NUINSCO RESOURCES LIMITED

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2010 AND 2009

DATED MAY 7, 2010

Management's comments on Unaudited Interim Consolidated Financial Statements

The accompanying unaudited interim consolidated financial statements of Nuinsco Resources Limited for the three months ended March 31, 2010 and 2009 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith discloses that the accompanying unaudited interim consolidated financial statements have not been reviewed by an auditor.

NUINSCO RESOURCES LIMITED
CONSOLIDATED BALANCE SHEETS

(in thousands of Canadian dollars)		March 31, 2010 (unaudited)		December 31, 2009
ASSETS				
Current				
Cash and cash equivalents	**$**	**314**	$	1,490
Marketable securities (Note 5)		**2,138**		2,099
Due from Victory Nickel Inc. (Note 16)		**22**		33
Accounts receivable		**251**		259
Prepaid expenses and deposits (Note 7)		**491**		58
Exploration property held for sale (Notes 1 and 8)		**1,775**		-
Future income tax asset (Notes 1 and 13)		**1,297**		-
Total Current Assets		**6,288**		3,939
Interest in Campbell Resources Inc. (Note 7)		**2,297**		2,297
Exploration and Development Projects (Note 8)		**10,080**		9,657
Exploration Property Held for Sale (Notes 1 and 8)		**-**		1,700
Future Income Tax Asset (Notes 1 and 13)		**-**		1,297
Property and Equipment (Note 9)		**62**		59
	$	**18,727**	$	18,949
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities (Note 16)	**$**	**1,407**	$	1,243
Loan payable (Notes 1 and 10)		**2,881**		-
Asset retirement obligation (Notes 1 and 11)		**114**		-
Total Current Liabilities		**4,402**		1,243
Asset retirement obligation (Notes 1 and 11)		**-**		111
Loan payable (Notes 1 and 10)		**-**		2,901
Total Liabilities		**4,402**		4,255
Shareholders' Equity (Note 12)				
Share capital		**92,892**		93,396
Contributed surplus		**3,935**		3,707
Deficit		**(81,997)**		(81,792)
Accumulated other comprehensive loss (Note 14)		**(505)**		(617)
		14,325		14,694
	$	**18,727**	$	18,949

NATURE OF OPERATIONS (Note 1)

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

NUINSCO RESOURCES LIMITED
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands of Canadian dollars, except per share amounts)		Three Months ended March 31, 2010 (unaudited)		Three Months ended March 31, 2009 (unaudited)
Revenue				
Interest income	**$**	**1**	$	-
		1		-
Costs and Expenses				
General and administrative (Note 16)		**402**		273
Foreign exchange (gain) loss		**(119)**		192
Stock option compensation (Note 12)		**228**		174
Amortization of property and equipment		**3**		4
Accretion of asset retirement obligation (Note 11)		**3**		3
Interest expense (Note 10)		**84**		344
Writedown of exploration and development projects (Note 8)		**32**		21
		633		1,011
Loss before the Undernoted		**(632)**		(1,011)
Loss on Warrants Held for Trading (Note 5)		**(73)**		-
Writedown of Investments (Note 5)		**-**		(16)
Share of Loss of Equity-Accounted Investee (Note 6)		**-**		(2)
Dilution Loss (Note 6)		**-**		(322)
Loss before Income Taxes		**(705)**		(1,351)
Income Tax Recoveries (Note 13)		**(500)**		(606)
Net Loss for the Period	**$**	**(205)**	$	(745)
Loss per Share - Basic and Diluted	**$**	**(0.00)**	$	(0.00)
Weighted Average Common Shares Outstanding		**230,936,000**		183,342,000

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

(in thousands of Canadian dollars)		Three Months ended March 31, 2010 (unaudited)		Three Months ended March 31, 2009 (unaudited)
Net loss for the period	**$**	**(205)**	$	(745)
Other comprehensive income (Note 14)		**112**		881
Comprehensive (Loss) Income for the Period	**$**	**(93)**	$	136

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

NUINSCO RESOURCES LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars)	Three Months ended March 31, 2010 (unaudited)	Three Months ended March 31, 2009 (unaudited)
Cash from (used by)		
Operating Activities		
Net loss for the period	**$ (205)**	$ (745)
Items not affecting cash:		
Stock option compensation	**228**	174
Amortization of loan fees, property and equipment	**26**	151
Accretion of asset retirement obligation (Note 11)	**3**	3
Writedown of exploration and development projects (Note 8)	**32**	21
Share of loss of equity-accounted investees (Note 6)	**-**	2
Interest capitalized to loan payable	**61**	212
Dilution loss (Note 6)	**-**	322
Loss on warrants held for trading (Note 5)	**73**	-
Writedown of investment (Note 5)	**-**	16
Unrealized foreign exchange (gain) loss on cash, accounts payable and loan	**(104)**	178
Income tax recoveries (Note 13)	**(500)**	(606)
Change in non-cash working capital (Note 15)	**123**	128
Cash used by operating activities	**(263)**	(144)
Financing Activities		
Share issue costs	**(4)**	(103)
Cash used by financing activities	**(4)**	(103)
Investing Activities		
Deposit on offer to purchase Campbell's assets (Note 7)	**(465)**	-
Expenditures on exploration and development projects	**(438)**	(268)
Additions to equipment	**(6)**	-
Cash used by investing activities	**(909)**	(268)
Net Decrease in Cash During the Period	**(1,176)**	(515)
Cash and Cash Equivalents, Beginning of the Period	**1,490**	793
Cash and Cash Equivalents, End of the Period	**$ 314**	$ 278
Supplemental Cash Flow Information		
Income taxes paid	**$ -**	$ -
Interest paid	**$ -**	$ -

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

NUINSCO RESOURCES LIMITED
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(unaudited) (in thousands of Canadian dollars)	Share Capital Number of Shares	Amount	Contributed Surplus	Deficit	Accumulated Other Comprehensive Loss	Total
Balance as at December 31, 2008	**180,873,574**	**$ 91,757**	**$ 2,999**	**$ (83,468)**	**$ (1,394)**	**$ 9,894**
Private placements	24,701,943	1,560	288	-	-	1,848
Shares issued in connection with bridge loan	10,000,000	297	-	-	-	297
Shares issued for property	100,000	5	-	-	-	5
Shares and warrants issued under rights offering	15,259,992	383	168	-	-	551
Options granted and vesting	-	-	252	-	-	252
Flow-through share renunciation	-	(606)	-	-	-	(606)
Net income for the year	-	-	-	1,676	-	1,676
Other comprehensive income	-	-	-	-	777	777
Balance as at December 31, 2009	**230,935,509**	**93,396**	**3,707**	**(81,792)**	**(617)**	**14,694**
Share issue costs	-	(4)	-	-	-	(4)
Options granted and vesting	-	-	228	-	-	228
Flow-through share renunciation	-	(500)	-	-	-	(500)
Net loss for the period	-	-	-	(205)	-	(205)
Other comprehensive income	-	-	-	-	112	112
Balance as at March 31, 2010	**230,935,509**	**$ 92,892**	**$ 3,935**	**$ (81,997)**	**$ (505)**	**$ 14,325**

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

1. NATURE OF OPERATIONS

Nuinsco Resources Limited ("Nuinsco" or "the Company") is primarily engaged in the acquisition, exploration and development of properties for the mining of precious and base metals in Canada and Turkey and potentially in Egypt. The Company conducts its activities on its own or participates with others on a joint venture basis. The Company also makes strategic investments through equity or loan financing to companies engaged in the exploration and development of resource properties.

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

- Cash of $100,000 received in December 2009;
- Cash of $5.9 million received on April 20, 2010;
- 12 million Coventry shares, representing 17% of the then-outstanding shares of that company. Coventry shares had a closing price of A$0.265 ($0.247) on April 20, 2010; and
- A 3% net smelter return ("NSR") royalty under which Coventry will have the right to buy back 2.0% of the royalty (net) at any time within five years of April 20, 2010 by making, at Coventry's option, either a cash payment of $2 million or issuing additional Coventry shares with an equivalent market value.

Accordingly, the Cameron Lake property, previously included in Exploration and Development Projects at $1,721,000, along with the mill, formerly included in Property and Equipment with a carrying value of $54,000, have been reclassified as Exploration Property Held for Sale. Furthermore, it was reclassified as a current asset effective March 31, 2010 due to the closing of the transaction in April 2010.

As at December 31, 2009, the Company determined that it was more likely than not to utilize certain of the Company's available tax pools and non-capital losses given that the Cameron Lake transaction was expected to be completed in accordance with the terms of the binding agreement. Accordingly, a future income tax asset was recognized at that time in the amount of $1,297,000 (see Note 13). This has also been reclassified as a current asset effective March 31, 2010.

Furthermore, the Asset Retirement Obligation ("ARO") of $114,000 relates solely to Cameron Lake and has been assumed by the purchaser.

Upon completion of the Coventry transaction, the Company repaid its interest-bearing promissory note along with accrued interest thereon. Refer to Note 10 to these financial statements. Accordingly, both of these liabilities were reclassified as current liabilities effective March 31, 2010.

Going Concern
These consolidated financial statements have been prepared using Canadian generally accepted accounting principles (Canadian "GAAP") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. At March 31, 2010, the Company had working capital of $1,886,000 (December 31, 2009 – $2,696,000).

The Company is subject to the risks and challenges experienced by other companies at a comparable stage. These risks include, but are not limited to, continuing losses, dependence on key individuals and the ability to secure adequate financing or to complete corporate transactions to meet the minimum capital required to successfully complete its projects and fund other operating expenses. Development of the Company's current projects to the production stage will require significant financing. Given the current economic climate, the ability to raise funds may prove difficult.

None of the Company's exploration or development projects has commenced 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 recoverability of the carrying value of exploration and development projects, and ultimately the Company's ability to continue as a going concern, is dependent upon the discovery of economically recoverable reserves and resources, the Company's ability to finance development 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 continues to examine a number of strategies to maximize the realization of amounts due from Campbell Resources Inc. ("Campbell") (even though the Company has written these down). Refer to Note 7 to these financial statements.

Should the Company not be able to discover economically recoverable reserves, obtain the necessary financing or achieve future profitable production or sale of properties, the carrying value of the Company's assets could be subject to material adjustment and, in addition, other adjustments may be necessary to these financial statements should such adverse events impair the Company's ability to continue as a going concern as contemplated under Canadian GAAP.

2. BASIS OF PRESENTATION, USE OF ESTIMATES AND MEASUREMENT UNCERTAINTY

Basis of Presentation
These consolidated financial statements have been prepared by management in accordance with Canadian GAAP and include the accounts of the Company and those of its inactive subsidiaries. These consolidated financial statements reflect the accounting principles described in the notes to the Company's audited consolidated financial statements for the year ended December 31, 2009 (the "2009 Audited Consolidated Financial Statements") (with the exception of any changes set out in Note 3 below) and accordingly, should be read in conjunction with those annual financial statements and the notes thereto.

The accompanying unaudited interim consolidated financial statements include all adjustments that are, in the opinion of management, necessary for fair presentation. The results of operations and cash flows for the current periods as presented are not necessarily indicative of the results to be expected for the full year.

Use of Estimates
The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes those estimates are reasonable. The accounting elements which require management to make significant estimates and assumptions include determining impairment in and values of investments, exploration and development projects and future income tax assets and the valuation of stock option compensation and investments. Accounting for these elements is subject to estimates and assumptions regarding, among other things, metal recoveries, future metals prices, future operating costs, future mining activities and future market volatility. Management bases its estimates on historic experience and other assumptions it believes to be reasonable under the circumstances. However, actual results could differ from those estimates.

Measurement Uncertainty
The carrying values of the Company's exploration and development projects at March 31, 2010 totalled $10,080,000 (December 31, 2009 - $9,657,000). Management's review of these carrying values indicated that at March 31, 2010, the properties were not impaired, except for the Marijane and Huston Lakes property which was written down to $nil in the year ended December 31, 2009. As an exploration company, the results of previous work, including drilling and analysis, provides information which either supports or discredits the potential for discovery. If geological information obtained is positive, the projects' values are not considered impaired. Management's conclusion about impairment is also dependent on assumptions about several factors including future operating costs, metal production levels, future metal prices and capital equipment needs and costs. It is also dependent upon the Company's ability to raise financing to successfully complete its projects as discussed in Note 1. Over the last year or so, there has been unprecedented volatility in several of the factors involved in such an analysis including metals prices, costs of fuel, power and other operating supplies and the costs of capital equipment which has resulted in an increased amount of measurement uncertainty. While such volatility appears to have somewhat reduced, future changes in these parameters could give rise to material changes in asset carrying values.

The Company also has investments in marketable securities classified as "level two", as described in the 2009 Audited Consolidated Financial Statements, which involves making estimates on the fair value of its warrants in Victory Nickel which are derivative instruments. The Company utilizes the Black-Scholes option-pricing model to value such securities which involves making estimates on inputs to the model such as stock volatilities.

The Company also made loans to Campbell and has royalty interests in Corner Bay, which are collectively shown as Interest in Campbell Resources Inc. ("Interest in Campbell"), and makes conclusions as to the impairment and future recoverability of such balances. These interests were recorded at an aggregate amount of $10,423,000 before recording an aggregate provision for writedown of $7,923,000 in the year ended December 31, 2008. The provision for writedown is dependent upon assumptions about several factors or conditions affecting Campbell and the value of its exploration and development projects and may be based on limited information despite the Company's significant involvement in Campbell's CCAA proceedings as a secured creditor (see Note 7). Interest in Campbell is classified as a "level three" investment which is subject to the highest degree of measurement uncertainty. Accordingly, future changes in any parameters used in the valuation could give rise to material changes in asset carrying values.

Management will continue to monitor the critical factors impacting its impairment analyses and will re-evaluate the carrying value of its long-lived assets as necessary.

3. NEW AND FUTURE ACCOUNTING POLICIES

New Accounting Policies
There have been no new accounting policies adopted in these unaudited interim consolidated financial statements. The volume of accounting pronouncements being introduced by The Canadian Institute of Chartered Accountants ("CICA") applicable to the Company has reduced significantly pending the transition to International Financial Reporting Standards ("IFRS").

Future Accounting Changes
There have been no additional future accounting changes from those reported in Note 3 to the 2009 Audited Consolidated Financial Statements.

4. FINANCIAL RISK MANAGEMENT

Financial Risk Management
The Company's financial instruments include cash and cash equivalents, marketable securities including derivative contracts, accounts receivable, amounts due from or to Victory Nickel, convertible debenture and loan amounts due from Campbell, accounts payable and accrued liabilities and loan payable. The fair value of these financial instruments approximates their carrying value.

The Company's risk exposures with respect to its financial instruments and the impact on the Company's financial statements are described in Note 4 to the 2009 Audited Consolidated Financial Statements and are updated below:

Credit risk
Concentration of credit risk arises as a result of the loan and convertible debenture due from Campbell totalling $7,923,000 before impairment writedown. Campbell is in default on its loans to the Company as it has not made the required principal or interest payments. These deficient interest payments have been included in the balance of the loan up to September 30, 2008. Given Campbell's current financial position, there is a significant credit risk associated with these loans. The Company determined that a writedown of the loans was required in 2008.

Liquidity risk
As referred to in Note 1 to the 2009 Audited Consolidated Financial Statements, the Company has entered into a number of transactions which have or will enhance liquidity. The Company's only significant long-term liabilities at March 31, 2010 are the debt and accrued interest due by July 31, 2011 which has been reclassified as a current liability since it was repaid on April 20, 2010 and the ARO described in Notes 10 and 11, respectively, to the 2009 Audited Consolidated Financial Statements. The ARO has been assumed by the purchaser upon the sale of the Cameron Lake property. All other contractually obligated cash flows are payable within the next fiscal year with the exception of obligations related to the Company's premises described in Note 17 to the 2009 Audited Consolidated Financial Statements.

Market risk
The Company is exposed to interest rate risk, commodity price risk and currency risk with respect to its financial instruments.

Interest rate risk
The Company's cash equivalents earn interest at variable short-term rates at March 31, 2010 and December 31, 2009. The estimated effect of a 50bps change in interest rate would not have a material effect on the Company's results of operations. The Company is not exposed to any significant interest rate risk which could be caused by a sudden change in market interest rates.

Currency risk
The Company recognized $119,000 in net foreign exchange gains in the three months ended March 31, 2010 (losses of $192,000 in the three months ended March 31, 2009).

The Company incurs expenditures related to the Berta and Elmalaan projects in Turkey, and certain general and administrative expenses, in United States ("US") dollars and occasionally in the European Euro and Turkish Lira. The Company also has a loan denominated in US dollars. As at March 31, 2010, US dollar-denominated balances include: cash of approximately US$20,000, accounts payable and accruals of US$632,000 and loan including accrued interest of US$2,955,000. As at December 31, 2009, US dollar-denominated balances include: cash of approximately US$15,000, accounts payable and accruals of approximately US$632,000 and a loan including accrued interest of US$2,897,000.

For every $0.01 change in the US dollar exchange rate there would be an aggregate effect of approximately $36,000 on the Company's results of operations based on the balances as at March 31, 2010 (December 31, 2009 - $37,000). The Company's balances denominated in Euros and Turkish Lira are not significant.

5. MARKETABLE SECURITIES

			March 31, 2010		December 31, 2009
Level One securities:					
Gold Hawk Resources Inc.	shares	$	1,160	$	945
Victory Nickel Inc.	shares		697		800
Other	shares		1		1
			1,858		1,746
Level Two securities:					
Victory Nickel Inc.	warrants		280		353
		$	2,138	$	2,099

With the exception of the Victory Nickel warrants, all of the Company's marketable securities are publicly-listed. Accordingly, all of the shares owned by the Company are considered to be valued using Level One methodologies. The warrants in Victory Nickel are not publicly-traded. However, they are susceptible to valuation using the Black-Scholes option-pricing model, the inputs for which are readily determinable. As at March 31, 2010, the Victory Nickel warrants were valued, using the Black-Scholes option-pricing model, at $0.084 (December 31, 2009 - $0.106) using the following assumptions:

Warrant Assumptions	March 31, 2010	December 31, 2009
Dividend yield	**-**	-
Expected volatility	**140%**	142%
Risk free interest rate	**1.65%**	1.43%
Expected remaining term - years	**1.4 years**	1.6 years

The Victory Nickel shares and warrants were acquired through the exercise of rights which had been retained by the Company. The warrants are exercisable at a price of $0.12 commencing August 18, 2010 for a period of one year. The decline in the fair value of the warrants of $73,000 is recorded through operations.

The Company continues to believe in the value of Gold Hawk, as evidenced by its offer to enter into a business combination with the company in January 2010 at a then-premium of approximately 98%, and therefore considers the loss to be temporary and has continued to record the changes in market value on Gold Hawk shares through OCI. The Company believes that the decline in the market value of Gold Hawk is due to general market conditions and general market sentiment toward companies with significant unutilized cash resources which are not specific to Gold Hawk. The amount of unrealized loss recorded in accumulated other comprehensive income for Gold Hawk is approximately $634,000 as at March 31, 2010 (December 31, 2009 - $850,000) and reflects a share price of $0.97 (2009 - $0.79, after adjustment for share consolidation). The junior resource sector continues to be adversely affected by the tightening in the credit and equity markets and the general decline in commodity prices. Given the volatility in the sector over a short period of time, the Company continues to believe that this loss is temporary. Since the end of December, 2009, Gold Hawk's share price has ranged from $0.67 to $1.21, indicating its volatility but also its ability to improve.

During 2009, Gold Hawk had experienced challenges in financing which culminated in a transaction with Nyrstar Netherlands (Holdings) BV ("Nyrstar"). Gold Hawk sold an 85% interest in its Coricancha mine in Peru to Nyrstar and now has significant cash, no debt and an interest of 15% in the company which owns the mine. Accordingly, the Company has continued to record the change in market value through other comprehensive loss rather than recording a permanent impairment through the statement of operations.

In the first quarter of 2009, the Company determined that an other-than-temporary impairment had occurred in its other shares and recorded a writedown of $16,000 through operations.

6. INVESTMENT IN EQUITY-ACCOUNTED INVESTEE

The Company acquired an ownership interest in Victory Nickel pursuant to the corporate reorganization and formation of Victory Nickel in February 2007. From January 1, 2009 to July 31, 2009, the Company had an approximate 15% interest in Victory Nickel. Effective July 31, 2009, as described in Note 1 to the 2009 Audited Consolidated Financial Statements, the Company sold its equity interest in Victory Nickel.

In the three months ended March 31, 2009, the Company's share of Victory Nickel's loss was $2,000. The Company also recorded a dilution loss of $322,000 in the three months ended March 31, 2009 which represents the proportionate share of Victory Nickel's share capital transactions including share issuances and the tax value of flow-through renunciations.

7. INTEREST IN CAMPBELL

As described in Note 7 to the 2009 Audited Consolidated Financial Statements, the Company holds various investments in and loans to Campbell Resources Inc. Given the nature of the security underlying the loan and convertible debenture and the nature of the Royalty Interest, the Company considers these elements together and has recorded them in interest in Campbell on the consolidated balance sheets. The Company's security on amounts owing by Campbell includes Corner Bay and other exploration and development properties, among other things.

		March 31, 2010		**December 31, 2009**
Loan	**$**	**2,000**	$	2,000
Royalty Interest (1)		**297**		297
Interest in Campbell	**$**	**2,297**	$	2,297

(1) The Royalty Interest is shown net of Québec mining duties receivable of $202,855.

The value of the estimated recoverable amount is based primarily upon a discounted cash flow model of the Corner Bay project, adjusted for other potential claims against the property. Accordingly, the Interest in Campbell is a level three investment.

On January 28, 2009, Campbell announced that it had re-entered protection under the CCAA under which a Court-appointed monitor was engaged. Throughout 2009, the Company has been actively involved in trying to protect its interests throughout the CCAA proceedings and has held several meetings with the court-appointed monitors as well as attended court sessions. The Company is continuing to assess its options to best realize on its interests including the Debenture and loan and will continue to be actively involved in the process until its conclusion.

In March 2010, the Company, along with its partner in the offer, Ocean Partners Inc., entered an offer to purchase some or all of Campbell's assets. As part of the confidential bid process which is subject to court supervision under CCAA proceedings, the Company made a deposit of $465,000 in trust for its share of the bid as evidence of good faith. This amount has been included in prepaid expenses and deposits on the consolidated balance sheet.

8. EXPLORATION AND DEVELOPMENT PROJECTS

Cumulative costs relating to the acquisition of mineral properties, and deferred exploration and development expenditures, have been incurred on the following projects:

	Balance as at December 31, 2009	Current Expenditures	Writedowns	Balance as at March 31, 2010
URANIUM AND RARE EARTHS				
Diabase Peninsula	$ 5,772	$ 153	$ -	$ 5,925
Prairie Lake	1,217	29	-	1,246
Marijane and Huston Lakes	-	-	-	-
	6,989	182	-	7,171
GOLD, COPPER AND ZINC				
Berta and Elmalaan	2,666	-	-	2,666
Egypt	2	126	-	128
Olympian	-	115	-	115
Other	-	32	(32)	-
	2,668	273	(32)	2,909
	$ 9,657	$ 455	$ (32)	$ 10,080

	Balance as at December 31, 2008	Current Expenditures	Writedowns	Balance as at March 31, 2009
URANIUM AND RARE EARTHS				
Diabase Peninsula	$ 5,737	$ 13	$ -	$ 5,750
Prairie Lake	1,136	11	-	1,147
Marijane and Huston Lakes	730	29	-	759
	7,603	53	-	7,656
GOLD, COPPER AND ZINC				
Cameron Lake	1,563	23	-	1,586
Berta and Elmalaan	2,521	20	-	2,541
Other	-	21	(21)	-
	4,084	64	(21)	4,127
	$ 11,687	$ 117	$ (21)	$ 11,783

URANIUM AND RARE EARTHS

Diabase Peninsula

In December, 2004, Nuinsco entered into an agreement with Trend Mining Company ("Trend") to acquire a 50% interest in the Diabase Peninsula property in the Athabasca Basin of northern Saskatchewan upon the expenditure of $1 million. Expenditures to date have increased this ownership interest to approximately 87%. Should a participant's interest drop below 10%, that participant will relinquish its entire participating interest and will have the right to receive a royalty equal to 3% of the net value of all mineral products produced from the property; net value is defined as proceeds less processing and treatment charges, transportation costs, sales, marketing and brokerage costs and taxes.

The property consists of ten contiguous claims encompassing 21,949 hectares (ha). Three claims are optioned while seven were staked by Nuinsco; all are subject to the option agreement with Trend. Exploration for uranium has been undertaken at Diabase Peninsula since March, 2005 with the most recent work program being completed in the spring of 2008. If the project progresses to a development stage, before its interest drops below 10% as described above, Trend has a one-time 50% back-in right upon reimbursing Nuinsco for 140% of its total expenditures to that date.

Prairie Lake
The Prairie Lake property consists of nine claims, 38 claim units, encompassing 608 ha of mineral claims. Given the presence of an historical uranium resource, as well as strongly anomalous tantalum-niobium and phosphorous, along with widespread rare earth mineralization, diamond drilling, surface sampling and mapping programs were conducted in 2008 and 2007. The property is subject to a 2% net smelter royalty payable on any production from any claim that comprises the property. Up to a maximum of one half of the royalty can be purchased for $1 million in either cash or common shares of the Company.

Marijane and Huston Lakes
In the second quarter of 2008, the Company executed an Option and Joint Venture Agreement with Temex Resources Corp. ("Temex") to acquire a 50% interest in the contiguous Marijane Lake and Huston Lake uranium properties. The Company made a cash payment of $50,000 and issued 200,000 common shares to Temex and, to earn an undivided 50% interest in the property, was required to spend $500,000 on exploration within one year and an aggregate of $750,000 over a two-year period and issue an additional 100,000 shares. The Company has the option to extend the time period of the arrangement, if required, through the issuance of an additional 50,000 shares.

In 2009, the Company determined that the results to date on this exploration property did not support the expenditures to date and accordingly, decided to writedown the property to $nil. The Company has advised Temex that it will not complete its commitment to earn the 50% undivided interest in the property.

GOLD, COPPER & ZINC
Cameron Lake
Expenditures on the Cameron Lake project have been transferred to Exploration Property Held for Sale effective December 31, 2009, along with expenditures incurred in the quarter. Upon completion of the transaction with Coventry, which occurred on April 20, 2010, expenditures on Cameron Lake, including the amount related to the asset retirement obligation, as well as the asset retirement obligation itself will be derecognized (see Note 1).

The Cameron Lake project consists of one mining lease encompassing 979 ha, 20 contiguous mining claims totalling 1,984 ha and mineral patents at Rowan Lake of 95.7 ha. The surface rights to the Rowan lake property were sold in 2005. During the mid 1980s, approximately $24 million was spent on the project by a former partner to develop the property by ramp to the 800-foot level. A NI 43-101-compliant technical report and resource estimate was completed in April 2004 and was updated in June 2008. Since 2006, work and studies have been undertaken in order to apply for permits to advance the project. The expenditures to March 31, 2010 are shown net of the receipt of $100,000 from Coventry related to the sale of the property as described in Note 1.

Berta
In October, 2003, the Company entered into the Berta Joint Venture Agreement with Falconbridge Limited, now Xstrata Copper Canada ("Xstrata"). The Berta property is located approximately 50 kilometres south of the Black Sea coast in northeastern Turkey. Pursuant to the agreement, the Company was required to spend US$350,000 to earn a 50% interest in the project.

In the second quarter of 2008, the Company announced it had signed a letter of intent to negotiate an agreement to acquire 100% of the Berta property upon spending $2 million on exploration and completing an independent scoping study within four years. The companies were unable to agree on terms so the negotiations were terminated. Negotiations have recently re-commenced.

As a result of the work programs conducted by Nuinsco during 2005, the Company became vested with 50% of the project. Xstrata participates pro rata in funding exploration expenditures and is the operator of the project. Nuinsco presently owes Xstrata approximately $476,000, which is included in accounts payable and accrued liabilities, for its share of expenditures on Berta. The agreement contains dilution provisions when amounts are unpaid which may be invoked by Xstrata but have not been to date. In such case, Nuinsco would eliminate the amount payable and reduce the value of the exploration property by a similar amount adjusted for foreign exchange differences. Discussions with Xstrata have been ongoing and the Company does not anticipate that the dilution provisions will be invoked by Xstrata given the tenor of these discussions.

In 2006 and 2007, the Company completed airborne geophysics followed by diamond drilling. Drilling intersected a significant, continuous domain of strong sulphide mineralization with copper, gold, silver and zinc values. Three drill holes were completed in 2008 demonstrating further evidence of widespread copper mineralization.

Elmalaan
The Company finalized an agreement (the "Elmalaan Agreement") in August, 2006 to acquire 100% of the Elmalaan copper-zinc property from Xstrata. The Company has spent US$250,000 to earn its interest. Xstrata has back-in rights to reacquire a 50% interest in the project upon incurring expenditures equal to 200% of the aggregate expenditures incurred by the Company and a further 20% interest by incurring additional expenditures of US$20,000,000. In the event that Xstrata elects not to exercise its back-in right, it will be entitled to a 2% NSR which can be reduced to 1% on the payment by the Company of US$1,000,000. Mapping, sampling and diamond drilling programs have identified strongly anomalous copper-zinc-gold-silver mineralization on the property. The Elmalaan licenses have been converted to exploitation status and will be transferred to a Turkish subsidiary of Nuinsco.

Egypt
In February, 2010, the Company announced that it had been successful, along with its Egyptian partner, in the bid process for gold exploration concessions in Egypt. The receipt of final title is subject to negotiating a suitable concession agreement with the Egyptian Mineral Resources Authority ("EMRA"). Negotiations are ongoing. Among other terms, the concession agreement will set out the rights and responsibilities of the Company, through its 50%-owned Egyptian subsidiary Z-Gold Resources Limited, and EMRA, terms of production sharing and cost recovery as well as exploration programs.

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

Writedown of Projects
Exploration costs relating to discontinued or impaired projects in the amount of $32,000 were written off in the three months ended March 31, 2010 (2009 - $21,000).

Flow-through Commitment
As at March 31, 2010, the Company had a remaining flow-through commitment outstanding for flow-through share financings in 2009 of approximately $1,529,000 after taking into consideration amounts included in accounts payable and accrued liabilities of $96,000. This commitment is required to be satisfied by December 31, 2010. There was no commitment outstanding as at March 31, 2009.

9. PROPERTY AND EQUIPMENT

		March 31, 2010		December 31, 2009
Equipment				
Cost	**$**	**337**	$	331
Accumulated Amortization		**275**		272
Net Book Value	**$**	**62**	$	59

10. LOAN PAYABLE

		March 31, 2010		December 31, 2009
Advances in US Dollars	**$**	**2,800**	$	2,800
Capitalized interest in US Dollars		**155**		97
		2,955		2,897
Effect of foreign exchange		**47**		148
Unamortized loan fees		**(121)**		(144)
	$	**2,881**	$	2,901

In 2009, as described in Note 1 to the 2009 Audited Consolidated Financial Statements, the Company entered into a long-term loan arrangement. The loan was due July 31, 2011 and bore interest at 8% which was calculated monthly and was also due upon repayment of the loan. Prepayment of the loan plus outstanding interest was allowed in full or in part. The loan was secured by the Company's shares in Cameron Lake JEX Corporation which owns the Cameron Lake project, the Company's shares in Gold Hawk as well as a mortgage over the Cameron Lake property. The amount of interest on the long-term debt charged through the consolidated statement of operations is $61,000 (three months ended March 31, 2009 - $nil).

The Company repaid the loan and related balances in full on April 20, 2010 upon closing of the sale of Cameron Lake to Coventry as described in Note 1.

11. ASSET RETIREMENT OBLIGATION

The Company has estimated an ARO with respect to its Cameron Lake property. The ARO has been estimated using a time horizon of eight years, an estimated closure cost of $253,000, an inflation rate of 2.0% and a discount rate of 12.5%.

		Amount
Balance as at December 31, 2009	**$**	**111**
Accretion for the period		3
Balance as at March 31, 2010	**$**	**114**

The Cameron Lake property was sold to Coventry on April 20, 2010 as described in Note 1 and the ARO was assumed by the purchaser at that time. Accordingly, effective March 31, 2010, the ARO has been reclassified to current liabilities and will be de-recognized in the second quarter.

12. SHAREHOLDERS' EQUITY

Share Capital

Authorized:

The Company is authorized to issue an unlimited number of common shares. 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.

Issued and Outstanding:

There are no special shares outstanding. The issued and outstanding common shares are as follows:

	Number of Shares		Amount
Balance as at December 31, 2009	**230,935,509**		**93,396**
Share issue costs for private placements (a)	-		(4)
Flow-through share renunciation (b)	-		(500)
Balance as at March 31, 2010	**230,935,509**	**$**	**92,892**

(a) In December, 2009, the Company issued 17,260,109 flow-through common shares at a price of $0.09 per unit. As at December 31, 2009, accounts receivable included $33,000 subscriptions receivable from related parties, the amounts were received in full in January, 2010.

(b) In February, 2010, the Company renounced $2,000,000 (February 2008 - $2,090,000) in Canadian Exploration Expenditures to investors of flow-through shares in 2009 and 2008. The tax value of these renunciations amounted to $500,000 (2009 - $606,000) and has been recorded as a future tax liability and charged against share capital. Since the Company has a valuation allowance which reduces the future income tax assets, the valuation allowance was reduced and income tax recoveries were recognized in the consolidated statement of operations in the amount of $500,000 (2009 - $606,000).

Stock Options

A summary of options outstanding is as follows:

	Number of Options Outstanding		Average Exercise Price
Outstanding as at December 31, 2009	**15,985,000**	**$**	**0.16**
Options granted	4,700,000		0.08
Balance as at March 31, 2010	**20,685,000**	**$**	**0.14**

The following table summarizes further information about the stock options outstanding at March 31, 2010:

Range of Exercise Prices	Options Exercisable	Options Outstanding	Years to Expiry [1]		Exercise Price [1]
$0.0300 - $0.0500	4,875,000	4,875,000	3.95	$	0.05
$0.0600 - $0.2100	9,850,000	10,950,000	2.55		0.11
$0.2200 - $0.2700	2,825,000	2,825,000	3.29		0.25
$0.2800 - $0.4880	2,035,000	2,035,000	2.49		0.35
	19,585,000	20,685,000	2.98	$	0.14

(1) In this table, "Years to Expiry" and "Exercise Price" have been calculated on a weighted average basis.

The weighted average grant date fair value of options granted during the first quarter of 2010 was $0.057 (2009 - $0.037). A total of 4,700,000 options were granted during 2010 to employees, directors and consultants. This resulted in a compensation expense totalling $228,000, compared with 5,575,000 options and vesting resulting in compensation expense totalling $174,000 during the first quarter of 2009. Of the 20,685,000 options outstanding at March 31, 2010, 1,100,000 are subject to vesting in the next fiscal year. The aggregate fair value of these unvested options not yet charged to operations is $48,000. The weighted average exercise price of fully-vested options at March 31, 2010 was $0.14.

The fair value of options granted has been estimated at the date of grant or modification using the Black-Scholes option-pricing model, with the following assumptions:

	Three Months Ended March 31,	
Option Assumptions	**2010**	**2009**
Dividend yield	**-**	-
Expected volatility	**104%**	110%
Risk free interest rate	**2.50%**	1.91% to 2.08%
Expected option term - years	**4**	4 to 5
Fair value per share of options granted	**$0.057**	$0.024 and $0.037

Share Purchase Warrants

The warrants outstanding as at March 31, 2010 are described in Note 12 to the 2009 Audited Consolidated Financial Statements; no warrants were issued or expired in the three months ended March 31, 2010.

13. INCOME TAXES

The income tax recoveries in the three months ended March 31, 2010 and 2009 of $500,000 and $606,000, respectively, relate to flow-through share renunciations as described in Note 12.

A valuation allowance has been recorded in an amount equal to the full amount of the future income tax benefit, after deduction of the tax benefits which will be realized in the second quarter of 2010 due to the sale of Cameron Lake of $1,297,000, as the likelihood of utilizing the remaining unused tax losses and other tax deductions cannot be determined at this time.

14. ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss (OCI) is comprised of unrealized losses and gains on marketable securities that are classified as available for sale (see Note 5).

Changes in the components of OCI are summarized as follows:

	Three Months Ended March 31,	
	2010	**2009**
Accumulated OCI at beginning of period	**$ (617)**	$ (1,394)
OCI for the period representing the change in the fair value of financial assets available for sale	**112**	802
Determination of change in the fair value as "other than temporary" and reclassification through operations (Note 5)	**-**	16
Proportionate share of Victory Nickel Inc.'s OCI	**-**	63
Accumulated OCI at end of period	**$ (505)**	$ (513)

15. CHANGES IN NON-CASH WORKING CAPITAL

Changes in non-cash working capital balances related to operations are as follows:

	Three Months Ended March 31,	
	2010	**2009**
Accounts receivable, prepaid expenses and deposits	**$ 8**	$ 48
Due from Victory Nickel Inc.	**11**	(3)
Accounts payable and accrued liabilities	**104**	83
	$ 123	$ 128

16. TRANSACTIONS WITH RELATED PARTIES AND MANAGEMENT AGREEMENT

Included in accounts payable and accrued liabilities at March 31, 2010 are amounts owing to directors and officers of $302,000 (December 31, 2009 - $301,000). The amounts consist primarily of directors' fees and reimbursement of expenses incurred by officers and directors. Payment of directors' fees has been deferred until the financial condition of the Company further improves.

The Company shares management administrative assistance and facilities with Victory Nickel pursuant to a management agreement. The costs recovered from Victory Nickel are recorded at the exchange amount which is equal to the cost to the Company of such services plus 10 per cent. The management agreement commenced February 1, 2007 and is terminable by the Company upon 90 days notice and by Victory Nickel upon 180 days notice. Costs recovered from Victory Nickel in the three months ended March 31, 2010 total $170,000 (2009 - $150,000) and have been deducted from general and administrative expenses. Furthermore, project-related costs aggregating $5,000 have been charged to the Company by Victory Nickel and are included in exploration and development costs on the balance sheet (2009 - $4,000). In addition, project-related costs aggregating $18,000 have been charged by the Company to Victory Nickel during the three months ended March 31, 2010 (2009 - $17,000).

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

17. LEASE COMMITMENT

The Company is committed under the terms of operating leases for office premises to make future minimum lease payments as follows:

		Minimum Lease Payments
2010	$	66
2011		61
2012		5
	$	132

NUINSCO RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED
MARCH 31, 2010

DATED MAY 7, 2010

NUINSCO RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTHS ENDED MARCH 31, 2010

The following discussion of the results of operations and financial condition of Nuinsco Resources Limited ("Nuinsco" or "the Company") prepared as of May 7, 2010 consolidates management's review of the factors that affected the Company's financial and operating performance for the three months ended March 31, 2010, and factors reasonably expected to impact on future operations and results. This discussion is intended to supplement and complement the Company's March 31, 2010 unaudited interim consolidated financial statements for such period ("Unaudited Interim Consolidated Financial Statements") and the audited consolidated financial statements as at and for the years ended December 31, 2009 and 2008 ("2009 Audited Consolidated Financial Statements") and the notes thereto. Readers are encouraged to consult the 2009 Audited Consolidated Financial Statements which were prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") and are available at www.sedar.com and at the Company's website www.nuinsco.ca. All amounts disclosed are in Canadian dollars, unless otherwise stated. All tabular amounts are in thousands of Canadian dollars.

COMPANY OVERVIEW

Nuinsco is focused on identifying and exploiting mineral investment opportunities worldwide using its exploration programs and operating and financial expertise. The Company currently has uranium, copper, gold and zinc assets in world-class mineralized belts in Canada and Turkey and has recently announced success, in conjunction with an Egyptian-based partner, in the bid process for two gold exploration concessions in Egypt. In addition to its property holdings, Nuinsco owns approximately 9% of the outstanding common shares of precious and base metals producer Gold Hawk Resources Inc. ("Gold Hawk") and approximately 2% of the outstanding common shares of Victory Nickel Inc. ("Victory Nickel"). These investments could be monetized to finance the Company's exploration programs, repay debt and minimize equity dilution to shareholders going forward. Shares of Nuinsco trade on the Toronto Stock Exchange under the symbol NWI.

The Unaudited Interim Consolidated Financial Statements have been prepared using Canadian GAAP applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. At March 31, 2010, the Company had working capital of $1,886,000 (December 31, 2009 – $2,696,000).

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

- Cash of $100,000 received in December 2009;
- Cash of $5.9 million received on April 20, 2010;
- 12 million Coventry shares, representing 17% of the then-currently outstanding shares of that company. Coventry shares had a closing price of A$0.265 ($0.247) on April 20, 2010; and
- A 3% net smelter return ("NSR") royalty under which Coventry will have the right to buy back 2% of the NSR at any time within five years of April 20, 2010 by making, at Coventry's option, either a cash payment of $2 million or issuing additional Coventry shares with an equivalent market value.

Accordingly, the Cameron Lake property, previously included in Exploration and Development Projects at $1,721,000, along with the mill, previously included in Property and Equipment with a carrying value of $54,000, have been reclassified to Exploration Property Held for Sale. Furthermore it was reclassified as a current asset effective March 31, 2010 due to the closing of the transaction in April 2010.

As at December 31, 2009, the Company determined that it was more likely than not to utilize certain of the Company's available tax pools and non-capital losses given that the transaction was expected to be completed in accordance with the binding agreement. Accordingly, a future income tax asset was recognized at that time in the amount of $1,297,000. Refer to Note 13 to the 2009 Audited Consolidated Financial Statements. This has also been reclassified as a current asset effective March 31, 2010.

Furthermore, the Asset Retirement Obligation ("ARO") of $114,000 relates solely to Cameron Lake and has been assumed by the purchaser.

Upon completion of the Coventry transaction, the Company repaid its interest-bearing promissory note along with accrued interest thereon. Refer to Note 10 to the Unaudited Interim Consolidated Financial Statements. Accordingly, both of these liabilities were reclassified as current liabilities effective March 31, 2010.

Going Concern

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

Nonetheless, the Company is subject to the risks and challenges experienced by other companies at a comparable stage. These risks include, but are not limited to, continuing losses, dependence on key individuals and the ability to secure adequate financing or to complete corporate transactions to meet the minimum capital required to successfully complete its projects and fund other operating expenses. Development of the Company's current projects to the production stage will require significant financing. Given the current economic climate, the ability to raise funds may prove difficult. Refer to the Risks and Uncertainties section in this document for additional information.

None of the Company's exploration or development projects has commenced commercial production or are at the development stage, 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 recoverability of the carrying value of exploration and development projects, and ultimately the Company's ability to continue as a going concern, is dependent upon the discovery of economically recoverable reserves and resources, the Company's ability to finance development 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 continues to examine a number of strategies to maximize the realization of amounts due from Campbell Resources Inc. ("Campbell") (even though the Company has written these down).

The Company's Unaudited Interim Consolidated Financial Statements have been prepared using the going concern assumption. If the going concern assumption were not appropriate, then adjustments to the carrying values of assets and liabilities, reported expenses and balance sheet classifications may be necessary. These adjustments could be material.

HIGHLIGHTS

During and subsequent to the quarter ended March 31, 2010, the Company:

Corporate

- Completed the sale of the Cameron Lake property to a wholly-owned subsidiary of Coventry for aggregate consideration valued at approximately $12 million.
- Announced the joint signing of a binding letter agreement to combine the Company with Gold Hawk. Gold Hawk subsequently served notice purporting to terminate the binding letter agreement without cause. The Company will continue to pursue its legal remedies in light of Gold Hawk's actions.

Gold

- Announced that Z-Gold Resources Limited, the Company's 50%-owned Egyptian subsidiary, won its bid for two gold concessions in Egypt's highly prospective Eastern Desert. The receipt of final title is subject to negotiating a suitable concession agreement with the Egyptian Mineral Resources Authority ("EMRA").
- Optioned the Olympian gold project, a claim package in the Kenora region, which hosts numerous previously identified gold occurrences.

Uranium and Rare Earths

- Announced an Exploration Target Mineralization Inventory ("ETMI") at the Prairie Lake project totaling between 330 and 360 million tonnes averaging 3.5% to 3.7% phosphorous ("P_2O_5") and 0.12% to 0.14% niobium ("Nb_2O_5") (1.2 to 1.4 kg/tonne), along with tantalum, uranium and rare earth elements.
- Added to the economic significance of Prairie Lake by announcing positive test results that confirm the ability to produce a concentrate, using low-cost flotation methods, grading up to 23.4% P_2O_5 and 0.17%, or 1.7kg/tonne, Nb_2O_5.
- **A**nnounced the completion of the initial phase of 2010 exploration at the Diabase Peninsula uranium property as a precursor to diamond drilling later this year.

OUTLOOK

The collective global economies are showing signs that they might be coming out of what could have proven to be one of the worst economic periods in history. Most economies seem to have fared better than expected over the past year and the United States, a late starter, is beginning to show improvement. Unfortunately, several European Union countries are showing signs of fiscal problems. Although these are being addressed by the EU, there is a global impact. Metals prices, which took a precipitous drop after reaching levels never before seen, have generally recovered and appear to be showing continuing strength. What was referred to as the "super cycle" fizzled faster than anyone could have imagined but it now appears that the recovery is also faster than anyone would have expected. As the US economy starts to improve, we should see even better prices or at least have strong support at the current fairly attractive metal price levels. Gold has been the big winner in the face of this economic turmoil and the resulting weakening of the US currency. Unfortunately, except for gold stocks, this is not being reflected in junior, more speculative, stock prices. The investment community continues to be jittery and is putting its money to work in the more senior, cash-generating segment of the resource industry. Exploration companies are not yet on the radar screen. Typically, when the major companies become fully priced, interest and money moves into the next level of investment and into the junior sector. We expect that this may be the plan of action for 2010 as the majors appear to be fully recovered and fully priced.

This bodes well for companies such as Nuinsco. Nuinsco is fortunate to have a variety of very attractive projects in world class locations and therefore can expect increased investment interest over the next year. Today's equity markets continue to reflect a significant disconnect between share price and asset value. This disconnect cannot last long. The inability to fund the exploration activities that are required to replace depleting resources and to fuel growing demand for natural resources will result in a more extreme and accelerated recovery as the availability of advanced exploration projects disappears. The world cannot exist without metals.

Unfortunately, financing exploration activities during recessionary times has always been difficult. Exploration is high-risk and investors are normally not prepared to participate in high-risk activities when cash is tight; investors become cautious, concerned and protect cash. The existence of flow-through equity financing in Canada is of vital importance to the exploration industry and has allowed exploration to continue at unprecedented rates and has kept Canada as a world leader in mining. The recent Canadian federal budget recognized once again the importance of exploration and has extended its exploration credit program. This is positive but did not go far enough. There are costs which cannot be funded with flow-through funds; importantly, that includes the cost of managing a public company and maintaining compliance with an increasingly onerous regulatory framework.

The recent sale of the Company's Cameron Lake gold project accomplishes two very important objectives. The first objective is to secure funding to support the Company's ongoing exploration activities and secondly, to ensure that the Cameron Lake project will advance without subjecting the Company to the significant dilution it would experience to finance the required start-up costs for the project. Over the last couple of years, management has attempted to find a non-dilutive transaction which would have maximized the value of Cameron Lake to its shareholders. The decision to sell the asset, while maintaining upside through the equity participation in Coventry and retention of a royalty interest, was considered the best alternative. Cameron Lake has been sitting idle since the mid 1980s and has finally been revalued to an attractive level as a result of the higher-than-ever gold price.

As a result of the sale of Cameron Lake, the Company's balance sheet has strengthened significantly since the end of 2008 and the Company is in the strongest financial condition it has been in for many years. Nuinsco has an abundance of attractive projects.

Management will continue to look for high-potential projects to add to its already attractive portfolio. The recent foray into Egypt and the Olympian gold project option in Kenora are examples of these activities. Olympian has the potential for high-grade gold results. Further, we believe that Egypt and the surrounding region is the next attractive exploration frontier and we want to be there at the beginning.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2010, Compared With Three Months Ended March 31, 2009

In the three months ended March 31, 2010, the Company had a net loss of $205,000, or $0.00 per share, compared with a net loss of $745,000, or $0.00 per share, in the comparative period of 2009. The primary reasons for the reduction in loss are from loan-related items – namely improvements in foreign exchange rates mostly on the US-dollar-denominated loan and reductions in interest expense thereon. In addition, Nuinsco no longer has equity-accounted investees; in 2009, the Company recorded a dilution loss on its equity-accounted investee.

General and administrative expenses increased in 2010 from $273,000 to $402,000. Overhead recoveries through charges to Victory Nickel for services under the management agreement and deducted from operating expenses aggregated

$170,000 in the first quarter of 2010, compared with $150,000 in 2009. Amounts charged to Victory Nickel are activity based. On average, activity was relatively comparable.

The Company has continued to reduce its expenditures through a concerted effort to eliminate discretionary spending and defer cash outlays. Directors continue to attend meetings telephonically where possible, payment of directors' fees, while being accrued, have been deferred since mid-2008 and management agreed to defer a portion of 2009 salaries until financial circumstances further improve.

It is estimated that approximately $190,000 of general and administrative expenditures were incurred on supporting the Company's public status in the three months ended March 31, 2010 (2009 - $165,000). Such costs are non-discretionary and are weighted to the first quarter of a financial year. In 2009, the Company decided to eliminate the formal review process formerly performed by its auditors on its interim information as an additional way to conserve cash resources; this approach has continued in 2010.

Activity in 2009 was reduced to a minimal level with few special initiatives. As the Company's financial position improved, it became more able to engage in such initiatives. Accordingly, costs were incurred in the first quarter of 2010 to support such activity and are the major reason for the increase in general and administrative expenses. Specifically, legal and travel costs have been incurred in the Company's bid to merge with Gold Hawk as well as legal and other costs supporting the Company's efforts to maximize its recoverable value from Campbell Resources.

In 2010, the Company has unexpended amounts from flow-through financings completed in 2009 and has recorded Part XII.6 tax on such balances; in 2009, the Company had no such balances due.

As at December 31, 2008, the Company's US-dollar-denominated loan aggregated US$5 million with interest at 12%. Due to a weakening Canadian dollar, the Company incurred a net foreign exchange loss of $192,000 in the first quarter of 2009, primarily due to the loan. A much-strengthened Canadian dollar in the first quarter of 2010 resulted in a gain on foreign exchange of $119,000, also primarily due to the loan, on a much reduced loan balance outstanding due to the transactions on July 31, 2009 as described in the 2009 Audited Consolidated Financial Statements and 2009 MD&A.

The Company incurred interest expense of $344,000 on its US-dollar-denominated loan in the first quarter of 2009 compared with $84,000 in the three months ended March 31, 2010. These amounts include amortization of loan fees pertaining to each loan as required under GAAP. The loan, along with accrued interest, was repaid in full on April 20, 2010 upon consummation of the sale of Cameron Lake. Refer also to the Liquidity and Capital Resources discussion below.

The Company's primary award of options to employees, directors and consultants occurred in the first quarters of 2010 and 2009. In 2010, the Company awarded 4,700,000 options at an exercise price of $0.08 with stock option compensation expense in the quarter of $228,000. In 2009, the Company awarded 5,575,000 options at an exercise price of $0.05 with associated expense of $174,000.

In 2009, the Company acquired warrants in Victory Nickel with a strike price of $0.12. At December 31, 2009, these had a fair value, using the Black-Scholes option-pricing model, of $0.106. Updating the Black-Scholes parameters effective March 31, 2010, the fair value declined to $0.084. Accordingly, the change in fair value of the warrants of $73,000 is recorded through operations as a loss on derivatives held for trading. This is in accordance with Canadian GAAP and is likely to cause volatility in operating results going forward.

Other amounts related to equity-accounted investees include a dilution loss of $322,000 in 2009 for Victory Nickel. Dilution gains and losses arise as a consequence of a net increase or decrease in the share of an equity-investee's net assets resulting from transactions through share capital. The Company no longer has any investments in equity-accounted investees.

The Company recorded income tax recoveries of $500,000 in 2010 (2009 - $606,000). Income tax recoveries in both periods are a result of renunciations of flow-through share expenditures as the Company has recorded a valuation allowance against its future income tax assets. Generally speaking, since the Company has no recurrent source of operating revenue, income tax recoveries are only recorded upon renunciation of flow-through share expenditures.

Other comprehensive income totals $112,000 (2009 - $881,000). This represents the net changes in the market value of the Company's available-for-sale securities period-over-period – primarily shares of Gold Hawk and Victory Nickel. Approximately $215,000 relates to Gold Hawk with the balance attributable to a decline in the fair value of Victory Nickel. In the first quarter of 2009, other comprehensive income arose from improvements in the fair value of Gold Hawk and Rainy River shares.

A discussion of the more significant changes not addressed in other sections of this Management's Discussion & Analysis ("MD&A") is as follows:

Cash and cash equivalents have reduced to $314,000 from $1,490,000 in 2009 – refer to the Liquidity and Capital Resources Section for further discussion.

Marketable securities have improved from $2,099,000 as at December 31, 2009 to $2,138,000 as at March 31, 2010. The market value of Gold Hawk shares was $945,000 at the end of 2009 and improved to $1,160,000 by the end of March. The remaining balance comprises mainly shares and warrants of Victory Nickel which were acquired through the exercise of rights during 2009 at an aggregate cash cost of $400,000; the shares (after sales during 2009) have a market value of $697,000 as at the end of March compared with $800,000 at the end of December; the warrants were "in-the-money" as at December 31, 2009 and were valued using the Black-Scholes option-pricing model at $353,000 with a decline in fair value of $73,000 recorded through operations in the three months ended March 31, 2010 to bring the warrants to the Black-Scholes value at March 31, 2010 of $280,000. The warrants cannot be exercised until August 18, 2010.

The Company continues to believe in the value of Gold Hawk, as evidenced by its offer to merge with the company at a then-premium of approximately 98%, and therefore considers the loss to be temporary. As such, it has continued to record the changes in market value on Gold Hawk shares through OCI. The Company believes that the decline in the market value of Gold Hawk is due to general market conditions which are not specific to that company and the uncertainty on the part of investors as to how the cash resources of the company will be utilized. During 2009, Gold Hawk sold an 85% interest in its Coricancha mine in Peru to Nyrstar Netherlands (Holdings) BV ("Nyrstar") and now has significant cash, no debt and an interest of 15% in the company which owns the mine.

Nuinsco is pursuing legal remedies to enforce the break fee to which it believes it is entitled as set out in the binding offer to merge with Gold Hawk as a way to recoup some of the expenditures incurred in the process.

The exploration property held for sale of $1,775,000 represents the Cameron Lake project and related assets which were sold or otherwise eliminated upon completion of the deal with Coventry on April 20, 2010. Given that the transaction was expected to close shortly after December 31, 2009, it was then determined that it was more likely than not that certain tax pools and non-capital tax losses will be utilized. In accordance with GAAP, a future income tax asset related to the tax recovery resulting from the transaction has been recognized. Due to the closing of the transaction in April, balance sheet items related thereto were reclassified as current assets or liabilities effective March 31, 2010.

Current liabilities of $4,402,000 have increased from $1,243,000 as at December 31, 2009 largely as a result of the reclassification of the loan and the asset retirement obligation ("ARO") as current as discussed above and the ARO was de-recognized at that date due to the sale of Cameron Lake to Coventry.

Share capital has reduced by approximately $504,000. This is primarily as a result of the tax effect of the renunciation of flow-through expenditures in February 2010.

SUMMARY OF QUARTERLY RESULTS

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

Fiscal year 2010	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue and other income				$ 1
Net loss				$ (205) (1)
Other comprehensive income				$ 112
Loss per share - basic and diluted				$ (0.00)

Fiscal year 2009	4th Quarter	3rd Quarter *(Restated)* (3)	2nd Quarter	1st Quarter
Revenue and other income	$ (46)	$ -	$ 297	$ -
Net income (loss)	$ 429 (2)	$ 1,798 (4)	$ 194 (5)	$ (745) (6)
Other comprehensive income (loss)	$ 181	$ (842)	$ 557	$ 881
Income (loss) per share - basic and diluted	$ 0.00	$ 0.01	$ 0.00	$ (0.00)

Fiscal year 2008	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter *(Restated)*
Revenue and other income	$ 631 (7)	$ 368	$ 519	$ 253
(Loss) net income	$ (13,173) (8)	$ (2,930) (9)	$ (196)	$ 507 (10)
Other comprehensive (loss) income	$ (786)	$ (1,522)	$ (216)	$ 230
(Loss) income per share - basic and diluted	$ (0.07)	$ (0.02)	$ 0.00	$ 0.00

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

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

(3) Restated in the fourth quarter to include a gain on derivative of $333,000 in net income which had previously been included in other comprehensive income.

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

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

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

(7) Includes $630,000 for the sale of the Rainy River royalty received in cash and shares.

(8) Includes $3,785,000 writedown for unrealized loss on investment in Victory Nickel and $7,923,000 provision for writedown of amounts owing by Campbell.

(9) Includes $3,512,000 of losses related to Campbell partly offset by a dilution gain of $1,097,000 on Victory Nickel as a result of financings.

(10) Restated in 2008 to include a dilution loss on the share of Victory Nickel's flow-through share renunciations.

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

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2010, the Company had working capital of $1,886,000 (December 31, 2009 - $2,696,000).

Due to the Cameron Lake sale which closed in April 2010, the Company has repaid its loan from cash proceeds of $5.9 million and received marketable securities of Coventry with a fair value of approximately $3.0 million (valued at close of business, April 20, 2010) which will add to working capital in the second quarter of 2010.

The Company decreased its cash position in the first three months ended March 31, 2010 by $1,176,000, compared with cash used of $515,000 during the first three months of 2009.

In the first three months of 2010, the Company used cash of $263,000 in operating activities, compared with the use of cash totalling $144,000 in 2009. The Company has no recurring sources of revenue and no regular operations and the change in non-cash working capital in the first three months of 2010 was relatively small - $123,000 compared with $128,000 in 2009. This is further highlighted by the fact that the most significant elements of the change are non-recurring items such as gains on sales, interest capitalization, tax recoveries on renunciation of flow-through expenditures and loan-related items.

Cash used by financing activities in both periods was relatively small and related to share issue expenses.

Management is continuing to actively pursue additional ways to realize on assets or secure financing in order to provide funds for operations and continue its return to active exploration in Canada and elsewhere.

Investing activities in the first three months of 2010 used funds of $909,000, compared with a use of funds of $268,000 in the same period of 2009. A deposit was made as a good faith gesture behind the confidential bid process for Campbell's assets in conjunction with Ocean Partners, representing the Company's portion of the deposit under the bid.

Additions to exploration and development projects amounted to $438,000 in 2010 compared with $268,000 in 2009. Refer to the Exploration and Development Activities section for additional discussion.

At March 31, 2010, the Company had an outstanding flow-through expenditure commitment of $1,529,000 after taking into account $96,000 in accounts payable and accrued liabilities. Nuinsco does not own asset-backed commercial paper. The Company has a corporate policy of investing its available cash in cash equivalents comprising Canadian government instruments and certificates of deposit or other direct obligations of major Canadian banks, unless otherwise approved by the Board.

As described above, exploration and development companies such as Nuinsco are heavily reliant upon the equity markets to fund their activities as they typically have no short-term sources of revenue other than through monetization of assets. Opportunities available to Nuinsco for financing would normally be through private placements in the equity markets, however today's equity markets make this alternative difficult if not impossible without incurring significant dilution to existing shareholders. The Company completed a rights offering in 2009, has closed two flow-through share financings and sold the Cameron Lake property in April 2010. However, additional financings will be required to properly exploit the Company's Canadian and foreign assets. The Company will consider all alternatives given appropriate pricing and other market conditions. Such alternatives could include earn-in options with third parties, other partnership arrangements and further sales of assets.

The Company's estimated monthly commitments, net of recoveries from Victory Nickel for ongoing administrative support, are approximately $100,000. The Company's working capital requirements continue to be modest. At March 31, 2010, the major routine item requiring financing was a GST receivable of $20,000 which averaged approximately $15,000 per quarter of 2009 – although this is activity-related and will increase with higher Canadian-based expenditures. We estimate that approximately $700,000 is required on an ongoing annual basis to support the Company as a public entity. Although such costs were reduced significantly to a "bare bones" level in 2009, this would not be recommended as a sustainable measure. Such expenditures are not eligible for flow-through funding and must be financed through other means.

Given its current cash position combined with the prospective liquid resources from the Cameron Lake sale, the Company is in a strong financial position. The Company will continue to make expenditures on Canadian exploration activities to fulfil flow-through commitments and will seek partners on certain Canadian projects where significant funding would be required for proper exploration programming. Partners are also being sought actively for the Company's foreign projects. Measures which were implemented to control costs in 2009 remain in place as described above to ensure the Company remains viable and exploits its assets at an appropriate level until market conditions improve in the junior resource sector.

EXPLORATION AND DEVELOPMENT ACTIVITIES

In the first three months of 2010, the Company incurred exploration and development costs of $455,000 on its mineral interests, compared with $117,000 in 2009. Expenditures were significantly lower in 2009 due to the general economic and financing environment experienced during that period. Due to the pending sale of Cameron Lake as discussed earlier, the carrying value of that property as at March 31, 2010 of $1,721,000 has been reclassified to Exploration Property Held for Sale.

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

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

GOLD

Cameron Lake Project, Ontario

Located near Kenora in northwestern Ontario, the Cameron Lake Project has been the subject of considerable historic work. Approximately $24 million was spent in the 1980s by a former partner of Nuinsco to develop the mine to the 800-foot level, and drilling has demonstrated that gold mineralization extends to greater than 700m.

The Company has chosen to sell the Cameron Lake property to Coventry. Significant cash expenditures will be required to bring the project to production and raising finance continues to be difficult for junior exploration companies. The cash generated by the sale which closed on April 20, 2010 will reduce the need to issue shares to fund the Company's continuing exploration activities.

Egypt

In February, 2010, the Company announced that it had been successful, along with its Egyptian partner, in the bid process for gold exploration concessions in Egypt. The receipt of final title is subject to negotiating a suitable concession agreement with EMRA. Negotiations are ongoing. Among other terms, the concession agreement will set out the rights and responsibilities of the Company, through its 50%-owned Egyptian subsidiary Z-Gold Resources Limited, and EMRA, terms of production sharing and cost recovery as well as exploration expenditures.

Olympian Project Option

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

A work program commenced during the winter of 2010 with the establishment of grid control followed by ground geophysics (magnetic and electromagnetic surveys). Additional ground geophysics (induced polarization), trenching, mapping and drilling will follow.

URANIUM AND RARE EARTHS

Diabase Peninsula Property, Saskatchewan

Nuinsco's Diabase Peninsula uranium project is located 150km northwest of La Ronge, Saskatchewan on the Athabasca Basin; the region that hosts the world's richest uranium mines. The 21,900-hectare property is a joint venture with Trend Mining Company of Denver ("Trend") whose interest currently approximates 13%. Should a participant's interest drop below 10%, the participant will relinquish its entire participating interest and will have the right to receive a royalty equal to 3% of the net value of all mineral products produced from the property; net value is defined as proceeds less processing and treatment charges, transportation costs, sales, marketing and brokerage costs and taxes. If the project progresses to a development stage, before its interest drops below 10% as described above, Trend has a one-time 50% back-in right upon reimbursing Nuinsco for 140% of its total expenditures to that date.

No new field work was conducted at Diabase Peninsula in 2009. A gravity survey and geochemical sampling were conducted during the winter of 2010 in order to expand upon existing coverage over portions of the property. The intention is for prospective target areas to be tested by diamond drilling in subsequent work programs. Results of the winter work program are still pending.

Exploration work on the 21,900 hectare property now includes 28 widely spaced drill holes totalling 11,205m with additional supporting airborne and ground geophysical surveys, prospecting and sampling.

Prairie Lake Property, Ontario

Prairie Lake, located near Marathon, Ontario, hosts a near-surface historic (non-NI-43-101-compliant) uranium resource of over 180,000 tonnes grading 0.09% U_3O_8 (and 0.25% niobium) identified in exploration dating from the mid-1960s. In the second quarter of 2007, 1,878m of drilling was undertaken on this large carbonatite intrusion to follow up on values from recent surface sampling of up to 0.08% U_3O_8 (1.656 lb/tonne).

The property is subject to a 2% net smelter royalty payable on any production from any claim that comprises the property. Up to a maximum of one half of the royalty can be purchased for $1 million in either cash or common shares of the Company.

On January 13, 2010, the Company announced the results of an ETMI that demonstrated the presence of between 330 million and 360 million tonnes averaging 3.5% to 3.7% P_2O_5 and 0.12% to 0.14% Nb_2O_5. The surface area used for the ETMI covers just 12% of the total surface area of the Prairie Lake complex. Further sampling is deemed necessary to more fully evaluate the distribution of the mineralization – a pitting and trenching program is anticipated for the second quarter.

Marijane and Huston Lakes Property
Nuinsco entered into an agreement with Temex in 2008 in order to earn an undivided 50% interest in claims staked by Temex in the Marijane – Huston lakes area. The property area straddles the Ontario-Manitoba boundary 75km east of Lac du Bonnet, Manitoba. Temex acquired the properties, totalling 87 mining claims (the "Claims") and covering 52,604 acres, by staking in July, 2007.

In 2009, the Company determined that the results to date on this exploration property did not support the expenditures to date and accordingly, decided to writedown the property to $nil. The Company has advised Temex that it will not complete its commitment to earn the 50% undivided interest in the property.

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

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

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

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

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

Nuinsco presently owes Xstrata approximately $476,000, which is included in accounts payable and accrued liabilities in the consolidated balance sheet at March 31, 2010, for its share of expenditures on Berta. The agreement contains dilution provisions when amounts are unpaid which may be invoked by Xstrata but have not been to date. In such case, Nuinsco would eliminate the amount payable and reduce the value of the exploration property by a similar amount adjusted for foreign exchange differences. Discussions with Xstrata have been ongoing and the Company does not anticipate that the dilution provisions will be invoked given the tenor of these discussions.

Elmalaan, covering 947 hectares, is located 6km south of the Black Sea coast and is easily accessible year round. Previous work identified massive sulphide in outcrop and locally-derived boulders that graded up to 3.38% copper and 6.30% zinc. Drilling during the second quarter of 2007 continued to return high-grade polymetallic mineralization over significant widths. For example, drill hole EKD-07-06 intersected 2.43% zinc, 0.50g/t gold and 31.07g/t silver over 10.10m between 98.90-109.0m; between 102.6-103.2m, zinc values peaked at 9.25%, gold at 2.85g/t and silver at 211g/t. With completion of its earn-in, the Company is in the process of transferring ownership of the Elmalaan property to a newly-formed wholly-owned Turkish subsidiary.

No new field work was performed in 2009

STRATEGIC INVESTMENTS

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

Campbell's strategy was to capitalize on available mill capacity to lower unit costs by increasing throughput at the Copper Rand Mill as a consequence of increasing production at its Copper Rand mine as well as milling ore from other regional deposits including Corner Bay. While development in ore at Corner Bay commenced and shipment to the Copper Rand mill started in 2008, significant financial difficulties resulting from production delays, falling metal prices and the inability to obtain financing forced Campbell to curtail its operations towards the end of 2008 at both Copper Rand and Corner Bay. In January, 2009 Campbell announced that it had re-entered CCAA protection.

A significant part of Nuinsco's interest in Campbell hinges upon Corner Bay, whether through security agreements on loans or through the interest in cash flows. Nuinsco also has security interests in, among other things, the other exploration properties owned by Campbell in the Chibougamau mining camp and the tailings pond at the Copper Rand Mill.

Campbell had planned a Phase I extraction of a 42,000-tonne bulk sample, Phase II anticipated mining an additional 500,000 tonnes of ore grading 4.5% copper over three years. Corner Bay remains open at depth, and drilling results had returned intercepts grading up to 9.27% copper over 6.7m at 1,200 vertical metres.

At a 3% Cu cut-off, Corner Bay has measured and indicated resources of 446,000 tonnes averaging 5.58% Cu (181,000 tonnes at 5.07% Cu measured and 265,000 tonnes at 5.93% Cu indicated); inferred resources total 1,441,000 tonnes averaging 6.76% Cu (Ref.: GEOSTAT Technical Report, July 2006, available on SEDAR at www.sedar.com).

In March 2010, the Company, along with its partner in the offering, Ocean Partners Inc., entered an offer to purchase some or all of Campbell's assets. As part of the confidential bid process which is subject to court supervision under CCAA proceedings, the Company made a deposit of $465,000 in trust for its share of the bid as evidence of good faith.

Victory Nickel Inc.
As described in the Company's 2009 Annual Management's Discussion and Analysis ("2009 MD&A"), the approximate 15% interest in Victory Nickel which the Company then owned was sold effective July 31, 2009. Additional information on Victory Nickel's Minago, Lynn Lake and Mel projects in Manitoba and Lac Rocher project in Québec can be obtained from Nuinsco's previous financial reports and regulatory filings and directly from Victory Nickel at www.victorynickel.ca. The Company presently owns an approximate 2% interest in the shares of Victory Nickel which is held as a marketable security available for sale.

IMPAIRMENT ANALYSIS UPDATE

While the metals markets and other general economic factors improved in 2009, the Company performed a detailed impairment analysis on each of its exploration and development projects as at December 31, 2009. The Company does not believe that there have been any material changes to date which would adversely affect this analysis. Furthermore there has been no change in management's plans for the projects which would cause a reassessment with the exception of the Marijane and Huston Lakes property which was written down to $nil effective December 31, 2009.

Management concluded that no impairment existed in each of its other projects effective March 31, 2010 and that costs incurred to date are recoverable. The Company will continue to monitor developments as they occur in the metals markets and the economy and will update its impairment analysis to take account of any such changes, as appropriate.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates used in the preparation of the consolidated financial statements include the Company's estimate of the recoverable value of its exploration and development projects, assessing the impairment of long-lived assets and the fair value estimates for stock options and warrants and assessing the value of future income tax assets and valuation reserves. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control. The Company's financial statements have been prepared using the going concern assumption; reference should be made to Note 1 to the Company's 2009 Audited Consolidated Financial Statements as well as to Note 1 to the Unaudited Interim Consolidated Financial Statements.

For a complete list of the significant accounting policies as well as information concerning the use of estimates and measurement uncertainty, reference should be made to Notes 2 and 3 of the Company's 2009 Audited Consolidated Financial Statements and the updates reflected in the notes to the Unaudited Interim Consolidated Financial Statements.

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

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

NEW ACCOUNTING POLICIES

The volume of accounting pronouncements being introduced by The Canadian Institute of Chartered Accountants ("CICA") applicable to the Company has reduced significantly pending the transition to International Financial Reporting Standards ("IFRS").

There have been no new accounting policies adopted in the Unaudited Interim Consolidated Financial Statements.

FUTURE ACCOUNTING CHANGES

International Financial Reporting Standards

Overview

The Company is continuing to review the requirements of IFRS. Senior financial management has attended training courses on IFRS designed to be industry-specific. Nuinsco will be required to produce IFRS-compliant financial statements for the quarter ended March 31, 2011 which will include the applicable disclosures and information for the comparative 2010 period.

Project Plan

The Company's project plan is summarized in the 2009 MD&A.

Status of Project

The Company has completed Phase 1 and is working on Phase 2 of its IFRS transition. The diagnostic review, in particular, has been prepared and the preliminary selection of transition election options has been made. All such work has been carried out primarily on a "business as usual" basis; should the Company make significant capital acquisitions, secure significant financing and move ahead towards production, it will need to upgrade accounting systems and make additional accounting policy selections. Such choices will be made with IFRS transition in mind in order to manage differences until full conversion is achieved. The Company believes that it is well-positioned to meet the transition to IFRS.

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 unaudited interim consolidated financial statements to satisfy itself that management is properly discharging its responsibilities to the directors who approve the unaudited interim consolidated financial statements. The Board of Directors has also appointed compensation and corporate governance and nominating committees composed of non-executive directors.

Design of Disclosure Controls and Procedures

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

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

Design of Internal Control over Financial Reporting
The Company's Certifying Officers are responsible for designing a system of internal controls over financial reporting, or causing them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with Canadian GAAP. The Company used the COSO control framework. For the fiscal quarter ended March 31, 2010, the Certifying Officers have concluded that the design of the Company's internal controls over financial reporting and procedures were effective as at March 31, 2010.

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

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

RELATED PARTY TRANSACTIONS AND MANAGEMENT AGREEMENT

The Company shares management, administrative assistance and facilities with Victory Nickel pursuant to a management agreement. The costs recovered from Victory Nickel are recorded at the exchange amount which is equal to the costs incurred by the Company of such services plus 10 per cent. The management agreement commenced February 1, 2007 and is terminable by the Company upon 90 days notice and by Victory Nickel upon 180 days notice. Costs recovered from Victory Nickel in the three months ended March 31, 2010 totalled $170,000 (2009 - $150,000) and have been deducted from general and administrative expenses. Furthermore, project-related costs of $5,000 have been charged to the Company by Victory Nickel and are included in exploration and development costs on the balance sheet (2008 - $4,000). In addition, project-related costs aggregating $18,000 have been charged by the Company to Victory Nickel during the three months ended March 31, 2010 (2009 - $17,000).

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

Accounts payable and accrued liabilities include $302,000 (December 31, 2009 - $301,000) owing to directors and officers. The amounts consist primarily of directors' fees and reimbursement of expenses incurred by officers and directors.

OUTSTANDING SHARE DATA

At March 31, 2010, the Company had 230,935,509 common shares outstanding. At May 7, 2010, the Company had 230,935,509 common shares issued and outstanding. In addition, there were 20,685,000 stock options outstanding at May 7, 2010 as well as 17,593,016 warrants, which if exercised and issued would bring the fully diluted issued common shares to a total of 269,213,525 and would generate approximately $5,212,000. The majority of the warrants cannot be exercised until April 23, 2010 – no warrants have been exercised to date.

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 in detail in the Company's 2009 MD&A. A summary is provided below.

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

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

Industry Risks

Speculative Nature of Mineral Exploration

Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that Nuinsco's exploration efforts will be successful. No assurance can be given that Nuinsco's exploration programs will result in the establishment or expansion of resources or reserves. Furthermore, Nuinsco cannot give any assurance that its current and future exploration activities will result in the discovery of mineral deposits containing mineral reserves.

Development Projects

In general, development projects have no operating history upon which to base estimates of future cash operating costs. For development projects such as those projects that Nuinsco has an interest in, estimates of proven and probable reserves are, to a large extent, based upon the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies.

Competition

The mineral exploration business is highly competitive in all of its phases. Nuinsco competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than Nuinsco, in the search for and acquisition of exploration and development rights on attractive mineral properties.

Operational Risks

Limited History of Operations

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

Development Targets, Permitting and Operational Delays

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

Resources, Reserves and Production

Figures relating to mineral resources and mineral reserves are estimates and no assurance can be given that the anticipated level of recovery and/or grades of mineral reserves or mineral resources will be realized.

Title Risks

Nuinsco's ability to hold various mineral rights require licences, permits and authorizations and, in some cases, renewals of existing licences, permits and authorizations from various governmental and quasi-governmental authorities. However, Nuinsco's ability to obtain, sustain or renew such licences, permits and authorizations on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable governmental and quasi-governmental bodies.

Insurance Risk

Nuinsco faces all of the hazards and risks normally incidental to the exploration of precious and base metals, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all such damage caused. Not all such risks are insurable.

Financial and Investment Risks

Substantial Capital Requirements

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

Market Perception

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

Metal Prices

There is no assurance that, even if commercial quantities of mineral resources are developed, a profitable market will exist for the sale of such product. Metal prices fluctuate on a daily basis and are affected by numerous factors beyond Nuinsco's control – including factors which are influenced by worldwide circumstances.

Areas of Investment Risk

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

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

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

Regulatory Risks

Government Regulation

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

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

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

Other Risks

Environmental and Health Risks

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

Key Personnel

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

Conflicts of Interest

Certain of Nuinsco's directors and officers are also directors and officers of other natural resource companies. Consequently, there exists the possibility for such directors and officers to be in a position of conflict.

Foreign Operations

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

Strategic Investments and Other Agreements with Resource Companies

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

Summary

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

FORWARD-LOOKING STATEMENTS

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

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

May 7, 2010