



NUINSCO RESOURCES LIMITED

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED
MARCH 31, 2011**

DATED MAY 20, 2011

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For the Three Months Ended March 31, 2011

The following discussion of the results of operations and financial condition of Nuinsco Resources Limited ("Nuinsco" or "the Company") prepared as of May 20, 2011 consolidates management's review of the factors that affected the Company's financial and operating performance for the three months ended March 31, 2011, and factors reasonably expected to impact on future operations and results. This discussion is intended to supplement and complement the Company's Unaudited Interim Consolidated Financial Statements as at and for the three months ended March 31, 2011 and 2010 ("Unaudited Interim Consolidated Financial Statements") and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP").

The Unaudited Interim Consolidated Financial Statements are the Company's first financial statements to be prepared in accordance with IFRS. Note 32 to those statements include reconciliations to assist the reader in understanding the effects that the transition to IFRS has had on the Company's financial statements. The reconciliations include a reconciliation of equity as at January 1, 2010, December 31, 2010 and March 31, 2010. As described in previously-filed management's discussion and analysis ("MD&A"s), the Company has had an IFRS implementation project plan which involved its advisers; this plan is drawing to a close, only post-implementation review is outstanding. However, it should be noted that, because of the nature of IFRS being principles-based, accounting practice under IFRS will continue to develop and evolve in Canada and in the junior mining sector. While the Company has been diligent in its selection of appropriate accounting policies and methodologies and has been guided by the anticipated papers of the Mining Industry Task Force on IFRS (the "Mining Industry Task Force"), it may later choose to amend those selections. Any changes will be accounted for in accordance with the accounting and disclosure requirements under IFRS, including any concessions made to first-time adopters.

Readers are encouraged to consult the audited consolidated financial statements for the years ended December 31, 2010 and 2009 ("2010 Audited Consolidated Financial Statements"), which were prepared in accordance with predecessor Canadian generally accepted accounting principles prior to the transition date to IFRS ("pre-transition Canadian GAAP"). Certain information and discussion included in this MD&A constitutes forward-looking information. Readers are encouraged to refer to the cautionary notes contained in the section Forward-Looking Statements at the end of this MD&A.

The Unaudited Interim Consolidated Financial Statements and the 2010 Audited Consolidated Financial Statements 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 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 14 to the Company’s Unaudited Interim Consolidated Financial Statements.)

The following table illustrates the components of the net loss on sale of Cameron Lake property, after adjustments in accordance with IFRS as outlined in Note 32 to the Company’s Unaudited Interim Consolidated Financial Statements:

Consideration received		
Cash		\$ 6,000
Coventry shares		2,958
Royalty interest		3,000
		11,958
Aggregate consideration		
Net book value of assets sold (liabilities assumed) and expenses of sale		
Cameron Lake property	\$ 11,904	
Mill	54	
Asset retirement obligation (“ARO”) assumed	(114)	
	11,844	
Transaction expenses	114	
		11,958
Gain on sale of Cameron Lake		-
Income tax expense (drawdown of previously recorded deferred tax asset)		1,297
Net after-tax loss		\$ (1,297)

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. (“JILL”) as described below, along with accrued interest thereon. Refer to Liquidity and Capital Resources section. Further note that the loss on sale under IFRS arises because of the reversal of previously-made write-downs upon transition to IFRS. Accordingly, the cumulative impact on the deficit for this transaction at the sale date was identical under IFRS and pre-transition Canadian GAAP.

Transactions with Jien International Investment, Ltd.

On July 31, 2009, the Company entered into an agreement with JILL, 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. Furthermore, the Company has received reassessments from the Canada Revenue Agency (“CRA”) as described in Note 30 to the Unaudited Interim Consolidated Financial Statements. 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 evaluation 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 jointly-owned 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 13 to the Unaudited Interim 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 Unaudited Interim 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.

SIGNIFICANT EVENTS

During and subsequent to the three months ended March 31, 2011, the Company:

Corporate

- Added Dr. J.M. Franklin as an independent Director.
- Received, and commenced an appeal of, notices of reassessment from the CRA.

Gold

- Continued 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 135.0 g/t (4.34 oz/t).

Uranium and Rare Metals

- Announced trenching results from Prairie Lake grading up to 6.14% phosphorous, 1.08% combined rare earth elements, 0.27% niobium and 13ppm tantalum.
- Announced results from the first hole of the 4,000 metre diamond drilling program at Prairie Lake: grades up to 0.957% niobium (Nb_2O_5) and 8.68% phosphorous (P_2O_5) as part of a 246 metre interval grading 0.118% Nb_2O_5 and 3.41% P_2O_5 .
- Announced that all holes in the 2,321 metre December 2010 drill program at the Diabase Peninsula property returned uranium values.
- Began and completed an additional 2,000 metres of diamond drilling at the Diabase Peninsula property.

OUTLOOK

Economies around the globe remain in a state of confusion. Turmoil in the Middle East and North Africa region ("MENA"), although subsiding somewhat, adds to the uncertainty of the world. Several European Union countries are in financial difficulties. China continues to take monetary steps to slow growth and potential inflation, so far unsuccessfully. Base metal prices, led by copper which repeatedly fails to break the US\$4.25 price on its way to US\$5.00, are also showing signs of confusion and weakness along with gold. The price of uranium has settled into the mid US\$50s. The direction of the stock market has divided many market analysts with bullish traders targeting a higher trend for the benchmark Standard & Poor's 500 stock index. But others are saying that because of the unsettled economy, the market cannot continue higher and is headed for a correction.

The old trading adage of “sell in May and go away” appears to be holding true and establishing a market with more buying opportunities.

Nuinsco won't be directed by market opinion and continues, although cautiously, its growth mode with its involvement in not only a variety of metals but also in a variety of jurisdictions. Nuinsco is very active and works all of its projects with exploration programs 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 has delayed our ability to embark on a full exploration program until more certainty of tenure is established. Recent meetings in Egypt with high-level Egyptian officials and Canadian Embassy representatives is providing comfort that we will obtain full tenure, possibly before a new government is formed. 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 numerous samples from several occurrences returning multi-gram gold grades. These historic occurrences have been observed to be up to five km in length. 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. The second agreement to finalize the acquisition of the Umm Samra project has now been submitted to the Egyptian Mineral Resources Authority (“EMRA”) for signature. Projects in other MENA countries are being evaluated and we will provide information as discussions advance.

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 continue, the significant disconnect between share price and asset value 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 and unsettled 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 assets has been an important source of funding for Nuinsco. As a result of asset sales in the past, Nuinsco is in a relatively strong financial position for a junior exploration company.

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-focused 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. With assets in Turkey and now Egypt, Nuinsco is becoming a significant international exploration company which opens up many more opportunities. We believe that Egypt and the surrounding region is the next attractive exploration frontier and we are there early.

Nuinsco continues to be active and currently has several field programs underway. Assay results from the last drill program at our Diabase uranium project in the Athabasca Basin of Saskatchewan are pending along with further results from three surface programs completed on the Bukari and Umm Samra concessions in Egypt. Recent news releases have reported results which indicate very attractive potential.

The Company announced the acquisition of substantially all of the secured debt of Campbell not already owned in conjunction with Ocean Partners. As a result, a proposal made to the trustee handling the Campbell Resources CCAA proceedings has been approved and is being presented to the court on May 24, 2011. Nuinsco and Ocean Partners should then be 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 Company is in the exploration business and value can only be generated with good exploration results and increasing opportunities for discovery. Nuinsco follows this approach as shown by its recent activities in Canada, Turkey and Egypt. Nuinsco has never been more active.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2011, Compared With Three Months Ended March 31, 2010

All of the information described below is accounted for in accordance with IFRS. The reader is encouraged to refer to Notes 3 and 32 of the Company's Unaudited Interim Consolidated Financial Statements for the Company's IFRS accounting policies and a complete analysis and reconciliation of the Company's accounting under pre-transition Canadian GAAP and IFRS. The discussion below includes certain references to some of the main effects of the changes under IFRS where it is considered helpful.

In the three months ended March 31, 2011, the Company generated a net loss of \$1,008,000, or \$0.00 per share, compared with a net loss of \$1,116,000, or \$0.00 per share, in the three months ended March 31, 2010.

General and administrative expenses increased by \$135,000 from \$402,000 in 2010 to \$537,000 in 2011. The main contributing factors to increases in general and administrative expenditures are: fees with respect to the ongoing monitoring and legal activity with respect to Campbell assets, directors' fees, investor and public relations costs, tax services to support the challenge of the CRA reassessment and increased salaries. The Board of Directors approved salary increases for 2011 plus the current period includes salary costs for the controller who was hired in July of 2010. Increases in costs were partially offset by a decrease in management expenses and general legal fees. Expenses in 2010 also included a provision for Part XII.6 tax on unexpended flow-through amounts; there were no unexpended amounts subject to such tax in 2011.

Overhead recoveries through charges to Victory Nickel for services under the management agreement and deducted from operating expenses amounted to \$197,000 in the three months ended March 31, 2011, compared with \$170,000 in the same period of 2010. 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 cost to the Company of such services plus 10%. The increase in costs allocated is primarily a function of salary increases in 2011 and the effects of hiring an extra staff member in July 2010 to support additional compliance requirements.

It is estimated that approximately \$211,000 of general and administrative expenditures were incurred on supporting the Company's public status in the three months ended March 31, 2011 (March 31, 2010 - \$190,000). Such costs are non-discretionary and are weighted to the beginning of a financial year because of audit and other compliance requirements. The increase from 2010 to 2011 is mainly due to higher audit and consulting fees.

Share-based payments increased from \$228,000 in 2010 to \$489,000 in 2011 which is a function of the higher fair value of options issued in 2011 compared with 2010, as well as options issued to a new director and an additional employee in 2011. During the three months ended March 31, 2011, the Board of Directors granted 4,975,000 stock options to directors, officers, employees and consultants with a weighted exercised price of \$0.17 per share and a weighted average fair value of \$0.124 per share. Of the options granted, 3,887,500 vest immediately and 1,087,500 vest over one year. During the three months ended March 31, 2010, the Board of Directors granted 4,700,000 stock options with a weighted exercise price of \$0.08 per share and a weighted average fair value of \$0.057 per share.

The Company separates its pre-exploration write-offs from its writedowns of exploration and evaluation projects in the consolidated statements of operations. Routine write-offs of pre-exploration expenditures in the three months ended March 31, 2011 aggregated \$5,000. In 2010, pre-exploration cost write-offs of \$158,000 were made that were mainly a result of IFRS transitional adjustments. This comprised routine write-offs of \$32,000 combined with write-offs of \$126,000 related to pre-exploration and evaluation expenditures incurred on the Bukari project prior to the terms of the concession agreement being reached with EMRA (IFRS does not allow capitalization of such expenditures when they are incurred prior to a legal right being granted to explore the property). An additional writedown of exploration and evaluation projects of \$298,000 in the first quarter of 2010 related to the adjustment to the fair value of Cameron Lake (refer to Note 32 to the Company's Unaudited Interim Consolidated Financial Statements). There have been no writedowns of projects in 2011 to date.

Note that a significant IFRS difference related to the value of Cameron Lake. A transition adjustment was made of \$9,850,000 which related to the reversal of prior writedowns which are required if there is an improvement in the recoverable value of a project. The adjustment was calculated by reference to the proceeds of sale of the project, the terms of which were determined in December 2009. Those terms included marketable securities the value of which declined to March 31, 2010 therefore requiring the writedown of \$298,000 and an associated adjustment to income taxes of \$37,000. Adjustments to Cameron Lake values are timing differences, upon completion of the sale in the second quarter of 2010, all differences will offset through deficit.

Management of the Company determined that no significant events had been experienced during the three months ended March 31, 2011 that would prompt an impairment review of its exploration and evaluation projects. Metals prices and other market factors continue to improve. This conclusion is summarized under Impairment Analysis Update below.

Finance income decreased from \$170,000 in the first quarter of 2010 to \$56,000 in 2011 and is primarily a function of a significant decrease in the net foreign exchange gain from \$119,000 to \$7,000 – the foreign exchange amount was generated by the US-denominated loan balance as more fully discussed below. Finance income also includes the premium recorded on flow-through spending. The premium on flow-through spending in the quarter of \$48,000 (March 31, 2010 - \$50,000) was recorded through income as applicable expenditures related to the flow-through financings in December 2010 and December 2009, respectively, were incurred. The Company completed its obligations under the flow-through financing from December 2010 in the three months ended March 31, 2011; accordingly, the entire flow-through premium was reflected through operations by the end of the period. The Company completed its obligations under the flow-through financing from December 2009 during the fourth quarter of 2010. No additional flow-through financing has occurred since those financings. The flow-through premium concept is one of the more significant changes to the Company's accounting as a result of the transition to IFRS.

The Company recognized a net foreign exchange gain of \$7,000 in the first quarter of 2011 and \$119,000 in the comparative period of 2010. The net foreign exchange gain in 2010 was primarily a function of the US dollar-denominated loan. As at March 31, 2011, the Company had US-denominated net liability balances of approximately US\$546,000 (March 31, 2010 - US\$3,567,000). 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\$3,420,000 as at March 31, 2011 (March 31, 2010 - \$nil). Consequently, fluctuations in the Australian dollar impact the fair value of the securities, any changes in which are recorded through other comprehensive income or loss ("OCI").

Finance costs decreased from \$157,000 in 2010 to \$5,000 in 2011. Finance costs incurred in the three months ended March 31, 2010 included interest expense and the net change in fair value of financial assets at fair value through operations, described further below. During the three months ended March 31, 2010, the Company incurred interest expense of \$84,000, including amortization of loan fees, on its US-dollar-denominated loan that was outstanding. As noted above, the loan and related balances were repaid in full on April 20, 2010 upon consummation of the sale of Cameron Lake. Refer also to Liquidity and Capital Resources discussion below. The Company has had no loans outstanding since that date.

In August, 2009, the Company acquired warrants in Victory Nickel with a strike price of \$0.12. The net change of \$73,000 in the fair value of financial assets at fair value through operations during the three months ended March 31, 2010, represents the change in the fair value of Victory Nickel warrants. The warrants were exercised in the third quarter of 2010. The Company did not hold any financial assets at fair value through operations during the three months ended March 31, 2011.

The income tax expense in the amount of \$25,000 recorded in 2011 is related to income tax expense on the change in value of financial assets at fair value through OCI. In the three months ended March 31, 2010, the income tax expense of \$37,000 was related to the change in the fair value of Cameron Lake as described above. Refer to Note 32 to the Company's Unaudited Interim Consolidated Financial Statements.

OCI in the first quarter of 2011 of a loss of \$67,000 relates to a decrease of \$92,000 in the market value of the Company's financial assets at fair value through OCI partially offset with a recovery in income tax recorded through OCI of \$25,000. Note that under IFRS 9, Financial Instruments ("IFRS 9"), all changes in market value on financial assets at fair value through OCI (along with related tax effects) are reflected in OCI; this includes realized gains which, under pre-transition Canadian GAAP, were formerly reflected through operations. This is further discussed in the IFRS reconciliations in Note 32 to the Company's Unaudited Interim Consolidated Financial Statements.

In the first quarter of 2011, the net change in the fair value of financial assets was comprised of a decrease of \$235,000 in the fair value of Coventry shares partially offset by an increase in the fair value of Victory Nickel shares of \$127,000. Coventry shares had a market price of \$0.286 per share as at March 31, 2011. Note that the fair value of Coventry shares is impacted by the fluctuation in the value of the A\$. Approximately \$54,000 of OCI is attributable to a weakened exchange rate during the three months ended March 31, 2011. The fair value of Victory Nickel shares was \$0.11 as at March 31, 2011.

During the three months ended March 31, 2011, the Company also sold a significant portion of its holdings of Gold Hawk shares for liquidity purposes; the sales generated gross proceeds of \$931,000, resulting in a net increase of \$16,000 in the net change in fair value of Gold Hawk shares as at March 31, 2011 and recorded through OCI. Shortly after the end of the first quarter of 2011, the Company sold its remaining shares in Gold Hawk.

OCI in 2010 of \$112,000 represented the net change in the fair value of the Company's holdings of Gold Hawk and Victory Nickel shares. Approximately \$215,000 related to the increase in the fair value of Gold Hawk shares with the balance attributable to a decline in the fair value of Victory Nickel shares. The Company did not have any holdings of Coventry shares during the three months ended March 31, 2010.

The Company has capital loss pools available to it of approximately \$5,000,000 (Note 15 to the Company's Unaudited Interim Consolidated Financial Statements). Since the Company has unrecognized deferred tax assets for such capital losses, a future income tax recovery of \$25,000 was recorded through OCI with an equal and opposite amount being recorded through operations.

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

Receivables have decreased from \$674,000 as at December 31, 2010 to \$470,000 as at March 31, 2011. The decrease is primarily due to the receipt in the first quarter of 2011 of Quebec mining duties in the amount of \$203,000.

Marketable securities as at March 31, 2011 consist of the Company's financial assets at fair value through OCI. The Company presently has no financial assets recorded at fair value through operations. Any volatility in the market value of shares will be recorded through OCI whether generated from sales or unrealized market changes. The balance decreased from \$5,463,000 as at December 31, 2010 to \$4,440,000 as at March 31, 2011. The decrease is primarily as a result of the decline in the market value of Coventry shares and the sale of a significant portion of the Company's holdings of Gold Hawk shares for liquidity purposes as discussed above; offset by an increase in the market value of Victory Nickel shares. The shares of Coventry, Gold Hawk and Victory Nickel had a market value of \$3,430,000, \$75,000 and \$935,000, respectively, as at March 31, 2011.

Share capital has increased by \$514,000 from December 31, 2010 to March 31, 2011. This is as a result of the shares issued pursuant to a private placement that generated gross proceeds of \$500,000 in January, 2011, as well as the exercise of warrants and options. All of which are discussed under Liquidity and Capital Resources. The conversion to IFRS also had significant impact on the components of shareholders' equity. In particular, changes in flow-through accounting and the reversal of previously-recorded impairment.

SUMMARY OF QUARTERLY RESULTS

Selected financial information for each of the last nine quarters ended March 31, 2011 is as follows:

The information for 2011 and 2010 is accounted for in accordance with IFRS

<u>Fiscal year 2011</u>		<u>1st Quarter</u>			
Net finance income		\$ 51			
Net loss		\$ (1,008) ⁽¹⁾			
Total comprehensive loss		\$ (1,075)			
Loss per share - basic and diluted		\$ (0.00)			
<u>Fiscal year 2010</u>		<u>4th Quarter</u>	<u>3rd Quarter</u>	<u>2nd Quarter</u>	<u>1st Quarter</u>
Net finance income (costs)		\$ 366 ⁽²⁾	\$ (66)	\$ (182)	\$ 13
Net income (loss)		\$ 58	\$ (1,179) ⁽⁴⁾	\$ (1,404) ⁽⁶⁾	\$ (1,116) ⁽⁸⁾
Total comprehensive income (loss)		\$ 1,266 ⁽³⁾	\$ (155) ⁽⁵⁾	\$ (2,535) ⁽⁷⁾	\$ (1,004)
Income (loss) per share - basic and diluted		\$ 0.00	\$ (0.01)	\$ (0.01)	\$ (0.00)

The information for 2009 is accounted for in accordance with pre-transition Canadian GAAP

<u>Fiscal year 2009</u>		<u>4th Quarter</u>	<u>3rd Quarter</u>	<u>2nd Quarter</u>	<u>1st Quarter</u>
			(Restated) ⁽¹⁰⁾		
Revenue and other income		\$ (46)	\$ -	\$ 297	\$ -
Net income (loss)		\$ 429 ⁽⁹⁾	\$ 1,798 ⁽¹¹⁾	\$ 194 ⁽¹²⁾	\$ (745) ⁽¹³⁾
Total comprehensive income		\$ 610	\$ 956	\$ 751	\$ 136
Income (loss) per share - basic and diluted		\$ 0.00	\$ 0.01	\$ 0.00	\$ (0.00)

The information for 2011 and 2010 is accounted for in accordance with IFRS and the notes thereto are as follows:

- (1) Net loss includes \$489,000 of share-based payments.
- (2) Net finance income includes \$356,000 premium on flow-through financing.
- (3) Includes an increase of \$1,320,000 in the net change in fair value of financial assets at fair value through OCI, partly offset by incomes taxes of \$85,000.
- (4) Includes a writedown of exploration and evaluation projects of \$606,000, related to the Triggs option in the Olympian project.
- (5) Includes an increase of \$997,000 in the net change in the fair value of financial assets at fair value through OCI.
- (6) Reflects a non-cash future income tax provision of \$1,260,000, refer to (9) below and a \$556,000 recovery on exploration and evaluation projects, some of which reverses the writedown described in (8).
- (7) Includes a decrease of \$1,131,000 in the net change in fair value of financial assets at fair value through OCI.
- (8) Includes \$228,000 of share-based payments, \$298,000 writedown of exploration and evaluation projects and \$158,000 pre-exploration write-offs related to IFRS changes (Note 32 to the Unaudited Interim Consolidated Financial Statements).

The information for 2009 is accounted for in accordance with pre-transition Canadian GAAP and the notes thereto are as follows:

- (9) 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.
- (10) Restated in the fourth quarter to include a gain on warrants of \$333,000 in net income which had previously been included in other comprehensive income.
- (11) 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.
- (12) 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.
- (13) 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 and tax recoveries or provisions. Variations in comprehensive income are primarily a function of the changes in the fair values of the Company's financial assets recorded through OCI.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2011, the Company had working capital of \$2,969,000 (December 31, 2010 - \$4,363,000).

The Company required cash and cash equivalents of \$298,000 during the three months ended March 31, 2011 compared with cash required of \$1,176,000 during the same period in 2010.

In the three months ended March 31, 2011, the Company used cash of \$478,000 in operating activities, compared with the cash used of \$263,000 in the three months ended March 31, 2010. The Company has no recurring sources of revenue and no regular operations and the change in non-cash working capital in the three months ended March 31, 2011 generated cash of \$47,000 compared with generating cash of \$123,000 in the same period in 2010. The main reason for the change in non-cash working capital relates to an increase in receivables partly offset by a reduction in trade and other payables.

Investing activities in the three months ended March 31, 2011 used funds of \$385,000, compared with funds used of \$909,000 in the same period in 2010. During the three months ended March 31, 2010, a deposit of \$465,000 was made as a good faith gesture behind the confidential bid process for Campbell's assets in conjunction with Ocean Partners, representing the Company's portion of the deposit under the bid. Aggregate payments of \$1,525,000 were made by the Company during 2010 with respect to Campbell debt acquisition. 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 expects to make a further payment of \$200,000 within one year (which is included in trade and other payables) and \$300,000 no earlier than April 2013 (which is included in long-term liabilities at a fair value of \$251,000 using a discount rate of 8%).

As a result, the two companies have effectively gained control over a significant Canadian mining camp. The formal proposal to complete this is expected to be ratified by the courts upon satisfactory clearance; a court date has been set for May 24, 2011. 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 evaluation projects amounted to \$1,317,000 in the three months ended March 31, 2011, compared with \$438,000 in the same period in 2010. Refer to the Exploration and Evaluation Activities section for additional discussion.

During the three months ended March 31, 2011, the Company received gross proceeds of \$931,000 on the sale of Gold Hawk shares as discussed earlier; the Company no longer considers this a strategic investment. Accordingly, shares are being sold for liquidity purposes and the entire Gold Hawk portfolio was liquidated shortly after the end of the first quarter of 2011. The Company did not sell any marketable securities during the three months ended March 31, 2010.

Cash generated from financing activities was \$565,000 in the three months ended March 31, 2011, compared with cash used of \$4,000 in the same period in 2010. 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. 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 net proceeds of \$493,000. 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.

Other cash consideration received in the three months ended March 31, 2011 was from 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 expired in April 2011. During the three months ended March 31, 2011, 689,451 warrants that were issued pursuant to the rights offering were exercised for an aggregate consideration of approximately \$69,000. Other financing activities in the three months ended March 31, 2011 included the exercise of 50,000 options at exercise prices of \$0.08 and \$0.05 for aggregate consideration of approximately \$3,000.

Due to improvements in the Company's share price, most of the Company's warrants are "in-the-money" and were exercisable during the period (refer to Note 22 to the Company's Unaudited Interim Consolidated Financial

Statements). Subsequent to March 31, 2011, 6,372,613 warrants that were issued pursuant to the rights offering in 2009 were exercised for aggregate cash consideration of approximately \$637,000. The number of warrants from the rights offering that remained unexercised amounted to 279,167 and these consequently expired in April 2011.

As at March 31, 2011, the Company did not have any outstanding flow-through expenditure commitment for flow-through share financing. Accordingly, the entire flow-through premium (a non-cash item) had been amortized through operations by that date. Note that flow-through renunciation under IFRS is recognized as eligible expenditures are made and, since Nuinsco has unrecognized deferred tax assets, there effectively is no accounting entry required as renunciation merely adjusts the amount of the unrecognized deferred tax assets.

Flow-through financings do not provide the funding necessary to meet corporate expenditures which do not qualify for flow-through eligibility. The significant cost to maintain and comply with regulatory requirements for the Company's public listing cannot be financed with flow-through shares. Consideration received from the Company's warrants and options are "hard" dollars and can be utilized without restriction.

In order to facilitate exploration on the Bukari project in Egypt in 2010, 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. 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.

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 mentioned above, the Company sold the remainder of its Gold Hawk shares in April, 2011. Furthermore, it sold approximately 2.75 million of its Coventry shares for aggregate proceeds of approximately \$748,000 to the date of this report.

The total value of the Company's marketable securities as at May 20, 2011, is approximately \$2,767,000. These are available to fund the Company's ongoing operations.

As described above, exploration and evaluation 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 closed a 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 March 31, 2011, the major routine item requiring financing was an HST/GST receivable of \$93,000 (received in May, 2011) 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 in non-discretionary costs is required on an ongoing annual basis to support the Company as a public entity. 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 for a junior exploration company. The Company will continue to make expenditures on Canadian exploration activities to fulfil any flow-through commitments; presently \$nil. 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 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 EVALUATION ACTIVITIES

In the three months ended March 31, 2011, the Company incurred exploration and evaluation expenditures of \$1,381,000 on its mineral interests, compared with \$297,000 in the same period in 2010. Expenditures were lower during the three months ended March 31, 2010 due to the general economic and financing environment experienced during that period. The most significant expenditures in the three months ended March 31, 2011 were on the Diabase Peninsula project in the amount of \$663,000 (March 31, 2010 - \$153,000), the Bukari project in the amount of \$298,000 (March 31, 2010 - \$nil; treated as pre-exploration expenditures) and Prairie Lake expenditures were \$368,000 (March 31, 2010 - \$29,000). Costs on other programs were: Olympian \$nil (March 31, 2010 - \$115,000), Berta \$28,000 (March 31, 2010 - \$nil) and Elmalaan \$24,000 (March 31, 2010 - \$nil).

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, and approximately 5km from, the southern boundary of 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. 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. The Company estimates that an additional \$400,000 of expenditures would reduce Trend's interest to a royalty. 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. It is extremely unlikely that this could occur. 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 targeted the central portion of the project area on the Diabase Peninsula, an area which demonstrates significantly anomalous uranium mineralization in conjunction with other indicators of a uranium mineralizing event. Results continue to be positive for a combination of geochemistry, geology, alteration and structure and as such provided sufficient reason to conduct a winter drilling program on the project. The March-April 2011 drill program comprised five drill holes totalling approximately 1,800m and additional gravity geophysics to expand upon results and coverage obtained from earlier programs. The field component was completed in mid-April and analytical results are anticipated shortly. 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% U₃O₈ (and 0.25% niobium) identified in exploration dating from the mid-1960s.

On January 13, 2010, the Company announced the results of an Exploration Target Mineralization Inventory ("ETMI") that demonstrated the presence of between 330 million and 360 million tonnes averaging 3.5% to 3.7% P₂O₅ and 0.12% to 0.14% Nb₂O₅. 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% P₂O₅ and 0.356% Nb₂O₅, and an intersection of 3.03% P₂O₅ and 0.157% Nb₂O₅ 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 first drill hole of the program have returned niobium, tantalum, phosphorus and REE results comparable with those of previous drilling; results from the remaining six holes 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.

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 recorded an amount owing to Xstrata of approximately \$454,000, primarily in 2008, in trade and other payables, for its share of expenditures on Berta work programs. Expenditures in 2009 and 2010 include estimates for the Company's share of expenditures on Berta. Discussions with Xstrata have been ongoing, including discussions to buy Xstrata's share of the joint venture. Subsequent to March 31, 2011, Xstrata advised that it is no longer interested in selling its share of Berta. As a result, Nuinsco will not be paying the full share of the recorded expenditures and will allow itself to be diluted to approximately 36%. In the second quarter, the Company will make adjustments to the carrying value of the project, trade and other payables and foreign exchange, as appropriate.

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, Nuinsco Madencilik.

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 km² 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, writedowns were taken in the third quarter of 2010 for the Triggs option and in the fourth quarter of

2010 for the remaining Olympian options 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 1 to the Unaudited Interim Consolidated Financial Statements for a description of this transaction.

Other Projects

The Company, on an ongoing basis, evaluates exploration and development projects for possible acquisition. In particular, the Company is currently examining several projects in the MENA region.

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 earlier, 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, 456,100 shares in the first quarter of 2011, with the remaining balance being sold in April, 2011.

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 owned 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. During April and May to date, the Company has sold approximately 2.75 million shares of Coventry for aggregate proceeds of approximately \$748,000. The Company presently owns approximately 9.25 million shares with an estimated fair value of \$1.9 million.

IMPAIRMENT ANALYSIS UPDATE

While the metals markets and other general economic factors have improved over the prior year, the Company performed a detailed impairment analysis, which considered factors pertinent to IFRS such as the reversals of prior writedowns, on each of its exploration and evaluation projects as at December 31, 2010. The Company does not believe that there have been any material changes to date which would adversely affect this analysis or would cause the Company to initiate another recoverability assessment. Furthermore there has been no change in management's plans for the projects which would cause a reassessment.

Management concluded that no impairment existed in each of its projects effective March 31, 2011 and that costs incurred to date 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.

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 Agreement 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 March 31, 2011, and that costs incurred to date on all 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 evaluation projects, assessing the fair value of royalty interests, assessing the impairment of long-lived assets and the fair value estimates for share-based payments and warrants and assessing the value of deferred income tax assets. These estimates involve considerable judgement and are, or could be, affected by significant factors that are out of the Company's control.

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 to the Company's Unaudited Interim Consolidated Financial Statements. The reader may also choose to review Notes 2 and 3 to the Company's 2010 Audited Consolidated Financial Statements however, the reader is cautioned that these were prepared under pre-transition Canadian GAAP and are no longer directly comparable to the present basis of accounting under IFRS. Note 32 to the Unaudited Consolidated Financial Statements provides the reader with information, analyses and reconciliations of historic information from pre-transition Canadian GAAP to IFRS. 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 as well as Note 1 to the Company's Unaudited Interim Consolidated Financial Statements.

The Company's recorded value of its exploration and evaluation 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 share-based payments, 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

IFRS issued by the International Accounting Standards Board ("IASB") have been adopted in the Company's Unaudited Interim Consolidated Financial Statements. Note 3 thereto includes the accounting policies that have been applied in preparing the consolidated financial statements for the period ended March 31, 2011 and 2010. The comparative information presented in the financial statements for the year ended December 31, 2010 and the opening IFRS balance sheet as at January 1, 2010 (date of transition) were also compiled using IFRS. Note 32 to the Unaudited Interim Consolidated Financial Statements details the adjustments made and the reconciliations between pre-transition Canadian GAAP and IFRS.

SUMMARY OF IFRS IMPLEMENTATION

Overview

As discussed above and in the Company's previous MD&As, the Company implemented a project plan to guide its transition to IFRS. The project plan is essentially complete with only post-implementation review outstanding. However, the Company will continue to monitor the publications of the Mining Industry Task Force and how practice develops with respect to some of the more industry-specific matters such as accounting for flow-through financings.

Note 32 to the Unaudited Interim Consolidated Financial Statements includes detailed reconciliations of the effects of IFRS on the Company's previously-published financial statements issued under pre-transition Canadian GAAP. The reader is encouraged to refer to that information for a full description of matters summarized below. Furthermore, the Company has identified the more significant adjustments to IFRS throughout this MD&A in places where it was considered helpful.

The Company's guiding principle during the transition has been to manage the number of changes and to minimize the effect of implementation of IFRS unless there was a compelling reason for change. Where pre-transition Canadian GAAP was consistent with IFRS, the Company generally made no change to its accounting policies. Certainly the volume of disclosure has increased. At present, the Company took a more conservative approach to disclosure but it expects to streamline future disclosures as part of its post-implementation review and ongoing monitoring of industry practice.

IFRS 1 Elections

The Company elected under IFRS 1, as follows:

- not to apply IFRS 3 Business Combinations ("IFRS 3") retrospectively;
- to retroactively designate its marketable securities in conformity with its choices under the early adoption of IFRS 9;
- not to adopt retroactive application of IAS 32 Financial Instruments: Presentation with respect to its convertible debt;
- not to adopt retroactive application of fair value accounting on options issued and fully vested before the transition date; and
- not to adopt retroactive capitalization of borrowing costs to qualifying assets.

Summary of Significant Accounting Policy Differences and/or Choices under IFRS

Assets classified as held for sale

Under IFRS, the Cameron Lake sale met the test to be classified as current assets. Furthermore, because a binding agreement was in place which stated the consideration to be received, there was evidence of fair value of the project. Cameron Lake had been written down in earlier years. IFRS require reversals of impairment where recoverable value can be supported. The IFRS aggregate adjustments to decrease deficit are \$nil, \$9,515,000 (net of tax of \$37,000) and \$9,850,000 as at each of December 31, March 31 and January 1 of 2010, respectively. In the first quarter of 2010, the adjustment is to reverse writedowns on exploration and evaluation projects, in the second quarter of 2010, the reversal is effectively a contra to the gain on sale of Cameron Lake in the pre-transition Canadian GAAP statement of operations. Note that the amounts adjusted differ from the gain because of changes in the market value of securities which were part of the consideration.

Property and equipment

The Company has chosen to continue to account for its property and equipment using the cost model.

Expenditures on exploration and evaluation projects

The Company has chosen to continue to capitalize exploration costs. Under IFRS, certain expenditures incurred on the Bukari project in Egypt occurred before the terms of the concession agreement were reached and were

therefore written off. Accordingly, pre-exploration write-offs against that project were made of \$209,000, \$128,000 and \$2,000 as at each of December 31, March 31 and January 1 of 2010, respectively. The Company also reclassified certain amounts formerly included in writedown of exploration projects to pre-exploration write-offs in the consolidated statements of operations.

Impairment of exploration and evaluation projects

Under IFRS, impairment provisions must be reversed where there is evidence supporting the recoverable value. Accordingly, the values of the Prairie Lake project as at each of the reported dates of December 31, March 31 and January 1 of 2010 have been increased by \$325,000.

Flow-through share financing

In accordance with interpretations of IFRS, the Company's selected accounting treatment requires recognition of the tax effects of renunciation upon incurring expenditures related to the flow-through shares, as well as an identification of the premium associated with the tax benefits passed on to the subscribers of the flow-through shares and amortization thereof to operations upon incurring expenditures related to the flow-through shares. The Company has chosen to record the flow-through premium as an element of finance income.

The accounting treatment has impacts upon trade and other payables, share capital, contributed surplus, deficit as well as finance income. Since there is no applicable exemption, the Company made a best-efforts attempt to calculate the historic impact of renunciation and premium recognition; given that historic differences would represent a reclassification between share capital and deficit upon transition, the Company considers that any differences are not material. The following table summarizes the effects on the balance sheets of flow-through accounting.

Consolidated Balance Sheets	December 31, 2010	March 31, 2010	January 1, 2010
Increase in trade and other payables	\$ 48	\$ 319	\$ 369
Increase (decrease) in share capital	26	234	(266)
Decrease in contributed surplus	(32)	-	-
Net increase in deficit	(42)	(553)	(103)
	\$ -	\$ -	\$ -

Finance income and finance costs

Under IFRS there are several reclassifications required to report the components of finance income and finance costs. The Company has chosen to record the premium on flow-through as a component of finance income. The components are reported in Note 23 to the Unaudited Interim Consolidated Financial Statements.

IFRS 9 – Financial Instruments

The Company has chosen to early-adopt the provisions of IFRS 9 in order to avoid a subsequent change to IFRS. This means that all gains and losses on marketable securities selected as being financial assets through OCI are recorded through OCI including realized gains. Accordingly, the Company has reclassified its applicable gains or losses through OCI. This is applicable from January 1, 2010 onwards with no historic adjustment required. Because of the timing of transactions, the only applicable reportable effect is as at December 31, 2010 where a net reclassification was required of \$139,000, after income taxes of \$20,000, to increase net profit through operations and to decrease OCI.

Deficit

The combined effects of the matters discussed above on deficit are as follows:

Consolidated Balance Sheets	December 31, 2010	March 31, 2010	January 1, 2010
Adjust gain on sale of Cameron Lake	\$ (10,108)	\$ -	\$ -
Adjust fair value of Cameron Lake	10,108	9,515	9,850
Pre-exploration write-offs Bukari Egypt	(209)	(128)	(2)
Adjust fair value of Prairie Lake	325	325	325
IFRS 9 reclassify loss through OCI, net of tax	139	-	-
Effects of flow-through accounting	(42)	(553)	(103)
Net decrease in deficit	\$ 213	\$ 9,159	\$ 10,070

Involvement by Advisers

The Company engaged its auditors, BDO Canada LLP, to conduct a special consultation with respect to its IFRS transition project. While the consultation 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 Unaudited Interim Consolidated Financial Statements, in particular Note 32 thereto, contain materially complete and appropriate disclosures. The IFRS consultation is complete.

FUTURE ACCOUNTING CHANGES

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2011, and have not been applied in preparing these consolidated financial statements. Most of these are not expected to have a significant effect on the consolidated financial statements of the Company. The Company is evaluating the impact of IFRS 11: Joint Arrangements and IFRS 12: Disclosure of Interests in Other Entities.

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

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.

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 entirely of independent directors, meets with management to review the Unaudited Interim Consolidated Financial Statements to satisfy itself that management is properly discharging its responsibilities to the directors who approve the Unaudited Interim Consolidated Financial Statements. The Board of Directors has also appointed compensation and corporate governance and nominating committees composed of non-executive directors.

Design 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 quarter ended March 31, 2011, the Certifying Officers have concluded that the design of the Company's disclosure controls and procedures were effective as at March 31, 2011. 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 quarter ended March 31, 2011 that materially affected, or are reasonably likely to affect, the Company's disclosure controls and procedures.

Design 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 financial statements for external purposes in accordance with Canadian GAAP. The Company used the COSO control framework. For the fiscal quarter ended March 31, 2011, the Certifying Officers have concluded that the design of the Company's internal controls over financial reporting and procedures were effective as at March 31, 2011.

The management of the Company was required to apply its judgement 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 quarter ended March 31, 2011 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 trade and other payables at March 31, 2011 are amounts owing to directors and officers of \$93,000 (December 31, 2010 - \$111,000). 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 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 three months ended March 31, 2011 total \$197,000 (March 31, 2010 - \$170,000) and have been deducted from general and administrative expenses. In addition, project-related costs aggregating \$16,000 have been charged by the Company to Victory Nickel during the three months ended March 31, 2011 (March 31, 2010 - \$18,000). Furthermore, project-related costs aggregating \$7,000 have been charged to the Company by Victory Nickel and are included in exploration and evaluation costs on the balance sheet (March 31, 2010 - \$5,000).

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 March 31, 2011, the Company had 258,069,743 common shares outstanding. At May 20, 2011, the Company had 264,442,356 common shares issued and outstanding. In addition, there were 22,460,000 stock options outstanding at May 20, 2011 as well as 21,247,231 warrants, which if exercised and issued would bring the fully diluted issued common shares to a total of 308,149,587 and would generate approximately \$6,329,000.

CONTINGENCY

CRA Reassessment

In March, 2011, the Company 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 the Company believes that its position is correct and believes it will prevail. Accordingly, the Company has not recorded any liability with respect to this matter. The Company filed notices of objection on May 19, 2011.

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. 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.

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.

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.

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.

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.

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. 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.

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. 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.

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.

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. As referred to above, the Company has received notices of reassessment from the CRA and is in the process of defending what it and its advisors believe to have been a correct filing position.

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.

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.

Egypt continues to experience 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. 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.

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 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.

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.

May 20, 2011