NUINSCO RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2011

DATED AUGUST 5, 2011

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For the Three and Six Months Ended June 30, 2011

The following discussion of the results of operations and financial condition of Nuinsco Resources Limited ("Nuinsco" or "the Company") prepared as of August 5, 2011 consolidates management's review of the factors that affected the Company's financial and operating performance for the three and six months ended June 30, 2011, and factors reasonably expected to impact on future operations and results. This discussion is intended to supplement and complement the Company's Unaudited Condensed Consolidated Financial Statements as at and for the three and six months ended June 30, 2011 and 2010 ("Unaudited Condensed Consolidated Financial Statements") and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP").

Nuinsco's first consolidated financial statements prepared in accordance with IFRS wherein IFRS 1, First time adoption of International Financial Reporting Standards ("IFRS 1"), was applied were the unaudited interim consolidated financial statements as at and for the three months ended March 31, 2011 and 2010 ("First Quarterly Consolidated Financial Statements of 2011"). 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 had an IFRS implementation project plan which involved its advisers; this plan is essentially complete. 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 Condensed Consolidated Financial Statements, the First Quarterly Consolidated Financial Statements of 2011 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 July, 2011, the Company announced that it has secured exploration interests in northeastern Sudan. 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.

Going Concern

The transactions described elsewhere in this MD&A 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 26 to the Unaudited Condensed 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 12 to the Unaudited Condensed 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. On June 28, 2011, the Company announced that the Québec Superior Court had finally allowed the joint ownership by the Company and Ocean Partners of all exploration, mining and processing assets located in and near Chibougamau Québec. The Company, along with Ocean Partners, is in the process of completing the necessary legal documentation to consummate the acquisition and is evaluating opportunities to realize the value of the assets.

The Company's Unaudited Condensed 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.

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 13 to the Company's Unaudited Condensed 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 28 to the Company's Unaudited Condensed Consolidated Financial Statements:

Consideration received		
Cash		$ 6,000
Coventry shares		2,958
Royalty interest		3,000
Aggregate consideration		11,958
Net book value of assets sold (liabilities assumed) and expenses of sale		
Cameron Lake property	$ 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., 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.

SIGNIFICANT EVENTS

During and subsequent to the six months ended June 30, 2011, the Company:

Corporate

- Added Dr. J.M. Franklin as an independent Director; Dr. Franklin has over 40 years’ experience as a geologist, having held many senior positions in mineral exploration, government and academia.
- Received, and commenced an appeal of, notices of reassessment from the CRA.
- Moved ahead with the creation of NuMENA Minerals Corp. (“NuMENA”) in preparation for the spin-out of the Company’s projects in the Middle East North Africa (“MENA”) region to shareholders before the end of 2011.
- Received a favourable decision from the Quebec Superior Court allowing 50:50 joint ownership, between the Company and Ocean Partners, of an impressive suite of exploration, mining and processing assets in Quebec’s Chibougamau Mining Camp.

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 km.
- Confirmed a four km 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).
- Expanded its presence in the MENA region by entering into an option agreement to acquire 85% of the high-grade J. Tobrar gold concession in northeastern Sudan.
- Announced positive results from surface sampling at the J. Tobrar gold concession, with anomalous gold results returned from all 12 veins sampled, including a 324m interval averaging 16.07 g/t gold and a width of 1.34m.
- Finalized, with the Egyptian Mineral Resources Authority (“EMRA”), a concession agreement on the Umm Samra gold concession, the Company’s second project in Egypt’s Eastern Desert.

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 4,000m 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 246m interval grading 0.118% Nb_2O_5 and 3.41% P_2O_5.
- Announced that all holes in the 2,321m December 2010 drill program at the Diabase Peninsula property returned uranium values.
- Began and completed an additional 2,000m of diamond drilling at the Diabase Peninsula property.

OUTLOOK

Base metal prices continue at or near the highest levels ever seen; gold reached a new high of approximately US$1,640 (at the time of writing); the US dollar is seeing a bit of strength. 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 predict that, because of the unsettled economy, the market cannot continue higher and is headed for a correction.

The US needs to raise its credit limit and threatens its credit rating. EU economies continue to face debt crises. Turmoil in the MENA region, although subsiding somewhat, adds to the uncertainty of the world. What does it all mean? Is it all relative?

We are all looking to September for a rally following the conventional wisdom of "sell in May and go away". So it's not too late, on this basis, there are still buying opportunities.

Nuinsco won't be directed by market opinion and must continue, although cautiously, its growth mode with its involvement in not only a variety of mineral commodities but also in a variety of jurisdictions. Nuinsco is very active, with exploration programs at its Diabase uranium project, its Prairie Lake rare metals project, its copper/zinc/gold projects in Turkey, its Egyptian concessions and its new gold project in Sudan.

On June 27, 2011, the Company received notice that the Superior Court of Québec had approved our proposal to have the assets of Campbell Resources Inc. transferred to Nuinsco and its partner Ocean Partners under our debt security. The Chibougamau assets represent a very substantial presence in a mining camp which has produced 1.6 billion pounds of copper and 3.4 million ounces of gold from 18 past-producing mines. Nuinsco and Ocean Partners have the rights to seven past-producers on the Lac Dore fault and the significant potential to add to the known mineralization at these projects, one partially-developed mine - the Corner Bay Mine, a permitted 3,000 tonne per day mill and tailings facility and in excess of 11,000 ha of highly-prospective exploration property. Given the paucity of exploration on these properties in the past 20-30 years the old adage that "the best place to look for new ore is in the shadow of a head frame" was never more apt than in Chibougamau. The Company and Ocean Partners are continuing to assemble a comprehensive inventory and evaluation of the substantial and valuable assets available. The Company is in the process of finalizing the transfer, is in discussions with various parties and is examining options to advance these assets. Following this exercise, a decision will be made on the best alternative to realize value for our shareholders. Alternatives include: a potential sale in aggregate, 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 present not only production opportunities but also extremely attractive exploration potential.

Elsewhere, the recent political and social events in Egypt continue to delay our ability to embark on a full exploration program until more certainty of tenure is established. Recent meetings in Egypt with highly-placed government officials and Canadian Embassy representatives have provided comfort that we will obtain full tenure, possibly before a new elected government is formed. A second agreement, to finalize the acquisition of the Umm Samra project, has now been signed with EMRA and because of its similarity to the Bukari agreement, legal approval of the document by the State Council is anticipated quickly. Nuinsco is ready when Egypt's politics stabilize.

In the interim, Nuinsco will be busy working its new project in Sudan which lies in the same geological setting as the Eastern Desert of Egypt, the Nubian Shield. A recent news release describes the outstanding potential of the J. Tobrar Project in north-eastern Sudan as surface work sampled 12 veins. All veins returned strongly anomalous results and include one vein with a 324m interval averaging a grade of 16.07 g/t and a width of 1.34m. A full exploration program is scheduled to start in early September.

These results are not dissimilar to those of the three surface programs completed in Egypt on the Bukari Concession which provide clear evidence of the very promising potential of the Eastern Desert. Additional 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, we believe that 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 global resources and to fuel growing demand for natural resources will hopefully result in a recovery as the availability of advanced exploration projects disappears due to this lack of funding.

Unfortunately, financing exploration activities during recessionary and unsettled times has always been difficult. Exploration is high-risk and investors are disinclined to participate in such 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 at the global forefront of mineral exploration and 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, Sudanese and Egyptian assets. This will form the base of a new company focused on the MENA region. We believe MENA countries are significantly underexplored and will provide excellent opportunities in the future. That's why we are establishing our presence now. In addition, creation of a MENA-focussed company will enable direct funding of programs on these projects which will not dilute Nuinsco's other projects and vice-versa.

Management continues to look for high-potential projects to add to its already attractive portfolio. With assets in Canada, Turkey, Egypt and now Sudan, Nuinsco is becoming a significant international exploration company, and as a result of this wider exposure many more opportunities present themselves.

Nuinsco is in the exploration business and value can only be generated with vigorous exploration programs, good exploration results and increasing opportunities for discovery. Nuinsco follows this approach as shown by its recent activities to create value through exploration in a growing list of countries with the potential of more to come.

When the government of Egypt approves the Bukari and Umm Samra agreements, the Company is required to spend US$2.0 million and US$1.5 million respectively on exploration over the 12 month period following the approval. Management is working to obtain the approval from the armed forces, the current ruling body, prior to the formation of a new government. Other foreign commitments include the option payments related to the Sudan project mentioned earlier which will be incurred over the next six months. In addition, the planned exploration programs for Berta and Elmalaan in Turkey are approximately US$1.4 million over the winter months.

In Canada, mineralogical work on Prairie Lake material to upgrade the phosphate and niobium content is expected to cost approximately $200,000. The next drilling program is being established for the Diabase project, the Company's uranium project in the Athabasca Basin of Saskatchewan. Further, the Chibougamau assets will require significant funding to advance the many projects available. Programs will be prioritized to ensure that they receive the attention they deserve but it is too soon to determine the extent of these programs.

Historically, Nuinsco has raised significant funds over its life. We expect that our ability to raise funds in Canada will continue and our growing international presence has opened up additional international sources of funding to us. We are confident that discussions with current contacts and expected future contacts combined with other sources such as judicious asset sales will generate the funding required for Nuinsco's continued exploration activities.

As mentioned earlier, we are in the exploration business and all of our projects are active.

RESULTS OF OPERATIONS

All of the information described below is accounted for in accordance with IFRS. The reader is encouraged to refer to Notes 3 and 28 of the Company's Unaudited Condensed Consolidated Financial Statements and Notes 3 and 32 of the Company's First Quarterly Consolidated Financial Statements of 2011 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. Furthermore, the Company's Unaudited Condensed Consolidated Financial Statements also include information pertinent to the three and six months ended June 30, 2010. The discussion below includes certain references to some of the main effects of the changes under IFRS where it is considered helpful.

Three Months Ended June 30, 2011, Compared With Three Months Ended June 30, 2010

In the three months ended June 30, 2011, the Company generated a net loss of $817,000 or $0.00 per share, compared with a net loss of $1,404,000 or $0.01 per share in the three months ended June 30, 2010.

Other revenue in the three months ended June 30, 2011 of $100,000 is a non-refundable fee related to due diligence on the Chibougamau assets. No such revenue was received during 2010.

General and administrative expenses increased by $297,000 from $296,000 in 2010 to $593,000 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, investor 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 not hired until July of 2010. In addition, a cash bonus was paid in respect of the completion of IFRS project work. 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 $215,000 in the three months ended June 30, 2011, compared with $167,000 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 $188,000 of general and administrative expenditures were incurred on supporting the Company's public status in the three months ended June 30, 2011 (June 30, 2010 - $125,000). 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 increased salaries as discussed earlier and higher investor relations costs.

Share-based payments related to options increased from $16,000 in 2010 to $33,000 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. The main issuance of stock options occurred in the first quarter of each year.

In the second quarter of 2011, the Board approved the issuance of 112,000 shares (2010 – 1,871,600) pursuant to the Share Bonus Plan as described in the Company's 2010 Audited Consolidated Financial Statements. The shares were issued to an executive and employee of the Company for completion of the IFRS project at a fair value of $0.15 per share, which was recorded as other share-based payments of $17,000. In 2010, the shares were issued to executives, employees and consultants of the Company at a fair value of $0.065 per share, which was recorded as other share-based payments of $121,000.

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 June 30, 2011 aggregated $122,000 and primarily related to initial work in Sudan. In 2010, pre-exploration write-offs of $82,000 were made. This comprised routine write-offs of $48,000 combined with write-offs of $34,000 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). The increase from 2010 to 2011 is a function of higher research activity into new project possibilities during the period.

In the second quarter of 2010, recoveries of exploration and evaluation projects of $556,000 was related to the adjustment to the fair value of the Cameron Lake sale consideration – being the increases in value of the Coventry shares received upon sale of Cameron Lake as discussed earlier (refer to Note 28 to the Company's Unaudited Condensed Consolidated Financial Statements). Note that there was 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 during the first three months of 2010 and therefore required the writedown of $298,000 and an associated adjustment to income taxes of $37,000 – both of which were reversed in the second quarter of 2010. Adjustments to Cameron Lake values are timing differences, upon completion of the sale in the second quarter of 2010, all differences were offset through deficit.

Management of the Company determined that no significant events had been experienced during the period that would prompt an impairment review of its exploration and evaluation projects. Metals prices and other market factors continue to improve or remain stable. This conclusion is summarized under Impairment Analysis Update below.

Finance income decreased from $99,000 in the second quarter of 2010 to $1,000 in 2011 and is primarily a function of the premium recorded on flow-through spending. The premium on flow-through spending in the second quarter of 2010 of $84,000 was recorded through income as applicable expenditures related to the flow-through financings from December 2009 were incurred. The Company completed its obligations under the flow-through financing from December 2009 during the fourth quarter of 2010. The Company completed its obligations under the flow-through financing from December 2010 in the first quarter of 2011; accordingly, the entire flow-through premium was reflected through operations by the end of that period. No additional flow-through financing had occurred to June 30, 2011 and no premium was therefore recorded in the second quarter of 2011. 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. Note 14 to the Company's Unaudited Condensed Consolidated Financial Statements includes a continuity of the flow-through premium liability.

Finance costs decreased from $281,000 in the second quarter of 2010 to $69,000 in 2011. The Company recognized a net foreign exchange loss of $63,000 in the second quarter of 2011 compared with a net foreign exchange gain of $14,000 recognized in finance income in the comparative period of 2010. The net foreign exchange gain in 2010 was primarily a function of the US$-denominated loan. As at June 30, 2011, the Company had US$-denominated net liability balances of approximately US$83,000 (June 30, 2010 - US$461,000). Accordingly, the impact of US$ foreign exchange fluctuations has been reduced. However, the Company made dilution adjustments in the period with respect to the Berta project. As reported in prior financial statements, the dilution adjustment would reduce the carrying cost of the Berta project, accounts payable and foreign exchange. As the capitalized expenditures were recorded in periods where the Canadian dollar was weaker relative to the US$, an exchange loss of $63,000 was recorded.

The Company also has a significant holding of marketable securities which is denominated in Australian dollars ("A$"); A$1,573,000 as at June 30, 2011 (June 30, 2010 - A$2,160,000). 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").

Other finance costs incurred in the three months ended June 30, 2010 include interest expense and the net change in fair value of financial assets at fair value through operations. During the three months ended June 30, 2010, the Company incurred interest expense of $134,000, including amortization of loan fees, on its US$-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 Company recorded a $147,000 decrease in the fair value of financial assets at fair value through operations during the three months ended June 30, 2010. The warrants were exercised in the third quarter of 2010. The Company no longer holds any financial assets at fair value through operations.

The income tax expense of $80,000 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 June 30, 2010, the income tax expense of $1,260,000 was related to the change in the fair value of Cameron Lake as described above. Refer to Note 28 to the Company's Unaudited Condensed Consolidated Financial Statements.

OCI in the second quarter of 2011 of a loss of $1,091,000 (2010 - $1,131,000) relates to a decrease of $1,171,000 (2010 - $1,131,000) 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 $80,000 (2010 - $nil). 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 28 to the Company's Unaudited Condensed Consolidated Financial Statements.

In the second quarter of 2011, the net change in the fair value of financial assets through OCI was comprised of declines in fair value of Gold Hawk, Coventry and Victory Nickel shares. During the three months ended June 30, 2011, the Company sold its remaining holdings of Gold Hawk shares and a portion of its holdings of Coventry shares for liquidity purposes. The main component of the decrease was from Coventry shares of approximately $1,048,000 as at June 30, 2011. Coventry shares had a market price of $0.17 per share as at June 30, 2011. Note that the fair value of Coventry shares is impacted by the fluctuation in the value of the A$. Approximately $49,000 of OCI is attributable to a stronger exchange rate during the three months ended June 30, 2011. OCI in 2010 of $1,131,000 represented a $1,024,000 decline in the value of Coventry since its acquisition, $48,000 related to an improvement in Gold Hawk with the balance of $155,000 being attributable to a decline in the fair value of Victory Nickel. The fair value of Victory Nickel shares was $0.095 as at June 30, 2011.

The Company has capital loss pools available to it of approximately $5,000,000. Since the Company has unrecognized deferred tax assets for such capital losses, a future income tax recovery of $80,000 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 $523,000 as at June 30, 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 June 30, 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 $2,433,000 as at June 30, 2011. The decrease is primarily as a result of the decline in the market value and sale of Coventry shares and the sale of the remaining portion of the Company's holdings of Gold Hawk shares for liquidity purposes as discussed above. The shares of Coventry and Victory Nickel had a market value of $1,626,000 and $807,000, respectively, as at June 30, 2011.

Trade and other payables decreased from $2,601,000 as at December 31, 2010 to $1,223,000 as at June 30, 2011. The decrease is primarily due to less activity on projects during the three months ended June 30, 2011 as well as the adjustments relating to the dilution of Nuinsco's interest in Berta and the elimination of accrued liabilities associated therewith.

Share capital has increased by $1,308,000 from December 31, 2010 to June 30, 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, the exercise of warrants and options for consideration of $706,000 and $3,000, respectively, and the issuance of shares pursuant to the Share Bonus Plan as discussed earlier; 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, this occurred through accounting changes in flow-through accounting and the reversal of previously-recorded impairment. Refer to Note 32 in the Company's First Quarterly Consolidated Financial Statements of 2011.

Six Months Ended June 30, 2011, Compared With Six Months Ended June 30, 2010

In the six months ended June 30, 2011, the Company had a net loss of $1,825,000 or $0.01 per share, compared with a net loss of $2,520,000 or $0.01 per share in the six months ended June 30, 2010.

Other revenue in the six months ended June 30, 2011 of $100,000 is a due diligence fee as referred to above. No such revenue was received during 2010.

General and administrative expenses in the first six months of 2011 increased from $698,000 in 2010 to $1,130,000 in 2011. The main contributing factors to increases in general and administrative expenditures are: fees with respect to the ongoing monitor and legal costs with respect to Campbell assets, investor relations expenses, conference costs, the IFRS engagement with the Company's advisors, 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 not hired until July of 2010, as well as an IFRS-project-related bonus. Expenses in 2010 included legal fees related to the terminated acquisition of Gold Hawk and a provision for Part XII.6 tax on unexpended flow-through amounts; there were no similar legal fees or 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 $412,000 in the six months ended June 30, 2011, compared with $337,000 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 $399,000 of general and administrative expenditures were incurred on supporting the Company's public status in the six months ended June 30, 2011 (2010 - $315,000). 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 increased salaries as discussed earlier and higher investor relations costs.

Share-based payments related to options increased from $244,000 in 2010 to $522,000 in 2011 which is a function of the higher fair value of options issued in 2011 compared with 2010. In March 2011, the Board of Directors granted 4,975,000 stock options to directors, officers, employees and consultants with a weighted average exercise price of $0.17 per share and a weighted average fair value of $0.124 per share. Of the options granted, 3,887,500 vested immediately and 1,087,500 vest over one year. In January 2010, the Board of Directors granted 4,700,000 stock options with an exercise price of $0.08 per share and a fair value of $0.057 per share.

The Company also issued shares under the Share Bonus Plan in the second quarter of 2011 and 2010 and therefore recorded other share-based payments of $17,000 and $121,000, respectively, as described above. The issuances in 2011 were related to the completion of the IFRS project, whereas the issuances in 2010 were more general and to a larger number of recipients.

Routine write-offs of pre-exploration expenditures in the six months ended June 30, 2011 aggregated $127,000 and related primarily to preliminary work in Sudan. In 2010, pre-exploration cost write-offs of $240,000 were made that were mainly a result of routine write-offs of $80,000 combined with write-offs of $160,000 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).

In the second quarter of 2010, recoveries of exploration and evaluation projects of $258,000 was related to an adjustment to the fair value of the Coventry shares received upon sale of Cameron Lake as discussed earlier (refer to Note 32 to the Company's First Quarterly Consolidated Financial Statements of 2011). Note that there was 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 changed until the completion of the sale in April 2010 by an aggregate of $258,000. Adjustments to Cameron Lake values were timing differences, upon completion of the sale in the second quarter of 2010, all differences in accounting were offset through deficit.

Management of the Company determined that no significant events had been experienced during the period ended June 30, 2011 that would prompt an impairment review of its exploration and evaluation projects. Metals prices and other market factors continued to improve or stabilize. This conclusion is summarized under Impairment Analysis Update below.

Finance income decreased from $269,000 in the second quarter of 2010 to $50,000 in 2011 and is primarily a function of the premium recorded on flow-through spending and the change in net foreign exchange gain or loss. The premium on flow-through spending in the second quarter of 2010 of $134,000 was recorded through income as applicable expenditures related to the flow-through financings in December 2009 were incurred. The Company completed its obligations under the flow-through financing from December 2009 during the fourth quarter of 2010. The Company completed its obligations under the flow-through financing from December 2010 in the first quarter of 2011; accordingly, the entire flow-through premium was reflected through operations by the end of the period and a premium of $48,000 was recorded in 2011. No additional flow-through financing has occurred during the period ended June 30, 2011. 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. Note 14 to the Unaudited Condensed Consolidated Financial Statements includes an analysis of the flow-through premium liability.

The Company recognized a net foreign exchange gain of $133,000 in 2010 and a net foreign exchange loss of $56,000 in 2011 which is recorded in finance costs. The net foreign exchange gain in 2010 was primarily a function of the US$-denominated loan as discussed earlier. The net loss of $56,000 in 2011 is mainly as a result of the dilution adjustments related to the Berta project also as discussed earlier.

Finance costs decreased from $438,000 in 2010 to $67,000 in 2011. Costs in 2011 primarily comprise the net foreign exchange loss of $56,000 as discussed above. The finance costs incurred in 2010 include interest expense of $218,000, including amortization of loan fees, on the US$-denominated loan that was outstanding combined with the net change of $220,000 in the fair value of financial assets at fair value through operations being the Victory Nickel warrants, as discussed earlier. The Company no longer has significant debt and no longer has any warrants with changes in fair value through operations.

The income tax expense in the amount of $105,000 recorded in 2011 is income tax expense on the change in value of financial assets at fair value through OCI. In 2010, the income tax expense of $1,297,000 was related to the sale of Cameron Lake as described above.

OCI in 2011 of a loss of $1,158,000 (2010 - $1,019,000) relates to a decrease of $1,263,000 (2010 - $1,019,000) 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 $105,000 (2010 - $nil). 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 28 to the Company's Unaudited Condensed Consolidated Financial Statements.

In 2011, the net change in the fair value of financial assets through OCI was comprised of the declines in fair value of Gold Hawk and Coventry shares. The fair value of Victory Nickel shares was $0.095 as at June 30, 2011 and was unchanged from December 31, 2010. During 2011, the Company sold its remaining holdings of Gold Hawk shares and a portion of its holdings of Coventry shares for liquidity purposes. The change in the fair value of Gold Hawk and Coventry shares resulted in an increase of $20,000 and a decrease of $1,283,000, respectively, in the net change of financial assets recorded at fair value through OCI for the six months ended June 30, 2011. Coventry shares had a market price of $0.17 per share as at June 30, 2011. Note that the fair value of Coventry shares is impacted by the fluctuation in the value of the A$. Approximately $2,000 of the OCI related to Coventry is attributable to exchange rate fluctuations during the six months ended June 30, 2011. OCI in 2010 of $1,019,000 represented a $1,024,000 decline in the value of Coventry since its acquisition, $263,000 related to an improvement in Gold Hawk with the balance of $258,000 being attributable to a decline in the fair value of Victory Nickel.

The Company has capital loss pools available to it of approximately $5,000,000 (Note 15 to the Company's First Quarterly Consolidated Financial Statements of 2011). Since the Company has unrecognized deferred tax assets for such capital losses, a future income tax recovery of $105,000 was recorded through OCI with an equal and opposite amount being recorded through operations.

SUMMARY OF QUARTERLY RESULTS

Selected financial information for each of the last ten quarters ended June 30, 2011 is as follows:

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

Fiscal year 2011			2nd Quarter	1st Quarter
Net finance (costs) income			$ (68)	$ 51
Net loss			$ (817) (1)	$ (1,008) (3)
Total comprehensive loss			$ (1,908) (2)	$ (1,075)
Loss per share - basic and diluted			$ (0.00)	$ (0.00)

Fiscal year 2010	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Net finance income (costs)	$ 366 (4)	$ (66)	$ (182)	$ 13
Net income (loss)	$ 58	$ (1,179) (6)	$ (1,404) (8)	$ (1,116) (10)
Total comprehensive income (loss)	$ 1,266 (5)	$ (155) (7)	$ (2,535) (9)	$ (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

Fiscal year 2009	*4th Quarter*	*3rd Quarter (Restated) (12)*	*2nd Quarter*	*1st Quarter*
Revenue and other income	*$ (46)*	*$ -*	*$ 297*	*$ -*
Net income (loss)	*$ 429 (11)*	*$ 1,798 (13)*	*$ 194 (14)*	*$ (745) (15)*
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 $122,000 of pre-exploration write-offs.
(2) Total comprehensive loss includes a decrease of $1,171,000 in the fair value of financial assets at fair value through OCI.
(3) Net loss includes $489,000 of share-based payments.
(4) Net finance income includes $356,000 premium on flow-through financing.
(5) Includes an increase of $1,320,000 in the fair value of financial assets at fair value through OCI, partly offset by incomes taxes of $85,000.
(6) Includes a writedown of exploration and evaluation projects of $606,000, related to the Triggs option in the Olympian project.
(7) Includes an increase of $997,000 in the fair value of financial assets at fair value through OCI.
(8) Reflects a non-cash future income tax provision of $1,260,000, refer to (11) below and a $556,000 recovery on exploration and evaluation projects, some of which reverses the writedown described in (10).
(9) Includes a decrease of $1,131,000 in the fair value of financial assets at fair value through OCI.
(10) 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 First Quarterly Consolidated Financial Statements of 2011).

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

(11) 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.
(12) 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.
(13) 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.
(14) 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.
(15) 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 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

As at June 30, 2011, the Company had working capital of $1,767,000 excluding restricted cash of $193,000 (December 31, 2010 - $4,164,000, excluding restricted cash of $199,000).

The Company required cash and cash equivalents of $594,000 during the six months ended June 30, 2011 compared with cash generated of $334,000 during the same period in 2010.

In the six months ended June 30, 2011, the Company used cash of $1,057,000 in operating activities, compared with cash used of $1,227,000 in the six months ended June 30, 2010. The Company has no recurring sources of revenue and no regular operations and the change in non-cash working capital in the six months ended June 30, 2011 generated cash of $149,000 compared with using cash of $277,000 in the same period in 2010. The main reason for the change in non-cash working capital relates to a decrease in receivables due to the receipt of Quebec mining duties combined with a reduction in trade and other payables.

Investing activities in the six months ended June 30, 2011 used funds of $739,000, compared with funds generated of $4,537,000 in the same period in 2010. During the six months ended June 30, 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 throughout the fiscal year of 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 $256,000 using a discount rate of 8%).

As a result, the two companies have effectively gained control over a significant Canadian mining camp. On June 28, 2011, the Company announced the Québec Superior Court's decision to allow the joint ownership with Ocean Partners of all exploration, mining and processing assets that were formerly owned by Campbell. 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, there are several alternatives available to Nuinsco and Ocean Partners.

Expenditures on exploration and evaluation projects amounted to $2,506,000 in the six months ended June 30, 2011, compared with $892,000 in the same period in 2010. Refer to the Exploration and Evaluation Activities section for additional discussion.

During the six months ended June 30, 2011, the Company received gross proceeds of $1,767,000 on the sale of Gold Hawk and Coventry shares as discussed earlier. Shares are being sold for liquidity purposes and the entire Gold Hawk portfolio was liquidated in 2011. The Company did not sell any marketable securities during the six months ended June 30, 2010.

In 2010, the Company received the remaining cash proceeds from the sale of Cameron Lake totalling $5,900,000; no projects have been sold in 2011.

Cash generated from financing activities was $1,202,000 in the six months ended June 30, 2011, compared with cash used of $2,976,000 in the same period in 2010. 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 six months ended June 30, 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 six months ended June 30, 2011, 7,062,064 warrants that were issued pursuant to the rights offering were exercised for an aggregate consideration of approximately $706,000. The number of warrants from the rights offering that remained unexercised amounted to 279,167 and these consequently expired in April 2011. Other financing activities in the six months ended June 30, 2011 included the exercise of 50,000 options at exercise prices of $0.08 and $0.05 for aggregate consideration of approximately $3,000.

In 2010, the Company repaid its loan from the cash proceeds received from the sale of Cameron Lake in April 2010 as discussed earlier. Including interest, this amounted to $2,972,000.

As at June 30, 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.

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. The Company recently closed a flow-through financing on a private placement basis which generated $1,109,000 in funds for the Company's exploration activities in Canada. Flow-through financings do not provide the funding necessary to meet corporate or foreign 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. Cash received from the Company's warrants and options as well as from sales of marketable securities 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 has also announced that it has executed a concession agreement with EMRA for the Umm Samra property in Egypt. The first year expenditure commitment is approximately US$1,500,000. Further, the commitments with respect to the northeastern Sudan property announced after the end of the quarter are approximately $4,800,000 by the end of the option period, US$4,100,000 of which could be in shares.

The Company is actively considering financing alternatives for these foreign commitments as well as preparing for a spin-off of MENA region assets by the end of 2011.

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 and continues to sell securities where appropriate.

The total market value of the Company's marketable securities as at August 5, 2011, is approximately $1,958,000. These are available to fund the Company's ongoing operations. The market value can go down as well as up.

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, had a 96.3% success on the take-up of warrants from the rights offering in April, 2011, thereby generating $735,000 and also has raised an additional $1,109,000 in flow-through financing after the end of the quarter. 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 June 30, 2011, the major routine item requiring financing was an HST/GST receivable of $41,000 (received in July 2011) which averaged approximately $50,000 per quarter in 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. Partners are also being sought for certain of the Company's projects where significant funding is required for proper exploration programming and fulfilment of option terms.

The Company is taking active steps towards creating a new company focussed on the MENA region which will include the Company's Turkish, Egyptian and Sudanese 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.

EXPLORATION AND EVALUATION ACTIVITIES

In the six months ended June 30, 2011, the Company incurred exploration and evaluation expenditures of $1,794,000 on its mineral interests, compared with $733,000 in the same period in 2010. Expenditures were higher during the six months ended June 30, 2011 mainly due to more activity on the Diabase Peninsula, Prairie Lake and Bukari projects. The most significant expenditures in the six months ended June 30, 2011 were on the Diabase Peninsula project in the amount of $1,005,000 (June 30, 2010 - $184,000), Prairie Lake expenditures in the amount of $388,000 (June 30, 2010 - $104,000) and the Bukari project in the amount of $305,000 (June 30, 2010 - $nil; treated as pre-exploration expenditures in the six months ended June 30, 2010). Costs on other programs were: Olympian $nil (June 30, 2010 - $440,000), Berta $68,000 (June 30, 2010 - $3,000) and Elmalaan $28,000 (June 30, 2010 - $2,000).

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 $200,000 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 five 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% U_3O_8 (and 0.25% niobium) identified in exploration dating from the mid-1960s.

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

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

At the Grouse Trench, one of two trenches excavated in the NE quadrant of the Prairie Lake project, the results include individual analyses of up to 9.89% P_2O_5, 0.423% Nb_2O_5 and 1.1% combined rare earth elements ("REEs") (La+Ce+Sm+Nd+Y). At the Raspberry Hill Trench, excavated about 200m north of the Grouse Trench in the NE quadrant of the project, of 231 samples collected from the trench, 58% returned assays of greater than 0.1% Nb_2O_5 (14% of all samples ≥ 0.2% Nb_2O_5). Results included individual analyses of up to 6.98% P_2O_5, 0.352% Nb_2O_5 and 0.48% combined REEs. The Wollastonite Trench was excavated in the SE quadrant of the complex and includes two East-West segments which branch out from the Wollastonite Showing. Sampling was completed only on the East branch, known as the Trailside Trench, which extends for 71.5m. Both branches were excavated for the purpose of defining the extent of the Wollastonite Showing. Results included individual analyses of up to 11.26% P_2O_5, 0.265% Nb_2O_5 and 0.446% combined REEs, and an intersection of 4.352% P_2O_5 and 0.157% combined REEs over 169.5m.

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 was originally a 50:50 joint venture with Xstrata Copper Canada ("Xstrata"), one of the commodity business units within Xstrata plc (see below). 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. As advised in the MD&A for March 31, 2011, discussions with Xstrata have been ongoing, including discussions to buy Xstrata's share of the joint venture. Subsequently, 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 has allowed itself to be diluted to approximately 36%. In the second quarter, the Company made adjustments to the carrying value of the project of $616,000, trade and other payables of $553,000 and recorded a foreign exchange loss of $63,000.

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 advanced 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.

In July, 2011, the Umm Samra agreement was agreed and initialled with EMRA. Umm Samra, which covers 790km^2 and hosts at least seven gold occurrences, is the second Concession Agreement signed by Z-Gold since winning bids on the Bukari and Umm Samra gold concessions were announced in February 2010. As with Bukari, the Umm Samra Concession Agreement incorporates a production-sharing agreement and exempts the Company from payment of all taxes. It will now be reviewed by the Egyptian State Council before being passed into law.

There continues to be uncertainty as to when the Bukari Agreement will be presented to the People's Assembly for final approval and when the Umm Samra concession agreement will progress to the next stage which is review by the Egyptian State Council. However, recent news articles indicate that this is receiving support from high-level officials in Egypt.

Sudan

On July 18, 2011, the Company announced that it has expanded its presence in the MENA region by entering into an option agreement with Makaseb Holding LLC ("Makaseb"), to acquire an 85% interest in that company's subsidiary UAE for Gold Minerals and Investment Company Ltd. ("UAE Gold"). UAE Gold owns 100% of the J. Tobrar (Block 64) concession, located in northeastern Sudan that hosts the Hamil Gold Vein System. The terms of the option provide for an initial payment of US$200,000, half in cash and half in either cash or shares of Nuinsco (at Nuinsco's option), and a commitment to spend approximately €400,000 on due diligence and property evaluation over the next six months. Prior to the end of the option period, Nuinsco must deliver US$4,000,000 in cash or Nuinsco shares or, under certain circumstances, shares of NuMENA. NuMENA was recently created by the Company as a vehicle to acquire and explore mineral projects in the MENA region. Nuinsco intends to complete a spin-out of NuMENA to its shareholders before the end of 2011.

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". In October 2010, the Company determined that the results on the Triggs option did not support the expenditures and, accordingly, decided to writedown the property to $nil effective September 30, 2010. Subsequently, the Company decided that it would not maintain the remaining options comprising the Olympian Project. Accordingly, the Olympian Project was written down to $nil in 2010 and no option commitments are outstanding. A writedown of $679,000 was recorded through operations in 2010.

Cameron Lake Project, Ontario

Cameron Lake was sold effective April 20, 2010. Refer to Note 1 to the Unaudited Condensed 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 (Chibougamau mining camp)

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. The Québec Superior Court has cleared the way for Nuinsco and Ocean Partners to jointly acquire assets and legal documentation to do so is underway.

As described in the Outlook, the Chibougamau assets represent a very substantial presence in a mining camp which has produced 1.6 billion pounds of copper and 3.4 million ounces of gold from 18 past-producing mines.

Nuinsco and Ocean Partners have the rights to seven past-producers on the Lac Dore fault and the significant potential to add to the known mineralization at these projects, one partially-developed mine - the Corner Bay Mine, a permitted 3,000 tonne per day mill and tailings facility and in excess of 11,000 ha of highly-prospective exploration property. Given the paucity of exploration on these properties in the past 20-30 years the old adage that “the best place to look for new ore is in the shadow of a head frame” was never more apt than in Chibougamau.

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. As referred to above, the Company sold the remaining holdings of its shares in Gold Hawk 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 8,313,715 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 received 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. The Company presently owns approximately 8.75 million shares with an estimated fair value of $1.3 million.

IMPAIRMENT ANALYSIS UPDATE

While the metals markets and other general economic factors have improved or stabilized 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 June 30, 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. Similarly, progress has been made with respect to the Umm Samra concession area. The benefits of both of the agreements enure both to Egypt and to the Company and this remains unchanged. However, the Company, along with its Egyptian-based partner, will continue to monitor developments and will respond appropriately.

Management concluded that no impairment existed in each of its projects effective June 30, 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 Condensed Consolidated Financial Statements and Notes 2 and 3 to the Company's First Quarterly Consolidated Financial Statements of 2011. 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 28 to the Unaudited Condensed Consolidated Financial Statements and Note 32 to the First Quarterly Consolidated Financial Statements of 2011 provide 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 Condensed 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 Condensed Consolidated Financial Statements. Note 3 to the Company's First Quarterly Consolidated Financial Statements of 2011 includes the accounting policies that have been applied in preparing the consolidated financial statements as at and for the periods ended June 30, 2011 and 2010. The comparative information presented in the financial statements as at December 31, 2010 and as at June 30, 2010 were also compiled using IFRS. Note 32 to the First Quarterly Consolidated Financial Statements of 2011 and Note 28 to the Unaudited Condensed Consolidated Financial Statements detail 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. 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 28 to the Unaudited Condensed 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 as at and for the three and six months ended June 30, 2010. 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 was 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 has taken 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.

The following sections summarize the effects of IFRS as at and for the three and six months ended June 30, 2010. Information on IFRS 1 Elections and information impacting previously disclosed accounting periods are included in the MD&A for the three months ended March 31, 2010 and are not repeated here.

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

Assets classified as held for sale

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

The Cameron Lake project had been written down in 1999 by $17,705,000 and a further $250,000 in 2005. Under IFRS, reversals of writedowns are permitted and required where the recoverable value of the project is supported. Accordingly, because terms of the sales agreement had been reached, the Company had increased the value of the Cameron Lake project which is included in exploration and evaluation projects to reflect the then-fair-value of the sales consideration. As at the date of transition, the IFRS adjustment was to reduce deficit by $9,850,000. This represented a timing difference; under IFRS, the gain on sale of Cameron Lake has been eliminated in the June 30, 2010 comparative financial statements with a net effect of increasing the period's net loss by $9,850,000. Therefore, the net effect of these adjustments on the Company's deficit by June 30, 2010 were $nil.

The effect of the above is summarized as follows:

Consolidated Statements of Operations	**Three months ended June 30, 2010**	**Six months ended June 30, 2010**
Increase in recovery of exploration and evaluation projects - Cameron Lake	$ 556	$ 258
Eliminate gain on sale of Cameron Lake	(10,108)	(10,108)
Increase in income tax expense	37	-
Increase in net loss	$ (9,515)	$ (9,850)

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 $162,000 as at June 30, 2010. 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 value of the Prairie Lake project as at each of the reported dates has 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 sheet of flow-through accounting.

Consolidated Balance Sheet		June 30, 2010
Increase in trade and other payables	$	235
Increase in share capital		234
Net increase in deficit		(469)
	$	-

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 28 to the Unaudited Condensed 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. There was a minimal impact as at June 30, 2010 where a net reclassification was required of $1,000 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 Sheet		June 30, 2010
Adjust gain on sale of Cameron Lake	$	(10,108)
Adjust fair value of Cameron Lake		10,108
Pre-exploration write-offs Bukari Egypt		(162)
Adjust fair value of Prairie Lake		325
IFRS 9 reclassify loss through OCI, net of tax		1
Effects of flow-through accounting		(469)
Net decrease in deficit	$	(305)

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 Condensed Consolidated Financial Statements, in particular Note 28 thereto, contain materially complete and appropriate disclosures. The IFRS consultation is complete.

FUTURE ACCOUNTING CHANGES

New Standards and Interpretations Not Yet Adopted

The IASB and International Financial Reporting Interpretations Committee ("IFRIC") have issued the following new and revised standards and interpretations which are applicable to the Company but which are not yet effective for the year ended December 31, 2011 and have not been applied in preparing these financial statements.

IFRS 10 - Consolidated Financial Statements

Effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The IFRS defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements.

IFRS 11 - Joint Arrangements

Effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, IFRS 11 provides a new definition of joint arrangement focusing on the rights and obligations of the arrangement, rather than its legal form. The IFRS classifies joint arrangements into two types, joint operations and joint ventures.

IFRS 12 – Disclosure of Interests in Other Entities
Effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, IFRS 12 requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interest in other entities and the effects of those interests on its financial position, financial performance and cash flows.

Early adoption of these standards is only permitted if IFRS 10, 11, 12 and the consequential amendments to IAS 17 and IAS 18 are adopted at the same time, with the exception of early adopting only the disclosure provisions for IFRS 12 without the other new standards.

IFRS 13 – Fair Value Measurement
Effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, IFRS 13 provides a definition of fair value, a single framework for measuring fair value and disclosure requirements about fair value measurements.

IAS 28 – Investments in Associates and Joint Ventures
Effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, IAS 28 makes consequential amendments to IAS 28 – Investments in Associates, to describe the application of the equity method to investments in joint ventures in addition to associates.

These standards, amendments and interpretations have not been early adopted by the Company. Furthermore, the Company is currently assessing the impact that the application of these standards or amendments may have on the consolidated financial statements of the Company.

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 Condensed Consolidated Financial Statements to satisfy itself that management is properly discharging its responsibilities to the directors who approve the Unaudited Condensed 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 June 30, 2011, the Certifying Officers have concluded that the design of the Company's disclosure controls and procedures were effective as at June 30, 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 June 30, 2011 that materially affected, or are reasonably likely to affect, the Company's disclosure controls and procedures.

Design of Internal Controls 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 June 30, 2011, the Certifying Officers have concluded that the design of the Company's internal controls over financial reporting and procedures were effective as at June 30, 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 June 30, 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 June 30, 2011 are amounts owing to directors and officers of $161,000 (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 and six months ended June 30, 2011 total $215,000 and $412,000, respectively, (June 30, 2010 - $167,000 and $337,000) and have been deducted from general and administrative expenses. In addition, project-related costs aggregating $18,000 and $34,000 have been charged by the Company to Victory Nickel during the three and six months ended June 30, 2011, respectively (June 30, 2010 - $7,000 and $25,000). Furthermore, project-related costs aggregating $7,000 and $14,000 have been charged to the Company by Victory Nickel during the three and six months ended June 30, 2011, respectively, and are included in exploration and evaluation costs on the balance sheet (June 30, 2010 - $9,000 and $14,000).

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

As at June 30, 2011, the Company had 264,554,356 common shares outstanding. As at August 5, 2011, the Company had 272,620,299 common shares issued and outstanding, including the private placement which generated gross proceeds of $1,109,000. In addition, there were 22,410,000 stock options outstanding as at August 5, 2011 as well as 25,232,079 warrants, which if exercised and issued would bring the fully diluted issued common shares to a total of 320,262,378 and would generate additional cash proceeds of approximately $7,104,000.

CONTINGENCY

CRA Reassessment

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

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. In July, 2011, the Company announced it has, along with a partner, acquired interests in northeastern Sudan. A similar caveat to that expressed for Turkey is appropriate for activity in both Egypt and Sudan.

Egypt and Sudan continue to experience states 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 projects and may negatively affect the Company's exploration activities. There is no assurance that future political and economic conditions in those countries will not result in their governments adopting different policies respecting foreign development and ownership of mineral resources.

Economic and political conditions in Egypt, Sudan 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 foreign countries cannot be predicted. The enforcement by Nuinsco of its legal rights to exploit its properties may not be recognized by the respective foreign governments or by their respective court systems.

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.

August 5, 2011