



**Nuinsco Resources Limited  
("Nuinsco" or the "Corporation")**

**ANNUAL  
INFORMATION  
FORM**

**As at December 31, 2014  
(All dollar amounts in Canadian dollars, except as indicated)**

**MARCH 31, 2015**



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## **SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION**

Certain information in this Annual Information Form is "forward-looking information". All statements, other than statements of historic fact, that address activities, events or developments that the Corporation 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, financing, the probability of cash flows from the Participating Interest in Victory Nickel's frac sand business, 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 Corporation's development plans and objectives) constitute forward-looking information. This forward-looking information reflects the current expectations or beliefs of the Corporation based on information currently available to the Corporation. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Corporation 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 Corporation.

Factors that could cause actual results or events to differ materially from current expectations include, among other things: uncertainties relating to the availability and costs of financing needed in the immediate future to permit the Corporation to continue to operate; 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; uncertainty of amount and timing of cash flows from the limited Participating Interest in Victory Nickel's frac sand business; 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 or debt 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 Corporation'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 Corporation 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 Corporation 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.

In particular, this Annual Information Form contains forward-looking information pertaining to the following:

- the size of resources;
  - expectations regarding future operating and development costs and the ability to fund such costs;
- and
- expectations regarding capital expenditures and exploration activities.

With respect to forward-looking information contained in this Annual Information Form, the Corporation has made assumptions regarding, among other things:

- future currency and interest rates;
- the Corporation's ability to generate sufficient cash from capital markets or otherwise to meet its current and future obligations;

- the regulatory framework representing royalties, taxes and environmental matters in the countries in which the Corporation conducts its business; and
- the Corporation's ability to obtain qualified staff and equipment in a timely and cost-efficient manner to meet the Corporation's demand.

Some of the risks that could affect the Corporation's future results and could cause actual results to differ materially from those expressed in the Corporation's forward-looking statements include:

- the need to obtain required approvals and permits from regulatory authorities;
- the impact of competition;
- compliance with and liabilities under environmental laws and regulations;
- the uncertainties of estimates by the Corporation's independent consultants with respect to the Corporation's mineral resources;
- the volatility of metal and mineral prices;
- general economic conditions in the countries in which the Corporation operates;
- changes to royalty regimes and government regulations regarding royalty payments;
- geological, technical, drilling and processing problems;
- the Corporation's ability to hire and retain staff;
- imprecision in estimating capital expenditures and operating expenses;
- imprecision in estimating the timing, costs and levels of production and drilling;
- imprecision in estimates of future production capacity;
- potential delays or changes in plans with respect to exploration and development projects or capital expenditures;
- general economic and business conditions;
- unavailability of required equipment and services; and,
- the other factors discussed under "Risk Factors".

Statements relating to "reserves" and "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described, as the case may be, exist in the quantities predicted or estimated, and can be profitably produced in the future.

**CERTAIN HISTORICAL INFORMATION CONTAINED IN THIS ANNUAL INFORMATION FORM HAS BEEN PROVIDED BY, OR DERIVED FROM INFORMATION PROVIDED BY, CERTAIN THIRD PARTIES. ALTHOUGH NUINSCO RESOURCES LIMITED HAS NO KNOWLEDGE THAT WOULD INDICATE THAT ANY SUCH INFORMATION IS UNTRUE OR INCOMPLETE, NUINSCO RESOURCES LIMITED ASSUMES NO RESPONSIBILITY FOR THE ACCURACY AND COMPLETENESS OF SUCH INFORMATION OR THE FAILURE BY SUCH THIRD PARTIES TO DISCLOSE EVENTS WHICH MAY HAVE OCCURRED OR MAY AFFECT THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION BUT WHICH IS UNKNOWN TO NUINSCO RESOURCES LIMITED.**

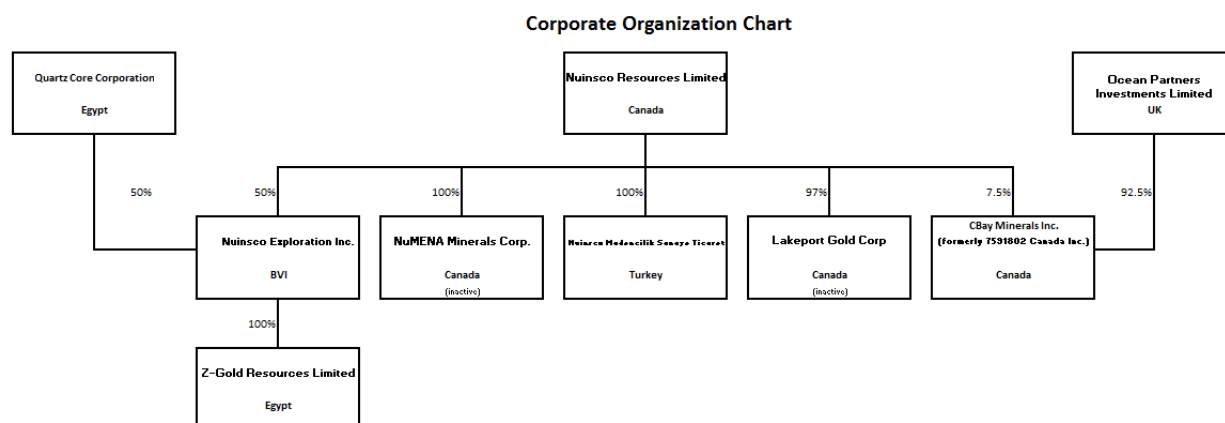
## CORPORATE STRUCTURE

### Name, Address and Incorporation

Nuinsco was incorporated under the laws of British Columbia on October 24, 1977. On October 10, 1980, Nuinsco amalgamated with Croydon Rouyn Mines Limited and on September 23, 1981, Nuinsco amalgamated with West Macanda Resources Limited. On July 26, 1989, Nuinsco continued under the laws of Ontario. On April 26, 1994, the articles of Nuinsco were amended to increase the authorized capital of Nuinsco from 40,000,000 common shares (“Common Shares”) to an unlimited number of Common Shares. On August 18, 2006, the articles of Nuinsco were amended to reorganize its authorized share capital such that Nuinsco's share capital consists of an unlimited number of Common Shares, an unlimited number of Class A special shares, issuable in series, an unlimited number of Class B special shares, issuable in series, an unlimited number of Class C special shares, issuable in series, an unlimited number of Class D special shares, issuable in series, and an unlimited number of Class E special shares, issuable in series.

The registered and head office of Nuinsco is located at 80 Richmond Street West, Suite 1802, Toronto, Ontario, M5H 2A4.

### Intercorporate Relationships



Nuinsco has three subsidiaries and two jointly-controlled entities: Lakeport Gold Mines Ltd. ("Lakeport"), Nuinsco Madencilik Sanayi Ve Ticaret Anonim Sirketi (“Nuinsco Madencilik”), NuMENA Minerals Corp. (“NuMENA”), Nuinsco Exploration Inc. (“NEI”) (jointly-controlled), Z-Gold Resources Limited (“Z-Gold”), and CBay Minerals Inc. (“CBay”) (jointly-controlled until December 18, 2014 when 42.5% was sold, leaving Nuinsco with 7.5% and formerly 7591802 Canada Inc.). Lakeport was incorporated under the laws of Ontario. Nuinsco Madencilik was incorporated on December 18, 2007 under the laws of the Republic of Turkey. NuMENA was incorporated under the laws of Ontario on March 4, 2011. NEI was incorporated under the laws of the British Virgin Islands on July 20, 2010. Z-Gold was incorporated under the laws of Egypt in September, 2009. CBay was incorporated under the laws of Canada on July 5, 2010.

## GENERAL DEVELOPMENT OF THE BUSINESS

### Overview

Nuinsco is a natural resource company engaged in the acquisition, exploration and development of mineral projects. Currently, its activities are concentrated in Canada and Turkey.

Being an exploration company without producing mines, Nuinsco has no sustainable revenue source and must rely on debt or equity financings or the sale of projects as its major source of funds for its activities; sundry revenues are realized from interest on any excess cash balances, from proceeds of asset sales (including royalties and marketable securities) and from fees payable to Nuinsco pursuant to consulting and/or management contracts entered into from time to time.

As of the date of this Annual Information Form ("AIF"), Nuinsco holds the following interests in mineral properties and securities:

- 100% interest in the Diabase Peninsula Property (uranium) ("Diabase Property") located in the Athabasca Basin of northern Saskatchewan;
- 100% interest in the Prairie Lake Property ("Prairie Lake") (uranium, polymetallic, phosphate) located in northwestern Ontario;
- 36% joint venture interest in the Berta Project ("Berta") (copper-gold) located in northeastern Turkey;
- 7.5% interest in CBay which owns assets in the Chibougamau mining camp ("Chibougamau") in Quebec, including the Copper Rand mill, eight past producing mines and other exploration and development properties. CBay is jointly-owned with Ocean Partners Investments Limited ("Ocean Partners") which holds the other 92.5% interest;
- 3.78% (basic, and 12.00% partially diluted) of the outstanding common shares of Victory Nickel Inc. ("Victory Nickel"); and,

In addition, The Corporation holds a limited participating interest in the net cash flows of Victory Nickel's hydraulic fracturing sand ("Frac Sand") sales operation (the "Participating Interest"). Frac Sand is used in the oil and gas industry to enhance oil and gas recovery; Victory Nickel began frac sand sales in early 2014. The Corporation entered into a loan agreement for \$1,000,000 with Victory Nickel during November 2012 which, in March 2013, was increased up to a maximum of \$3,000,000 and included a right to convert the balance outstanding into the Participating Interest (the "Conversion"). The Conversion to the Participating Interest occurred in April 2014, and at that point the loan was considered paid in full. The percentage participation in net cash flows is 52.16%, and the maximum amount due to the Corporation ranges from \$7,667,124 to \$10,222,831, depending on certain circumstances. As of the date of this AIF, the Corporation does not anticipate receiving any cash flows from the Participating Interest until the fourth quarter of 2016.

### **Three Year History**

#### ***Notice of Reassessment***

In March, 2011, the Corporation received notices of reassessment in the aggregate amount of approximately \$4,400,000 from the Canada Revenue Agency ("CRA") related to transactions completed in 2006; this amount does not include interest and penalties which could be substantial. The Corporation filed notices of objection on May 19, 2011. On July 22, 2011, the Corporation filed a request for adjustment to correspondingly adjust its tax pools and losses, in the unlikely event that the Corporation's appeal is unsuccessful. On March 7, 2014, the Corporation received a notice of confirmation with respect to one entity whereby the CRA denied that entity's notice of objection and confirmed the reassessment. The Corporation has sought, and is following the advice of its tax counsel in this matter. The appeal process could be lengthy and the Corporation believes that its position is correct and that it will prevail.

#### ***March 2012 – Private Placement***

In March 2012, the Corporation completed a non-brokered private placement of an aggregate of 7,098,000 flow-through units (each, a "Unit") at a subscription price of \$0.14 per Unit (the "Offering"). The Offering was completed in three tranches, with the Corporation issuing 6,821,500 Units on February 24, 2012, 276,500 Units on March 12, 2012 and 44,858 Units on March 13, 2012, for aggregate gross proceeds of approximately \$1,000,000.

Each Unit consisted of one common share of the Corporation and one-half of one warrant (each whole warrant, a "Warrant"), each issued on a "flow-through" basis pursuant to the *Income Tax Act* (Canada). Each Warrant entitled the holder thereof to purchase one (non-flow-through) common share of the Corporation at an exercise price of \$0.20 per share for a period of 18 months from the issue date.

The Corporation has also issued 409,290 finder warrants (each, a "Finder Warrant") in connection with certain subscriptions under the Offering, of which 405,000 were issued to Secutor Capital Management Corp. Each Finder

Warrant entitled the holder to acquire one common share of the Corporation at a price of \$0.14 per share for a period of 18 months from the issue date.

### ***September 2012 -- Sale of Cameron Lake Royalty***

In September 2012, the Corporation sold a royalty interest it held in the Cameron Lake gold property in Ontario for \$5,003,000, being US\$5,100,000, and recorded a net gain on sale of \$1,992,000 after expenses.

### ***November 2012 -- Loan Agreement***

The Corporation entered into a loan agreement in November 2012 with Victory Nickel that provided an advance for \$1,000,000. The loan bore an interest rate of 12% per annum, had a maturity date of January 31, 2015 and was secured by equipment and a general security agreement.

On March 25, 2013, the Corporation announced that it had entered into an amended and restated loan agreement to provide a secured loan facility to up to \$3,000,000 under certain circumstances (the "Amended Loan"). As with the original loan, the Amended Loan bore interest at 12% per annum, payable quarterly in arrears, and had a maturity date of January 31, 2015. Upon the earlier of June 1, 2014 or notification that Victory Nickel's Frac Sand plant had achieved commercial production, the Corporation had the right to convert the outstanding balance of the Amended Loan into the Participating Interest, entitling the Corporation to receive a share of cash flows earned from the sale of Frac Sand from the borrower's Frac Sand business. On Conversion, the Amended Loan would be considered paid in full. The Corporation had also agreed to backstop an equity issue by Victory Nickel with cash or by converting a portion of the Amended Loan into shares, at the Corporation's option, to an amount up to \$1,500,000 under certain circumstances. Victory Nickel announced a rights offering on June 14, 2013.

Under the terms of the Amended Loan, the Corporation agreed to provide a standby commitment for any equity offering initiated by Victory Nickel. This commitment was triggered for the rights offering of Victory Nickel which closed on July 30, 2013. Under the agreement, Nuinsco subscribed for 50,316,018 units for cash of \$1,207,584. Each Unit comprised one common share and one common share purchase warrant. This brought cumulative advances under the Amended Loan to Victory Nickel to \$2,207,584 and capped the Amended Loan amount at \$2,707,584 (from a maximum possible \$3,000,000) with \$500,000 remaining for draw down to be used to develop Victory Nickel's frac sand business. The subscription under the standby commitment, among other things, was included in the calculation of Nuinsco's potential participation under the Conversion of the Amended Loan. Victory Nickel paid, with shares, an arrangement fee of up to \$300,000 plus a commitment fee of 1.5% per annum on unutilized balances.

On February 4, 2014, the Corporation and Victory Nickel agreed to cancel the \$500,000 amount remaining to be drawn down under the Amended Loan. This fixed the commitment fee to be paid in shares at \$12,000 and also amended the range of the Corporation's participation in the net cash flows earned from the sale of frac sand to a maximum of \$10,222,831 with a minimum of \$7,667,124 on the basis of a sharing percentage of 52.16%.

Conversion to the Participating Interest occurred in April 2014, and at that point the loan was considered paid in full.

### ***December 2012 -- Loan Agreement***

On December 18, 2012, the Corporation entered into a loan agreement with Ocean Partners for a \$2,500,000 loan facility (the "Facility"). The Facility was secured by a first ranking pledge upon the Corporation's CBay shares and had an initial term of 18 months with the availability of one six-month extension period upon issuance of 3% of the amount payable in CBay shares owned by the Corporation. The Corporation renegotiated the extension fee to cash of \$75,000 and a commitment to spend \$75,000 on CBay's properties; the loan was extended to December 18, 2014. In December 2014, the Corporation extinguished the Facility by relinquishing shares representing a 42.5% interest in CBay. The Corporation retains a 7.5% interest in CBay and continues to provide management services to that company.

## **History of the Corporation's Properties**

During the past three-plus years, Nuinsco has carried out exploration programs on a number of properties. Paul Jones, CEO, is a "Qualified Person" as defined under National Instrument 43-101, and he has reviewed and approved the information relating to the mineral projects of the Corporation described herein.

### **URANIUM AND RARE METALS**

#### ***Diabase Peninsula Property, Saskatchewan***

Nuinsco's Diabase Peninsula uranium project is located 150km northwest of La Ronge, Saskatchewan within the south-central Athabasca Basin - the region that hosts the world's richest uranium mines. The 21,900ha Diabase Peninsula property extends from the southern limit of the basin 35km north-easterly, atop a graphite-bearing conductive "basement" horizon beneath the basin-filling sandstones, intertwined with the sub-parallel terrane-bounding major deformation structure - the Cable Bay Shear Zone - considered to be an important potential host structure for uranium mineralization in this part of the Athabasca Basin.

The Diabase Peninsula project was initially a joint venture with Trend Mining Company ("Trend"). During the first quarter of 2012, cumulative expenditures increased Nuinsco's ownership interest to greater than 90% as Trend did not contribute its proportionate share of expenditures. Under the joint venture agreement, should a participant's interest drop below 10% that participant will relinquish its entire participating interest and will have the right to receive a royalty equal to 3% of the net value of all mineral products produced from the property. Accordingly, Trend's interest was converted to a royalty and Nuinsco owns the project in its entirety. Effective December 19, 2012, the Corporation acquired that royalty through a one-time cash payment of \$15,000. Accordingly, Trend has no interest in the Diabase Peninsula property.

In May, 2012, the Corporation announced an extension with the option holder on one of the claims, to extend that option for one year in exchange for four quarterly cash payments for an aggregate amount of \$37,000 and \$38,000 in the Corporation's shares; as at June 30, 2013, the shares have been issued and all of the cash payments have been made. The shares were issued in July, 2012. Accordingly, the option payment of approximately \$935,000 originally due by September 2, 2012 had been deferred to September 2, 2013.

In the third quarter of 2013, the Corporation negotiated a further extension whereby it is required to make payments totalling \$1,028,500 as follows: an aggregate sum of \$400,000 payable in quarterly instalments of \$25,000 up to and including June 2, 2017 and a lump sum of \$628,500 on or before September 2, 2017. The Corporation made the first two quarterly instalments of \$25,000 in 2013 with four aggregating \$100,000 during 2014. In March 2015, the Corporation negotiated a deferral of the first two quarterly instalments due in 2015.

That same claim is subject to a 3% gross production royalty defined as actual metal/mineral sales with no deduction for refining or transportation expenses.

A 2012 winter drill program followed from the past exploration programs that have identified all the elements indicative of a uranium-mineralizing event. Four holes were collared during the program although only three were completed (the fourth one, ND1202A, was abandoned in overburden at 30m). The total program consisted of 1,598m of drilling, with results peaking at 55.94ppm Uranium ("U") over 6.9m in hole ND1203 including individual intervals grading 134ppm and 181ppm U (analysis by total digestion method). Unseasonably warm weather forced the demobilization of equipment before drilling could be conducted on one of the most prospective uranium anomalies on the project - the Mackenzie Bay area to the north-west of previous hole ND801, in the central part of the property which is an area of overlapping geophysical, surface and drill hole geochemical anomalies and has favourable geology. The drill testing of this target will be deferred to a later program. 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.



During the winter of 2013, a modest program of lake sediment and lake-bottom water sampling was completed over several parts of the Diabase Peninsula property. The survey samples were tested for the presence and concentration of radon gas (an indicator of uranium mineralization) over four widely-separated areas, at reconnaissance level sample spacing, overlying the Cable Bay shear structure and areas with known anomalous U results from previous drilling. Results to date appear to further validate geophysical and geological interpretations concerning the highest potential target areas for mineralization. As well, it was found that radon concentrations in water sampled 1-2m above the lake-bottom accurately reflect the concentrations within sediments collected immediately below, such that distribution patterns within the water samples mimic patterns revealed by the testing of sediments. This implies that a water sample survey alone may be sufficient to prioritize the property's geophysical targets for drill testing, and that further radon surveying may be conducted for half the price or less per sample station, in comparison with the 2013 "orientation" survey.

Since radon, or its parental uranium carried in solution within circulating groundwater within the sandstone sequence, must migrate to near surface from depths ranging from 300m to 500m within the four areas surveyed, the highest concentrations of radon are expected to be encountered in the immediate vicinity of, and directly above, near vertical fault zones present at depth within the Athabasca sandstones. Such fault zones are common hosts to uranium deposits within the region, and most are considered to have originated due to reactivation of faults and shear zones present in the older basement lithologies beneath the sandstone such as the Cable Bay shear. The March 2013 survey successfully detected anomalous concentrations of radon over the northernmost geophysical-geochemical targets at the project, and has partly mapped the "surface expression" of strike-parallel faults indicated by geophysics to occur sporadically along the length of the Cable Bay Shear Zone.

Given the successful outcome of the March 2013 work, undertaken in part to test the survey method in areas of thick sandstone cover above the unconformity and the additional encouragement the radon concentrations detected have provided regarding the validity of interpreted geophysical and geological-geochemical anomalies, it is advisable to conduct further surveying of this nature over select areas in order to best direct future drilling efforts at the project toward areas with the best potential.

No additional field work was conducted on the project during 2014. The claims are all in good standing and have sufficient assessment credit to remain so for a number of years. The Corporation will continue cost effective ways to evaluate the project and will mount work programs as necessary.

Schedule "A" to this Annual Information Form contains a summary which is reproduced verbatim from the "Technical Report on the Diabase Peninsula Project" (the "Diabase Report"), dated March 28, 2006. Mr. John D. Charleton P. Geol., who is a "qualified person" under national Instrument 43-101 – *Standard of Disclosure for Mineral Projects* ("NI 43-101") and is independent of Nuinsco, prepared, reviewed and approved the Diabase Report. The Diabase Report was prepared for Nuinsco to provide an independent, NI 43-101 compliant technical report on the Diabase Peninsula Property.

### ***Prairie Lake Property, Ontario***

Prairie Lake, located near Marathon, Ontario, is a multi-commodity deposit containing phosphorus (P), niobium (Nb) tantalum (Ta), uranium (U), rare earth elements (REEs) and other metals and compounds of economic interest. The Prairie Lake property is owned 100% by the Corporation and is royalty-free.

An Exploration Target estimated at between 515 million tonnes and 630 million tonnes averaging 3.0% to 4.0% P<sub>2</sub>O<sub>5</sub>, 0.09% to 0.11% Nb<sub>2</sub>O<sub>5</sub>, 280 to 340ppm La, 650 to 790ppm Ce, 55 to 70ppm Sm, 300 to 360ppm Nd and 85 to 100ppm Y (La, Ce, Sm, Nd and Y are Rare Earth Elements) has been identified on the project. The target area covers just 30% of the total host rock surface area in the Prairie Lake Carbonatite Complex. The Exploration Target was estimated by Eugene Puritch, P.Eng., Ms. Tracy Armstrong, P. Geo. and Antoine Yassa, P. Geo. of P&E Mining Consultants Inc. of Brampton, Ontario in a technical report dated April 15, 2014. This Exploration Target represents an overall tonnage increase of 56% to 75% over an earlier estimate of 330 million tonnes to 360 million tonnes.

The Corporation has most recently been focusing on metallurgical studies in order to demonstrate that the Prairie Lake rock is amenable to processing and concentration. Metallurgical testing at COREM Laboratory, a metallurgical and process testing laboratory in Quebec City, which started in 2009 and has continued to date, has demonstrated the potential to produce a marketable fertilizer product by meeting and exceeding published specifications for phosphate concentrate and most importantly demonstrating that a concentrate grading greater than 30% P<sub>2</sub>O<sub>5</sub> is attainable with appropriate thresholds. Current work is continuing to assess the viability of phosphorus concentration and to optimize a processing flowsheet. Additional work has commenced to evaluate the potential to concentrate niobium and to develop an optimized flowsheet for such.

Selected results from the tests conducted at COREM and completed in 2012 are tabulated below and are compared to published specifications of the Bureau of Indian Standards for phosphate concentrate (Type I and II). Test 35 from the program produced the best overall concentrate results to date with a P<sub>2</sub>O<sub>5</sub> content of 30.6%; other parameters tested are SiO<sub>2</sub> content of 1.37%, F content of 0.62%, MgO content of 0.7%, Cl content of 0.012% and Al<sub>2</sub>O<sub>3</sub>+Fe<sub>2</sub>O<sub>3</sub> of 0.65%. Selected size ranges from Test 35 produced even higher P<sub>2</sub>O<sub>5</sub> concentrations with <150 micrometres (“µm”) to >106µm and <106µm to >75µm attaining 38% and 38.1% P<sub>2</sub>O<sub>5</sub> content respectively (and with the other tabulated criteria) while Test 27 attained 34.4% P<sub>2</sub>O<sub>5</sub> with the use of an HCl acid leach to remove carbonate.

<b>Bureau of Indian Standards (BIS) - IS: 11224-1985, reaffirmed 2003</b>	Type I	Type II	Test 35 Con.	Test 35 Con.	Test 35 Con.	Test 27 Con. after Leach
				-150+106µm	-106+75µm	
Total phosphate (P <sub>2</sub> O <sub>5</sub> ) % by mass	≥ 30	≥ 32	30.6	38	38.1	34.4
Silica (SiO <sub>2</sub> ) % by mass	≤ 10	≤ 5	1.37	1.12	1.2	5
Fluoride (F) % by mass	≤ 2	≤ 4	0.62	0.72	0.83	**
Mixed aluminium and iron oxide (Al <sub>2</sub> O <sub>3</sub> and Fe <sub>2</sub> O <sub>3</sub> ) % by mass	≤ 3	≤ 3.5	0.65	0.44	0.48	2.99
Magnesium oxide (MgO) % by mass	≤ 0.5	≤ 0.5	0.7	0.32	0.39	2.26
Chloride (Cl) % by mass	≤ 0.015	≤ 0.05	0.012	0.033	0.009	0.043

\*\* Insufficient samples

The most recent test work at COREM indicates that an apatite concentrate grading in excess of 29% phosphorus (P<sub>2</sub>O<sub>5</sub>) can be produced at a 71% P<sub>2</sub>O<sub>5</sub> recovery. This is a very significant result as it is a substantial improvement over recoveries achieved in previous testing. The most recent test work has also led to the development of a vastly simplified process flowsheet compared to that used in previous tests. Work continues with regard to REE recovery and concentration, as well as on other commodities of potential economic interest.

Schedule “B” to this Annual Information Form contains a summary which is reproduced verbatim from the “Technical Report on the Prairie Lake Property, Thunder Bay Mining Division, Ontario, Canada” (the “Prairie Lake Report”), dated April 9, 2014. Mr. Eugene Puritch, P. Eng., Ms. Tracy Armstrong, P. Geo. and Mr. Antoine Yassa, P. Geo. of P&E Mining Consultants Inc. who are all “qualified persons” under national Instrument 43-101 – *Standard of Disclosure for Mineral Projects* (“NI 43-101”) and are independent of Nuinsco, prepared, reviewed and approved the Prairie Lake Report. The Prairie Lake Report was prepared for Nuinsco to provide an independent, NI 43-101 compliant technical report on the Prairie Lake Property.

### ***Turkish Properties***

**Berta** - The Berta copper project is located in north-eastern Turkey. Berta was originally a 50:50 joint venture with one of the commodity business units within Glencore. Exploration began at Berta in 2004.

As noted historically, discussions with Glencore were underway, including discussions to buy Glencore's share of the joint venture. Subsequently, Glencore advised that it was no longer interested in selling its share of Berta. As a result, Nuinsco opted not to pay the full share of the recorded expenditures and allowed itself to be diluted to approximately 36% in 2011.

Most recently, a total of six diamond drill holes were completed in a work program conducted in the third and fourth quarters of 2012 that followed up on the widespread and very anomalous copper mineralization identified in previous work programs. The principal aim of the work was to assess parts of the Berta Project that, to date, have seen no drilling but which are overlain by very strong copper-in-soil anomalies located at the centre, east and north of the Berta porphyry system. Results from past drill programs conducted between 2005 and 2008 returned very positive results, including the results from DDH SD-07-08 and DDH SD-08-10 (collared 500m south of SD-07-08) which returned 164.0m grading 0.20% copper and 0.06g/t gold between 250.5m and 414.5m. All of the holes drilled to date, including those from the most recent program at Berta, have returned copper mineralization with variable alteration associated with porphyry copper mineralization and thus the drilling indicates the huge scale and continuity of the anomaly in the Berta porphyry system. The wide spacing of the drill holes and the long anomalous and altered intercepts obtained continue to demonstrate the scope of the copper mineralization at Berta. The property remains a very large and very prospective exploration opportunity. Subsequent to the end of the 2012 drilling program, Glencore informed Nuinsco that it would resign as operator of the project.

Nuinsco continues to examine the options with regard to additional work on the property - the challenges in Turkey with regard to timely granting of permits to allow work programs to be planned and conducted persist. Accordingly, despite other operators' feelings that these challenges are not insurmountable, Nuinsco decided to value Berta at \$nil commencing December 31, 2013; aggregate writedowns to December 31, 2014 are \$1,196,000. The Corporation will continue to monitor circumstances in Turkey and will revalue its investment in Berta should that be warranted in future. The Corporation continues to believe that the Berta project and the region remain very prospective and are considering the possibility of partnering on the project going forward.

**Elmalaan** - In 2012, the Corporation decided not to proceed with the Elmalaan project as the exploration licence is expiring and would require conversion to an exploitation licence. The property is not ready for exploitation and the cost to do so would be non-productive.

### ***Chibougamau Camp, Québec***

With the acquisition of substantially all of the remaining secured debt of Campbell Resources Ltd. by Nuinsco and Ocean Partners, the Company and Ocean Partners, through a jointly-owned company, CBay, made a proposal to the courts to realize on its security and gain ownership of the former Campbell assets in the Chibougamau mining camp. The Québec Superior Court approved the proposal and, effective October 25, 2011, ownership of the assets was transferred to CBay. As described above, on December 18, 2014, Nuinsco extinguished its debt plus accrued interest of approximately \$2.6 million with CBay shares – consequently, Nuinsco now holds a 7.5% interest in CBay.

The Chibougamau assets represent a very substantial presence in a mining camp which has produced 1.6 billion pounds of copper and 3.2 million ounces of gold from 18 past-producing mines on the Lac Doré complex alone. Eight past-producers are located on CBay-held property on the Lac Doré complex that have significant potential to provide additional resources. Also owned are three partially-developed copper projects (Corner Bay, Devlin and the Perch River option), a permitted 2,722 tpd mill and tailings facility and in excess of 96,000 acres (38,000ha) of highly-prospective exploration property.

In 2012 and 2013, Nuinsco conducted an exploration program on behalf of CBay aimed primarily at gold mineralization on Portage Island but also encompassing work near the Joe Mann Mine and at the Devlin deposit.

During 2014 a concerted effort was undertaken to conduct sufficient work at the Devlin deposit to establish a resource. The Devlin copper project, located south of Chibougamau was acquired by CBay in 2013. Devlin is an easily-accessible, partially-developed, high-grade copper deposit located about 10km west of Corner Bay and about 40km by road from the Copper Rand mill and tailings management facility. Both Devlin and Corner Bay are directly accessible via the local road network.

In October 2014, Nuinsco completed a diamond drilling program at Devlin, drilling thirteen vertical diamond drill holes totalling 1,461m in length. The holes were drilled with the intent of obtaining intersections that would allow the characterization of sulphide mineralization within the deposit and to better define its limits. Three of the thirteen holes (DEV-14-01, -12 and -13) were drilled to twin historic holes to confirm the validity of past assay results. The results from the 13 holes will be combined with those from earlier programs to provide sufficient ore-grade intersections to produce an NI 43-101 compliant resource estimate for the deposit.

### ***Egypt***

In February, 2010, the Corporation announced that it had been successful, along with its Egyptian partner, in the bid process for two gold exploration concession areas in the Eastern Desert of Egypt – Bukari and Umm Samra. .

The Corporation completed several programs of field exploration work with positive results, however, political events in Egypt, and elsewhere in the Middle East North Africa (“MENA”) region, have had a negative impact on values and the resulting difficulty of financing projects in the MENA region has forced the Corporation to make the decision to not proceed with its Egyptian projects at this time. On March 27, 2012, the Corporation advised the Egyptian authorities of its decision not to proceed.

### ***Sudan***

On July 18, 2011, the Corporation announced that it had entered into an option agreement with Makaseb Holding LLC , to acquire an 85% interest in that company’s subsidiary UAE for Gold Minerals and Investment Company Ltd. which owns 100% of the J. Tobrar concession, located in northeastern Sudan. The terms of the option provided for an initial payment of US\$200,000 and a commitment to spend approximately €400,000 on due diligence and property evaluation. Prior to the end of the option period, Nuinsco was required to deliver US\$4,000,000 in cash or shares.

The Corporation commenced a field program in September 2011 at the J. Tobrar project. Initially this work consisted of the excavation of trenches in the immediate vicinity of the known gold mineralized Hamil Gold Vein System (“HGVS”). Results from this program demonstrate that the HGVS remains an attractive target with economic potential for a low-tonnage, high-grade gold deposit. However, the cost of exercising the option and proceeding with delineation and development were considered too high given the potential scale of the mineralization. Additional work to evaluate other gold showings elsewhere on the 3,400 km<sup>2</sup> licence area also occurred but results were not sufficiently encouraging to warrant further investment by the Corporation under current market conditions.

On February 7, 2012, the Corporation announced that it had elected to not exercise its option. The scale of mineralization identified did not justify the option price and continued expenditures under current market conditions.

## **DESCRIPTION OF THE ISSUER’S BUSINESS**

### **General**

#### ***Summary***

As discussed previously, Nuinsco is a natural resource company engaged in the acquisition, exploration and development of properties for the mining of precious and base metal deposits. Currently, its activities are concentrated in Canada and Turkey.

The Corporation currently has technical reports prepared in accordance with NI 43-101, on material properties as follows:

1. the Diabase Report;
2. the Prairie Lake Report; and

Each of the Diabase Report and the Prairie Lake Report have been filed with the securities regulatory authorities of British Columbia, Alberta, Manitoba, Saskatchewan, Ontario and Québec and are available at [www.sedar.com](http://www.sedar.com) under Nuinsco's profile. Each of the foregoing reports is incorporated by reference herein in its entirety.

### ***Specialized Skills and Knowledge***

The Corporation prides itself on the amount of business and exploration expertise it has in its management team and group of regularly used consultants, and also among its Board of Directors (the "Board").

### ***Competitive Conditions***

The mining industry is intensely competitive and the Corporation must compete in all aspects of its operations with a substantial number of other junior mining companies, some of which have greater technical and financial resources. The Corporation may be at a disadvantage with respect to some of its competitors in the acquisition and/or development of high potential mining properties throughout the principal markets and geographical areas in which the Corporation carries on its business activities.

### ***Cycles***

The mineral exploration business is cyclical, with the availability of financing driven in large part by metal price cycles. The Corporation attempts to make judicious use of consultants to minimize overhead so it will be better able to weather low metal prices. Nuinsco's business is also somewhat seasonal, as the ability to explore certain of its projects may be dependent on climactic conditions. As the Corporation adds additional projects, the timing of exploration expenditures may change throughout the year. Because it does not carry on production activities, Nuinsco's ability to fund ongoing exploration is affected by the availability of financing which is, in turn, affected by the strength of the economy and other general economic factors.

### ***Environmental Protection***

Environmental protection is given priority by the Corporation. However, the nature of its projects is such that the financial consequences of this priority have not been significant. In future years, as its projects approach production this can be expected to change. This is a normal business condition.

### ***Employees***

As at December 31, 2014 and as of the date of this AIF, the Corporation had eight permanent employees and used various contract personnel and consultants for technical and other services as required.

The Corporation shares management, administrative assistance and facilities with CBay pursuant to a management agreement; management operates under the supervision of the respective board of directors of each respective company. The costs recovered from CBay are recorded at the cost to the Corporation of such services plus 10 per cent. The management agreement for CBay commenced February 14, 2012 and is terminable by the Corporation upon 90 days' notice and by CBay upon 60 days' notice.

The Corporation and Victory Nickel operated under a similar management agreement which commenced on February 1, 2007 and was terminable by the Corporation upon 90 days' notice and by Victory Nickel upon 180 days' notice. Victory Nickel served notice of termination on September 5, 2014; accordingly, that management

agreement ceased on March 5, 2015. The Corporation expects to continue to share resources and costs with Victory Nickel under a cost sharing arrangement.

### ***Reorganizations***

There have been no significant reorganizations in the past three years.

### ***Foreign Operations***

In 2004, the Corporation initiated exploration work in Turkey on two projects – Berta and Elmalaan. In March 2012, the Corporation announced its decision to surrender the Elmalaan licence. In 2010, the Corporation began a process to acquire tenure on two gold concessions in Egypt. In March 2012, the Corporation announced its decision not to pursue tenure of these properties further due to social and political factors prevailing in Egypt. In 2011, the Corporation entered into an option agreement for property in Sudan. In February 2012, the Corporation announced that it had elected to not exercise its option. Accordingly, the only project outside of Canada is the Berta project in Turkey. Nuinsco has been examining the options with regard to additional exploration on the property taking into account the existing challenges and protracted timing presently associated with permitting in Turkey. Please see “Risk Factors” below.

### **DIVIDENDS**

The Corporation did not declare nor pay dividends during any of the three most recently completed financial years. The Corporation is in the development stage and has had no revenues or net income from which to pay dividends. The Board will make decisions regarding any future dividends based upon the Corporation’s financial position at such time. Currently, the Board does not intend to pay any dividends.

### **RISK FACTORS**

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.

### **Financing and Going Concern**

The liquidity position of Nuinsco is extremely restricted and the continued operation of the Corporation depends upon the ability to obtain financing through private placements, optioning of projects, sales of assets or other means. There is no assurance that the Corporation will be successful in obtaining the required financing or achieving other means of securing liquidity on a timely basis or on acceptable terms.

If the Corporation is unable to obtain additional financing, the Corporation will be required to curtail activities and may be required to liquidate its assets. Failure to continue as a going concern would require that the Corporation’s assets and liabilities be restated on a liquidation basis which would likely differ significantly from the going concern basis. Ongoing exploration and development of the Corporation’s properties will require substantial additional capital investment. Failure to secure additional financing, and/or secure other funds from asset sales, would result in delaying or infinite postponement of development of these properties. There can be no assurance that additional financing will be available or that, if available, will be on terms favourable or acceptable to the Corporation.

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

### ***Evaluation and Development Projects***

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

### ***Competition***

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

## **Operational Risks**

### ***Limited History of Operations***

Nuinsco has a limited history of earnings and limited financial resources. Nuinsco currently has no operating mines and its ultimate success will depend on its ability to generate cash flow from active mining operations in the future, as well as its ability to access capital markets for its development requirements.

### ***Development Targets, Permitting and Operational Delays***

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

### ***Resources and Reserves***

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

### ***Title Risks***

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

### ***Insurance Risk***

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

### ***Financial and Investment Risks***

#### ***Substantial Capital Requirements***

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

### ***Market Perception***

Market perception of junior exploration, development and mining companies may continue to shift such that these companies are viewed even 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 and Mineral Prices***

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



### ***Areas of Investment Risk***

Nuinsco's Common Shares are listed on the TSX. The share prices of publicly-traded companies can be volatile as the price of shares is dependent upon a number of factors, some of which are general or market or sector specific and others that are specific to Nuinsco. The Corporation has received a letter from the TSX advising the review of eligibility for continued listing on the TSX. Nuinsco has commenced researching requirements and costs of listing on other stock exchanges.

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 Corporation'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 Corporation'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 Corporation's activities, the extent of which cannot be predicted and which may well be beyond Nuinsco's capacity to fund. Environmental laws are becoming more actively enforced. Environmental and social impact studies may be required for some operations and significant fines and clean-up responsibilities may be assessed for companies causing damage to the environment in the course of their activities.

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

Nuinsco may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors in the areas in which Nuinsco does or will operate and holds its interests, as well as unforeseen matters. As referred to above, the Corporation has received notices of reassessment from the CRA as well as a notice of confirmation 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 Corporation has no significant exposure to environmental or health risks, although this will change should any of the Corporation'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 Corporation through the economic turmoil; however, this potentially adds to the risk of losing experienced personnel.

#### ***Conflicts of Interest***

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

### ***Foreign Operations***

In 2004, the Corporation initiated exploration work in Turkey. While the Corporation 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. While the Corporation has terminated its activity in Sudan and Egypt and has reduced activity in Turkey, it remains open to appropriate opportunities in the Middle East North Africa ("MENA") region and elsewhere.

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

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

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

Nuinsco regularly and routinely considers the risks inherent in foreign jurisdictions and weighs such risks when evaluating continued, enhanced, reduced or renewed involvement in foreign projects. The Corporation considered that the protracted permitting delays in Turkey were significant enough to warrant a writedown of its Berta project effective December 31, 2013 with continued writedowns to December 31, 2014.

### ***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.

Nuinsco, through the limited Participating Interest in cash flows, and its investment in Victory Nickel, has indirect exposure to the frac sand industry.

### ***Summary***

The future success of the Corporation is subject to a number of risk factors that are common to the junior natural resources sector. Currently, the most significant risk is the ability of the Corporation to obtain necessary financing under acceptable terms or to find strategic partners to fund expenditure commitments as they fall due, as the Corporation currently has very limited funds. Other risks 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 Corporation's interests are located. 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 Corporation 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.

## DESCRIPTION OF CAPITAL STRUCTURE

### General Description of Capital Structure

The Corporation is authorized to issue an unlimited number of Common Shares, of which 295,525,745 Common Shares were issued and outstanding as of the date hereof. Subject to the rights of any shares ranking senior to the Common Shares, each holder of a Common Share is entitled to notice of and the right to vote at all meetings of shareholders of the Corporation, to receive any dividend declared by the Corporation and to receive the remaining property of the Corporation on dissolution.

At the Annual and Special Meeting of Shareholders held June 14, 2006, shareholders passed a special resolution approving amendment of the Corporation's articles of continuance to provide for creation of five classes of special shares ("Tracking Shares"). Each class of Tracking Share would track and reflect the economic performance of a particular division or part of the Corporation's business. Potential divisions for Nuinsco at present could be one or more of: gold assets, uranium assets and foreign assets. The amended articles of continuance have been filed, however no tracking shares have yet been issued. Management and the Board of Directors are continuing to evaluate the implementation of the Tracking Share structure, including the receipt of favourable tax rulings, and as such no tracking shares are outstanding.

## MARKET FOR SECURITIES

### Trading Price and Volume

The Common Shares are listed on the TSX and trade under the symbol "NWI." The table below sets forth the high, low and closing trading prices and volumes for the Common Shares traded through the TSX during the Corporation's most recently completed financial year.

<b>2014</b>	<b><u>High</u></b>	<b><u>Low</u></b>	<b><u>Closing</u></b>	<b><u>Volume</u></b>
January .....	\$ 0.035	\$ 0.15	\$ 0.02	9,348,407
February .....	\$ 0.03	\$ 0.01	\$ 0.025	21,555,729
March .....	\$ 0.03	\$ 0.02	\$ 0.025	4,233,113
April .....	\$ 0.03	\$ 0.02	\$ 0.025	2,323,595
May .....	\$ 0.025	\$ 0.015	\$ 0.025	6,088,828
June .....	\$ 0.025	\$ 0.015	\$ 0.02	5,765,100
July .....	\$ 0.025	\$ 0.015	\$ 0.02	7,103,477
August .....	\$ 0.02	\$ 0.0	\$ 0.015	15,336,828
September .....	\$ 0.02	\$ 0.01	\$ 0.02	2,556,326
October .....	\$ 0.02	\$ 0.01	\$ 0.015	3,335,042
November .....	\$ 0.015	\$ 0.01	\$ 0.015	2,754,368
December .....	\$ 0.015	\$ 0.01	\$ 0.01	4,753,520
Total Volume				85,154,333

On February 24, 2015 the Corporation received a letter from the TSX advising the review of eligibility for continued listing on the TSX. The Corporation has commenced researching requirements and costs of listing on alternative stock exchanges.

## PRIOR SALES

No securities of the Corporation outstanding but not listed or quoted on a marketplace were issued during the most recent financial year.

## DIRECTORS AND OFFICERS

The following are the names, provinces or states and countries of residence, offices and principal occupations of the directors and executive officers as of the date of this AIF. Each director's term of office will expire at the close of the next annual meeting of shareholders.

<b>Name and Residence</b>	<b>Position with the Corporation</b>	<b>Principal Occupation for the Last Five Years</b>	<b>Date Elected</b>
René R. Galipeau <sup>(1)(3)*</sup> Ontario, Canada	Chairman and Director	Vice-Chairman, Director and CEO of Victory Nickel.	June 1993
Robert G. Wardell <sup>(1)*(2)(3)</sup> Ontario, Canada	Director	Director of several public companies.	March 2009
Dr. James M. Franklin <sup>(2)(3)(4)*</sup> Ontario, Canada	Director	Consulting geologist, Director of several public companies and public and private sector organizations.	January 2011
Raymond Goldie <sup>(1)</sup> Ontario, Canada	Director	Vice-President, Commodities Economics and Senior Mining Analyst with Salman Partners Inc.	N/A
Marvin Singer <sup>(2)*</sup> Ontario, Canada	Director	Partner with international law firm Norton Rose Fulbright Canada LLP.	August 2010
Paul L. Jones Ontario, Canada	Chief Executive Officer and Director	Chief Executive Officer of the Corporation and Vice-President, Exploration with Victory Nickel.	June 2014
Alison J. Sutcliffe Ontario, Canada	Vice-President Finance & Chief Financial Officer	Vice-President, Finance & Chief Financial Officer of the Corporation; Vice-President, Finance & Chief Financial Officer of Victory Nickel.	Not a director
Sean D. Stokes Ontario, Canada	Executive Vice-President	Executive Vice-President of the Corporation and Corporate Secretary and Vice-President, Corporate Affairs with Victory Nickel.	Not a director
Dr. David M. Mchaina Ontario, Canada	Vice-President, Environment & Sustainable Development	Vice-President, Environment & Sustainable Development for the Corporation and Victory Nickel.	Not a director
Anne Lam, Ontario, Canada	Controller	Controller of the Corporation and of Victory Nickel. Previously Assistant VP, Strategic Initiatives, for Manulife Financial, Accounting Consultant for Manulife Financial, Senior Manager – Compliance, for Barrick Gold Corp.	Not a director

\* Committee Chair

(1) Member of the Audit Committee.

(2) Member of the Governance and Nominating Committee.

(3) Member of the Compensation Committee.

(4) Member of the Technical Committee.

As at the date of this AIF, the directors and executive officers of the Corporation, as a group, beneficially owned or controlled or directed, directly or indirectly, 8,830,760 Common Shares, representing approximately 3% of the outstanding Common Shares.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Other than as disclosed below, no director or executive officer of the Corporation is, as at the date of this AIF, or has been, within the ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company that:

- (i) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued while the director or executive officer was acting as director, chief executive officer or chief financial officer of such company; or
- (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, after the director or executive officer ceased to be a director, chief executive officer or chief financial officer or such company.

Mr. René Galipeau, Chief Executive Officer, Vice-Chairman and director of the Corporation, served as Senior Vice-President and CFO of HMZ Metals Inc. in 2005 when a cease trade order was issued halting trading by management and insiders of HMZ due to failure to file interim financial statements. The cease trade order was in effect until two days following the filing of financial statements for the three-month period ended June 30, 2005, which statements were filed on October 19, 2005.

Subsequent to resigning from his position at HMZ Metals Inc., Mr. Galipeau was subject to a management cease trade order in connection with the failure of HMZ Metals Inc. to file annual financial statements for the year ended December 31, 2005, which statements were filed on December 21, 2007.

Other than as disclosed below, no director or executive officer of the Corporation, nor any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

- (i) is, as at the date of this AIF, or has been within the ten years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (ii) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Mr. René Galipeau, Chief Executive Officer, Vice-Chairman and director of the Corporation, ceased to be a director of Campbell in November 2008. In early 2009, Campbell announced that it had re-entered protection under the Companies' Creditors Arrangement Act ("CCAA").

No director or executive officer of the Corporation, nor any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### ***Conflicts of Interest***

Certain of the directors and executive officers of the Corporation are directors and/or officers of other issuers engaged in the mineral exploration business.

Circumstances may arise where members of the Board are directors or officers of corporations which are in competition to the interests of the Corporation. No assurances can be given that opportunities identified by such Board members will be provided to the Corporation. Pursuant to the OBCA, directors who have an interest in a proposed transaction upon which the Board is voting are required to disclose their interests and refrain from voting on the transaction.

## **AUDIT COMMITTEE INFORMATION**

### **Audit Committee Charter**

The Corporation's Audit Committee charter is attached hereto as Schedule "C".

### **Composition of the Audit Committee**

Each of the members of the Audit Committee is financially literate, as those terms are defined in National Instrument 52-110, *Audit Committees*.

### **Relevant Education and Experience**

#### ***Robert G. Wardell***

Mr. Wardell is a Chartered Accountant with over 40 years of public company management, accounting and auditing experience. Mr. Wardell, who previously served as Vice-President, Finance and Chief Financial Officer of Victory Nickel, is an independent director who joined the Board in March 2009. Prior to joining Victory Nickel, Mr. Wardell was a Senior Audit Partner with Deloitte & Touche LLP. Mr. Wardell also serves as a non-executive director of Allied Nevada Gold Corp., Katanga Mining Limited and Viterro Inc.

#### ***René R. Galipeau***

René R. Galipeau is an accountant with over 30 years of management and accounting experience with publicly-traded gold and base metals companies in Canada and the US, including Breakwater Resources, Hudson Bay Mining, Lac Minerals and Rio Algom, and remains a director of numerous public and private mining and metals companies.

#### ***Dr. Raymond Goldie***

Dr. Raymond Goldie, B.Sc., M.Sc., Ph.D. (geology), Dip. Bus. Admin. has close to 40 years of experience as an exploration geologist, mining analyst and commodity economist. Dr. Goldie began his career in mining in 1976 as an exploration geologist with SEREM Ltée in Val d'Or, Quebec. Since 1979 he has been a securities analyst and economist with several firms. Dr. Goldie is presently Vice-President, Commodities Economics and Senior Mining Analyst with Salman Partners Inc. Dr. Goldie also serves as a director of the Prospectors and Developers Association of Canada.

### **Pre-Approval Policies and Procedures**

Included as part of the Audit Committee's charter is the responsibility of the Audit Committee to pre-approve all non-audit services to be provided to the Corporation by its external auditors.

## External Auditors' Fees

The aggregate fees billed by Nuinsco's external auditors and paid by the Corporation in the following categories for each of the two most recently completed fiscal years are as follows:

	2014	2013
Audit Fees	\$79,135	\$65,000
Audit Related Fees <sup>1</sup>	\$nil	\$nil
Tax Fees <sup>2</sup>	\$8,525	\$9,850
All Other Fees	\$nil	\$nil
Total	\$87,659	\$74,850

<sup>2</sup> Tax advisory and tax return preparation.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or principal shareholder of Nuinsco and no associate or affiliate of the foregoing have had a material interest, direct or indirect, in any transaction in which Nuinsco has participated within the three most recently completed financial years which has materially affected or is reasonably expected to materially affect Nuinsco.

## TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its principal office in Toronto.

## MATERIAL CONTRACTS

The Corporation has not entered into any material contracts either before (and which are still in effect as of the date hereof) or during the most recently completed financial year that are required to be filed under National Instrument 51-102-*Continuous Disclosure Obligations*.

## INTERESTS OF EXPERTS

### Names of Experts

The following are the names of all the persons who have prepared or certified for the Corporation a statement, report or valuation described or included in the disclosure documents filed by the Corporation during or relating to the Corporation's most recently completed financial year or during the period thereafter to the date of this Annual Information Form.

Mr. John D. Charleton P. Geol., an Independent Qualified Person, prepared the "Technical Report on the Diabase Peninsula Project", dated March 28, 2006; prepared in accordance with NI 43-101;

Mr. Eugene Puritch, P. Eng., an Independent Qualified Person, prepared the "Technical Report on the Prairie Lake Property, Thunder Bay Mining Division, Ontario, Canada", dated April 9, 2014; prepared in accordance with NI 43-101;

Ms. Tracy Armstrong, P. Geo., an Independent Qualified Person, prepared the “Technical Report on the Prairie Lake Property, Thunder Bay Mining Division, Ontario, Canada”, dated April 9, 2014; prepared in accordance with NI 43-101;

Mr. Antoine Yassa, P. Geo., an Independent Qualified Person, prepared the “Technical Report on the Prairie Lake Property, Thunder Bay Mining Division, Ontario, Canada”, dated April 9, 2014; prepared in accordance with NI 43-101;

To the knowledge of the Corporation, none of the individuals who prepared the technical reports in accordance with NI 43-101 which are incorporated by reference in this AIF held, at the time of such individual prepared the applicable report, has received after such time, or will receive, any registered or beneficial interests, direct or indirect, in any securities or other property of the Corporation or of one of the Corporation’s associates or affiliates in connection with the preparation or certification of any statement, report or valuation prepared by such person.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Additional information including directors’ and officers’ remuneration and indebtedness, principal holders of the Corporation’s securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Corporation’s information circular for its most recent annual meeting of shareholders that involved the election of directors, and additional financial information is provided in the Corporation’s comparative consolidated financial statements and Management Discussion & Analysis for its most recently completed financial year.

For additional copies of this Annual Information Form please contact:

Nuinsco Resources Limited  
80 Richmond St. West  
Suite 1802, Toronto, Ontario M5H 2A4  
Tel: (416) 626-0470



**SCHEDULE "A"**  
**EXCERPT OF SUMMARY FROM THE DIABASE REPORT**

## **1.0      *Summary (Item 3)***

The Diabase Peninsula Property of Nuinsco Resources Ltd. is located near the centre of NTS map sheet 74G (Cree Lake) in northern Saskatchewan. It consists of eight (8) contiguous claims acquired by option and staking in late 2004 and early 2005. The property has a total surface area of 18,646 hectares. The property covers the Diabase Peninsula and a portion of the western shores and islands of Cree Lake.

Uranium exploration commenced in this region in 1969, went through an intensive phase in the period 1976-83, and flared briefly again in 1997-98. The Saskatchewan Mining and Development Corporation (SMDC) are responsible for all of the exploration done on the property and adjacent areas during the 1976-83 period.

SMDC completed airborne radiometric and INPUT surveys, coupled with regional lake sediment sampling programs. These results were followed up by ground geophysical and prospecting/mapping surveys, as well as additional geochemical sampling programs. Diamond drilling began on the property, in conjunction with drilling on adjacent properties, in the winter of 1979-80 and resumed the following two winters. In total, during the 1979-82 period of exploration in the area, 3169 m were drilled in eleven (11) holes within the confines of the current property. In 1998, extensive drill core and boulder/outcrop sampling and litho-geochemical analysis were completed over much of the current property area.

The northern Saskatchewan Precambrian basement is part of the Churchill Structural Province. It formed during Archean time but was subject to a long-term intense widespread metamorphic event known as the Hudsonian Orogeny. This caused ubiquitous recrystallization and the formation of its characteristic, dominant northeasterly tectonic fabric. Paleohelikian siliciclastics of the Athabasca Group unconformably overly the Churchillian rocks. They cover an area of about 100,000 sq km and lie atop a basement regolith of from zero to over 50 m thick.

Churchillian basement rocks in the western Cree Lake area are comprised of gneisses and supracrustal rocks of the Mudjatik and Virgin River Domains. The Cable Bay Shear Zone separates the two domains. The orthogneisses reveal a long complex crustal history beginning around 3.6 Ga and ending with extensive granitic plutonism at 2.65 to 2.6 Ga. The supracrustals include pelites, psammites, and mafic granulites, plus minor quartzites, marbles, ultramafics and iron formation.

The Athabasca Group siliciclastic-dominated rocks unconformably blanket the basement rocks. The east-west trending erosional contact passes across the southwestern extremity of Cree Lake. In the Cree Lake area the fluvial Manitou Falls Formation predominates and appears to have formed the basal unit. Mackenzie diabase dykes are represented by a series of irregular, interrupted dykes striking northwestward across the southwestern part of Cree Lake and the Diabase Peninsula.

The Diabase Peninsula Property is almost entirely covered by sandy to cobbly-sandy and bouldery overburden with thicknesses ranging from 15 m to 40 m. The sandstone-dominated Manitou Falls Formation underlies the property. In and around the property area it has been intruded by a number of diabase dykes. The sandstone is composed of fine to coarse, well-rounded to subangular quartz grains usually cemented with silica.

Depth to unconformity gradually increases from south to north but appears to vary significantly across basement stratigraphy (SE to NW). In the northern part of the peninsula it is from 300 to 400 m from surface to the unconformity. Basement lithologies in the central part of the property are mainly meta-arkose and metapelite, with continuous intervals of metapelite having been intersected in several SMDC drill holes. The NE-striking Cable Bay Shear Zone runs the length of the property.

The main lithologies exhibit varying degrees of alteration. The lithogeochemical boulder sampling results from Earle (1999) indicate strong hydrothermal alteration of the sandstones in the northern part of the Diabase Peninsula (central area of the property). This area features a NE-SW trending zone of strong chloritization; zones of significant illitization flanking the chlorite zone to the NW and SE; enrichment in dravite, lead, and yttrium associated with the zone of chloritization; and enrichment in arsenic to the north and southwest of the chlorite zone.

SMDC drilling targeted northeast-striking basement conductors thought to be caused by graphitic horizons in metapelites. A DEEPEM conductor axis trends through Mackenzie Bay and northeastward toward the chloritization zone. Subparallel Turam conductors strike half the length of the Diabase Peninsula and northeastward into the chloritization zone. The causes of the basement DEEPEM and Turam conductors were not explained by SMDC drilling

Anomalous metallic mineralization intersected by SMDC drilling was associated either with the unconformity or with altered diabase dyke contacts. The best unconformity intersection (CAB-21) returned highly anomalous nickel, zinc, and uranium over a single interval of several metres of basal sandstone/unconformity/altered metapelites. Mineralization associated with altered diabase contacts showed enrichment in nickel, zinc, cobalt, and less so, in arsenic and uranium.

The deposit type targeted on the Diabase Peninsula Property is the unconformity-related uranium deposit. The diagenetic-hydrothermal model is the most widely supported unconformity-related uranium deposit genetic model. The world-class Athabasca Basin uranium deposits form the prototypes for this model.

During March and April, 2005, a program consisting of line-cutting and a fixed loop Time Domain (TEM) survey, was completed on the central portion of the Diabase Peninsula Property. Results show strong northeast-trending basement-type conductors across the 5km strike length of the 2005 grid. One dominant and clearly defined conductor axis is mapped along the central and northern part of the grid. In the southern gridded area two strong conductor axes are indicated. Relative orientations and slight offsets suggest overthrusting and perhaps minor cross-faulting along the basement conductors.

In the summer of 2005, Fugro Airborne Surveys conducted MegaTem electromagnetic and magnetic surveys over a portion of the southern Athabasca Basin, from which a portion was provided to Nuinsco Resources Limited. A total of 1,065 line kms of data were collected for Nuinsco covering the entirety of the Diabase Peninsula property. On the property 117 traverse lines at a flight line spacing of 300m were flown. Two strong basement conductors were outlined by the airborne survey, one continuing the length of the property.

During the summer of 2005, a total of 272 composite boulder samples were collected from the Diabase Peninsula property. The objective of the program was to map variations in geochemistry and clay mineral characteristics in Athabasca sandstone boulder samples. These variations can be used to provide evidence for hydrothermal host rock alteration possibly related to unconformity-type uranium mineralization. Geochemical analyses of the samples were carried out by the Saskatchewan Research Council in Saskatoon.

Results show evidence of moderate chloritization and illitization of the sandstone along with weak dravite enrichment, mainly to the west and northwest of the diabase dykes. However there is a lack of U and Pb enrichment in these same boulders and only very low amounts of Ni, Co, and As. This suggests that the chlorite + illite present in the vicinity of the intersection of the diabase dykes is related to the presence of the dykes.

Continuing exploration is strongly recommended on Nuinsco's Diabase Peninsula property. The following elements are specifically recommended to form a Phase I exploration program:

- 1) Diamond drill testing of the eight (8) TEM conductor targets as selected by Robertshaw Geophysics Ltd;
- 2) A lithogeochemical boulder sampling survey is recommended over land areas on the northern half of Claim S108064 – an area of anomalous trace metal and clay alteration in the 1998 reconnaissance survey. This same area covers the stretch of MegaTem conductor #2 axis proposed for ground follow-up;
- 3) A time domain EM (TEM) survey over the northern half of Claim S108064 is proposed to cover the same targeted strike length of MegaTem conductor #2;
- 4) A small TEM survey is recommended over MegaTem conductor #1, which crosses Claim S108116 in the south of the property.

The total cost of proposed Phase I exploration is estimated at **\$1,529,000**.

A Phase II exploration program would be comprised of diamond drill follow-up of encouraging results from the Phase I eight (8) hole program, as well as initial diamond drill testing of TEM and lithogeochemical results from Phase I. The scope of Phase II exploration would be dependent upon Phase I results.

John D. Charlton, P. Geol.,  
March 28, 2006

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**SCHEDULE "B"**

**EXCERPT OF SUMMARY FROM THE PRAIRIE LAKE REPORT**

## SUMMARY

This Report was prepared at the request of René Galipeau, C.E.O, of Nuinsco Resources Limited (“Nuinsco”). Nuinsco is a Canadian based publicly held company trading on the Toronto Stock Exchange (“TSX”) under the symbol of NWI. The purpose of this Report is to provide an independent, NI 43-101 compliant technical report (the “Report”) that includes a conceptual Exploration Target (“ET”) estimate on the Prairie Lake Property, located in the Thunder Bay Mining Division, Ontario, Canada (the “Property”).

The Prairie Lake Property is located approximately 44 km northwest of Marathon and 38 km northeast of Terrace Bay in the Thunder Bay Mining Division. Both towns are serviced by the Canadian Pacific Railway. A system of maintained logging roads and rehabilitated logging skid trails provides access to the Property from the Trans Canada Highway.

The Property consists of 9 mineral claims, owned 100 % by Nuinsco, totalling 608 ha that covers the Prairie Lake Carbonatite Complex. The claims are in good standing as of the effective date of this Report. Nuinsco purchased eight of the claims from Stares Contracting Corporation (“Stares Contracting”) in 2001 and staked the ninth claim also in 2001. As part of the original agreement, there remains a Production Royalty payable to Stares Contracting calculated as 2 % of the Net Smelter Royalty (“NSR”) with Nuinsco retaining the rights to purchase half of the royalty in cash or cash equivalent free trading shares of Nuinsco.

Previous exploration on the Property has focused on uranium, niobium, phosphorus (apatite) and wollastonite and to a lesser extent tantalum and rare earth elements (“REE”), depending on the economics of the time. Drilling, geophysical surveys and exploration occurred on the Property between 1968 and 1983 with the last owner, Nuinsco, allowing the Property to lapse in 1983 until 2001 when it reacquired the Property from Stares Contracting.

The Property is located within the Archean Superior Province. The Prairie Lake Carbonatite Complex was emplaced into biotite-quartz-feldspar paragneiss country rocks of the continental shield within the Trans-Superior Tectonic Zone (“TSTZ”), which hosts other alkalic complexes in the area. The geology of the complex can be simply described as an oval subvertical cylindrical shape that has an ijolite core surrounded by a rim of mixed carbonate, silicocarbonate and other calcite rocks. However, the relationship between the ijolite and carbonatite rock types is more complex with irregular and complexly interfingered bands. A significant band of carbonate rock wraps inwards from the northwestern periphery of the intrusion towards the centre of the complex. The two principle lithologies within the Prairie Lake Carbonatite Complex, ijolite and carbonatite, have been intruded by numerous subordinate dykes and sills.

The Prairie Lake Carbonatite Complex is an example of a carbonatite-alkalic intrusion. These intrusions of magmatic carbonates and associated alkaline igneous rocks typically occur in alkaline igneous provinces. The most significant products from carbonatite-alkalic intrusions are phosphorus (from apatite), magnetite, niobium (from pyrochlore), zirconia and REE (from monazite and bastnäsite). The highest concentrations of apatite within the Prairie Lake Carbonatite Complex occur in intervals of phoscorite rock types. The Prairie Lake Carbonatite Complex is unique in North America in its high wollastonite content and the distribution of tantalum, niobium and uranium mineralization is widespread throughout the complex.

A trenching program during 2002-2003 on the Property was followed up by grid sampling and drill programs in 2007 and 2008. Grab samples from the trenching program were analysed for uranium, niobium, tantalum  $\pm$  phosphorus and REE with values of up to 488 ppm Ta<sub>2</sub>O<sub>5</sub> and 1.044 % Nb reported. The grid sampling program in 2007 delineated a wide band in the southwest quadrant of the carbonatite anomalous in uranium, niobium, tantalum and phosphorus. The 2007 drill program focussed on the Jim's Showing area as well as the High Grade, P31 and P10 zones. Values of up to 0.206 % U<sub>3</sub>O<sub>8</sub>, 1.008 % Nb<sub>2</sub>O<sub>5</sub>, 579 ppm Ta<sub>2</sub>O<sub>5</sub>, 18.05 % P<sub>2</sub>O<sub>5</sub> and 6675 ppm for combined REEs (Y+La+Ce+Nd+Sm) were reported. Deeper drilling during the 2008 drill program confirmed that the complex has a near vertical cylindrical shape with carbonatite continuing to depths of at least 500 m. Individual assays from the 2008 program returned values of up to 0.863 % Nb<sub>2</sub>O<sub>5</sub>, 12.63 % P<sub>2</sub>O<sub>5</sub> and 8061 ppm combined REEs.

The 2010 P&E conceptual ET estimate was prepared for the two areas drill-tested to date, the SW Zone and Jim's Showing. The ET utilized conventional statistical analysis and grade interpolation via Gemcom block modeling, however, variography was not undertaken on the constrained domain composites due to the database containing insufficient data to warrant Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") guideline classification. The model was delineated from a database containing 66 diamond drill holes of which 46 were utilized for the ET calculations. Tonnage calculations utilized a bulk density of 3.02 t/m<sup>3</sup>.

The ET estimate tabulated below for the Prairie Lake Property was compiled using a 1 % P<sub>2</sub>O<sub>5</sub> cut-off grade and reporting the resulting  $\pm$  5 % tonnes and grades. The ET estimates the two drill-tested areas, SW Zone and Jim's Showing, at between 330 and 360 Mt averaging 3.5 to 3.7 % P<sub>2</sub>O<sub>5</sub> and 0.12 to 0.14 % Nb<sub>2</sub>O<sub>5</sub> as well as indicating significant tantalum, uranium, and REEs (including lanthanum, cerium, samarium, neodymium and yttrium).

	<b>SW Zone</b>	<b>Jim's Showing</b>	<b>Total</b>
P <sub>2</sub> O <sub>5</sub> (%)	3.5 - 3.7	3.7 - 4.0	3.5 - 3.7
Nb <sub>2</sub> O <sub>5</sub> (%)	0.13 - 0.14	0.10 - 0.11	0.12 - 0.14
Ta <sub>2</sub> O <sub>5</sub> (ppm)	26 - 27	27 - 28	26 - 27
U <sub>3</sub> O <sub>8</sub> (%)	0.005 - 0.006	0.017 - 0.018	0.007 - 0.018
La (ppm)	300 - 305	315 - 344	302 - 310
Ce (ppm)	725 - 739	739 - 752	724 - 744
Sm (ppm)	60 - 66	57 - 63	58 - 64
Nd (ppm)	317 - 322	310 - 337	315 - 325
Y (ppm)	88 - 93	95 - 101	91 - 93
La+Ce+Sm+Nd+Y (ppm)	1490 - 1525	1516 - 1597	1490 - 1536
m <sup>3</sup> (million)	98 - 106	12 - 14	110 - 120
<b>Tonnes (million)</b>	<b>293 - 319</b>	<b>37 - 41</b>	<b>330 - 360</b>

*The potential quantity and grade of the ET is conceptual in nature and there has been insufficient exploration to define a mineral resource. It is uncertain if further exploration will result in the discovery of a mineral resource.*

The conceptual ET estimate indicates that the Property holds significant potential to be a large tonnage low grade multi-commodity deposit. Carbonatite-dominated northeast and southeast quadrants of the Prairie Lake Carbonatite Complex have not been drill tested and a diamond drill program of 10-15 holes totalling 2,500 m is recommended. A budget of \$575,575 is proposed to complete this program. Infill diamond drilling of approximately 9 holes totalling 2,500 m at Jim's Showing and 32 holes totalling 12,000 m at SW Zone is recommended in order to convert the ET to an inferred mineral resource. A budget of \$3,300,275 is proposed for this program of drilling



## **AUDIT COMMITTEE CHARTER**

### **PURPOSE OF THE AUDIT COMMITTEE**

The purpose of the Audit Committee is to fulfill the applicable public company audit committee legal and regulatory obligations and to provide assistance to the Board of Directors (“the Board”) to enable it to fulfill its oversight responsibilities in relation to the financial reporting process, the system of internal controls and the audit process and management of significant risks to Nuinsco Resources Limited (“the “Corporation”), as they relate to financial reporting.

#### ***Audit Committee Mandate***

The Audit Committee (the "Committee") is appointed by the Board to assist the Board in fulfilling its oversight responsibilities of the Corporation. In so doing, the Committee provides an avenue of communication among the external auditors, management and the Board.

The Committee's purpose is to ensure the integrity of financial reporting and the audit process, and that sound risk management and internal control systems are developed and maintained. In pursuing these objectives the Audit Committee oversees relations with the external auditors, and reviews the effectiveness of the internal audit function.

### **STRUCTURE OF THE COMMITTEE**

#### ***Composition***

The Audit Committee is a standing committee of the Board and will be composed of not less than three directors, none of whom will be a Corporate Officer, related party or employee of the Corporation.

#### ***Quorum***

A quorum of the Committee will be a majority of members present in person, by telephone or any combination thereof.

#### ***Appointment of Members and Chairman***

Members of the Committee shall be appointed by the Board annually on the recommendation of the Corporate Governance & Nominating Committee to hold office at the pleasure of the Board. No more than two members of the Committee will resign from the Committee in any given year.

#### ***Chairman***

The Board shall appoint one of the members as the Committee Chair. In the absence of the Chair from any meeting, the Committee shall appoint a member to be the Chair for the purposes of the conduct of that meeting.

#### ***Qualification of Members***

Members of the Committee shall meet applicable requirements and guidelines for audit committee service, including requirements and guidelines with respect to being independent and unrelated to the Corporation and to having accounting or related financial management expertise and financial literacy.

The determination as to whether a particular director satisfies the requirements for membership on the Audit Committee shall be made by the full Board.

### ***Vacancy***

A vacancy occurring in the membership of the Committee may be filled by the Board at its discretion, but in any event, the Board shall fill any vacancy to ensure a minimum of three members on the Committee at all times.

### **Compensation for Committee Members**

No Committee member shall receive any non-expense compensation for services from the Corporation other than what that member is entitled to as a member of the Board or as a Committee member.

### **Number and Timing of Meetings**

The Audit Committee meets at least four times a year, with meetings being scheduled to permit timely review of quarterly and annual financial statements. Additional meetings may be held at the discretion of the Chair or at the request of a member, external auditors or management.

### **Secretary**

A secretary shall be designated and that person shall act as recording secretary for the Committee and produce Minutes of the meetings.

### ***Meetings with Management and External Auditors***

The Committee shall meet separately with management at least once per quarter and shall meet with management and external auditors at such other times as the Committee deems appropriate.

### **Notice and Place of Meetings**

Notice of time and place of meetings shall be communicated to members of the Committee no less than 24 hours prior to the time set for the meeting, provided that any member may waive such notice.

A member of the Committee who attends a meeting for the purpose of objecting to whether the meeting was lawfully called shall not be considered to have waived required notice.

### **Invitees**

By invitation of the Chair, individuals who are not members of the Committee may attend meetings from time to time and may participate in discussions related to issues before the Committee.

### **Minutes and Procedures of Meetings**

Subject to statutory requirements and by-laws of the Corporation, the Committee may set its own procedures at meetings, keep records of its proceedings and report to the Board when the Committee considers it appropriate, but in any event not later than the next Board meeting. Minutes of the Committee meeting shall be tabled at the next Board of Directors meeting.

### ***Delegation of Responsibilities***

The Committee may delegate to any person or committee of persons any of the Committee's responsibilities that may be lawfully delegated.

### ***External Auditors***

External auditors are ultimately accountable to the Board and shall report directly to the Audit Committee. The external auditors are accountable to the Board and the Audit Committee as representatives of the shareholders.

### ***Mandate***

The Committee will review and reassess the adequacy of the Audit Committee Mandate on an annual basis to ensure that it accurately specifies the scope of the Committee's responsibilities and adequately sets out how it carries out those responsibilities.

## **PRIMARY RESPONSIBILITIES OF THE COMMITTEE**

The Committee's primary duties and responsibilities are as follows:

- Review and recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and the compensation to be paid to the external auditor.
- Assume direct responsibility for overseeing the work of the external auditors engaged to prepare or issue an audit report or perform other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting.
- Pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by its external auditors.
- Review the Corporation's financial statements, Management Discussion and Analysis and annual and interim earnings press releases before such documents are publicly disclosed by the Corporation.
- To satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures.
- Establish procedures for a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

### **Authority of the Committee**

The Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any advisors engaged by it. The Committee shall also have the authority to communicate directly with the external auditors.

## **DUTIES OF THE COMMITTEE**

### ***Compliance***

The Committee is ultimately responsible for ensuring the Corporation's compliance with legal and regulatory requirements in respect to financial reporting and disclosure.

The Committee, on behalf of the Board, is responsible for monitoring management's actions in this regard to ensure that the Corporation has implemented appropriate systems to identify and monitor the response by Management and the Board of Directors to such issues as:

- Significant business risks.
- Legal, ethical and regulatory compliance.
- Internal systems of control and the effectiveness of such internal controls to ensure compliance with policies and procedures.

### **Meetings**

Preparing minutes of all of its meetings and submitting same to the Board of Directors for approval and having the Chairman of the Audit Committee report to the Board of Directors on all significant issues addressed at the Audit Committee meeting.

Reviewing the interim and annual financial statements as well as the Corporation's financial disclosures and related party transactions.

### **Internal Controls**

The Committee is responsible for maintaining the integrity and quality of the Corporation's financial reporting and systems of internal control by overseeing management's system of internal control and reporting process in respect to those controls.

### **External Auditors**

- Reviewing and ensuring the qualifications and independence of the Corporation's external auditors.
- Making recommendations to the Board in respect of appointment or re-appointment of external auditors for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation and making recommendations to the Board of Directors on the compensation for the external auditor.
- Overseeing and evaluating the performance of the external auditors.
- Reviewing the annual audit plan prepared by outside auditors and Management (CFO and CEO) in addition to proposed audit fees.
- Reviewing the external audit process and determining whether it has been effectively carried out and whether any matters that the external auditors wish to bring to the attention of the Board have been afforded adequate attention.
- Assessing the external audit function with a view to whether external auditors should be appointed or re-appointed. Such responsibility of the Committee shall include the appointment, retention, termination, compensation and oversight of the external audit function.
- Pre-approving all auditing services and non-audit services to be performed for the Corporation by the external auditors.
- Meeting separately with internal audit and management at least quarterly, and external audit as appropriate, to assess issues and make determinations on whether issues need to be taken to the Board for review and assessment.
- Evaluating independence of the external auditor in accordance with Canadian professional requirements, and determining whether disclosed relationships or services may impact the objectivity and independence of the auditors and whether such independence has been documented in written correspondence to the Committee.
- Overseeing any work of the external auditor that includes the resolution of disagreements regarding financial reporting between management and the external auditors.

- Evaluating the external audit process and determining whether the external audit has been completed in accordance with applicable law.

## **Financial Reporting**

- Reviewing annual and interim financial statements of the Corporation.
- Reviewing changes in significant accounting policies and evaluates impact on the current and future financial statements of the Corporation.
- Preparing, if required, an Audit Committee report for inclusion in the Corporation's annual management proxy circular in accordance with applicable rules and regulations.
- Ensuring the effectiveness of disclosure controls and procedures to ensure material information potentially requiring public disclosure is made known in a timely fashion to senior officers of the Corporation.
- Being satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assessing the adequacy of those procedures.
- Reviewing and recommending to the Board of Directors for approval the public release and filing of any annual audited consolidated financial statements and quarterly unaudited consolidated financial statements of the Corporation, including news releases and management's discussion and analysis (MD&A).
- Reviewing the information contained in the Corporation's quarterly reports, annual report to shareholders, MD&A, Annual Information Form (AIF), prospectuses and other disclosures determining if such information is complete and fairly presented.
- Reviewing material litigation and tax assessments in order to determine if any such matters may have a material impact on the financial position of the Corporation.
- Considering the Corporation's annual financial statements and ascertaining after a review with external auditors and management whether they are presented fairly in all material respects in accordance with generally accepted accounting principles, whether the selection of accounting policies is appropriate and whether the annual financial statements are recommended to the Board of Directors.

## **Reviewing Terms of Reference and Committee's Performance**

The Committee should routinely assess its effectiveness against the mandate and shall report regularly to the Corporate Governance & Nominating Committee and Board of Directors on that assessment.

## **Reviewing Reports to Shareholders**

When required by applicable statute or regulation, the Committee shall prepare reports to shareholders regarding the activities undertaken in the discharge of its responsibilities. A report will be prepared by the Audit Committee for inclusion in the annual report as required.

## ***MEETINGS AND OPERATING PROCEDURES***

- In the absence of the Chairman of the Committee, the members shall appoint an acting Chairman.
- A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each director of the Corporation in a timely fashion.
- The Chairman of the Committee shall prepare and/or approve an agenda in advance of each meeting.
- The Committee, in consultation with management and the external auditors, shall develop and participate in a process for review of important financial topics that have the potential to impact the Corporation's financial policies and disclosures.
- The Committee shall communicate its expectations to management and the external auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management and the external auditors in advance of meeting dates.

- The Committee should meet privately in executive session at least quarterly with management, as appropriate with the external auditors and as a committee to discuss any matters that the Committee or each of these groups believes should be discussed.
- In addition, the Committee or at least its Chair should communicate with management and the external auditors as appropriate to review the Corporation's financial statements and significant findings based upon the auditor's limited review procedures.
- The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities.
- The Committee expects that, in discharging their responsibilities to the shareholders, the external auditors shall be accountable to the Board through the Committee. The external auditors shall report all material issues or potentially material issues to the Committee.

The Committee shall review and reassess the adequacy of this Charter at least annually, submit it to the Board for approval and ensure that it is in compliance with the TSX Exchange and OSC regulations.

### ***GENERAL***

In addition to the responsibilities and duties of the Committee stated above, the Committee shall attend to the following items;

- Review the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the Corporation. Review business practices undertaken by senior management to assess appropriateness with corporate policies.
- Review complaints procedures and whether they adequately track and record complaints to the Corporation regarding accounting, internal accounting or auditing matters.
- Engage and pay independent counsel and other special advisors as it deems necessary from time to time in order to carry out Audit Committee duties.
- Investigate any activity of the Corporation as it deems appropriate. All employees of the Corporation are required to cooperate with the efforts or enquiries of the Committee.
- Retain persons having special expertise to assist it in the performance of its duties.
- Communicate with the Board to ensure sufficient funding for the Audit Committee to permit it to fulfill its responsibilities.
- Make provision for confidential, anonymous submission by employees of the Corporation of concerns regarding accounting, internal accounting controls or auditing matters, ensuring that the existing processes adequately provide for such submission and establishing a process whereby the external auditor will receive timely notice of any such submission.
- Review at least annually the risk management and insurance programs
- Review any issues referred to the Committee by the Board of Directors.

The procedures set forth herein have been set out as guidelines only as opposed to inflexible rules and the Committee may alter these procedures as it deems necessary in order to perform its responsibilities.