mineralized hole were followed up by further positive drill results in 2008, including Hole SD-08-09 which returned 459m of continuous copper-gold mineralization starting from only four metres below surface and grades of up to 5.07% copper over 4.5m. Results from this hole include 179.9m grading 0.31% copper and 0.31g/t gold within a longer interval of 459m grading 0.17% copper and 0.17g/t gold.

Of particular note is the presence of mineralization near surface in both drill holes. These results highlight the tremendous potential of the essentially unexplored Berta property.

Nuinsco presently owes Xstrata approximately $466,000, which is included in accounts payable and accrued liabilities in the consolidated balance sheet at December 31, 2010, for its share of expenditures on Berta. Discussions with Xstrata have been ongoing and the Company plans to pay its share of expenditures in the near future. Discussions are also being held to buy Xstrata's share of the joint venture. The Berta property is subject to a 2% NSR.

The Elmalaan licence, covering 947ha, is located 6km south of the Black Sea coast and is easily accessible year round. Previous work identified massive sulphide in outcrop and locally-derived boulders that graded up to 3.38% copper and 6.30% zinc. Drilling during the second quarter of 2007 continued to return high-grade polymetallic mineralization over significant widths. For example, drill hole EKD-07-06 intersected

2.43% zinc, 0.50g/t gold and 31.07g/t silver over 10.10m between 98.9m-109.0m; between 102.6m-103.2m, zinc values peaked at 9.25%, gold at 2.85g/t and silver at 211g/t. With completion of its earn-in, the Company is in the process of transferring ownership of the Elmalaan property to a wholly-owned Turkish subsidiary and is awaiting the necessary documentation from Noranda Madencilik (the Xstrata subsidiary that currently holds the licence).

Egypt

In February, 2010, the Company announced that it had been successful, along with its Egyptian partner, in the bid process for two gold exploration concession areas in Egypt. The receipt of final title is subject to initially negotiating suitable production sharing agreements (individually the "Agreement" and collectively the "Agreements") with the government of Egypt through EMRA. Among other terms, the Agreements set out the rights and responsibilities of the Company and EMRA, tax implications (as a result of the provisions of the Agreements, no tax is incurred on activities related to the concession areas), terms of production sharing and cost recovery.

On February 19, 2011, the Company announced that the Egyptian State Council has reviewed and approved the Agreement covering the Bukari Concession Area, Eastern Desert, Egypt. Approval by the State Council signifies that the Agreement is in compliance with Egyptian law and with Egypt's regulatory framework. The Agreement will now be forwarded to the Egyptian People's Assembly for passage into law followed by execution by the Minister of Petroleum and Mines. At that time, formal title will be granted to Z-Gold, Nuinsco's Egyptian subsidiary, and tax-free status in Egypt will be attained. Nuinsco will also be able to proceed with its full exploration program. Given recent events in Egypt, State Council approval of the Agreement demonstrates that Egypt's civil service is functioning and indicates that Egypt is open for business and remains committed to developing a modern mining sector and to foreign investment in general.

In anticipation of the Bukari Agreement's passage into law, a third program of field work was completed in late January 2011 in preparation for a systematic and comprehensive exploration program that will begin as soon as possible. The results obtained from the sampling and mapping to date provide ample reason for the Company to consider the Bukari and Umm Samra licences to be very prospective; three occurrences have now been evaluated, with a combined total of at least 11km of strike, comprising a system of gold-mineralized quartz veins within sheared and altered host rock. There is uncertainty as to when the Bukari Agreement will be presented to the People's Assembly for final approval.

Olympian Project Option

In March, 2010, the Company announced that it had optioned a claim package hosting significant, high-grade, gold occurrences collectively referred to as the "Olympian Project". The property consists of 18 mining claims and three patented mining claims totalling 14.05 km^2 in Ontario's Lake of the Woods region. The claims were assembled through four option agreements with consideration aggregating cash of $705,000 and 2,450,000 common shares of the Company payable through 2012.

A work program commenced during the winter of 2010. To date, grid control has been established over the main surface exposures and ground geophysics have been conducted (magnetic induced polarization surveys). Trenching, mapping and prospecting have also been undertaken on the gridded area. The Company received the results of a 1,164m diamond drilling program targeting both geology and geophysics in November. At that time, the Company determined that it would not continue with the Triggs option agreement and one of the optioned properties will be returned to its owners. Subsequently, the Company decided not to pursue any of the Olympian options. Accordingly, a writedown of $679,000 was taken to bring the value of the property to $nil and no future option payments will be made.

Cameron Lake Project, Ontario

Cameron Lake was sold effective April 20, 2010. Refer to Note 8 to the 2009 Audited Consolidated Financial Statements for a description of this project.

INVESTMENTS

Interest in Campbell

In early 2006, Nuinsco acquired a significant equity interest in Campbell and entered into an agreement to provide consulting services to Campbell for its copper and gold mines in the Chibougamau mining camp. The Company also acquired a 50% interest in future cash flows, as defined, from the high-grade Corner Bay copper deposit. In late 2008, the Company acquired a royalty interest in Corner Bay comprising 10% of operating cash flow from the Corner Bay copper deposit from production at the 145-metre level and above.

Campbell experienced significant financial difficulties resulting from production delays, falling metal prices and the inability to obtain financing and in January, 2009 Campbell announced that it had re-entered CCAA protection.

Pursuant to the acquisition of substantially all of the remaining secured debt of Campbell by Ocean Partners and Nuinsco as described above, the Company and Ocean Partners are now in a position to exercise the security over all of Campbell's assets and to realize upon the value of the Chibougamau mining camp.

Campbell had an arrangement with the Société de développement de la Baie-James ("SDBJ") with respect to funding any environmental restoration. Ocean Partners and Nuinsco are discussing an arrangement with the SDBJ to satisfy future environmental requirements.

Gold Hawk Resources Inc.

In July, 2008, the Company acquired 1,196,800 shares (post-consolidation) in Gold Hawk, an approximate 13% interest, with a view to a possible combination of Gold Hawk's mine with Cameron Lake. Gold Hawk has since sold its mine therefore the Company's ownership of Gold Hawk is no longer considered strategic and will be sold. As referred to above, the Company sold 698,800 shares in 2010 and has continued to sell shares in 2011 to date.

Victory Nickel Inc.

As described in Note 1 to the Company's 2010 Audited Consolidated Financial Statements, the approximate 15% interest in Victory Nickel which the Company then owned was sold effective July 31, 2009. Additional information on Victory Nickel's Minago, Lynn Lake and Mel projects in Manitoba and Lac Rocher project in Québec can be obtained from Nuinsco's previous financial reports and regulatory filings and directly from Victory Nickel at www.victorynickel.ca. The Company presently owns 8,493,715 shares, an approximate 2% interest in Victory Nickel, which is held as marketable securities.

Coventry Resources Limited

Pursuant to the sale of Cameron Lake, Nuinsco now owns 12,000,000 shares in Coventry (an approximate 6.9% interest) as well as a 3% NSR royalty over future production from the property. By selling the asset but retaining an interest in Coventry, as well as the royalty, Nuinsco is able to participate in any upside potential of the Cameron Lake property without having to finance additional exploration or the development of the mine. Coventry is focussed on acquiring, finding and developing high-quality gold assets in the Superior Province geological region in eastern Canada. Coventry is based in Perth, Western Australia and its principal asset is the 100% interest in Cameron Lake. It also has interests in the Ardeen Gold Project in Northern Ontario.

IMPAIRMENT ANALYSIS

While the metals markets and other general economic factors have improved over 2009, the Company performed a detailed impairment analysis on each of its exploration and development projects as at December 31, 2010. An initial indicator of impairment considers the market capitalization of a company compared with its net book value. At and around the end of December 31, 2010, the Company's market capitalization exceeded its book value.

The analysis reviewed historic expenditures recorded on each project along with any purchase price allocations from acquisitions, reflected the existence of previous writedowns and also considered the existence of any economic studies which had been performed. The assumptions used in such studies were reviewed for such factors as: forecast metals prices, foreign exchange rates, changes in resource and/or cost estimates, changes in royalty arrangements, the existence of significant by-products and other matters as necessary. In addition, any exploration results were also taken into consideration.

Where appropriate, forecast metal prices were estimated from third-party sources such as analyst consensus reports and other available documentation which were considered to be reasonable by management. Capital and operating cost estimates generally were reduced from those used in prior studies if documentary evidence had recently been obtained as part of the review work presently being undertaken for other current studies. Often cost estimates used in previous studies had been derived when such were universally recognized to be at historic highs.

Furthermore, management's intentions with respect to future expenditures and plans for the projects were considered. The results from the Triggs option, part of the Olympian project, were determined, effective the end of the third quarter of 2010, not to meet expectations and accordingly, the Company decided to write down the value of that property to $nil. In the fourth quarter, the Company decided not to pursue the other options within Olympian and expenditures thereon in the fourth quarter were also written off. All other projects have had recent expenditures or are otherwise considered to be active.

Despite recent turmoil being experienced in Egypt, approval by the State Council was received in February 2011 and the Company remains confident that the Bukari Agreement will be ratified by the Egyptian People's Assembly. The benefits of the Agreements enure both to Egypt and to the Company and this remains unchanged. However, the Company, along with its Egyptian-based partner, will continue to monitor developments and will respond appropriately.

Management concluded that no impairment existed in each of its projects effective December 31, 2010, except that the estimated recoverable amount of the Company's interest in the Olympian option is $nil, and that costs incurred to date on all other projects are recoverable. The Company will continue to monitor developments as they occur in the metals markets and the economy and will update its impairment analysis to take account of any such changes, as appropriate.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates used in the preparation of the consolidated financial statements include the Company's estimate of the recoverable value of its exploration and development projects, assessing the fair value of royalty interests, assessing the impairment of long-lived assets and the fair value estimates for stock options and warrants and assessing the value of future income tax assets and valuation reserves. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. The Company's financial statements have been prepared using the going concern assumption; reference should be made to Note 1 to the Company's 2010 Audited Consolidated Financial Statements.

For a complete list of the significant accounting policies as well as information concerning the use of estimates and measurement uncertainty, reference should be made to Notes 2 and 3 of the Company's 2010 Audited Consolidated Financial Statements.

The Company's recorded value of its exploration and development projects is based on historic costs that are expected to be recovered in the underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company is in an industry that is exposed to a number of risks and uncertainties. Accordingly, there is always the potential for a material adjustment to the value assigned to these assets.

The fair value of the stock options and warrants, until exercise, is calculated using an option-pricing model that takes into account the exercise price, the expected life of the option/warrant, expected volatility of the underlying shares, expected dividend yield and the risk free interest rate for the term of the option/warrant.

NEW ACCOUNTING POLICIES

The volume of accounting pronouncements being introduced by the CICA applicable to the Company has reduced significantly pending the transition to International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") discussed in more detail below. These are the last financial statements that the Company will issue in accordance with what is generally termed "predecessor Canadian GAAP".

There have been no new accounting policies adopted in the 2010 Audited Consolidated Financial Statements.

FUTURE ACCOUNTING CHANGES

International Financial Reporting Standards

Overview

The Company is reaching completion of its IFRS Project although it is a continual process as emerging practices and the accounting industry develops its consensus approach. Senior financial management has continued to expand its knowledge through attendance at training courses on IFRS designed to be industry-specific. The Company has hired additional accounting staff to assist with the conversion to IFRS among other things and has continued to add literature to its expanding source material on IFRS. The Company will be required to produce IFRS-compliant financial statements for the quarter ended March 31, 2011 which will include the applicable disclosures and information for the comparative 2010 period.

The high-level project plan described in the 2009 Annual MD&A and as updated in the interim financial reports prepared throughout 2010 has been followed and Phase 2: Detailed Planning and Implementation is drawing to a close. The Company chose to involve its auditors in the process in order to mitigate the risks involved in such a significant accounting implementation and the Audit Committee has been advised of the Company's progress throughout the year. The project plan included three main phases, which were expected to overlap:

Phase 1: Preliminary Impact Assessment – this included the preparation of a diagnostic review, the identification of preliminary GAAP differences, defined additional information requirements, defined the preliminary approach for managing dual reporting, included a project timeline and a training plan.

Phase 2: Detailed Planning and Implementation – this included determination of accounting policies and transition elections, development of statement and note disclosure templates, development of transition balance sheet, identification of new system requirements and their design.

Phase 3: Post Implementation Review – this includes an analysis of ongoing roles, continuous improvement process and ongoing monitoring of future IFRS changes.

Status of Project

The Company has completed Phase 1 as outlined above and has completed most of Phase 2 of its IFRS transition. The project was carried out primarily on a "business as usual" basis which has proved to be an effective approach. Any new processes or worksheets developed during the year have been made or updated with IFRS transition in mind in order to manage differential accounting treatments until full conversion is achieved.

As mentioned above, the IFRS Project is a continual process. In particular, final guidance may not have been issued – for example, that relating to joint ventures and jointly-controlled operations is still pending, although the Company does not believe that final guidance will have a significant impact on the Company – and the accounting profession still has not developed a consensus approach with respect to accounting for flow-through financing. That said, the Company has developed a number of accounting adjustments which will be used to create a preliminary consolidated transition date balance sheet effective January 1, 2010 ("Preliminary Consolidated Transition Balance Sheet"). The adjustments and descriptions detailed below reflect the Company's best efforts to produce meaningful information under IFRS excluding any required adjustments for pending accounting determinations.

Management understands that a number of firms in the accounting profession are in the process of developing a joint industry paper on accounting for the mining industry under IFRS (the "Joint Mining Paper"). Because of this and the reasons outlined above, management believes that it would be premature to report a Preliminary Consolidated Transition Balance Sheet at this time.

Recognizing that Canadian public companies are the first entities to initially adopt IFRS for financial statements at an interim reporting date, the IASB has provided an accommodation with respect to accounting for any accounting policy changes made during the conversion process. This facilitates changes to initially-selected accounting policies which are subsequently determined not to be suitable or appropriate. In addition, the securities regulators have provided an extension period for filing a company's first set of interim financial statements under IFRS – for the Company this extends the filing from May 16, 2011 to June 14, 2011. Absent unexpected circumstances, the Company does not presently expect to take full advantage of the extension period allowed for the filing of the March 31, 2011 interim financial statements.

Anticipated Adjustments for the Preliminary Consolidated Transition Balance Sheet

In preparing its Preliminary Consolidated Transition Balance Sheet (the opening IFRS consolidated balance sheet), the Company will adjust amounts reported previously in financial statements prepared in accordance with predecessor Canadian GAAP in effect for the Company prior to the transition date. The narrative which follows explains the anticipated adjustments developed to date and outlines the transition elections which the Company expects to make. The Company has not presently identified any material errors in its application of predecessor Canadian GAAP in effect prior to transition date.

a) IFRS 3 Business combinations ("IFRS 3")

The Company has elected under IFRS 1, First Time Adoption of International Financial Reporting Standards ("IFRS 1"), not to apply IFRS 3 retrospectively to business combinations that occurred prior to January 1, 2010 (the date of transition to IFRS). Accordingly, the Company has continued with the same accounting treatment of the business combinations under predecessor Canadian GAAP.

b) Assets classified as held for sale

Under IFRS, upon management's determination of a plan to divest assets, such assets should be classified as current assets. As at the transition date, a binding agreement had been reached with Coventry to sell the Cameron Lake project and mill. Accordingly, a reclassification from non-current to current assets is required to conform with IFRS.

Furthermore, the Cameron Lake project had been written down in 1999 by $17,705,000 and a further $250,000 in 2005. Under IFRS, reversals of writedowns are permitted and required where the recoverable value of the project is supported. Accordingly, because terms of the sales agreement had been reached, the Company has increased the value of the Cameron Lake project which is included in exploration and evaluation projects by $9,850,000 to reflect the then-fair-value of the sales consideration. Note that the difference between the gain on sale of Cameron Lake recorded under predecessor Canadian GAAP in the second quarter of 2010 of $10,108,000 is effectively accounted for by the difference in the market value of the Coventry shares between January 1, 2010 and April 20, 2010 when the sale actually occurred. Further note that this is a timing difference; under IFRS, the gain on sale of Cameron Lake will be eliminated in the June 30, 2010 comparative interim financial statements. At that time, the net effect of this adjustment on the Company's deficit will be $nil.

The effect of the above is summarized as follows:

Consolidated Balance Sheet		**January 1, 2010**
Increase in assets classified as held for sale - current assets due to reversal of impairment	$	9,850
Increase in assets classified as held for sale - current assets		1,700
Decrease in assets classified as held for sale - non-current assets		(1,700)
Decrease in deficit	$	9,850

c) Property and equipment

In accordance with IFRS 1, the Company has elected to continue to account for its property and equipment using the cost model. The Company reviewed its property and equipment for impairment as at the transition date and determined that no impairment existed.

d) Expenditures on exploration and evaluation projects

The Company has elected to continue to capitalize exploration costs; furthermore, the Company believes that the value of exploration and evaluation costs does not contain any material costs which were incurred prior to securing the legal right to explore the properties, except for certain expenditures incurred in Egypt prior to the terms of the concession agreement being reached with EMRA.

The impact arising from the change in capitalization of exploration costs is summarized as follows:

Consolidated Balance Sheet		January 1, 2010
Decrease in exploration and evaluation projects - Egypt	$	(2)
Increase in deficit	$	(2)

e) Impairment of exploration and evaluation projects

Under predecessor Canadian GAAP in effect prior to transition date, the Company evaluated its exploration and evaluation projects for impairment using information including projected cash flows. Such cash flows were not discounted. Under IFRS, impairment evaluations are performed using discounted cash flows. At the date of transition, the Company assessed its exploration and evaluation projects using discounted cash flows at a rate of 8% where such cash flows were available and determined that no adjustment was required to writedown the value of its projects.

In the year ended December 31, 2005, Nuinsco recorded a writedown of its Prairie Lake property in the amount of $325,000 due to a change in recoverable value at that time. Under IFRS, reversals of writedowns are permitted and required where the recoverable value of the project is supported. Accordingly, given the inherent value in the property, the Company has increased the value of the Prairie Lake project which is included in exploration and evaluation projects by the amount of the previous writedown.

The impact arising from the reversal of the writedown is summarized as follows:

Consolidated Balance Sheet		January 1, 2010
Increase in exploration and evaluation projects - Prairie Lake	$	325
Decrease in deficit	$	325

Also refer to note b) for discussion of the reversal of impairment on the Cameron Lake project which was included in assets held for sale.

f) Reclassification of provisions

The asset retirement obligation related to the Cameron Lake project which was subject to a sales agreement in force at January 1, 2010. The liability would be de-recognized upon sale of the project to Coventry in April 2010. Accordingly, it was reclassified as a current liability at the transition date since the liability attaches to the project which was an asset held for sale within current assets.

The impact arising from the reclassification is as follows:

Consolidated Balance Sheet		January 1, 2010
Increase in provisions - current liabilities	$	111
Decrease in asset retirement obligation - non-current liabilties		(111)
	$	-

g) Flow-through share financing

Under predecessor Canadian GAAP, the Company accounted for the tax effects of renouncing expenditures in favour of its investors upon formal notice of renunciation filed with the CRA on or before its deadline of February 28 in each year. The Company expects that there may be several changes in respect of accounting for flow-through shares under IFRS. The Joint Mining Paper is expected to include recommendations on this uniquely-Canadian form of financing.

h) Options and warrants

The Company has elected under IFRS 1 not to adopt retroactive application of fair value accounting on options granted prior to November 2002.

Accordingly, there are no differences arising from the transition to IFRS.

i) Borrowing costs

Under predecessor Canadian GAAP, the Company's policy was to expense borrowing costs as incurred. At the date of transition, the Company had no debt which was assumed for the purposes of project financing. However, it expects to elect to capitalize any future project-development-related borrowing costs in respect of qualifying assets upon the assumption of any future debt.

Accordingly, there are no differences arising from the transition to IFRS.

j) Deficit

The impact arising from the above changes had the following effects on the Company's deficit:

Consolidated Balance Sheet		January 1, 2010
Increase in fair value of assets classified as held for sale - Cameron Lake	$	9,850
Decrease in value of exploration and evaluation projects - pre-exploration write-offs - Egypt		(2)
Increase in fair value of exploration and evaluation projects - Prairie Lake		325
Decrease in deficit	$	10,173

Future considerations

The Company has joint venture arrangements with third parties. Presently, the Company's accounting policy is to account for these using the proportionate consolidation method. IFRS may remove this alternative and require equity accounting. This is not expected to represent a major change for the Company.

Accounting practice is always evolving, the Company will monitor accounting treatment of flow-through financings as consensus forms within the accounting profession as well as the recommendations within the Joint Mining Paper when issued.

The Company expects to early-adopt the provisions of IFRS 9, whereby it will make a determination for each of its marketable securities as to whether it will be accounted for through operations or through OCI. This will not be a retroactive adjustment but will be treated as if in force from January 1, 2010. Once a choice is made, all gains or losses arising on that marketable security will be recorded either through operations, or through OCI; the concepts of realized and unrealized gains being treated differently will no longer exist, nor will the concept of permanent impairment. The Company expects that changes in value of its portfolio of shares will be accounted for through OCI and changes in value of its warrants will be accounted for through operations.

Should the Company raise debt financing in the future for any of its specific projects, under IFRS interest must be capitalized to that project.

During 2010, the Company incurred expenditures on its Egypt project prior to the terms of the Agreements being reached with EMRA which occurred in the third quarter of 2010 with respect to the Bukari Agreement. Accordingly, additional writedowns of expenditures will be made in accordance with IFRS.

The Company has three foreign subsidiaries and the volume of transactions in the subsidiaries is expected to increase with increased activity in Turkey and Egypt. Presently, the amounts in the cumulative translation accounts are immaterial and insignificant. Should transactions and balances increase, foreign exchange differences may increase and the Company will commence recording these through the translation reserve through OCI.

Involvement by advisers
The Company engaged its auditors, BDO Canada LLP, to conduct a special engagement with respect to its IFRS transition project. While the engagement was neither an audit nor a review, as such terms are formally defined and therefore cannot and should not be relied upon, it was undertaken to assist the Company in ensuring that its IFRS adjustments were complete and appropriate and that its proforma interim financial statements for the quarter ended March 31, 2011 contain materially complete and appropriate disclosures. The IFRS engagement is continuing.

Conclusion
The Company continues to believe that it is well-positioned to meet the transition to IFRS on a timely basis.

AUDITOR'S REPORT

Effective December 31, 2010, the CICA has amended the form of the auditor's report. In particular, it emphasises the nature of responsibilities among management and auditors and introduces the concept of an additional paragraph to the report. The additional paragraph is referred to as an "emphasis of matter" paragraph and is not to be used by the auditor to avoid a qualified opinion where that would be necessary.

The prime use of the emphasis of matter is to highlight certain information contained in the financial statements to the reader. Such a paragraph has been utilized in other auditing jurisdictions for many years.

For Nuinsco, the emphasis of matter refers the reader to Note 1 to the 2010 Audited Consolidated Financial Statements wherein the Company highlights the fact that the statements have been prepared following the going concern concept. The emphasis of matter should not be considered to be, nor is it, a qualification of the auditor's opinion.

CORPORATE GOVERNANCE

The Company's Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility principally through the Audit Committee. The Audit Committee, which is comprised of directors, none of whom are employees or officers of the Company, meets with management to review the 2010 Audited Consolidated Financial Statements to satisfy itself that management is properly discharging its responsibilities to the directors who approve the Audited Consolidated Financial Statements. The Board of Directors has also appointed compensation and corporate governance and nominating committees composed of non-executive directors.

Evaluation of Disclosure Controls and Procedures
The Company's Chief Executive Officer and Chief Financial Officer, (collectively, the "Certifying Officers"), are responsible for designing a system of disclosure controls and procedures, or causing them to be designed under their supervision, to provide reasonable assurance that information required to be disclosed in reports filed with or submitted to, securities regulatory authorities is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws and that material information relating to the Company is made known to them with respect to financial and operational conditions to allow timely decisions regarding required disclosure. For the fiscal year ended December 31, 2010, an evaluation was commissioned by the Company under the supervision of the Certifying Officers and with the participation of management of the effectiveness of the Company's disclosure controls and procedures as defined under the rules adopted by the Canadian securities regulatory authorities. Based on this evaluation, the Certifying Officers have concluded that the design and operation of the Company's disclosure controls and procedures were effective as at December 31, 2010. Such controls are facilitated by the small size of the Company's senior management team and their access to material information.

There were no changes to the Company's disclosure controls and procedures that occurred during the year ended December 31, 2010 that materially affected, or are reasonably likely to affect, the Company's disclosure controls and procedures.

Evaluation of Internal Control over Financial Reporting

The Company's Certifying Officers are responsible for designing a system of internal controls over financial reporting, or causing them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of consolidated financial statements for external purposes in accordance with Canadian GAAP. The Company used the COSO control framework. For the fiscal year ended December 31, 2010, an evaluation was commissioned by the Company under the supervision of the Certifying Officers and with the participation of management of the effectiveness of the Company's internal control over financial reporting. Based on this evaluation, the Certifying Officers have concluded that the design and operation of the Company's internal controls over financial reporting and procedures were effective as at December 31, 2010. During the evaluation process, the Company made improvements to the internal controls over financial reporting. Furthermore, segregation of duties has been improved during the year with the hiring of a controller.

The management of the Company was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The result of the inherent limitations in all control systems means no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

There were no changes to the Company's internal controls over financial reporting that occurred during the year ended December 31, 2010 that materially affected, or are reasonably likely to affect, the Company's internal controls over financial reporting.

TRANSACTIONS WITH RELATED PARTIES AND MANAGEMENT AGREEMENT

Included in accounts payable and accrued liabilities at December 31, 2010 are amounts owing to directors and officers of $111,000 (December 31, 2009 - $301,000). The amounts consist primarily of directors' fees and reimbursement of expenses incurred by officers and directors.

The Company shares management administrative assistance and facilities with Victory Nickel pursuant to a management agreement. The costs recovered from Victory Nickel are recorded at the exchange amount which is equal to the cost to the Company of such services plus 10 per cent. The management agreement commenced February 1, 2007 and is terminable by the Company upon 90 days notice and by Victory Nickel upon 180 days notice. Costs recovered from Victory Nickel in the year ended December 31, 2010 total $719,000 (2009 - $612,000) and have been deducted from general and administrative expenses. In addition, project-related costs aggregating $38,000 have been charged by the Company to Victory Nickel during the year ended December 31, 2010 (2009 - $59,000). Furthermore, project-related costs aggregating $26,000 have been charged to the Company by Victory Nickel and are included in exploration and development costs on the balance sheet (2009 - $19,000).

Amounts due to or from Victory Nickel are unsecured, non-interest bearing and due on demand. Amounts due to or from Victory Nickel are settled on a regular basis.

OUTSTANDING SHARE DATA

At December 31, 2010, the Company had 254,205,292 common shares outstanding. At March 18, 2011, the Company had 257,908,368 common shares issued and outstanding. In addition, there were 22,460,000 stock options outstanding at March 18, 2011 (including those options approved on that date as referred to below) as well as 28,060,386 warrants, which if exercised and issued would bring the fully diluted issued common shares to a total of 308,428,754 and would generate approximately $6,917,000.

RECENT DEVELOPMENTS

Recent developments for the Company, not covered elsewhere in this MD&A are as follows:

Private Placement Financing

On January 10, 2011, the Company completed a private placement financing of 3,125,000 units of securities at a price of $0.16 per unit generating gross proceeds of $500,000. Each unit comprises one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.22 for a period of 12 months from closing.

CRA Reassessment

In March, 2011, the Company advised that it has received notices of reassessment in the aggregate amount of approximately $4.4 million from the CRA related to transactions completed in 2006. The Company is in the process of carefully reviewing these reassessments and has consulted legal counsel in this regard. The Company intends to vigorously defend what it and its counsel believe to have been a correct filing position related to these transactions. The appeal process could be lengthy and while the Company believes that its position is correct, the ultimate outcome is unknown.

Warrants Exercised

Since December 31, 2010, 528,076 of the Company's warrants issued with respect to the rights offering have been exercised for gross proceeds of approximately $53,000.

Stock Options Issuance

On March 18, 2011, the Board of Directors granted 4,400,000 stock options exercisable at $0.17 per share to directors, officers, employees and consultants. Of the options granted, 3,425,000 vest immediately and 975,000 vest over one year.

RISKS AND UNCERTAINTIES

The exploration and development of natural resources are speculative activities that involve a high degree of financial risk. The risk factors which should be taken into account in assessing Nuinsco's activities and an investment in its securities include, but are not necessarily limited to, those set out below.

The relative significance of each risk described below will vary as a function of several factors including, but not limited to, the state of the economy, the stage of Nuinsco's projects, the availability of financing on acceptable terms and other matters.

Any one or more of these risks could have a material adverse effect on the value of any investment in Nuinsco and the business, financial condition or operating results or prospects of Nuinsco and should be taken into account in assessing Nuinsco's activities.

Industry Risks

Speculative Nature of Mineral Exploration

Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that Nuinsco's exploration efforts will be successful. Few properties that are explored are ultimately developed into economically viable operating mines. Success in establishing reserves is a result of a number of factors, including the quality of Nuinsco's management, level of geological and technical expertise, the quality of land available for exploration and other factors. Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling to determine the optimal extraction method for the ore and the metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. It is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary feasibility studies or full feasibility studies, on Nuinsco's projects or the current or proposed exploration programs on any of the properties in which Nuinsco has exploration rights will result in a profitable commercial mining operation. As a result of these uncertainties, no assurance can be given that Nuinsco's exploration programs will result in the establishment or expansion of resources or reserves. Furthermore, Nuinsco cannot give any assurance that its current and future exploration activities will result in the discovery of mineral deposits containing mineral reserves.

Development Projects

In general, development projects have no operating history upon which to base estimates of future cash operating costs. For development projects such as those projects that Nuinsco has an interest in, estimates of proven and probable reserves are, to a large extent, based upon the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies. This information is used to calculate estimates of the capital cost, cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates, comparable facility and equipment operating costs, anticipated climatic conditions and other factors. In addition, there remains to be undertaken certain feasibility and development preparation work on the projects that could adversely impact estimates of capital and operating costs required for the development of the projects. Costs necessary to develop the projects could be significant and will have a direct impact on the economic evaluation of the projects. As a result, it is possible that the actual capital cost, cash operating costs and economic returns of the projects may differ from those currently estimated.

Competition

The mineral exploration business is highly competitive in all of its phases. Nuinsco competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than Nuinsco, in the search for and acquisition of exploration and development rights on attractive mineral properties. Nuinsco's ability to acquire exploration and development rights in the future will depend not only on its ability to develop the properties on which it currently has exploration and development rights, but also on its ability to select and acquire exploration and development rights on other suitable properties. There is no assurance that Nuinsco will compete successfully in acquiring exploration and development rights on such other properties.

Operational Risks

Limited History of Operations

Nuinsco has a limited history of earnings and limited financial resources. Nuinsco currently has no operating mines and its ultimate success will depend on its ability to generate cash flow from active mining operations in the future, as well as its ability to access capital markets for its development requirements. There is no assurance that Nuinsco will earn profits in the future. Significant capital investment will be required to achieve commercial production from Nuinsco's existing projects from successful exploration efforts. There is no assurance that Nuinsco will be able to raise the required funds to continue these activities.

Development Targets, Permitting and Operational Delays

There can be no assurance that Nuinsco will be able to complete the planned development of the projects on time or on budget due to, among other things, delays in receiving required consents, permits and registrations, the delivery and installation of plant and equipment and cost overruns, or that the current personnel, systems, procedures and controls will be adequate to support Nuinsco's operations. Any failure to meet development targets or other operational delays or inadequacies could have a material adverse effect.

Resources, Reserves and Production

Figures relating to mineral resources and mineral reserves are estimates and no assurance can be given that the anticipated level of recovery and/or grades of mineral reserves or mineral resources will be realized. Moreover, short-term operating factors relating to ore reserves and resources, such as the need for orderly development of an ore body or the processing of new or different ore grades, may cause a mining operation to be unprofitable in any particular accounting period.

Title Risks

Nuinsco's ability to hold various mineral rights require licences, permits and authorizations and, in some cases, renewals of existing licences, permits and authorizations from various governmental and quasi-governmental authorities. Management believes that Nuinsco currently holds or has applied for all necessary licences, permits and authorizations to carry on the activities which Nuinsco is currently conducting and to hold the mineral rights Nuinsco currently holds under applicable laws and regulations in effect at the present time. Management also believes that Nuinsco is complying in all material respects with the terms of such licences, permits and authorizations. However, Nuinsco's ability to obtain, sustain or renew such licences, permits and authorizations on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable governmental and quasi-governmental bodies.

No assurance can be given that Nuinsco's properties are not subject to prior unregistered agreements or interests or undetected claims or interests which could be material and adverse to Nuinsco. Additionally, mineral properties may carry with them significant development costs and abandonment and site restoration obligations for which Nuinsco may, or will, become responsible for in the future.

Insurance Risk
Nuinsco faces all of the hazards and risks normally incidental to the exploration of precious and base metals, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all such damage caused. Nuinsco's activities may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which Nuinsco has interests; not all such risks are insurable.

Financial and Investment Risks

Substantial Capital Requirements
Nuinsco will have to make substantial capital expenditures for the development of and to achieve production from the projects. There can be no assurance that any debt or equity financing or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Nuinsco. Moreover, future activities may require Nuinsco to alter its capitalization significantly. The inability of Nuinsco to access sufficient capital for its operations could have a material adverse effect on its financial condition, results of operations or prospects. Flow-through financing cannot be used to fund the Company's corporate costs.

Market Perception
Market perception of junior exploration, development and mining companies may shift such that these companies are viewed less favourably. This factor could impact the value of investors' holdings and Nuinsco's ability to raise further funds by issue of additional securities or debt.

Metal Prices
There is no assurance that, even if commercial quantities of mineral resources are developed, a profitable market will exist for the sale of such product. Metal prices fluctuate on a daily basis and are affected by numerous factors beyond Nuinsco's control – including factors which are influenced by worldwide circumstances. The level of interest rates, the rate of inflation, world supply of precious and base metals and stability of exchange rates can all cause significant fluctuations in precious and base metal prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The price of precious and base metals has historically fluctuated widely and future price declines could cause commercial production to be uneconomical and such fluctuations could have a material adverse effect on Nuinsco's business, financial condition and prospects. Given the stage of development of Nuinsco's projects, the above factors have had no material impact on present operations but are considered in evaluating the impairment of long-lived assets.

Areas of Investment Risk
Nuinsco's Common Shares are listed on the TSX. The share prices of publicly traded companies can be volatile as the price of shares is dependent upon a number of factors, some of which are general or market or sector specific and others that are specific to Nuinsco.

The market for shares in small public companies is less liquid than for large public companies. Investors should be aware that the value of the Company's common shares may be volatile and may go down as well as up and investors may therefore not recover their original investment.

The market price of the Company's common shares may not reflect the underlying value of Nuinsco's net assets. The price at which investors may dispose of their securities may be influenced by a number of factors, some of which may pertain to Nuinsco and others of which are extraneous. On any disposal of their common shares, investors may realize less than the original amount invested.

Regulatory Risks

Government Regulation

Existing and possible future environmental and social impact legislation, regulations and actions, including the regulation of air and water quality, mining reclamation, solid and hazardous waste handling and disposal, the promotion of occupational health and safety, the protection of wildlife and ecological systems and the protection of the societies and communities of indigenous peoples, could cause significant expense, capital expenditures, restrictions and delays in the Company's activities, the extent of which cannot be predicted and which may well be beyond Nuinsco's capacity to fund. Environmental laws are becoming more actively enforced. Environmental and social impact studies may be required for some operations and significant fines and clean up responsibilities may be assessed for companies causing damage to the environment in the course of their activities.

Economic, Political, Judicial, Administrative, Taxation or Other Regulatory Factors

Nuinsco may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors in the areas in which Nuinsco does or will operate and holds its interests, as well as unforeseen matters.

Other Risks

Environmental and Health Risks

The Company has no significant exposure to environmental or health risks, although this will change should any of the Company's projects approach production (a normal characteristic of mineral industry projects).

Key Personnel

Nuinsco relies on a limited number of key consultants and there is no assurance that Nuinsco will be able to retain such key consultants or other senior management. The loss of one or more of such key consultants or members of senior management, if not replaced, could have a material adverse effect on Nuinsco's business, financial condition and prospects. Directors and management have previously accepted deferrals of remuneration in order to assist the Company through the economic turmoil; however, this potentially adds to the risk of losing experienced personnel.

Conflicts of Interest

Certain of Nuinsco's directors and officers are also directors and officers of other natural resource companies. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers relating to Nuinsco will be made in accordance with their duties and obligations to deal fairly and in good faith with Nuinsco and such other companies.

Foreign Operations

In 2004, the Company initiated exploration work in Turkey. While the Company believes that the risks associated with operating in Turkey are very acceptable, most investors would attribute a higher degree of risk to operating in Turkey as compared to operating in Canada. In early 2010, the Company announced that it has, with its Egyptian partner, been successful in the bid process for gold exploration concessions in Egypt; a similar caveat to that expressed for Turkey is appropriate.

Currently, Egypt is experiencing a state of civil unrest and political transition, the consequences of which are difficult to determine with certainty at this time and which may adversely affect the ability of Nuinsco to obtain tenure to its Egyptian projects and may negatively affect the Company's exploration activities and/or such projects. The possibility that the current, or a future, government may adopt substantially different policies or take arbitrary action which might halt exploration, nationalize private assets, cancel contracts or mining and exploration rights and/or enact changes in taxation treatment cannot be ruled out.

There is no assurance that future political and economic conditions in Egypt will not result in the Government of Egypt adopting different policies respecting foreign development and ownership of mineral resources. Any such change in policy may result in changes in laws affecting ownership of assets, land tenure and mineral concessions, taxation, royalties, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, some or all of which may affect the Company's ability to undertake exploration and development activities in respect of its properties.

Economic and political conditions in Egypt and Turkey could adversely affect the business activities of the Company. These conditions are beyond Nuinsco's control, and there can be no assurances that any mitigating actions by Nuinsco will be effective. Any potential adverse impacts as a result of political volatility in Egypt or Turkey cannot be predicted. The mineral interests of Nuinsco and the ultimate ability to generate cash flow and profits from operations may be affected in varying degrees by political or economic instability. The enforcement by Nuinsco of its legal rights to exploit its properties may not be recognized by the government of Egypt or Turkey or by its respective court system.

Other risks include, but are not limited to: terrorist acts, corruption attempts, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Operations may also be affected in varying degrees by such factors as government regulations (or changes thereto) with respect to the restrictions on production, export controls, income taxes, other taxes and fees, incentive programs, expropriation or condemnation of property, repatriation of profits, land use, environmental legislation, water use, land claims of local people and mine safety. The effect of these factors cannot be accurately predicted.

Turkey is seeking membership to the European Union (the "EU") and is progressing to conform to EU standards and develop greater political and economic stability. However, Turkey has historically, and to some degree continues to experience heightened levels of political and economic instability due to regional geopolitical instability. These conditions may be exacerbated by current global economic conditions. This instability may have a material adverse effect on Nuinsco.

Nuinsco's activities are subject to extensive laws and regulations governing worker health and safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters. Exploration and development activities in Turkey are subject to regulation by the General Directorate of Forestry of the Ministry of Environment and Forestry. The judiciary in Turkey has substantial discretion to impose injunctions.

Nuinsco's investments in foreign countries such as Egypt and Turkey carry certain risks associated with different political, business, social and economic environments. The ability to carry on business in Turkey can be affected by possible political or economic instability in that country. Changes in mining or investment policies or shifts in political attitude in Egypt or Turkey may adversely affect private business. The effect of these factors cannot be accurately predicted. Should the government later seek to control any aspect of production, distribution or pricing of gold or precious metals, Nuinsco runs the risk that, at any time, its operations may be terminated for failure to comply with any permit, rule or regulation; or that its operations may prove to be unprofitable if the costs of compliance with such governmental regulations prove to be excessive.

There is a risk that the necessary permits, consents, authorizations and agreements to implement planned exploration, project development or mining may not be obtained under conditions, or within time frames, that make such plans economic, that applicable laws, regulations or the governing authorities will change or that such changes will result in additional material expenditures or time delays.

As with Canadian projects, the acquisition and retention of title to mineral rights is a detailed and time consuming process. Title to, and the area of, mineral resource claims may be disputed or challenged. Nuinsco's right to explore for, mine, produce and sell gold from the Bukari Concession will be based on the Bukari Concession Agreement. Should Nuinsco's rights under the Agreements not be honoured or be unenforceable for any reason, or if any material term of the Agreements is unilaterally changed or not honoured, including the boundaries of the property, Nuinsco's ability to explore and produce gold in the future would be materially and adversely affected.

Investments and Other Agreements with Resource Companies

In addition, Nuinsco makes, from time-to-time, investments in the common shares of publicly-traded companies in the junior natural resources sector or may enter into option or other agreements therewith. These companies are subject to similar risks and uncertainties as is Nuinsco, and Nuinsco's investments in and agreements with these companies are subject to similar areas of risk as noted above. Nuinsco seeks to manage its exposure by ensuring that appropriate recourse is included in such agreements upon the counterparty's failure to meet contractual obligations.

Summary

The future success of the Company is subject to a number of risk factors that are common to the junior natural resources sector. These include the extent to which it can outline natural resources on its properties and establish the economic viability of developing those properties and the political, economic and legislative stability of the territories in which the Company's interests are located. Another significant factor is the ability of the Company to obtain necessary financing or to find strategic partners to fund expenditure commitments as they fall due, as the Company currently has limited funds. Furthermore, the development of any natural resource interest may take years to complete and the resulting income, if any, from the sale of any natural resources produced by the Company is largely dependent upon factors that are beyond its control, such as costs of development, operating costs and the market value of the end product. Such risks are likely to be more extensive in foreign jurisdictions.

FORWARD-LOOKING STATEMENTS

Forward-Looking Information: This MD&A contains forward-looking information. All statements, other than statements of historic fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding estimates and/or assumptions in respect of production, revenue, cash flow, costs, economic return, net present value, mine life and financial models, mineral resource estimates, potential mineralization, potential mineral resources, timing of possible production and the Company's development plans and objectives) constitute forward-looking information. This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company.

Factors that could cause actual results or events to differ materially from current expectations include, among other things: uncertainty of estimates of capital and operating costs, production estimates and estimated economic return; the possibility that actual circumstances will differ from estimates and assumptions; uncertainties relating to the availability and costs of financing needed in the future; failure to establish estimated mineral resources; fluctuations in commodity prices and currency exchange rates; inflation; recoveries being less than those indicated by the testwork carried out to date (there can be no assurance that recoveries in small scale laboratory tests will be duplicated in large tests under on-site conditions or during production); changes in equity markets; operating performance of facilities; environmental and safety risks; delays in obtaining or failure to obtain necessary permits and approvals from government authorities; unavailability of plant, equipment or labour; inability to retain key management and personnel; changes to regulations or policies affecting the Company's activities; the uncertainties involved in interpreting geological data; and the other risks disclosed under the heading "Risks and Uncertainties" and elsewhere. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

March 18, 2011