NUINSCO RESOURCES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016

DATED APRIL 30, 2018

Independent Auditors' Report

To the Shareholders of Nuinsco Resources Limited:

We have audited the accompanying consolidated financial statements of Nuinsco Resources Limited, which comprise the statements of financial position as at December 31, 2017 and 2016, and the statements of operations and comprehensive income (loss), shareholders' deficiency, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Nuinsco Resources Limited as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinions, we draw attention to Note 1 to the consolidated financial statements which highlights the existence of a material uncertainty relating to conditions that cast significant doubt on Nuinsco Resources Limited's ability to continue as a going concern.

MNP LLP

Mississauga, Ontario

April 30, 2018

Chartered Professional Accountants

Licensed Public Accountants

MNP

Nuinsco Resources Limited

Consolidated Statements of Financial Position
As at December 31, 2017 and December 31, 2016

(in Canadian dollars)	*Notes*	**December 31, 2017**	December 31, 2016
ASSETS			
Current assets			
Cash	*6*	**$ 172,247**	$ 65,106
Receivables	*7*	**58,067**	128,718
Total current assets		**230,314**	193,824
Non-current assets			
Promissory note receivable	*10*	**89,209**	-
Property and equipment	*8*	**39,115**	48,869
Exploration and evaluation projects	*9 & 22*	**508,587**	1,000
Total non-current assets		**636,911**	49,869
Total Assets		**$ 867,225**	$ 243,693
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current liabilities			
Trade and other payables		**$ 323,776**	$ 418,578
Total current liabilities		**323,776**	418,578
Non-current liabilities			
Long-term liabilities	*12*	**973,413**	684,413
Total Liabilities		**1,297,189**	1,102,991
Shareholders' deficiency			
Share capital	*14*	**98,417,649**	98,393,149
Contributed surplus		**5,929,925**	5,896,175
Warrants	*14*	**6,100**	33,750
Accumulated other comprehensive loss		**(2,147,261)**	(2,147,261)
Deficit		**(102,636,377)**	(103,035,111)
Total shareholders' deficiency		**(429,964)**	(859,298)
Total Liabilities and Shareholders' Deficiency		**$ 867,225**	$ 243,693

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
CONTINGENCY (Note 20)

Approved by the Board of Directors

(signed)
René R. Galipeau
Director

(signed)
Paul Jones
Director

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

Nuinsco Resources Limited

Consolidated Statements of Operations and Comprehensive Income (Loss)
For the years ended December 31, 2017 and December 31, 2016

(in Canadian dollars)	*Notes*		**2017**		2016
Other expenses					
General and administrative			**415,901**		390,515
Share-based payments:	*16*				
Options			**-**		307,786
Depreciation of property and equipment	*8*		**9,754**		15,064
Pre-exploration write-offs	*9*		**14,342**		56,738
Write-down of exploration and evaluation projects	*9*		**9,076**		12,741
Operating loss			**449,073**		782,844
Loss before the undernoted			**(449,073)**		(782,844)
Accretion income	10		**3,084**		-
Gain on reversal of impairment loss	9		**459,204**		-
Gain on sale of interest in CBay Minerals	9		**341,937**		-
Consulting income			**43,582**		-
Proceeds from the sale of gold			**-**		54,282
Income (loss) before income taxes			**398,734**		(728,562)
Income tax expense	21		**-**		-
Net income (loss) and comprehensive income (loss) for the year		**$**	**398,734**	$	(728,562)
Income (loss) per share	*15*				
Basic income (loss) per share		**$**	**0.00**	$	(0.00)
Diluted income (loss) per share		**$**	**0.00**	$	(0.00)

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

Nuinsco Resources Limited

Consolidated Statements of Shareholders' Deficiency

(in Canadian dollars)	***Notes***	**Share Capital**	**Contributed Surplus**	**Warrants**	**Accumulated Other Compre-hensive Income (Loss)**	**Deficit**	**Total Equity**
Balances as at December 31, 2015		**$ 98,168,593**	**$ 5,588,389**	**$ -**	**$ (2,147,261)**	**$ (102,306,549)**	**$ (696,828)**
Net loss for the year		-	-	-	-	(728,562)	(728,562)
Options vesting	*16*	-	307,786	-	-	-	307,786
Shares issued on settlement of debt		147,306	-	-	-	-	147,306
Shares and warrants issued on private placement		130,000	-	-	-	-	130,000
Valuation of warrants issued on private placement		(33,750)	-	33,750	-	-	-
Share issue costs		(19,000)	-	-	-	-	(19,000)
Balances as at December 31, 2016		**$ 98,393,149**	**$ 5,896,175**	**$ 33,750**	**$ (2,147,261)**	**$ (103,035,111)**	**$ (859,298)**
Shares issued on private placement		30,600	-	-	-	-	30,600
Valuation of warrants issued on private placement		(6,100)	-	6,100	-	-	-
Expiry of warrants		-	33,750	(33,750)	-	-	-
Net income for the year		-	-	-	-	398.734	398,734
Balances as at December 31, 2017		**$ 98,417,649**	**$ 5,929,925**	**$ 6,100**	**$ (2,147,261)**	**$ (102,636,377)**	**$ (429,964)**

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

Nuinsco Resources Limited

Consolidated Statements of Cash Flows
For the years ended December 31, 2017 and December 31, 2016

(in Canadian dollars)	***Notes***		**2017**		2016
Cash flows from operating activities					
Net income (loss) for the year		**$**	**398,734**	$	(728,562)
Adjustments for:					
Share-based payments			**-**		307,786
Accretion	*10*		**(3,084)**		-
Depreciation of property and equipment	*8*		**9,754**		15,064
Gain on reversal of impairment loss	*9*		**(459,204)**		-
Write down of exploration and evaluation projects			**-**		12,741
Change in receivables			**(15,474)**		(74,068)
Change in trade and other payables			**(94,802)**		146,078
Change in long term liabilities	*12*		**289,000**		256,000
Net cash from (used by) operating activities			**124,924**		(64,961)
Cash flows from investing activities					
Expenditures on exploration and evaluation projects	*9*		**(48,383)**		(13,749)
Net cash used in investing activities			**(48,383)**		(13,749)
Cash flows from financing activities					
Proceeds from issue of common shares and warrants			**30,600**		130,000
Costs on issue of common shares and warrants			**-**		(19,000)
Net cash from financing activities			**30,600**		111,000
Net Increase in Cash			**107,141**		32,290
Cash, Beginning of the Year			**65,106**		32,816
Cash, End of the Year		**$**	**172,247**	$	65,106

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of Operations

Nuinsco Resources Limited ("Nuinsco" or the "Company") is a company incorporated in Canada. The address of the Company's registered office is 80 Richmond St. West, Suite 1802, Toronto, Ontario, M5H 2A4. The consolidated financial statements of the Company as at and for the years ended December 31, 2017 and 2016 comprise the Company and its subsidiaries (together referred to as "Nuinsco" and individually as "Nuinsco entities"). Nuinsco is primarily engaged in the acquisition, exploration and evaluation of properties for precious and base metals. The Company conducts its activities on its own or participates with others on an investment basis. The Company also makes strategic investments through equity or loan financing to companies engaged in the exploration and development of resource properties.

Going Concern

The Company's Consolidated Financial Statements have been prepared using the going concern assumption, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. As at December 31, 2017, the Company had a working capital deficiency of $93,462 (December 31, 2016 – working capital deficiency of $224,754). Working capital (deficiency) is defined as current assets less current liabilities.

The Company is subject to the risks and challenges experienced by other companies at a comparable stage. These risks include, but are not limited to: continuing losses, dependence on key individuals, and the ability to secure adequate financing or to complete corporate transactions to meet the minimum capital required to successfully complete its projects and fund other operating expenses. Advancing the Company's projects through exploration and development to the production stage will require significant financing. Given the current economic climate and due to the fact that the Company's shares are no longer listed for trading on a formal stock exchange, the ability to raise funds has been and may continue to be difficult. Refer to Note 4 on Financial Risk Management and Capital Management to these Consolidated Financial Statements for additional information.

None of the Company's projects are currently in commercial production and, accordingly, the Company is dependent upon debt or equity financings and the optioning and/or sale of resource or resource-related assets for its funding. The Company's ability to continue as a going concern, is dependent upon the Company's ability to finance exploitation of its projects through debt or equity financings and the optioning and/or sale of resource or resource-related assets for its funding.

The Company's management continues to be engaged in securing financing or the potential sale of assets. There are no assurances that the Company will be successful in obtaining any financing or selling assets, or in accomplishing that on a timely basis or on reasonable or acceptable terms, or at all. If the Company cannot obtain financing or otherwise improve liquidity, it will be unable to fund continuing operations and corporate administration costs. Effective May 11, 2015, the Company voluntarily delisted its shares from the Toronto Stock Exchange. Since delisting the Company has maintained its corporate office and intends to continue to do so as well as maintain its website, telephones and email communication with shareholders, subject to having sufficient funds.

If the Company is unable to obtain additional financing, it will be required to curtail all of its operations and may be required to liquidate its assets.

Should the Company not be able to continue to obtain the necessary financing, achieve favourable exploration results, achieve future profitable production or the sale of properties or improve its liquidity sufficient to enable it to fund operations, the Company's ability to continue as a going concern will be compromised. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board ("IASB"). These pronouncements are GAAP for a Canadian public company.

These consolidated financial statements reflect the accounting policies described in Note 3.

The management of Nuinsco prepares the consolidated financial statements which are then reviewed by the Audit Committee and the Board of Directors. The consolidated financial statements were authorized for issue by the Board of Directors on April 30, 2018. Shortly thereafter, the financial statements are made available to shareholders and others through filing on SEDAR.

(b) Basis of Measurement

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

(c) Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information is expressed in Canadian dollars unless otherwise stated.

(d) Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. It is reasonably possible that, on the basis of existing knowledge, outcomes in the next financial year that are different from the assumptions used could require a material adjustment to the carrying amount of the asset or liability affected.

The accompanying consolidated financial statements include all adjustments that are, in the opinion of management, necessary for fair presentation.

Significant estimates and assumptions

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information regarding significant areas of estimation uncertainty made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 9 measurement of the recoverable amounts of exploration and evaluation projects;
- Note 16 measurement of share-based payments.

2. BASIS OF PREPARATION - CONTINUED

Significant Judgments

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

Information regarding significant areas of critical judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 1 going concern assessment;
- Note 9 classification of expenditures as exploration and evaluation projects or operating expenses;
- Note 9 impairment of exploration and evaluation projects;
- Note 20 disclosure of contingencies;
- Note 21 recoverability of deferred income tax assets.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company are set out in detail below. Such policies have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Nuinsco entities.

(a) New Accounting Policies

There have been no new accounting policies adopted by the Company.

(b) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by Nuinsco. Control exists when Nuinsco has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by Nuinsco. Significant Company entities are listed in Note 19.

(ii) Transactions eliminated on consolidation

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of Nuinsco's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(c) Foreign Currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Nuinsco entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized through operations, except for differences arising on the retranslation of financial assets at fair value, which are recognized directly in Other Comprehensive Income ("OCI"). Non-monetary items that are measured in terms of historic cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Canadian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Canadian dollars at exchange rates at the dates of the transactions.

(d) Financial Instruments

IFRS 9 Financial Instruments ("IFRS 9"), which impacts the classification and measurement of financial assets, has been early-adopted by the Company.

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, receivables, cash, other long-term liability and trade and other payables.

Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through operations, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Receivables and borrowings are financial instruments with fixed or determinable payments that are not quoted in an active market. Such assets and liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivables and borrowings are measured at amortized cost using the effective interest method, less any impairment losses. Receivables and borrowings comprise trade and other payables, loan payable or receivables.

Financial assets at amortized cost

Other non-derivative financial instruments are measured at amortized cost using the effective interest method, less any impairment losses.

(ii) Derivative financial instruments

Financial assets at fair value through operations

Nuinsco may hold warrants as part of its portfolio of marketable securities which are classified as financial assets at fair value through operations.

Derivatives are recognized initially at fair value; attributable transaction costs are recognized through operations when incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are recognized immediately through operations.

(e) Property and Equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes any expenditure that is directly attributable to the acquisition of the asset. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within *Other income* in the consolidated statement of operations.

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(e) Property and Equipment - continued

(ii) Depreciation

Depreciation is calculated as a function of the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation commences when assets are available for use.

Depreciation is recognized through operations as follows over the estimated useful lives of each part of an item of property and equipment.

The estimated depreciation rate or useful lives for the current and comparative periods are as follows:

Item	**Method**	**Rate**
Equipment	Declining balance	20%
Computer	Straight-line	30%
Leasehold improvements	Straight-line over 31 months	N/A

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(f) Exploration and Evaluation Projects

(i) Exploration and Evaluation expenditures

Exploration and Evaluation ("E&E") expenditures relate to costs incurred on the exploration for and evaluation of potential mineral reserves and include costs related to the following: acquisition of exploration rights; conducting geological studies; exploratory drilling and sampling and evaluating the technical feasibility and commercial viability of extracting a mineral resource.

E&E expenditures, including costs of acquiring licenses, are capitalized as E&E assets on an "area of interest basis" which generally is defined as a project. The Company considers a project to be an individual geological area whereby the presence of a mineral deposit is considered favourable or has been proved to exist and, in most cases, comprises a single mine or deposit.

E&E assets are recognized if the rights to the project are current and either:

- the expenditures are expected to be recouped through successful development and exploitation of the project, or alternatively by its sale; or
- activities on the project have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or other otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the project are continuing.

E&E expenditures are initially capitalized as intangible E&E assets. Such E&E expenditures may include costs of licence acquisition, technical services and studies, geophysical surveys, exploration drilling and testing, materials and fuels used, rentals and payments made to contractors and consultants. To the extent that a tangible asset is consumed in developing an intangible E&E asset, the amount reflecting that consumption is recorded as part of the cost of the intangible asset.

Once the technical feasibility and commercial viability of the extraction of mineral reserves in a project are demonstrable and permitted, E&E assets attributable to that project are first tested for impairment and then reclassified to *Mine property and development projects* on the consolidated balance sheet. Currently, Nuinsco does not hold any assets classified as *Mine property and development projects*.

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(ii) Pre-E&E expenditures

Pre-E&E expenditures are incurred on activities that precede exploration for an evaluation of mineral resources, being all expenditures incurred prior to securing the legal rights to explore an area. Pre-E&E expenditures are expensed immediately as *Pre-exploration write-offs* through the consolidated statements of operations.

(iii) Impairment

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an E&E asset may exceed its recoverable amount and any impairment loss is recognized as *Writedown of exploration and evaluation projects* through the consolidated statement of operations. The following facts and circumstances, among other things, indicate that E&E assets must be tested for impairment:

- the term of exploration license for the project has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the project area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the project area have not led to the discovery of commercially viable quantities of mineral resources and the Company plans to discontinue activities in the specific area; or
- sufficient data exists to indicate that while development activity is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full through such activity.

E&E assets are tested for impairment on an individual project (area of interest) basis. As noted above, a project would also be tested for impairment before being transferred to *Mine property and development projects* on the consolidated statements of financial position.

Likewise, when facts or circumstances exist that suggest previously recognized impairment should be reversed, a gain on impairment reversal is recognized only to the extent that an impairment loss was originally recognized.

(g) Government Grants

Government grants that compensate Nuinsco for expenses incurred are recognized through operations on a systematic basis in the same periods in which the expenses are recognized. Grants that compensate Nuinsco for the cost of an asset are recognized through operations on a systematic basis over the useful life of the asset. For assets which are not being amortized, such as E&E assets or mine property and development projects, the government grant is deducted from the related asset.

(h) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized through operations.

(ii) Non-financial assets

The carrying amounts of Nuinsco's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(iii) ***Non-financial assets - continued***

The recoverable amount of an asset or cash-generating unit ("CGU") (see definition below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates, or has the potential to generate, cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets, the CGU. Generally, a CGU is analogous to an individual project. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized through operations. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Employee Benefits

(i) Termination benefits

Termination benefits are recognized as an expense when Nuinsco is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if Nuinsco has made an offer of voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be reliably estimated.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recognized as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus plans if Nuinsco has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be reliably estimated.

(iii) Share-based payments

The grant-date fair value of options granted to employees, directors and consultants is recognized as an employee expense, with a corresponding increase in equity, over the period that the individuals become unconditionally entitled to the options. The amount recognized as an expense is adjusted to reflect the actual number of share options for which the related service and non-market vesting conditions are met.

Share-based payment arrangements in which the Company receives properties, goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by Nuinsco.

(j) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be reliably estimated and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

In accordance with the Company's environmental policy and applicable legal requirements, a provision for site restoration or decommissioning in respect of land restoration, and the related expense, is recognized when the land is contaminated and there is a legal obligation to restore the site. The Company presently has no decommissioning liabilities.

(k) Finance Income and Finance Costs

Finance income comprises interest income on funds invested (including financial assets at fair value), gains on the disposal of financial assets, amortization of flow-through premiums and changes in the fair value of financial assets at fair value through operations. Interest income is recognized as it accrues through operations, using the effective interest method. Gains on the disposal of financial assets are recognized on the settlement date.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through operations and impairment losses recognized on financial assets. All borrowing costs are recognized through operations using the effective interest method, except for those amounts capitalized as part of the cost of qualifying assets.

Foreign currency gains and losses are reported on a net basis.

(l) Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized through operations except to the extent that it relates to items recognized either in OCI or directly in (deficiency) equity, in which case it is recognized in OCI or in (deficiency) equity respectively.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Nuinsco has unrecorded deferred tax assets equal to the full amount of the deferred income tax benefit. The probability of utilizing the remaining unused tax losses and other tax deductions cannot be determined at this time.

(m) Share Capital

(i) Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(ii) Share-based payment arrangements
Stock Option Plan
The Company has a stock option plan (the "Stock Option Plan") which is described in Note 16. Awards to non-employees are measured at the fair value of the goods or services received. Awards made to employees are measured at the grant date. All share-based awards made to employees and non-employees are recognized at the date of grant using a fair-value-based method to calculate the share-based payment. The share-based payment is charged to operations over the vesting period of the options or service period, whichever is shorter. Stock options vest either immediately or over a 12-month period.

Share Incentive Plan
The Company has a share incentive plan (the "Share Incentive Plan"), which includes both a share purchase plan (the "Share Purchase Plan") and a share bonus plan (the "Share Bonus Plan"). The Share Incentive Plan is administered by the Directors of the Company. The Share Incentive Plan provides that eligible persons thereunder include Directors, senior officers and employees of the Company and its designated affiliates and consultants who are primarily responsible for the management and growth of the business.

The Share Incentive Plan is described in Note 14. The Company uses the fair value method of accounting for, and to recognize as its share-based payments for employees. Shares issued under the Share Incentive Plan are valued based on the quoted market price on the date of the award. This amount is expensed over the vesting period.

(n) Earnings (Loss) per Share
The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the results of operations attributable to ordinary shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the results of operations attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which comprise warrants and share options.

(o) New Standards and Interpretations Not Yet Adopted
The IASB and International Financial Reporting Interpretations Committee ("IFRIC") have issued several new and revised standards and interpretations which are not yet effective for the year ended December 31, 2017 and have not been applied in preparing these consolidated financial statements unless stated otherwise. However, the revised standards and interpretations are not applicable to the Company or are expected to have minimal impact.

4. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

Risk Management Framework
The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board fulfils its responsibility through the Audit Committee which is responsible for overseeing the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management practices are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has an established code of conduct which sets out the control environment within which framework all directors' and employees' roles and obligations are outlined. The Company's risk and control framework is facilitated by the small-sized and hands-on executive team.

Credit Risk
Credit risk is the risk of an unexpected financial loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash

4. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT - CONTINUED

Cash

The Company's cash is held through large Canadian financial institutions. The Company has a corporate policy of investing its available cash in Canadian government instruments and certificates of deposit or other direct obligations of major Canadian banks, unless otherwise specifically approved by the Board.

Receivables

Amounts due are settled on a regular basis.

When necessary, the Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables and investments. The main component of this allowance is a specific loss component that relates to individually significant exposures.

Further, when the Company engages in corporate transactions, it seeks to manage its exposure by ensuring that appropriate recourse is included in such agreements upon the counterparty's failure to meet contractual obligations.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking undue damage to the Company's reputation.

Presently, the Company is facing a significant shortfall in liquidity before it expects any cash flows from the Participating Interest. The Company continues to hold discussions on securing financing or potential sale of assets. There are no assurances that the Company will be successful in obtaining any financing or selling assets, or in accomplishing that on a timely basis or on reasonable or acceptable terms, or at all. If the Company cannot obtain financing or otherwise improve liquidity, it will be unable to fund continuing operations and corporate administration costs (Note 1).

The Company's objective is to maintain sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash and marketable securities. This is accomplished by budgets and forecasts which are updated on a periodic basis to understand future cash needs and sources. When possible, spending plans are adjusted accordingly to provide for liquidity.

The Company manages its liquidity risk through the mechanisms described above and as part of Capital Disclosures below. The Company has historically relied on issuances of shares to develop projects and to finance day-to-day operations and may do so again in the future.

All contractually-obligated cash flows are payable within the next fiscal year with the exception of the Company's deferred director and management fees.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices will affect the Company's income, the value of its E&E properties or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

4. FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT - CONTINUED

Currency risk
The Company is exposed to currency risk on purchases, certain marketable securities and other payables that are denominated in a currency other than the respective functional currencies of Company entities, primarily the Canadian dollar. The currencies in which these transactions primarily are denominated are the United States dollars ("US$"). The Company does not actively hedge its foreign currency exposure.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash earns interest at variable short-term rates. Accordingly, the estimated effect of a 50bps change in interest rate would not have a material effect on the Company's results of operations.

Operational Risk
Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. The Company has a small but hands-on and experienced executive team which facilitates communication across the Company. This expertise is supplemented, when necessary, by the use of experienced consultants in legal, compliance and industry-related specialties.

Capital Management Disclosures
The Company's objective when managing capital is to safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds to support continued project development and corporate activities. Capital is defined by the Company as the aggregate of its shareholders' (deficiency) equity as well as any long-term debt, equipment-based and/or project-based financing.

The Company manages its capital structure and makes adjustments to it based on the level of funds available to the Company to manage its operations. In order to maintain or adjust the capital structure, the Company's objectives are to obtain equity, long-term debt, equipment-based financing and/or project-based financing sufficient to maintain and expand its operations. There are no assurances that these initiatives will be successful.

Neither the Company, nor any of its subsidiaries, are subject to externally-imposed capital requirements. There were no changes in the Company's approach to financial risk management or capital management during the period.

(all amounts in Canadian dollars)

5. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods described below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair value hierarchy

The different levels of valuation are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: Inputs for the asset or liability are not based on observable market data (unobservable inputs).

(a) Receivables

The fair value of receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes only.

(b) Non-derivative Financial Assets

Financial assets at fair value through operations include the Company's Participating Interest. The fair value of the Participating Interest is based on the net present value of expected cash flows taking into account the probability of cash flows as described in Note 11.

(c) Share-based Payment Transactions

The fair value of employee share options is measured using the Black-Scholes option-pricing model. Any service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

6. CASH

	December 31, 2017	December 31, 2016
Bank balances	**$ 172,247**	$ 65,106
Cash in the Statements of Cash Flows	**$ 172,247**	$ 65,106

7. RECEIVABLES

	Notes	**December 31, 2017**	December 31, 2016
Sales tax receivable		**$ 16,616**	$ 33,535
Due from CBay Minerals under management agreement	*9*	**-**	57,903
Other receivables		**35,451**	32,530
Prepaid expenses and deposits		**6,000**	4,750
		$ 58,067	$ 128,718

(all amounts in Canadian dollars)

8. PROPERTY AND EQUIPMENT

Equipment	Cost	Accumulated Depreciation	Carrying Amount
Balance as at January 1, 2016	**$ 426,674**	**$ 362,741**	**$ 63,933**
Depreciation	-	15,064	(15,064)
Balance as at December 31, 2016	**426,674**	**377,805**	**48,869**
Additions	-	-	-
Depreciation	-	9,754	(9,754)
Balance as at December 31, 2017	**$ 426,674**	**$ 387,559**	**$ 39,115**

9. EXPLORATION AND EVALUATION PROJECTS

Previously, as at December 31, 2015, all projects were written down due to the lack of funding of the Company and related uncertainty as to future spending on the properties. IFRS requires a write-down of the carrying value of assets to the net recoverable amount. Given the current market uncertainties, the valuation of mineral properties is difficult, and management cannot reliably estimate any recoverable amount. The Company will revisit the valuation of these assets at the end of every reporting period and will recognize a recovery if the fair value of these assets can be reliably determined.

Prairie Lake

The Prairie Lake project, located near Marathon, Ontario, is a large multi-commodity deposit containing phosphorus (P), niobium (Nb) tantalum (Ta), uranium, rare earth elements (“REEs”), and other elements and compounds of economic interest. The Prairie Lake property is owned 100% by the Company, is royalty-free and consists of nine claims comprising 38 claim units, encompassing 608 ha. Metallurgical and process testing is ongoing.

Diamond drilling, surface sampling and mapping programs were conducted in 2007, 2008, 2010 and 2013. The large-scale project has a current Exploration Target of between 515 and 630 million tonnes of mineralization grading between 3.0-4.0 P2O5, 0.009-0.11% Nb2O5, 18-21ppm Ta2O5, and the following REEs: 280-340ppm lanthanum, 650-790ppm cerium, 55-70ppm samarium, 300-360ppm neodymium, 85-100ppm yttrium.

Sunbeam Gold Property

In August 2017 (and finalized February 2018, per note 22), the Company entered into an option agreement to acquire the Sunbeam Gold Property which is located about 30km northeast of Atikokan, north-western Ontario and is readily accessible by road. The property is composed of nine mining claims totalling 1552ha and is the site of a former patented mining claim that encompassed the Sunbeam Gold Mine. The immediate area of the Sunbeam Mine has seen no exploration activity since 1905. The terms to acquire 100% of the Sunbeam Gold Property are as follows:

- Cash payments of $175,000 over four years of which $20,000 was paid in 2017;
- Complete work programs totalling $280,000 over four years of which $29,384 has been spent to date;
- Issued 100,000 common shares on signing the agreement;
- At the beginning of years two, three and four (the “Anniversary”), the Company shall issue 100,000 common shares. Should the total value of the 100,000 common shares issued be less than 40% of the annual cash payment (the value to be based on the share price on each Anniversary) the difference will be paid in cash.
- A net smelter return (“NSR”) royalty of 2.5% is retained by the vendors, 1% of which can be acquired by the Company for a one-time payment of $1,000,000.

9. EXPLORATION AND EVALUATION PROJECTS - CONTINUED

Diabase Peninsula
Nuinsco acquired its 100% interest in the Diabase Peninsula property in the Athabasca Basin of northern Saskatchewan. The property consists of ten contiguous claims encompassing 21,949 hectares ("ha"). Three claims were optioned while seven were staked by Nuinsco.

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

In September 2013, the Company negotiated a further extension whereby it was 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. As at September 30, 2017, $878,500 remained payable. The Company negotiated an extension of the payments to the end of 2017.

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

Subsequent to year-end this property was sold for total consideration of $471,204. In addition, Nuinsco issued 10,000,000 (to the original owner of the Diabase claim) shares at a fair value of $0.0012 per share as consideration for transaction costs on the sale. As a result, a recovery of the fair value of this asset was recognized as at December 31, 2017 in the amount of $459,204. See subsequent event note 22.

Chibougamau Camp
In December 2014, Nuinsco used a significant piece of its equity position in CBay to extinguish $2.6 million in debt and accrued interest. CBay owned the Chibougamau assets in Quebec, which represented 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. Nuinsco retained a 7.5% interest in CBay and, pursuant to a management agreement (the "Management Agreement"), continued to manage and share management, administrative assistance and facilities with CBay.

In August 2017, Nuinsco sold its 7.5% interest in CBay to Ocean Partners Limited ("Ocean Partners") for total consideration of $400,000 comprised of $300,000 in cash, a $100,000 promissory note and retirement of debt owed to Ocean Partners. The promissory note is unsecured and is due eighteen months from the date of sale (the "Maturity Date"). No interest shall be payable on the principal, unless payment is not made to the Company on or before the Maturity Date (Note 10). This sale also resulted in the termination of the Management Agreement under which Nuinsco had been managing CBay's affairs. The sale resulted in a gain on sale in the amount of $341,937.

Pre-exploration write-offs
Pre-exploration expenditures are written off at the end of each reporting period to *Pre-exploration write-offs* through operations. Pre-exploration costs relate to expenses on evaluating projects not owned by the Company. Pre-exploration costs in the amount of $14,342 were written off during the year ended December 31, 2017 (2016 - $56,738).

10. PROMISSORY NOTE RECEIVABLE

Nuinsco holds a promissory note in the principal amount of $100,000, receivable from Ocean Partners. The promissory note is unsecured, non-interest bearing and is repayable in full on February 25, 2019. If payment is not made on or before the Maturity Date, an interest charge of $1,000 per month shall accrue beginning on the Maturity Date. The fair value of the promissory note at acquisition, discounted at the market rate of 10% was $86,125. In 2017, the Company recorded accretion income of $3,084 (2016 - $nil). As at December 31, 2017 the carrying value of the promissory note was $89,209 (2016 - $nil).

(all amounts in Canadian dollars)

11. PARTICIPATING INTEREST

Nuinsco holds an unsecured participating interest in the cash flows generated by Victory Nickel Inc. from the sale of frac sand (the “Participating Interest”) from that company’s 7 Persons frac sand plant near Medicine Hat, Alberta. The Company’s participation in the net cash flows earned from the sale of frac sand is limited to a maximum of $10,222,831 with a minimum of $7,667,124 based on a sharing percentage of 52.16%.

Because of the uncertainty on receiving future payments on the Participating Interest, as at December 31, 2015, the Company recorded an impairment of this Participating Interest and has recorded the value of the asset at $nil. The Company will continue to monitor the frac sand market, and will re-evaluate the impairment of this asset at such time the market recovers.

12. LONG-TERM LIABILITIES

Long term liabilities consist of accrued directors’ fees $495,413 (2016 – $412,413) and certain management consulting fees $478,000 (2016 – $280,000). The directors and management have agreed to defer fees until the ongoing viability of the Company can be assured.

13. OPERATING LEASE

In September 2017, the Company entered into a one-year lease for office space at 80 Richmond Street West, Toronto, expiring September 2018. Future minimum lease payments are $24,750.

14. SHARE CAPITAL AND OTHER COMPONENTS OF DEFICIENCY

Share Capital

Authorized

The Company is authorized to issue an unlimited number of common shares with no par value. The Company is also authorized to issue an unlimited number of Class A special shares, issuable in series, an unlimited number of Class B special shares, issuable in series, an unlimited number of Class C special shares, issuable in series, an unlimited number of Class D special shares, issuable in series, and an unlimited number of Class E special shares, issuable in series.

Number of shares issued and outstanding

There are no special shares outstanding; all shares are fully paid.

	Notes	**Number of Shares**		**Amount $'s**
Balance as at January 1, 2015 and December 31, 2015		295,525,745	$	98,168,593
Issue of common shares on private placement	*(a)*	22,000,000		130,000
Valuation of warrants issued as part of private placement	*(a)*	-		(33,750)
Share issue costs	*(a)*	-		(19,000)
Shares issued on settlement of debt	*(b)*	29,461,212		147,306
Balance as at December 31, 2016		346,986,957		98,393,149
Shares issued on private placement	(c)	2,990,000		30,600
Valuation of warrants issued as part of private placement	(c)	-		(6,100)
Balance as at December 31, 2017		**349,976,957**	**$**	**98,417,649**

14. SHARE CAPITAL AND OTHER COMPONENTS OF DEFICIENCY - CONTINUED

(a) On September 16, 2016, the Company completed a non-brokered private placement for aggregate gross proceeds of $90,000 (the “Private Placement”). The Private Placement entailed the issuance of 18,000,000 units of securities of the Company (each, a “Unit”) at a price of $0.005 per Unit. Each Unit is comprised of one common share of the Company (each, a “Common Share”) and one Common Share purchase warrant (each a “Warrant”). Each Warrant entitles the holder to purchase one Common Share at an exercise price of $0.01 for a period of 12 months from closing of the Private Placement. These warrants were assigned a value of $33,750 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 0.49%; expected volatility of 218%; expected dividend yield of 0% and an expected life of one year. Expected volatility was based on the historical volatility of other comparable listed companies. Share issuance costs in the amount of $19,000 were incurred in this transaction and were paid to related parties who own shares in the Company.

On December 29, 2016, the Company completed a non-brokered private placement for aggregate proceeds of $40,000 (the “Private Placement”). The Private Placement entailed the issuance of 4,000,000 common shares of the Company at a price of $0.01 per share.

(b) On September 16, 2016, the Company settled debt (owed to certain of the Company’s trade creditors and management) in the amount of $147,306 through the issuance of 29,461,212 Common Shares of the Company at $0.005 per share. 16,712,000 of these shares were issued to related parties and constitutes a related party transaction (see note 18).

(c) On October 9, 2017, the Company closed a private placement financing for gross proceeds of $30,600 through the issuance of 2,750,000 common share units (at $0.01 per unit) (“Common Units) and 240,000 flow-through units (at $0.0125 per unit) (“Flow Through Units”). Each Common Unit and each Flow Through Unit consisted of one common share and one half of a common share purchase warrant. Each whole warrant can be exercised at $0.015 for a period of the earlier of (a) 1 year or (b) six months from the date the Company’s common shares are listed on a Canadian stock exchange. These warrants were assigned a value of $6,100 using the Black Scholes option pricing model using the following assumptions: risk free interest rate 1.53%; expected volatility of 165%; expected dividend yield of 0% and an expected life of one year. Expected volatility was based on the historical volatility of other comparable listed companies.

Share Incentive Plan

The Company has a Share Incentive Plan which includes both a Share Purchase Plan and a Share Bonus Plan. The purpose of the Share Incentive Plan is to encourage ownership of common shares by directors, senior officers and employees of the Company and its designated affiliates and consultants who are primarily responsible for the management and profitable growth of its business, to advance the interests of the Company by providing additional incentive for superior performance by such persons and to enable the Company and its designated affiliates to attract and retain valued directors, officers, employees and consultants.

Share Purchase Plan

Under the Share Purchase Plan, eligible directors, senior officers and employee of the Company and its designated affiliates and consultants can contribute up to 10% of their annual basic salary before deductions to purchase common shares. The Company matches each participant’s contribution. The purchase price per common share is the volume-weighted average of the trading prices of the common shares on the TSX for the calendar quarter in respect of which the common shares are issued. Common shares acquired are held in safekeeping and delivered to personnel as soon as practicable following March 31, June 30, September 30 and December 31 in each calendar year. No common shares have ever been issued pursuant to the Share Purchase Plan. The maximum number of common shares issuable under the Share Purchase Plan is the lesser of: (i) that number of common shares that can be purchased with a dollar amount equal to 20% of the gross annual salary of the Participants (as defined in the Share Incentive Plan); and (ii) 1% of the aggregate number of issued and outstanding common shares (calculated on a non-diluted basis) from time to time.

(all amounts in Canadian dollars)

14. SHARE CAPITAL AND OTHER COMPONENTS OF DEFICIENCY - CONTINUED

Share Bonus Plan

The Share Bonus Plan permits common shares to be issued as a discretionary bonus to eligible directors, senior officers and employee of the Company and its designated affiliates, and consultants from time to time. At the Company's Annual and Special Meeting of Shareholders held on June 18, 2012 (the "ASM"), shareholders approved an increase in the maximum number of common shares issuable under the Share Bonus Plan to 8,000,000.

In 2017 and 2016, no common shares were issued under the Share Bonus Plan. The fair value of common share entitlements granted under the Share Bonus Plan is determined using the quoted market value on the date of grant for an aggregate fair value that was charged immediately.

Accumulated Other Comprehensive Income or Loss ("AOCI")

AOCI is comprised of the following separate components of (deficiency) equity:

Net change of financial assets at fair value through OCI

This comprises the cumulative net change in the fair value of financial assets at fair value through OCI.

Income tax on OCI

This comprises the amount of income tax determined to be required on the cumulative net change in the fair value of financial assets at fair value through OCI.

15. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted EPS for the years ended December 31, 2017 and 2016 was based on the information in the table below.

		2017		2016
Balance as at beginning of year		**346,986,957**		295,525,745
Effect of shares issued		**1,761,233**		13,415,081
Weighted average number of common shares - basic		**348,748,190**		308,940,826
Effect of options granted and outstanding		**40,475,000**		44,675,000
Effect of warrants issued and outstanding		**1,495,000**		18,000,000
Weighted average number of common shares - diluted		**390,718,190**		369,540,826
Number of options excluded		**40,475,000**		44,675,000
Number of warrants excluded		**1,495,000**		18,000,000
Net income (loss) attributable to shareholders	**$**	**398,734**	$	(728,562)
Basic income (loss) per share	**$**	**0.00**	$	(0.00)
Diluted income (loss) per share	**$**	**0.00**	$	(0.00)

15. EARNINGS (LOSS) PER SHARE - CONTINUED

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

There have been no significant capital transactions from the reporting date to the date of this filing which have had a material impact on earnings per share.

16. SHARE-BASED PAYMENTS

Description of the Share-based Payment Arrangements

The Company's share-based payment arrangements are as follows:

Stock option plan (equity-settled)

The Company has a Stock Option Plan to encourage ownership of its shares by key management personnel (directors and executive management), employees and consultants, and to provide compensation for certain services. The terms of the Stock Option Plan provide that the directors have the right to grant options to acquire common shares of the Company at not less than the closing market price of the shares on the day preceding the grant. No compensation is recognized when options are exercised. The number of shares reserved for issuance is not to exceed 15% of the aggregate number of common shares issued and outstanding (calculated on a non-diluted basis) from time to time.

As at December 31, 2017, the Company had 13,246,544 (December 31, 2016 – 9,448,000) common shares available for the granting of future options. Options are exercisable at the market price of the shares on the date preceding the date of grant.

Share Bonus Plan

The terms of the Company's Share Bonus Plan are set out in Note 14.

Terms and Conditions of Share-based Payment Arrangements

Stock Option Plan

The terms and conditions relating to the grants of the Stock Option Plan are as follows:

- Options issued during the period and granted to executive management, employee and consultants have a maximum term of ten years and are equity-settled. Of the options granted, 50% vest immediately, while the remaining options are exercisable after one year.
- Options issued during the period and granted to directors have a maximum term of ten years and are equity-settled. All options granted to directors vest immediately.
- All options are to be settled by physical delivery of shares.

(all amounts in Canadian dollars)

16. SHARE-BASED PAYMENTS - CONTINUED

Disclosure of Share-based Payment Arrangements
Stock Option Plan

The following is a summary of the activity of options:

	Year ended December 31, 2017			Year ended December 31, 2016		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Balance, beginning of year	44,675,000	$	0.02	18,750,000	$	0.07
Granted during the year	-		-	33,175,000	$	0.01
Expired during the year	(4,200,000)	$	0.07	(7,250,000)	$	0.12
Forfeit during the year	-			-		
Balance, end of year	40,475,000	$	0.01	44,675,000	$	0.02
Options exercisable, end of year	40,475,000	$	0.01	44,675,000	$	0.02

As at December 31, 2017 the options outstanding are as follows:

# Options		**Exercise Price**	**Expiry date**	**Weighted average expiry (years)**
2,750,000	$	0.03	April 4, 2018	0.26
4,200,000	$	0.02	December 17, 2018	0.96
350,000	$	0.01	February 5, 2020	2.10
33,175,000	$	0.01	April 18, 2021	3.30
40,475,000				2.84

On April 18, 2016, the Company issued 33,175,000 options to directors, officers, consultants and employees of the Company exercisable for a period of five years at an exercise price of $0.01 per share. The options vested upon the date of grant. The fair value of the options was estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions: expected volatility of 160%; expected dividend yield of 0%; risk-free interest rate of 0.77%; and expected life of 5 years. The options were valued at $307,786. Expected volatility was based on the historical volatility of other comparable listed companies.

Share purchase warrants

The following is a summary of the activity of warrants for the years ended December 31, 2017 and December 31, 2016:

	Year ended December 31, 2017			Year ended December 31, 2016		
	Number of warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Balance, beginning of year	18,000,000	$	0.01	-	$	-
Expired during the year	(18,000,000)		(0.01)	-		-
Granted during the year (14(c))	1,495,000		0.015	18,000,000		0.01
Balance, end of year	1,495,000	$	0.015	18,000,000	$	-

(all amounts in Canadian dollars)

17. OPERATING SEGMENT

Reporting Segment

The Company is engaged in the exploration and evaluation of properties for the mining of precious and base metals. The Company does not have formal operating segments and does not have operating revenues, products or customers. The corporate office operates to support the Company's projects as well as providing administrative support to CBay (ceased upon the sale of the Company's interest in CBay). The projects are currently located in Canada. Senior management makes decisions by considering exploration potential and results on a project basis. Any applicable amounts relating to projects are capitalized to the relevant project as *Exploration and evaluation projects* on the consolidated balance sheets.

18. RELATED PARTIES AND MANAGEMENT AGREEMENTS

Related Party Balances and Transactions

Short-term employee benefits provided by the Company to key management personnel include salaries, consulting fees and directors' fees. The Company's non-monetary benefit package for key management personnel is the same as that available to all full-time employees. In addition to short-term employee benefits, the Company may also issue shares as part of the Share Bonus Plan and the Stock Option Plan.

Transactions with related parties for the years ended December 31, 2017 and 2016 are shown in the following table:

		2017		2016
Short-term employee benefits	**$**	**316,960**	$	313,139
Share-based payments - options		**-**		192,743
Share issuance costs [Note 14(a)]		**-**		19,000
	$	**316,960**	$	524,882

During the year ended December 31, 2017, the Company was charged $36,000 (2016 - $36,000) by CFO Advantage Inc., a company controlled by Kyle Appleby, the Chief Financial Officer of the Company. As at December 31, 2017, $61,020 (December 31, 2016 - $27,120) is included in accounts payable and accrued liabilities. On September 16, 2016, the Company settled $13,560 of debt owing to CFO Advantage in exchange for 2,712,000 common shares (at $0.005 per share) of the Company.

During the year ended December 31, 2017, the Company was charged $150,000 (2016 - $150,000) by Paul Jones, the Chief Executive Officer of the Company. As at December 31, 2017, $451,696 (December 31, 2016 - $256,654) is owing and included in accounts payable and accrued liabilities. On September 16, 2016, the Company settled $60,000 of debt owing to Mr. Jones in exchange for 12,000,000 common shares (at $0.005 per share) of the Company.

During the year ended December 31, 2017, the Company was charged $48,000 (2016 - $36,000) by Sean Stokes, Executive Vice President of the Company. As at December 31, 2017, $98,000 (December 31, 2016 - $50,000) is owing and included in accounts payable and accrued liabilities. On September 16, 2016, the Company settled $10,000 of debt owing to Mr. Stokes in exchange for 2,000,000 common shares (at $0.005 per share) of the Company.

During the year ended December 31, 2017, the Company was charged $2,960 (2016 - $8,139) by David Mchaina, Vice President of the Company. As at December 31, 2017, $2,960 (December 31, 2016 - $nil) is owing and included in accounts payable and accrued liabilities.

(all amounts in Canadian dollars)

19. COMPANY ENTITIES

Significant Subsidiaries and Jointly-controlled Entities

Ownership Interest	Country of Incorporation	December 31 2017	December 31, 2016
Lakeport Gold Corporation	Canada	**100%**	100%
CBay Minerals Inc.	Canada	**-**	7.5%
Nuinsco Madencilik Sanaye Ticaret	Turkey	**100%**	100%
Nuinsco Exploration Inc.	BVI	**70%**	70%
Z-Gold Resources Limited (through Nuinsco Exploration Inc.)	Egypt	**70%**	70%
NuMENA Minerals Corp.	Canada	**100%**	100%

20. CONTINGENCY

CRA Reassessment

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

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

21. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2016 - 26.5%) to the effective tax rate is as follows:

		2017		**2016**
Net Income (Loss) before recovery of income taxes	**$**	**398,734**	$	(728,562)
Expected income tax (recovery) expense	**$**	**105,660**	**$**	(193,069)
Difference in foreign tax rates		**-**		-
Tax rate changes and other adjustments		**(74,100)**		880,693
Share based compensation and non-deductible expenses		**(44,490)**		81,563
Change in tax benefits not recognized		**12,930**		(769,187)
Income tax expense	**$**	**-**	$	-

(all amounts in Canadian dollars)

21. INCOME TAXES - CONTINUED

Unrecognized Deferred Tax Assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

Property, plant and equipment	**$ 70,070**	$ 85,022
Mineral properties	**11,030,420**	11,447,710
Eligible capital property	**728,460**	783,293
Participating Interest	**1,000,000**	2,206,637
Share issuance costs	**54,760**	116,925
Non-capital losses carried forward	**6,506,610**	5,998,757
Net capital losses carried forward	**17,595,560**	16,208,603
Other temporary differences	**65,330**	65,328

The Canadian non-capital loss carry forwards expire between 2027 and 2037. The non-capital losses of the foreign subsidiaries have not been disclosed as the Company no longer has any significant subsidiaries. The net capital loss carry forward may be carried forward indefinitely, but can only be used to reduce capital gains. Share issue and financing costs will be fully amortized in 2020. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

22. SUBSEQUENT EVENTS

Nuinsco closed a transaction for the sale of its interest in the Diabase Peninsula (“Diabase”) uranium property in Saskatchewan’s Athabasca Basin to Uranium Energy Corp. (NYSE American: UEC, “UEC”) for total consideration of $471,204 comprised of cash and UEC shares.

Nuinsco has received $225,000 in cash and 139,418 common shares of UEC, at a deemed issuance price of US$1.60 per share, and a fair value of US$1.41 (C$1.77) per share, as consideration for the sale. Additionally, Nuinsco issued 10,000,000 of its own common shares, at a fair value issuance price of C$0.0012 per share, to pay transaction costs to the owner of the original Diabase Peninsula claim. Management’s previous estimate that the fair value of Diabase was $nil is no longer appropriate given that the property sold subsequent to year-end for total consideration of $47,204. Therefore, previously recorded impairment was reversed at year-end in the amount of $459,204 to write the Diabase property up to its fair value less costs to sell.

On February 12, 2018, the Company finalized the Sunbeam option agreement as outlined in Note 9.

NUINSCO RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

DATED APRIL 30, 2018

NUINSCO RESOURCES LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Years ended December 31, 2017 and 2016

The following discussion of the results of operations and financial condition of Nuinsco Resources Limited ("Nuinsco" or "the Company") prepared as of April 30, 2018 consolidates management's review of the factors that affected the Company's financial and operating performance for the years ended December 31, 2017 and 2016, and factors reasonably expected to impact on future operations and results. This discussion is intended to supplement and complement the Company's audited consolidated financial statements as at and for the years ended December 31, 2017 and 2016 ("2017 Audited Consolidated Financial Statements") and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP").

Certain information and discussion included in this Management's Discussion & Analysis ("MD&A") constitutes forward-looking information. Readers are encouraged to refer to the cautionary notes contained in the section Forward-Looking Statements at the end of this MD&A.

The 2017 Audited Consolidated Financial Statements are available at www.sedar.com and at the Company's website www.nuinsco.ca. All amounts disclosed are in Canadian dollars unless otherwise stated. All tabular amounts are in Canadian dollars.

NATURE OF OPERATIONS

Nuinsco is an exploration and development company that has operated successfully for several decades. Nuinsco has discovered numerous mineral deposits including the Rainy River gold deposit in northwestern Ontario, now in production and owned by New Gold Inc., the Lac Rocher nickel deposit in Quebec now owned by Victory Nickel Inc. ("Victory Nickel") and the Cameron Lake gold deposit in Ontario which is currently owned by First Mining Gold to name a few. It is focused on identifying, exploring and developing mineral investment opportunities domestically and internationally. The Company currently has interests in projects prospective for gold, phosphate, rare metals and niobium in Canada's province of Ontario. Until August 27, 2017, Nuinsco owned a 7.5% interest in CBay Minerals Inc. ("CBay"), a private company that has the dominant position in Québec's Chibougamau copper-gold mining camp. On August 28, 2017, the Company announced the sale of its interest in CBay for total consideration of $400,000. In the first quarter of 2018, Nuinsco closed a transaction for the sale of its interest in the Diabase Peninsula uranium property in Saskatchewan's Athabasca Basin to Uranium Energy Corp. (NYSE American: UEC, "UEC") for total consideration of $471,204.

The Company owns 100% of the very significant Prairie Lake project in Ontario and with its newly optioned Sunbeam Gold Property, is working to build shareholder value through basic and systematic exploration on highly prospective ground. As funding permits, work programs have been planned for the Company's projects. In particular, at the Sunbeam Gold Property, high-grade gold mineralization is the target while at the Prairie Lake project, extensive metallurgical testing has indicated that several marketable minerals and products can be produced including a phosphate concentrate exceeding 30% P_2O_5.

The Company is also evaluating the economic viability of the El Sid gold dumps and tailings recovery operation located in the Eastern Desert of Egypt approximately 70km west of the Red Sea coast. Three past producing gold mines are located on the project–the largest of which is the el Sid Mine that between 1940 and 1957 was Egypt's largest gold producer. Nuinsco has entered into an agreement with the project owner, Shalateen Resources, to evaluate the dumps and tailings for potential exploitation.

In addition to its property holdings, Nuinsco owns a limited participating interest in the net cash flows of Victory Nickel 's frac sand business (the "Participating Interest").

Going Concern

The Company's 2017 Audited Consolidated Financial Statements have been prepared using the going concern assumption, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. As at December 31, 2017, the Company had a working capital deficit of $93,462 (December 31, 2016 – working capital deficiency of $224,754). Working capital (deficiency) is defined as current assets less current liabilities.

The Company is subject to the risks and challenges experienced by other companies at a comparable stage. These risks include, but are not limited to: continuing losses, dependence on key individuals, and the ability to secure adequate financing or to complete corporate transactions to meet the minimum capital required to successfully complete its projects and fund other operating expenses. Advancing the Company's projects through exploration and development to the production stage will require significant financing. Given the current economic climate and due to the fact that the Company's shares are not presently listed for trading on a formal stock exchange, the ability to raise funds has been and may continue to be difficult. Refer to Note 4 on Financial Risk Management and Capital Management to the 2017 Audited Consolidated Financial Statements for additional information.

None of the Company's projects are currently in commercial production and, accordingly, the Company is dependent upon debt or equity financings and the optioning and/or sale of resource or resource-related assets for its funding. The Company's ability to continue as a going concern is dependent upon the Company's ability to finance exploitation of its projects through debt or equity financings and the optioning and/or sale of resource or resource-related assets for its funding.

The Company's management continues to be engaged in securing financing. There are no assurances that the Company will be successful in obtaining any financing on a timely basis or on reasonable or acceptable terms, or at all. If the Company cannot obtain financing or otherwise improve liquidity, it will be unable to fund continuing operations and corporate administration costs. Effective May 11, 2015, the Company voluntarily delisted its shares from the Toronto Stock Exchange. Since delisting the Company has maintained its corporate office and intends to continue to do so as well as maintain its website, telephones and email communication with shareholders, subject to having sufficient funds. During this time the Company has also managed to continue to evaluate exploration and development opportunities and entered into the option agreement on the Sunbeam gold property. At the appropriate time, the Company intends to relist on a Canadian stock exchange.

If the Company is unable to obtain additional financing, it will be required to curtail all of its operations and may be required to liquidate its assets.

Should the Company not be able to continue to obtain the necessary financing, achieve favourable exploration results, achieve future profitable production or the sale of properties or improve its liquidity sufficient to enable it to fund operations, the Company's ability to continue as a going concern will be compromised. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

SIGNIFICANT EVENTS

In the first quarter of 2018, Nuinsco closed a transaction for the sale of its interest in the Diabase Peninsula uranium property in Saskatchewan's Athabasca Basin to UEC for total consideration of $471,204 comprised of cash and UEC common shares. Nuinsco has received $225,000 in cash and 139,418 common shares of UEC, at a deemed issuance price of US$1.60 per share, and a fair value of US$1.41 (C$1.77) per common share, as consideration for the sale. In addition, Nuinsco issued 10,000,000 common shares at a deemed price of $0.0012 per share as consideration for transaction costs on the sale. As a result, a recovery of the fair value of this asset was recognized as at December 31, 2017 in the amount of $459,204.

In August 2017, Nuinsco sold its 7.5% interest in CBay to Ocean Partners Limited for total consideration of $400,000 comprised of $300,000 in cash, a $100,000 promissory note and retirement of debt owed to Ocean Partners. The promissory note is unsecured and is due eighteen months from the date of sale (the "Maturity Date"). No interest shall be payable on the principal, unless payment is not made to the Company on or before the Maturity Date; if payment is not made on or before the Maturity Date, an interest charge of $1,000 per month shall accrue beginning on the Maturity Date. This sale also resulted in the termination of the Management Agreement under which Nuinsco had been managing CBay's affairs. The sale resulted in a gain on sale in the amount of $341,937.

The Sunbeam Gold Property is road accessible and located 30km northeast of Atikokan, Ontario. It is hosted by altered trondhjemite of the Marmion Lake Batholith. At the core of the property are old workings which date from the beginning of the 20th century which have not been the subject of any work in over 100 years, but historic records report high-grade gold mineralization, exceeding 13 g/t gold, from old workings. Mineralization around these workings occurs in an inclined shear zone up to 30m wide and known to be more than 300m in length. Multi-ounce gold surface samples have been obtained from sampling. The mineralization within the old workings is open along strike and to depth and grade appears to be improving with depth based upon historic sampling and reporting. Gold mineralization is widespread elsewhere on the property providing additional targets for exploration programs.

The Company has commenced initial evaluation of the project in preparation for more detailed exploration programs as funds become available.

The Company is also evaluating the economic viability of the El Sid gold dumps and tailings recovery operation located in the Eastern Desert of Egypt approximately 70km west of the Red Sea coast. El Sid is easily accessible by a paved road that passes within 100m of the site. Three past producing gold mines are located on the project–the largest of which is the el Sid Mine that between 1940 and 1957 was Egypt's largest gold producer. The mineralization mined consists of sulphide and native gold bearing quartz veins in granite and deformed volcanic rock. The mines were high-grade, averaging approximately 30 g/t Au, for total estimated production of 175,000 tonnes.

A result of the historic mining activities is accumulated dumps of mine waste, which runs to several grams per tonne gold, and tailings. Nuinsco has entered into an agreement with the project owner, Shalateen Resources, to evaluate the dumps and tailings for potential exploitation. Initial estimates are that the accumulated dumps and tailings amount to more than 300,000 tonnes with an average grade exceeding 3 g/t gold for a total of about one tonne of contained gold (all estimates are based upon historic information and Nuinsco is not treating this information as a current mineral resource or mineral reserve). Analytical results from Nuinsco sampling demonstrate gold mineralization consistent with historically reported results.

The occurrence of broken mineralized rock in the waste dumps and tailings piles already at surface streamlines the process of evaluation of grade, tonnage, metallurgy and exploitation. Gravity concentration has been demonstrated to be an effective method of gold recovery at other projects in the area. Assuming the same holds true at the el Sid site, capital and operating costs are anticipated to be low and the timeline to production and revenue generation short relative to typical hard rock mine development.

OUTLOOK

Nuinsco management is very optimistic about the Company's future.

The past few years have been challenging for the Company and its shareholders. The decision in 2015 to voluntarily delist Nuinsco shares from the Toronto Stock Exchange was made for good reason – the high costs of sustaining a TSX listing could no longer be justified. With minimal cash in the treasury and a difficult financing market for junior exploration companies, management made the decision that preserving the value of Nuinsco's quality property assets must take precedence over the continuous public listing of its shares. While this has made for some lean times, that decision has proven to be justified.

In the interim Nuinsco management has monetized non-core assets in Chibougamau, Quebec (CBay) and Saskatchewan's Athabasca Basin (Diabase Peninsula), optioned a new exploration project in an excellent jurisdiction with low upfront cost and tremendous upside (the Sunbeam Gold project) and identified and is now evaluating a gold production opportunity with the potential to generate near-term cash flow and give the Company a measure of independence from the ups and downs of the equity markets (El Sid). Each of these projects is discussed in some detail elsewhere in this MD&A.

The next step is to list Nuinsco's shares on a Canadian public stock exchange. This is expected to occur in the second half of 2018. In addition, management has substantial field work planned for the balance of the year. Ground geophysics and an initial drill program are being organized at present, and field evaluation of the El Sid opportunity is expected to begin as early as May 2018. If this initial work proceeds as anticipated, the Company would begin mobilizing in preparation for processing of the El Sid gold-rich dumps and tails likely during the third quarter.

Management and the Board of Directors would like to take this opportunity to thank its shareholders for their patience and support. 2018 represents a new beginning for Nuinsco. Management will continue to make every effort to create value for shareholders this year and beyond, and sincerely hopes that shareholders will see the potential in Nuinsco's strategy, projects and programs as we enter the next exciting chapter of your company's growth.

MINERAL PROJECTS

Sunbeam Gold Property

The Sunbeam Gold Property includes the historic Sunbeam Mine – a high-grade underground gold mine which operated from 1898 to 1905. The property consists of nine unpatented mining claims (97 units) in Ramsay-Wright Township in Northwestern Ontario and is accessible via well-maintained logging roads from Hwy 11.

The Sunbeam Gold Property is located 27km northeast of the town of Atikokan and 15km southeast of Agnico Eagle's Hammond Reef gold deposit. The Sunbeam Mine is hosted by a 30m wide sheared zone of altered schistose greenstone rock within the ~3.0Ga Marmion Batholith. Gold mineralization occurs within a 2.5-3.0m wide southwest striking quartz vein/chloritic schist system which dips moderately to the northwest. Development consisted of a combined inclined/vertical shaft to an approximately 400-feet (depth with drifting along three levels (at ~100, 200 & 300 feet).

No records of the production totals from 1899-1903 exist. Reportedly 1,000 ounces of gold were recovered from 2,400 tons mined in 1904. A 1903 plan of the mine shows an average grade of ~13g/t Au in the historic workings. Previous workers have estimated that there could be 50,000-70,000t grading 13.0g/t Au remaining in old workings. There has been no exploration of the formerly patented mine site since the mine closed in 1905. Intermittent exploration surrounding the patent area was conducted between 1981 and 2012. In addition to property wide evaluation Nuinsco plans to establish grid control in preparation for ground geophysics leading ultimately to a diamond drill program to evaluate the potential extension of gold mineralization around the Sunbeam mine.

Prairie Lake

The Prairie Lake project, located near Marathon, Ontario, is a large multi-commodity deposit containing phosphorus (P), niobium (Nb) tantalum (Ta), uranium, rare earth elements ("REEs"), and other elements and compounds of economic interest. The Prairie Lake property is owned 100% by the Company, is royalty-free and the mining-land tenure is secure for decades to come.

At Prairie Lake the Company continues to evaluate the potential for producing concentrates containing a number of minerals – including those containing phosphorus, REEs, niobium and other marketable products. With continued study and interpretation, the Company is developing a greater understanding of the technical and economic viability of the Prairie Lake project. The sheer size of the project, with a current Exploration Target of between 515 and 630 million tonnes of mineralization, coupled with the excellent logistics and ease of production all speak to its potential. The Company is actively seeking funding that will enable further work programs to be conducted – a desirable and useful goal in the near-term is the estimation of a maiden resource estimate on the project.

Further, Prairie Lake has the potential to produce a number of minerals for industries which are forecast to require substantially increasing supply over the coming years – high-tech and "green" industries that require the rare earth minerals and niobium to fabricate the products of tomorrow. Prairie Lake could also be a very significant source of phosphorus – an element with vital agricultural and industrial applications. The use of phosphorus in agriculture is essential in sustaining crop yields to supply an increasing world population. Other compounds with industrial applications are also being examined for economic viability. The abundance and diversity of minerals in the rocks that comprise the Prairie Lake complex provides broad scope for potential exploitation – the Company continues to evaluate the options to determine those elements and minerals that provide the greatest economic potential.

No additional field work was conducted on the project during 2017. All work on the project is dependent on future funding.

Egypt

Nuinsco has retained a presence in Egypt through its interest in Egypt-based Z-Gold Resources. The Company was actively exploring in Egypt and in total has been evaluating opportunities there for approximately nine years. Management regards the country as an underexplored opportunity for future mineral exploration and development and, as noted earlier, has entered into an agreement to evaluate El Sid, a near-term gold production opportunity (see "Nature of Operations" and "Significant Events" above). The Company continues to evaluate mineral exploration, mining and processing opportunities in Egypt.

SELECTED ANNUAL INFORMATION

	Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2015
Total revenues	$ -	$ -	$ -
Total (loss) income	$ 398,734	$ (728,562)	$ (18,449,264)
Net (loss) income per share – basic	$ 0.00	$ (0.00)	$ (0.06)
Net (loss) income per share – diluted	$ 0.00	$ (0.00)	$ (0.06)
	As at December 31, 2016	**As at December 31, 2016**	**As at December 31, 2015**
Total assets	$ 867,225	$ 243,693	$ 152,399
Total non-current financial liabilities	$ (973,413)	$ (684,413)	$ (428,413)
Distribution or cash dividends	-	-	-

RESULTS OF OPERATIONS
Year ended December 31, 2017 and 2016

During 2017 management focused on selling some of its projects to maintain liquidity, pursued additional sources of financing, and sourced new projects.

Revenues
The exploration properties acquired by the Company are still in the early exploration and development stage. Until sufficient work has been completed to confirm the feasibility of any specific interest being placed into production, it is not anticipated that the Corporation will have any material revenue.

An excerpt of the expenses and other items for the years ended December 31, 2017 and 2016 is as follows:

(in Canadian dollars)	**2017**	2016
Other expenses		
General and administrative (a)	**415,901**	390,515
Stock-based compensation (b)	**-**	307,786
Depreciation of property and equipment	**9,754**	15,064
Pre-exploration write-offs	**14,342**	56,738
Write-down of exploration and evaluation projects	**9,076**	12,741
Operating loss	**449,073**	782,844
Loss before the undernoted	**(449,073)**	(782,844)
Gain on sale of interest in CBay Minerals (c)	**341,937**	-
Accretion income (d)	**3,084**	-
Gain on reversal of impairment loss (e)	**459,204**	-
Consulting income (f)	**43,582**	-
Proceeds from the sale of gold (g)	**-**	54,282
Income (loss) before income taxes	**398,734**	(728,562)
Income tax expense	**-**	-
Net income (loss) and comprehensive income (loss) for the Year	**$ 398,734**	$ (728,562)

(a) General and administrative expenses consisted of accrued management and directors' fees, rent, salary for administrative staff, insurance, transfer agent, legal and other administrative costs to maintain the company in good standing. Pursuant to the Management Agreement with CBay, a portion of these expenses were recovered, and netted against the Company's expenses.

(b) During 2017 the Company issued a total of nil (2016 – 33,175,000) stock options. A total of $nil (2016 - $307,786) was expensed with respect to that portion of the options vesting during the period. The stock option expense does not affect the cash resources of the Company. The timing of this expense is subject to the date of issue and vesting terms of the options. The values of the options are derived using the Black Scholes option pricing model in which subjective assumptions are used.

(c) As noted earlier, the Company sold its 7.5% interest in CBay.

(d) Accretion income related to the promissory note received on the sale CBay.

(e) A recovery of the fair value of the Diabase property was recognized at December 31, 2017 to reflect the consideration received on the sale of the property subsequent to the year end. In prior years, the Company had recorded a full impairment on the property.

(f) The Company earned $43,590 in consulting income from an engagement to conduct due diligence on a mineral project for a non-related party.

(g) During 2016, the Company generated revenue from a one-time sale of gold.

SUMMARY OF QUARTERLY RESULTS

Selected financial information for each of the last eight quarters ended is as follows (rounded):

	4th Quarter 2017	3rd Quarter 2017	2nd Quarter 2017	1th Quarter 2017
Net income (loss)	$ 261,087	$ 266,966	$ (62,111)	$ (67,208)
Total comprehensive income (loss)	$ 261,087	$ 266,966	$ (62,111)	$ (67,208)
Income (loss) per share - basic and diluted	$ 0.00	$ 0.00	$ (0.00)	$ (0.00)

	4th Quarter 2016	3rd Quarter 2016	2nd Quarter 2016	1st Quarter 2016
Net loss	$ (276,000)	$ (45,000)	$ (294,000)	$ (114,000)
Total comprehensive loss	$ (245,000)	$ (45,000)	$ (294,000)	$ (114,000)
Loss per share - basic and diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

Variations in the quarterly results of operations are largely a function of the timing of property and other write-downs, gains on sales of properties, income tax recoveries, the recording of amortization of flow-through premiums and the recognition of gains on derivatives or other fair value changes recognized through operations. Variations in comprehensive income are primarily a function of the changes in the fair values of the Company's marketable securities.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2017, the Company had a working capital deficiency of $93,462 (December 31, 2016 – working capital deficiency of $224,754); being defined as current assets less current liabilities.

The Company had an increase of cash and cash equivalents of $107,141 during 2017, compared with an increase of $32,290 during 2016. The increase in cash was related to the $300,000 cash proceeds from the sale of the interest in CBay and other cash from operating activities and $30,600 in cash received on the issuance of common shares. These cash proceeds were offset by cash used of $48,383 on property acquisition costs.

The table below summarizes Nuinsco's contractual commitments as at the date of this MD&A.

Table of Contractual Commitments

Operating lease - premises One-year term expiring September 2018

As described above, management is continuing to actively pursue additional ways to realize on the potential of its assets or secure financing in order to continue to provide funds for operations in light of the current difficult economic circumstances. Flow-through financings can be used for domestic work programs but do not provide the funding necessary to meet corporate or foreign expenditures which do not qualify for flow-through eligibility.

The Company's management continues to hold discussions on securing financing. There are no assurances that the Company will be successful in obtaining any form of financing on a timely basis or on reasonable or acceptable terms, or at all. If the Company cannot obtain financing or otherwise improve liquidity, then the Company's treasury will be depleted and it will be required to curtail all of its operations and may be required to liquidate its assets under a formal process. Failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis, which would differ from the going concern basis.

IMPAIRMENT ANALYSIS UPDATE

As at December 31, 2015, all projects were written down due to the lack of funding of the Company and related uncertainty as to future spending on the properties. IFRS requires a write-down of the carrying value of assets to the net recoverable amount. Given the current market uncertainties, the valuation of resource properties is difficult, and management cannot reliably estimate any recoverable amount. As a result, the Company has chosen to write down the value of the property assets. The Company will revisit the valuation of these assets at the end of every reporting period and will recognize a recovery if the fair value of these assets can be reliably determined (as was done with the Diabase property as at December 31, 2017).

The Company also monitors the value of the Participating Interest on an ongoing basis. In light of uncertainty over the timing of the payments and the depressed state of the oil and gas industry at the time, the Company wrote down the valuation of the Participating Interest to nil.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting estimates used in the preparation of the 2017 Audited Consolidated Financial Statements include determining the carrying value of investments and Evaluation and Exploration ("E&E") projects, assessing the impairment and classification of long-lived assets, assessing the allocation of assets into their components, the fair value of the Participating Interest and the valuation of share-based payments and warrants, assessing the value of deferred income tax assets and the disclosure of contingencies and going concern matters. These estimates involve considerable judgement and are, or could be, affected by significant factors that are out of the Company's control.

For a complete list of the significant accounting policies as well as information concerning the use of estimates, judgements and measurement uncertainty, reference should be made to Notes 2 and 3 to the Company's 2017 Audited Consolidated Financial Statements. The Company's financial statements have been prepared using the going concern assumption.

The recorded value of the Company's E&E projects is based on historic costs (subject to impairment) that are expected to be recovered in the underlying mineral resources associated with the properties. The Company is in an industry that is exposed to a number of risks and uncertainties and there is always the potential for a material adjustment to the value assigned to these assets.

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

The Company has determined that it is not probable that it will generate returns sufficient to utilize its taxable losses prior to their expiry. This is a significant judgement that, dependent upon future events, may turn out to be incorrect.

NEW ACCOUNTING POLICIES

There have been no new accounting policies adopted by the Company.

FUTURE ACCOUNTING CHANGES

New Standards and Interpretations Not Yet Adopted

The IASB and International Financial Reporting Interpretations Committee ("IFRIC") have issued several new and revised standards and interpretations which are not yet effective for the year ended December 31, 2017 and have not been applied in preparing the 2017 Audited Consolidated Financial Statements unless stated otherwise. However, the revised standards and interpretations are not applicable to the Company or are expected to have minimal impact.

CORPORATE GOVERNANCE

The Company's Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility principally through the Audit Committee. The Audit Committee, which is comprised of directors, none of whom are employees or officers of the Company, meets with management to review the 2017 Audited Consolidated Financial Statements to satisfy itself that management is properly discharging its responsibilities to the directors who approve the financial statements.

The Board of Directors has an Audit Committee consisting of financially literate, independent and unrelated directors. Given the small size of the current Board of Directors, formal Corporate Governance and Nominating and Compensation Committees have not been constituted, however Mr. Galipeau and Mr. Goldie, both of whom are considered independent and unrelated, perform the functions of the Corporate Governance and Nominating and Compensation Committees as part of their larger role as directors of the Corporation. Subsequent to the Company's Annual and Special Meeting, scheduled for June 15, 2018, the Board of Directors intends to appoint both Corporate Governance and Nominating and Compensation Committees.

RELATED PARTY TRANSACTION AND BALANCES

Short-term employee benefits provided by the Company to key management personnel include salaries, consulting fees and directors' fees. The Company's non-monetary benefit package for key management personnel is the same as that available to all full-time employees. In addition to short-term employee benefits, the Company may also issue shares as part of the Share Bonus Plan and the Stock Option Plan.

Transactions with related parties for the years ended December 31, 2017 and 2016 are shown in the following table:

	2017	2016
Short-term employee benefits	$ 316,960	$ 313,139
Share issue costs	-	19,000
Share based payments – options	-	192,743
	$ 316,960	$ 524,882

During the year ended December 31, 2017, the Company was charged $36,000 (2016 - $36,000) by CFO Advantage Inc., a company controlled by Kyle Appleby, the Chief Financial Officer of the Company. As at December 31, 2017, $61,020 (December 31, 2016 - $27,120) was unpaid and is included in accounts payable and accrued liabilities. On September 16, 2016, the Company settled $13,560 of debt owing to CFO Advantage Inc. in exchange for 2,712,000 common shares (at $0.005 per share) of the Company.

During the year ended December 31, 2017, the Company was charged $150,000 (2016 - $150,000) by Paul Jones, the Chief Executive Officer of the Company. As at December 31, 2017, $451,696 (December 31, 2016 - $256,654) is owing (for past fees and expenses incurred on behalf of the Company) and included in accounts payable and accrued liabilities. On September 16, 2016, the Company settled $60,000 for costs incurred on behalf of the Company by Mr. Jones in exchange for 12,000,000 common shares (at $0.005 per common share) of the Company.

During the year ended December 31, 2017, the Company was charged $48,000 (2016 - $36,000) by Sean Stokes, Executive Vice President of the Company. As at December 31, 2017, $98,000 (December 31, 2016 - $50,000) is owing and included in accounts payable and accrued liabilities. On September 16, 2016, the Company settled $10,000 of debt owing to Mr. Stokes in exchange for 2,000,000 common shares (at $0.005 per common share) of the Company.

During the year ended December 31, 2017, the Company was charged $2,960 (2016 - $8,139) by David Mchaina, Vice President of the Company. As at December 31, 2017, $2,960 (December 31, 2016 - $nil) is owing and included in accounts payable and accrued liabilities.

OUTSTANDING SHARE DATA

As at April 30, 2018, the Company had 359,976,957 common shares issued and outstanding. In addition, there were 40,475,000 stock options and 1,495,000 warrants outstanding.

RECENT DEVELOPMENTS

There have been no additional developments not already discussed elsewhere in this MD&A.

CONTINGENCY

CRA Reassessment

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

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

RISKS AND UNCERTAINTIES

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

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

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

Areas of Investment Risk

Investors should be aware that the Company voluntarily delisted its common shares from the TSX and that there is currently no liquid market for the Company's common shares. Investors may therefore not recover their original investment.

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

Financing and Going Concern

The liquidity position of Nuinsco is extremely restricted and the continued operation of the Company depends upon the ability to obtain financing through the sale of assets including project interests or other means. Generally, there is no assurance that the Company 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 Company is unable to obtain additional financing, the Company 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 Company'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 Company'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 Company.

Loss of Participating Interest

The Company holds an unsecured Participating Interest in the cash flows generated from the sale of frac sand as described in the Annual Audited Consolidated Financial Statements and elsewhere in this MD&A. Presently, the Company is uncertain as to when it may receive any cash flows from the Participating Interest. There can be no assurance that Victory Nickel will be able to restructure all of its debt and/or recapitalize and there is no certainty as to what steps the lenders may take in light of these defaults. As a result, the possibility exists that Nuinsco may lose its Participating Interest and any potential value associated therewith.

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 Company'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.

Regulatory Risks
Government Regulation
Existing and possible future environmental and social impact legislation, regulations and actions, including the regulation of air and water quality, mining reclamation, solid and hazardous waste handling and disposal, the promotion of occupational health and safety, the protection of wildlife and ecological systems and the protection of the societies and communities of indigenous peoples, could cause significant expense, capital expenditures, restrictions and delays in the Company's activities, the extent of which cannot be predicted and which may well be beyond Nuinsco's capacity to fund.

Environmental laws are becoming more actively enforced. Environmental and social impact studies may be required for some operations and significant fines and clean-up responsibilities may be assessed for companies causing damage to the environment in the course of their activities.

Economic, Political, Judicial, Administrative, Taxation or Other Regulatory Factors
Nuinsco may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors in the areas in which Nuinsco does or will operate and holds its interests, as well as unforeseen matters. As referred to above, the Company 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 Company has no significant exposure to environmental or health risks, although this will change should any of the Company's projects approach production (a normal characteristic of mineral industry projects).

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

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

Foreign Operations
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.

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 which experienced a significant downturn with the decline in oil price in the fourth quarter of 2014. There can be no assurance that frac sand demand and pricing will return to previous levels, leaving the value of the Company's investment in Victory Nickel in doubt.

Summary

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

FORWARD-LOOKING STATEMENTS

Forward-Looking Information: This MD&A contains forward-looking information. All statements, other than statements of historic fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding estimates, working capital, ability to maintain operations 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 Company's development plans and objectives) constitute forward-looking information. This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company.

Factors that could cause actual results or events to differ materially from current expectations include, among other things: uncertainties relating to the availability and costs of financing needed in the immediate future to permit the Company 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 Company's activities; the uncertainties involved in interpreting geological data; and the other risks disclosed under the heading "Risks and Uncertainties" and elsewhere. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.