NUINSCO RESOURCES LIMITED

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009 AND 2008

DATED NOVEMBER 5, 2009

Management's comments on Unaudited Interim Consolidated Financial Statements

The accompanying unaudited interim consolidated financial statements of Nuinsco Resources Limited for the three and nine months ended September 30, 2009 and 2008 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)		September 30, 2009 (unaudited)		December 31, 2008
ASSETS				
Current				
Cash and cash equivalents	**$**	**247**	$	793
Marketable securities (Note 5)		**1,731**		548
Due from Victory Nickel Inc. (Note 16)		**28**		18
Accounts receivable		**210**		31
Prepaid expenses and deposits		**36**		86
Total Current Assets		**2,252**		1,476
Investment in Equity-Accounted Investees (Note 6)		**-**		1,732
Exploration and Development Projects (Note 8)		**14,293**		14,187
Property and Equipment (Note 9)		**114**		124
	$	**16,659**	$	17,519
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities (Note 16)	**$**	**1,066**	$	1,403
Loan payable (Note 10)		**-**		6,123
Total Current Liabilities		**1,066**		7,526
Asset retirement obligation (Note 11)		**108**		99
Loan payable (Note 10)		**2,873**		-
Total Liabilities		**4,047**		7,625
Shareholders' Equity (Note 12)				
Share capital		**92,263**		91,757
Contributed surplus		**3,368**		2,999
Deficit		**(82,554)**		(83,468)
Accumulated other comprehensive loss (Note 14)		**(465)**		(1,394)
Net Shareholders' Equity		**12,612**		9,894
	$	**16,659**	$	17,519

NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTIES (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 September 30, 2009 (unaudited)	Three Months Ended September 30, 2008 (unaudited)	Nine Months Ended September 30, 2009 (unaudited)	Nine Months Ended September 30, 2008 (unaudited)
Revenue				
Consulting fees	**$ -**	$ 75	**$ -**	$ 225
Interest income	**-**	243	**1**	547
Gain on sale of marketable securities	**-**	-	**296**	-
Other	**-**	50	**-**	368
	-	368	**297**	1,140
Costs and Expenses				
General and administrative (Note 16)	**193**	319	**645**	1,156
Foreign exchange (gain) loss	**(493)**	142	**(839)**	142
Stock option compensation (Note 12)	**11**	24	**201**	84
Amortization of property and equipment	**3**	4	**10**	11
Accretion of asset retirement obligation (Note 11)	**3**	-	**9**	-
Interest expense	**181**	227	**879**	305
Writedown of (recoveries from) exploration and development projects (Note 8)	**18**	60	**70**	(47)
	(84)	776	**975**	1,651
Income (Loss) before the Undernoted	**84**	(408)	**(678)**	(511)
Share of Gain (Loss) of Equity-Accounted Investees (Note 6)	**21**	(3,183)	**(36)**	(4,039)
Gain on Sale of Victory Nickel Inc. (Note 6)	**1,360**	-	**1,360**	-
Provision for Writedown of Investment (Note 5)	**-**	(436)	**(16)**	(436)
Dilution Gain (Loss) (Note 6)	**-**	1,097	**(322)**	627
Income (Loss) before Income Taxes	**1,465**	(2,930)	**308**	(4,359)
Income Tax Recoveries (Note 13)	**-**	-	**606**	1,740
Net Income (Loss) for the Period	**$ 1,465**	$ (2,930)	**$ 914**	$ (2,619)
Income (Loss) per Share - Basic and Diluted	**$ 0.01**	$ (0.02)	**$ 0.00**	$ (0.02)
Weighted Average Common Shares Outstanding	**211,367,000**	175,335,000	**199,200,000**	173,355,000

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

NUINSCO RESOURCES LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in thousands of Canadian dollars)	Three Months Ended September 30, 2009 (unaudited)	Three Months Ended September 30, 2008 (unaudited)	Nine Months Ended September 30, 2009 (unaudited)	Nine Months Ended September 30, 2008 (unaudited)
Net income (loss) for the period	**$ 1,465**	$ (2,930)	**$ 914**	$ (2,619)
Other comprehensive (loss) income (Note 14)	**(509)**	(1,522)	**929**	(1,508)
Comprehensive Income (Loss) for the Period	**$ 956**	$ (4,452)	**$ 1,843**	$ (4,127)

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 September 30, 2009 (unaudited)	Three Months Ended September 30, 2008 (unaudited)	Nine Months Ended September 30, 2009 (unaudited)	Nine Months Ended September 30, 2008 (unaudited)
Cash from (used by)				
Operating Activities				
Net income (loss) for the period	**$ 1,465**	$ (2,930)	**$ 914**	$ (2,619)
Items not affecting cash:				
(Gain) on sale of marketable securities	**-**	-	**(296)**	-
Stock option compensation	**11**	24	**201**	84
Other stock-based compensation	**-**	17	**-**	52
Warrants issued	**-**	31	**-**	31
Amortization of loan fees, property and equipment	**18**	101	**297**	108
Accretion of asset retirement obligation (Note 11)	**3**	-	**9**	-
Writedown of (recoveries from) exploration and development projects (Note 8)	**18**	60	**70**	(47)
Share of (gain) loss of equity-accounted investees (Note 6)	**(21)**	3,183	**36**	4,039
Interest capitalized to loan (Note 10)	**41**	-	**332**	-
Dilution (gain) loss (Note 6)	**-**	(1,097)	**322**	(627)
(Gain) on sale of Victory Nickel Inc. (Note 6)	**(1,360)**	-	**(1,360)**	-
Provision for writedown of investment (Note 6)	**-**	436	**16**	436
Unrealized foreign exchange (gain) loss on loan	**(222)**	166	**(518)**	166
Income tax recoveries (Note 13)	**-**	-	**(606)**	(1,740)
Change in non-cash working capital (Note 15)	**(155)**	663	**58**	(207)
Cash (used by) from operating activities	**(202)**	654	**(525)**	(324)
Financing Activities				
Issue of common shares and warrants	**391**	1,950	**1,003**	1,950
Net proceeds of loan	**2,836**	4,917	**2,836**	4,917
Repayments on loan	**(5,391)**	-	**(5,915)**	-
Cash (used by) from financing activities	**(2,164)**	6,867	**(2,076)**	6,867
Investing Activities				
Investment in Campbell Resources Inc.	**-**	-	**-**	(600)
Advances to Campbell Resources Inc.	**-**	(4,628)	**-**	(5,693)
Other amounts due from Campbell Resources Inc. (Note 7)	**-**	(455)	**-**	(886)
Purchase of marketable securities (Note 5)	**(400)**	(1,796)	**(400)**	(1,796)
Exploration and development projects	**(208)**	(558)	**(705)**	(3,569)
Proceeds on sale of Victory Nickel Inc. (Note 6)	**2,734**	-	**2,734**	-
Proceeds on sale of marketable securities	**-**	-	**426**	-
Proceeds on sale of exploration property	**-**	-	**-**	198
Cash from (used by) investing activities	**2,126**	(7,437)	**2,055**	(12,346)
Net (Decrease) Increase in Cash During the Period	**(240)**	84	**(546)**	(5,803)
Cash and Cash Equivalents, Beginning of the Period	**487**	1,212	**793**	7,099
Cash and Cash Equivalents, End of the Period	**$ 247**	$ 1,296	**$ 247**	$ 1,296
Supplemental Cash Flow Information				
Income taxes paid	**$ -**	$ -	**$ -**	$ -
Interest paid	**$ 533**	$ 100	**$ 562**	$ 100

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	Share Capital Amount	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balance as at December 31, 2007	**172,320,350**	**$ 91,442**	**$ 2,860**	**$ (67,676)**	**$ 900**	**$ 27,526**
Private placement	7,981,333	1,943	-	-	-	1,943
Shares issued for property	200,000	44	-	-	-	44
Shares issued for services	204,347	16	-	-	-	16
Shares issued under Share Bonus Plan	167,544	52	-	-	-	52
Warrants issued	-	-	31	-	-	31
Options granted and vesting	-	-	108	-	-	108
Flow-through share renunciation	-	(1,740)	-	-	-	(1,740)
Net loss for the year	-	-	-	(15,792)	-	(15,792)
Other comprehensive loss (Note 14)	-	-	-	-	(2,294)	(2,294)
Balance as at December 31, 2008	**180,873,574**	**91,757**	**2,999**	**(83,468)**	**(1,394)**	**9,894**
Private placement	7,441,834	427	-	-	-	427
Shares issued in connection with bridge loan (Note 12)	10,000,000	297	-	-	-	297
Shares issued for property	100,000	5	-	-	-	5
Shares issued under rights offering	15,259,992	383	168	-	-	551
Options granted and vesting	-	-	201	-	-	201
Flow-through share renunciation	-	(606)	-	-	-	(606)
Net income for the period	-	-	-	914	-	914
Other comprehensive income (Note 14)	-	-	-	-	929	929
Balance as at September 30, 2009	**213,675,400**	**$ 92,263**	**$ 3,368**	**$ (82,554)**	**$ (465)**	**$ 12,612**

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

NUINSCO RESOURCES LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2009 and 2008 (unaudited)
(All tabular amounts are in thousands of Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN UNCERTAINTIES

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. 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.

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 September 30, 2009, the Company had working capital of $1,186,000 (December 31, 2008 a working capital deficiency of $6,050,000). This working capital improvement was as a result of the repayment of the loan outstanding through the sale of the Company's interest in Victory Nickel Inc. ("Victory Nickel") then shown as an investment in equity-accounted investee as well as obtaining the long-term loan facility as described further below.

On July 31, 2009, the Company entered into an agreement with Jien International Investment, Ltd. ("JIIL"), a Canadian subsidiary of Jilin Jien Nickel Industry Co. Ltd. of the city of Panshi, Province of Jilin, China, which enabled it to repay the loan and related balances originally due June 15, 2009, in full. The terms of the financing arrangement entered into (the "Arrangement") are as follows:

- The Company sold the 38,500,786 shares of Victory Nickel that it then owned, along with certain associated rights pursuant to the rights offering announced by Victory Nickel on June 24, 2009, to JIIL for cash of US$2,700,000;
- JIIL advanced US$2,800,000 by way of an interest-bearing promissory note to Nuinsco. The note bears interest at 8% per annum calculated and compounded monthly and is payable upon maturity or acceleration of the term. The term of the loan is two years and the Company is permitted to make prepayments at any time. The loan is secured upon the Company's shareholdings of Gold Hawk Resources, Inc. ("Gold Hawk") and Cameron Lake JEX Corporation and the Cameron Lake property.

The Arrangement enabled Nuinsco to settle its existing loan, provides Victory Nickel with a strategic investor and has replaced short-term debt with a two-year note with a reduced rate of interest and no immediate cash debt-servicing requirements.

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 to meet the minimum capital required to repay its loan and 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. The Company's rights offering described in Note 12 closed on April 22, 2009 and raised approximately $763,000 before issue costs.

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 financing alternatives as well as strategies to maximize the realization of amounts due from Campbell Resources Inc. ("Campbell") (even though the Company has written these amounts down) to allow it to continue to meet its obligations as they become due. Furthermore, the Company has pledged its Gold Hawk shares as well as the Cameron Lake property to secure the loan payable as described in Note 10 and under the Arrangement with Jilin Jien described above. Due to lack of funds, the Company has been forced to significantly curtail its exploration activities until such funds become available.

There can be no assurances that the Company's activities will be successful and as a result there is doubt as to the Company's ability to continue as a going concern. If the going concern assumption were not appropriate for these consolidated financial statements, then adjustments to the carrying values of assets and liabilities, reported expenses and balance sheet classifications may be necessary. These adjustments could be material.

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 reflect the accounting principles described in the notes to the Company's audited consolidated financial statements for the year ended December 31, 2008 (the "2008 Audited Consolidated Financial Statements") (with the exception of the changes in accounting policies set out in Note 3 below) and accordingly, should be read in conjunction with those annual financial statements and the notes thereto. These financial statements include the accounts of the Company and those of its subsidiaries. The Company accounts for its interest in joint ventures using proportionate consolidation.

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 historical 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 September 30, 2009 was $14,293,000 (December 31, 2008 - $14,187,000). Management's review of these carrying values indicated that at September 30, 2009, the properties were not impaired. 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 property's 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 with respect to going concern uncertainties in Note 1. In recent months, 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 these parameters appear to

be settling down, future changes in these parameters could give rise to material changes in asset carrying values.

The Company also made loans to and has royalty interests in certain assets owned by 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 effective 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 (refer to Note 7). Accordingly, future changes in these parameters 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 interim unaudited consolidated financial statements, except as noted below.

Government Assistance
Government assistance is recorded in the financial statements when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions necessary to obtain the assistance. Any government assistance relating to the exploration and development properties is recorded as a reduction of those related expenditures.

Future Accounting Changes
There have been no additional future accounting changes from those reported in Note 3 to the 2008 Audited Consolidated Financial Statements.

2008 Figures
Certain of the 2008 figures have been reclassified to conform to the 2009 financial statement presentation.

4. FINANCIAL RISK MANAGEMENT

Financial Risk Management
The Company's financial instruments include cash and cash equivalents, marketable securities, 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 2008 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 and excluding the interest in Campbell of $2,500,000 (before government assistance of $202,855). Given Campbell's current financial position, there is a significant credit risk associated with these loans. The Company determined that, effective December 31, 2008, a writedown of the loans was required.

Liquidity risk
As referred to in Note 1, the Company has working capital of $1,186,000 as at September 30, 2009 and there is doubt as to its ability to continue as a going concern. On July 31, 2009, the Company entered the Arrangement with JIIL as described in Note 1 which has both reduced the amount of debt and has extended its term, and it continues to actively explore alternatives which include equity financing or sale of assets. However, there can be no assurance that these efforts will be successful. The Company currently has no

other significant long-term liabilities except for the US$2,800,000 note with a two-year term as described in Note 10. All other contractually obligated cash flows are payable within the next fiscal year with the exception of leases on the Company's premises disclosed in Note 17 and the asset retirement obligation ("ARO") described in Note 11.

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 September 30, 2009 and December 31, 2008. 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 recorded $493,000 and $839,000 in net foreign exchange gains in the three and nine months ended September 30, 2009 (a loss of $142,000 in the three and nine months ended September 30, 2008).

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 September 30, 2009, the US dollar-denominated balances include: cash of approximately US$175,000, accounts payable and accruals of approximately US$544,000 and loan-related balances of US$2,838,000. As at December 31, 2008, US dollar-denominated balances include: cash of approximately US$535,000, accounts payable and accrued liabilities of approximately US$544,000 and a loan of US$5,000,000.

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 September 30, 2009 (December 31, 2008 - $61,000). The Company's balances denominated in Euros and Turkish Lira as at September 30, 2009 were not significant.

5. MARKETABLE SECURITIES

	September 30, 2009	December 31, 2008
	Market Value	Market Value
Gold Hawk Resources Inc.	$ 1,197	$ 299
Victory Nickel Inc.	533	-
Rainy River Resources Ltd.	-	248
Other Shares	1	1
	$ 1,731	$ 548

The Company retained certain rights related to its investment in Victory Nickel (which, prior to the sale of its interest in July, 2009, was accounted for as an equity investee) and exercised those rights thereby acquiring 6,662,477 shares and 3,331,238 warrants at a cost of approximately $400,000. The Company sold 1,500,000 of the shares in a series of transactions in October, 2009, aggregating cash proceeds of approximately $119,000 after commissions of approximately $1,000.

The Company sold the Rainy River Resources Ltd. shares in April, 2009, in a series of transactions aggregating cash proceeds of approximately $426,000 after commissions of approximately $2,000.

The Company's investment in Gold Hawk had recovered to a market value of $0.04 as at September 30, 2009 (December 31, 2008 - $0.01). However, the Company determined that an other-than-temporary impairment had occurred in its other shares and recorded a provision for writedown of approximately $16,000 through the statement of operations in the first quarter of 2009.

6. INVESTMENT IN EQUITY-ACCOUNTED INVESTEES

		Victory Nickel Inc.		Campbell Resources Inc.		Total
Balance as at December 31, 2008	**$**	**1,732**	**$**	**-**	**$**	**1,732**
Dilution loss		(322)		-		(322)
Share of loss of investee		(36)		-		(36)
Gain on sale of Victory Nickel Inc.		1,360		-		1,360
Net proceeds on sale of Victory Nickel Inc.		(2,734)		-		(2,734)
Balance as at September 30, 2009	**$**	**-**	**$**	**-**	**$**	**-**
Balance as at December 31, 2007	**$**	**6,148**	**$**	**4,216**	**$**	**10,364**
Dilution gains		372		255		627
Additional investment		-		600		600
Share of loss of investees		(314)		(3,725)		(4,039)
Share of other comprehensive income of investee		(295)		-		(295)
Writedown charged to operations		-		(436)		(436)
Writedown charged to other comprehensive income		-		(910)		(910)
Balance as at September 30, 2008	**$**	**5,911**	**$**	**-**	**$**	**5,911**

Victory Nickel Inc.

The Company acquired its ownership interest in Victory Nickel pursuant to the corporate reorganization and formation of Victory Nickel on February 1, 2007. As at June 30, 2009 and December 31, 2008, the Company had an approximate 15% interest in Victory Nickel. As described in Note 1, on July 31, 2009, the Company sold its entire interest in Victory Nickel for US$2,700,000 for net proceeds of approximately $2,734,000 and generated a gain through the consolidated statement of operations of approximately $1,360,000 after equity-accounting adjustments.

The dilution losses or gains recorded in each period relate to the Company's share of Victory Nickel's share capital transactions including share issuances and flow-through renunciations. The Company's proportionate share of these amounts has been shown as an adjustment in the carrying value of the investment in Victory Nickel and a corresponding dilution loss of $322,000 (2008 – gain of $372,000) has been included in the consolidated statement of operations.

The Company's share of Victory Nickel's results to the date of disposition and included in the statement of operations for the three and nine months ended September 30, 2009 was a gain of $21,000 and a loss of $36,000 (for the three and nine months ended September 30, 2008 - $107,000 and $314,000). The Company's share of Victory Nickel's other comprehensive income to the date of disposition for the three and nine months ended September 30, 2009 was a loss of $56,000 and income of $56,000 (for the three and nine months ended September 30, 2008 – a loss of $309,000 and $295,000 respectively).

As was the case with the majority of resource companies, the share price of Victory Nickel decreased precipitously in the second half of 2008 to a bid price of $0.045 per share at December 31, 2008. Accordingly, the decline in value of its investment in Victory Nickel was considered other than temporary and the Company recognized an unrealized loss of $3,785,000 in the consolidated statement of operations in the fourth quarter of 2008 to reduce the carrying value of the investment to its quoted market value at December 31, 2008.

Campbell Resources Inc.

From December 1, 2007, the Company accounted for its investment in common shares of Campbell on the equity basis. Until early November, 2008, the Company had two representatives on Campbell's nine-member Board and provided ongoing consulting services pursuant to an operating consulting agreement.

In November 2008, the Company terminated the operating consulting agreement and the two Company representatives resigned from the board of Campbell. Accordingly, the Company determined that it no longer had significant influence over Campbell and ceased equity accounting at that time. Effective September 30, 2008, due to financial difficulties being experienced by Campbell, the Company had recorded a writedown of the investment to $nil.

In early 2009, Campbell announced that it had re-entered the protection of the Companies' Creditors Arrangement Act ("CCAA"). The Company is working with legal advisors and other stakeholders to ensure that its interests are protected and to maximize potential recoveries.

7. TRANSACTIONS WITH CAMPBELL

The following table summarizes the various transactions and balances with Campbell as at and for the nine months ended September 30, 2009:

	Number of Warrants	Number of Common Shares	Common Shares	Convertible Debenture	Loan	Interest in Campbell
Balance as at December 31, 2008 before writedown	63,807,429	48,250,000	$ -	$ 2,000	$ 5,923	$ 2,500
Provision for writedown of amounts due	-	-	-	(2,000)	(5,923)	-
Balance as at December 31, 2008	63,807,429	48,250,000	-	-	-	2,500
Expiry of warrants, January 18, 2009	(63,807,429)	-	-	-	-	-
Balance as at September 30, 2009 (1)	-	48,250,000	$ -	$ -	$ -	$ 2,500

(1) Shown before deduction for Québec mining duties receivable of $202,855.

Loans and advances to Campbell have been recorded at the carrying amount net of provisions for writedown, all other transactions are recorded at the exchange amount.

(1) The convertible debenture matured in July 2009 and is secured by, among other things, a first charge on the assets of the Corner Bay project, certain equity investments and the shares of certain subsidiaries of Campbell. No value was ascribed to the conversion right.

(2) In December, 2007, the Company provided Campbell with a revolving credit facility (the "Facility") which amount was subsequently increased to a maximum of $10,000,000. The Facility bore interest at 12% per annum payable quarterly, and is secured by a charge on various assets of Campbell including a charge on Campbell's Corner Bay assets, subordinate to the convertible debentures and over Campbell's Copper Rand mine and mill which security is subordinate to that held by Investissement Québec. The funds were to be used to advance the preparation of the bulk sample at Corner Bay.

(3) In the third quarter of 2008, the Company advanced funds under the Facility to Campbell to be spent on the Corner Bay project. In December 2008, Campbell advised that $2.5 million had been spent on qualifying expenditures and that the Company had earned a royalty interest which is further described in Note 8 under Interest in Campbell.

Corner Bay

The Company acquired an initial entitlement to 50% of the operating cash flow generated by the Corner Bay project. The Company's entitlement is subject to Campbell's recoupment of capital expenditures as described in Note 7 to the 2008 Audited Consolidated Financial Statements. Following the acquisition of its royalty interest, Nuinsco has the right to an additional 10% of cash flow from the Corner Bay project from production at the 145-metre level and above.

Impairment Writedown

The Company ceased recording interest on Campbell balances effective September 30, 2008. Accumulated interest due but not recorded at September 30, 2009 is approximately $949,000 (December 31, 2008 - $238,000). Furthermore, the Company was entitled to receive an additional month's management fee; due to the uncertainties inherent with Campbell, the October 2008 fee of $25,000 was not recorded.

Effective December 31, 2008, the Company concluded that the value of its interest in Campbell was impaired. Also, 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" under exploration and development projects. The Company has recorded an aggregate impairment allowance against the interest in Campbell of $7,923,000 through the consolidated statement of operations in 2008 as a provision for writedown of amounts owing from Campbell.

On January 28, 2009, Campbell announced that it had re-entered protection under the CCAA under which a Court-appointed monitor has been engaged. The Company is assessing its options to best realize on its assets including the convertible debenture and loan and will continue to monitor the situation closely, working with stakeholders to protect its interests. There has been no significant change in the circumstances affecting these assets and no change has been made to the value of the estimated recoverable amount except that the Company's claim for assistance with respect to Québec mining duties has been deducted from the amount shown as Interest in Campbell.

8. EXPLORATION AND DEVELOPMENT PROJECTS

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

	Balance as at December 31, 2008	Current Expenditures	Writedowns	Balance as at September 30, 2009
URANIUM				
Diabase Peninsula	$ 5,737	$ 37	$ -	$ 5,774
Prairie Lake	1,136	42	-	1,178
Marijane and Huston Lakes	730	30	-	760
	7,603	109	-	7,712
GOLD, COPPER AND ZINC				
Cameron Lake	1,563	151	-	1,714
Berta and Elmalaan	2,521	49	-	2,570
Interest in Campbell (1)	2,500	(203)	-	2,297
Other	-	70	(70)	-
	6,584	67	(70)	6,581
	$ 14,187	$ 176	$ (70)	$ 14,293

	Balance as at December 31, 2007	Current Expenditures	Writedowns	Balance as at September 30, 2008
URANIUM				
Diabase Peninsula	$ 3,548	$ 1,993	$ -	$ 5,541
Prairie Lake	591	416	-	1,007
Marijane and Huston Lakes	-	342	-	342
	4,139	2,751	-	6,890
GOLD, COPPER AND ZINC				
Cameron Lake	848	314	-	1,162
Berta and Elmalaan	1,865	542	-	2,407
Other	12	172	(151)	33
	2,725	1,028	(151)	3,602
	$ 6,864	$ 3,779	$ (151)	$ 10,492

(1) The expenditures on Interest in Campbell are shown net of Québec mining duties receivable of $202,855.

URANIUM

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 $1,000,000. Expenditures to date have increased this ownership interest to approximately 87%. 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 ongoing at Diabase Peninsula since March, 2005 with the most recent work program being completed in the spring of 2008. Should the project progress to a development state, 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. Given the presence of an historical uranium resource, as well as widespread tantalum-niobium and phosphorous mineralization, and widespread rare earth mineralization, diamond drilling surface sampling and mapping programs were conducted in 2008 and 2007.

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 is committed 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 to earn an undivided 50% interest in the property. The shares were issued in the first quarter of 2009. The Company has the option to extend the time period of the arrangement, if required, through the issuance of an additional 50,000 shares. As at September 30, 2009, the Company has fulfilled the one-year commitment and has incurred an additional $142,000 towards the two-year commitment.

The Marijane Lake property consists of 20 mining claims totalling 5,052 ha located in Manitoba, approximately 75 kilometres east of the town of Lac du Bonnet, Manitoba; the Claims are recorded as 100% Temex Resources Corp. The Huston Lake property consists of 67 mining claims totalling 16,641 ha contiguous to the east of the Marijane Lake property but across the border in Ontario. The claims cover several claim map areas; the Claims are recorded as 100% Temex.

GOLD, COPPER & ZINC

Cameron Lake

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 shareholder to develop the property by ramp to the 250-metre 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; this work is ongoing. The expenditures in 2008 include $99,000 related to the asset retirement obligation recorded at December 31, 2008 (see Note 11).

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 have been terminated.

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 $417,000, 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. In such case, Nuinsco would eliminate the amount payable and reduce the exploration property by a similar amount adjusted for foreign exchange differences.

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 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 widespread copper-zinc-gold-silver mineralization on the property. The Elmalaan licenses are currently in the process of being converted from exploration to exploitation status following which they will be transferred to Nuinsco.

Interest in Campbell

In the third quarter of 2008, the Company advanced funds to Campbell to be spent on the Corner Bay project ("Corner Bay"). Of the amount advanced, $2.5 million was to earn a royalty interest equal to 10% of the net operating cash flows generated from the sale of product from Corner Bay from the 145-metre level and above. Campbell confirmed that these advances were expended on eligible exploration expenditures in December 2008 and granted the Company the royalty interest. Accordingly, the Company reclassified $2.5 million from loan to Campbell Resources Inc to interest in Campbell as part of exploration and development projects. As described in Note 7, the Company considers amounts ultimately recoverable from Campbell under the royalty, the Facility and the convertible debenture as interest in Campbell and represents an estimated recoverable amount of $2.5 million after aggregate provisions for writedown of $7,923,000 recorded through the consolidated statement of operations in 2008. The value of the estimated recoverable amount is based primarily upon a discounted cash flow model of Corner Bay, adjusted for other potential claims against the property.

Further, the Company ceased accruing interest on such funds from the dates of the advances. As described in Note 7, the Company's security on amounts owing by Campbell includes Corner Bay and other exploration and development properties among other things.

OTHER

Exploration costs relating to discontinued projects in the amounts of $18,000 and $70,000 were written off in the three and nine months ended September 30, 2009 (2008 - $60,000 and $151,000).

Flow-through Commitment

As at September 30, 2009, the Company had a remaining flow-through commitment outstanding for flow-through share financings in 2009 of approximately $341,000 after taking into consideration amounts included in accounts payable and accrued liabilities of approximately $23,000. This commitment is required to be satisfied by December 31, 2010.

9. PROPERTY AND EQUIPMENT

		September 30, 2009		December 31, 2008
Equipment				
Cost	**$**	**383**	$	383
Accumulated Amortization		**269**		259
Net Book Value	**$**	**114**	$	124

Equipment includes an amount of $53,975 for a mill which has not yet been put into service and, therefore, is not being amortized.

10. LOAN PAYABLE

		Amount
Advance in US Dollars	$	2,800
Capitalized interest in US Dollars		38
		2,838
Effect of foreign exchange		201
Unamortized loan fees		(166)
Balance as at September 30, 2009	$	2,873

The loan is due July 31, 2011 and bears interest at 8% which is calculated monthly and is also due upon repayment of the loan. Prepayment of the loan plus outstanding interest is allowed in full or in part. The loan is secured by the Company's shares in Cameron Lake JEX Corporation which owns the Cameron Lake gold mine, the Company's shares in Gold Hawk as well as a mortgage over the Cameron Lake property.

On July 31, 2009, as described in Note 1, the Company repaid the bridge loan outstanding at that time as well as all related balances in full.

11. ASSET RETIREMENT OBLIGATION

The Company has estimated an asset retirement obligation with respect to the Cameron Lake property 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, 2008	$	99
Accretion for the period		9
Balance as at September 30, 2009	$	108

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, 2008	**180,873,574**	**$**	**91,757**
Shares issued for services [(a)]	10,000,000		297
Shares issued for option in exploration property [(b)]	100,000		5
Flow-through share renunciation [(c)]	-		(606)
Shares issued pursuant to rights offering [(d)]	15,259,992		383
Shares issued pursuant to private placement [(e)]	7,441,834		427
Balance as at September 30, 2009	**213,675,400**	**$**	**92,263**

(a) In March, 2009, the Company issued 10,000,000 common shares in connection with the restructuring of the bridge loan then outstanding.

(b) In March, 2009, the Company issued 100,000 common shares in consideration for a property interest with Temex as described in Note 8.

(c) In February, 2009, the Company renounced $2,090,040 (February 2008 - $6,000,000) in Canadian Exploration Expenditures to investors of flow-through shares in 2008 and 2007. The tax value of these renunciations amounted to $606,000 (2008 - $1,740,000) 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 $606,000 (2008 - $1,740,000).

(d) On April 22, 2009, the Company issued 15,259,992 shares and 7,629,996 share purchase warrants in connection with a rights offering. Aggregate proceeds before issue costs were approximately $763,000 (excluding any potential proceeds from the exercise of the warrants). Each warrant will entitle the holder to purchase one common share at a price of $0.10 during the 12-month period commencing April 23, 2010. The warrants were valued using the Black-Scholes option pricing model, with the assumptions as described below.

(e) On June 16, 2009, the Company initiated a private placement for flow-through shares. The placement was for a maximum of 8,333,333 shares at a subscription price of $0.06 for aggregate gross proceeds of $500,000. Subscriptions for 590,000 shares for proceeds of $35,400 before issue costs were received prior to June 30, 2009; additional gross proceeds of $411,110 resulting from subscriptions for a further 6,851,834 shares were received in the quarter ended September 30, 2009.

Stock Options
A summary of options outstanding is as follows:

	Number of Options Outstanding		Average Exercise Price
Outstanding as at December 31, 2008	**13,835,000**	**$**	**0.20**
Options granted	5,575,000		0.05
Options expired	(1,500,000)		0.20
Balance as at September 30, 2009	**17,910,000**	**$**	**0.15**

In total, 5,575,000 options were granted during the nine months ended September 30, 2009 at a weighted average exercise price of $0.05 per share. The weighted average grant date fair value of options granted during the period was $0.037. The granting and vesting of the options resulted in compensation expense of approximately $201,000.

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

Option Assumptions	Nine Months Ended September 30, 2009	2008
Dividend yield	**-**	-
Expected volatility	**110%**	75%
Risk free interest rate	**1.91% to 2.08%**	4.50%
Expected option term - years	**4 to 5**	3
Fair value per share of options granted	**$0.024 and $0.037**	$ 0.11

Of the 17,910,000 options outstanding at September 30, 2009, 1,087,500 are subject to vesting over the next 12-month period. Stock options vest either immediately or over a 12-month period. The aggregate fair value of these unvested options not yet charged to operations is approximately $18,000. The weighted average exercise price of fully-vested options at September 30, 2009 was $0.15.

The following table summarizes further information about the stock options outstanding at September 30, 2009:

Range of Exercise Prices	Options Exercisable	Options Outstanding	Years to Expiry [(1)]	Exercise Price [(1)]
$0.0300 - $0.0500	4,487,500	5,575,000	4.44	$ 0.05
$0.0600 - $0.2100	7,275,000	7,275,000	1.45	0.14
$0.2200 - $0.2700	2,825,000	2,825,000	3.78	0.25
$0.2800 - $0.4880	2,235,000	2,235,000	3.01	0.35
	16,822,500	17,910,000	3.17	$ 0.15

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

Share Purchase Warrants

A summary of the share purchase warrants outstanding is as follows:

As at September 30, 2009	Date Issued	Number of Warrants	Average Exercise Price
Issued for services rendered:	July 17, 2008	233,000	$ 0.22
	September 10, 2008	100,000	0.20
Issued pursuant to rights offering:	April 22, 2009	7,629,996	0.10
		7,962,996	**$ 0.10**

The warrants issued during 2008 are exercisable for a period of two years from date of issue.

The warrants issued pursuant to the rights offering are exercisable for a period of twelve months commencing April 23, 2010. The fair value of each warrant was estimated at $0.022 using the following assumptions:

Warrant Assumptions	
Dividend yield	**-**
Expected volatility	**116%**
Risk free interest rate	**1.00%**
Expected term - years	**2 years**

13. INCOME TAXES

The income tax recoveries in the three and nine months ended September 30, 2009 and 2008 of $606,000 and $1,740,000, 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 as the likelihood of utilizing unused tax losses and other tax deductions cannot be determined at this time.

14. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

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

Changes in the components of OCI are summarized as follows:

	Nine Months Ended September 30,	
	2009	**2008**
Accumulated OCI at beginning of period	**$ (1,394)**	$ 900
OCI for the period representing the change in the fair value of financial assets available for sale	**1,209**	(303)
Reclassification through operations upon sale of marketable securities	**(296)**	-
Determination of change in the fair value as "other than temporary" and reclassification through operations	**16**	-
Proportionate share of Victory Nickel Inc.'s OCI	**-**	(295)
Reversal of unrealized gain in Campbell previously included in OCI	**-**	(910)
Accumulated OCI at end of period	**$ (465)**	$ (608)

15. CHANGES IN NON-CASH WORKING CAPITAL

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	**2008**	**2009**	**2008**
Accounts receivable, prepaid expenses and deposits	**$ -**	$ 18	**$ 74**	$ (8)
Due from/to Victory Nickel Inc.	**(5)**	952	**(10)**	177
Accounts payable and accrued liabilities	**(150)**	(307)	**(6)**	(376)
	$ (155)	$ 663	**$ 58**	$ (207)

16. TRANSACTIONS WITH RELATED PARTIES AND MANAGEMENT AGREEMENT

Included in accounts payable and accrued liabilities at September 30, 2009 are amounts owing to directors and officers of $236,987 (December 31, 2008 - $115,100). These amounts consist primarily of directors' fees.

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 and nine months ended September 30, 2009 total $147,988 and $445,198 (2008 - $196,053 and $447,159) and have been deducted from general and administrative expenses. Furthermore, project-related costs aggregating $12,594 and $47,320 have been charged to the Company by Victory Nickel for the three and nine months ended September 30, 2009 and are included in exploration and development costs on the balance sheet ($13,667 and $40,333 in 2008). In addition, project-related costs aggregating $8,397 and $15,916 have been charged by the Company to Victory Nickel during the three and nine months ended September 30, 2009 (2008 - $11,625 and $34,875).

The Company ceased to be a shareholder with significant influence over Victory Nickel on July 31, 2009, as described above.

17. LEASE COMMITMENTS

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

		Minimum Lease Payments
2009	$	22
2010		88
2011		61
2012		5
	$	176

18. SUBSEQUENT EVENT

In October, the Company announced that it had entered into Egypt's 2009 International Bid Round, an auction of gold exploration concessions in the highly prospective Eastern Desert. While expenditures to date are nominal, success in the auction will involve expenditure commitments and financing requirements for the Company and its Egyptian-based partner.

NUINSCO RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009

DATED NOVEMBER 5, 2009

NUINSCO RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009

The following discussion of the results of operations and financial condition of Nuinsco Resources Limited ("Nuinsco" or "the Company") prepared as of November 5, 2009 consolidates management's review of the factors that affected the Company's financial and operating performance for the three and nine months ended September 30, 2009, and factors reasonably expected to impact on future operations and results. This discussion is intended to supplement and complement the Company's September 30, 2009 unaudited interim consolidated financial statements for such periods ("Unaudited Interim Consolidated Financial Statements") and the audited consolidated financial statements as at and for the years ended December 31, 2008 and 2007 ("2008 Audited Consolidated Financial Statements") and the notes thereto. Readers are encouraged to consult the 2008 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 mineral investment opportunities worldwide using its exploration programs and operating and financial expertise to crystallize value for its shareholders. The Company currently has uranium, copper, gold and zinc assets in world-class mineralized belts in Canada and Turkey and has recently announced its participation, in conjunction with an Egyptian-based partner, in the bid process to acquire gold exploration concessions in Egypt. In addition to its property holdings, Nuinsco owns approximately 9% of the outstanding common shares (after taking into account recent financings) of precious and base metals producer Gold Hawk Resources Inc. ("Gold Hawk") and approximately 10% of the outstanding common shares of Campbell Resources Inc. ("Campbell"). These investments could potentially be monetized in order 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.

These 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 September 30, 2009, the Company had working capital of $1,186,000 – a significant improvement from the working capital deficiency as at June 30, 2009 of $4,353,000. This improvement is largely as a result of the transaction described below.

On July 31, 2009, the Company entered into an agreement with Jien International Investment, Ltd. ("JIIL"), a Canadian subsidiary of Jilin Jien Nickel Industry Co. Ltd. of the city of Panshi, Province of Jilin, China ("Jilin Jien"), which enabled it to repay the loan and related balances originally due June 15, 2009, in full. The terms of the financing transactions entered into are as follows:

- The Company sold the 38,500,786 shares of Victory Nickel Inc. ("Victory Nickel") that it then owned, along with certain associated rights pursuant to the rights offering announced by Victory Nickel on June 24, 2009, to JIIL for cash of US$2,700,000;
- JIIL advanced US$2,800,000 by way of an interest-bearing promissory note to Nuinsco. The note bears interest at 8% per annum calculated and compounded monthly and is payable upon maturity or acceleration of the term. The term of the loan is two years and the Company is permitted to make prepayments at any time. The loan is secured upon the Company's shareholdings of Gold Hawk and Cameron Lake JEX Corporation and the Cameron Lake property.

The transactions enabled Nuinsco to settle its outstanding bridge loan thereby replacing short-term debt with a two-year note with a reduced rate of interest and no immediate cash debt-servicing requirements.

The long-term objectives of the Company have always contemplated that investments resulting from mechanisms such as the one which created Victory Nickel as a pure-play nickel company out of the

Company's nickel assets could be monetized in order to advance the Company's exploration activities. The Company will continue to explore ways to create value for its shareholders through additional transactions similar to the one which created Victory Nickel. The transactions with JIIL have improved Nuinsco's working capital position and will allow the Company to focus on the business of exploring and developing its properties. The Company looks forward to taking advantage of a healthier financial position to create future transactions to benefit all shareholders from what remains a tremendously strong asset base.

The flow-through financing completed on July 30, 2009 generated gross proceeds of $447,000. Proceeds of this financing will primarily be used to advance Nuinsco's Cameron Lake gold property. Cameron Lake was developed in the mid-1980s by Echo Bay Mines at a cost of $24 million. A ramp to a depth of 252 metres and three mining levels are fully developed. The project has a 43-101-compliant gold resource and an 800 tonne per day mill that could be moved to the site at the appropriate time has been purchased. All of this combined establishes Cameron Lake as a project with the potential for production. Additional exploration and resource potential is known to exist at depth and in the vicinity of the project. Cameron Lake and the mill could provide the basis to create a standalone gold-focused company, either alone or in conjunction with other third-party assets.

Likewise, the Berta and Elmalaan exploration projects in Turkey are very exciting grassroots properties in some of Eurasia's most underexplored and prospective mineralized regions. The Company is evaluating all opportunities to advance these projects cost-effectively in a difficult financing market. Again, these two projects are attractive enough to potentially provide the base to create a European or copper focused entity.

Despite the fact that Campbell has entered CCAA protection, the Chibougamau region remains one of Canada's premier mining camps. Nuinsco's status as a secured creditor of Campbell gives the Company a very strong position to recover its investment and build value given the potential of the assets: the only permitted mill in the region, the highly advanced Corner Bay copper deposit, nearby satellite deposits and at least eight highly prospective exploration projects in the Chibougamau camp. Management is working with the other creditors to create an effective structure that will allow the value of those assets to be realized for Nuinsco shareholders.

Finally, the Company's uranium properties – Diabase Peninsula, Prairie Lake and the Marijane Lake/Huston Lake joint venture with Temex Resources Corp. - on their own potentially have the strength to build a pure-play uranium company. Diabase in the Athabasca Basin, for one, is a very attractive property in an extremely desirable neighbourhood. Given its location, exploration at Diabase is a costly proposition and the Company is currently evaluating all methods to locate non-dilutive funding to explore this valuable asset.

Nonetheless, the Company is subject to the risks and challenges experienced by other companies whose principal business is exploration with no cash-generating operations. These risks include, but are not limited to, continuing losses, dependence on key individuals and the ability to secure adequate financing to meet the minimum capital required to repay loans and to successfully advance its projects and fund other operating expenses. However, even in an apparently improving economic climate, the ability of exploration companies to raise funds is still challenging. For additional information on risks and challenges refer to the Risks and Uncertainties section in this document.

None of the Company's exploration or development projects has commenced commercial production, and accordingly the Company continues to be 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 fund development of its projects through debt or equity financings and the optioning and/or sale of resource or resource-related assets.

The Company continues to examine a number of strategies to maximize the realization of amounts due from Campbell (even though the Company has written these amounts down) to allow it to continue to meet its obligations as they become due. The Company will continue to preserve its cash and will only perform exploration activities when funding is available.

The JIIL transactions included a pledge over the Company's Gold Hawk shares as well as the Cameron Lake property to secure the US$2.8 million loan payable as described in Notes 1 and 10 to the Unaudited Interim Consolidated Financial Statements. However, as described above, the Company owns other significant properties and having lengthened the term of the debt and eliminated immediate cash debt-servicing costs has been provided the benefit of time and more flexibility in being able to maximize their potential.

There can be no assurances that the Company's efforts will be successful and as a result there is doubt as to the Company's ability to continue as a going concern. If the going concern assumption were not appropriate for the Unaudited Interim Consolidated Financial Statements, then adjustments to the carrying values of assets and liabilities, reported expenses and balance sheet classifications may be necessary. These adjustments could be material.

OUTLOOK

The global economy appears to be on the mend. Signs continue to indicate that the recession is essentially over in Canada albeit with the some caution regarding the frailty of the financial systems in the United States and Europe. When the U.S. economy turns, this will further boost the Canadian economy because Canada's export sector will disproportionately benefit from the U.S. recovery expected to start next year.

Base metal prices are showing some strengthening. Equity financings appear to be improving for larger companies as their share prices improve. Once this segment is fully priced, we expect investors to move to the smaller cap companies.

By eliminating the negative overhang of short-term debt repayment through the sale of some of the Company's liquid assets and restructuring of debt, the Company should be able to proceed with its primary business of exploration without distraction.

Nuinsco has excellent projects hence the immediate focus is to make sure that the Company maintains them all in good standing. As explained in prior reports, Nuinsco has the potential to create several new companies from its existing asset base as was done with its nickel projects resulting in the creation of Victory Nickel in 2007. The combination of the three uranium projects could create a pure-play uranium company; Nuinsco's base metal assets in Canada and in Turkey could form a very attractive base metals company and its Cameron Lake gold project could provide the basis for a new gold producer. Management continues to focus on creating value through the spin out of pure-play companies.

We believe that markets will continue to improve and that the value of Nuinsco's assets will be recognized when that happens - as was the case in the past. In the interim, the Company is focusing on preserving cash and activities required in the near-term to maintain its projects. That said, some opportunities come along rarely; such is the case with the opening up of the International Bid Round for gold concessions in Egypt which Nuinsco is participating in along with an Egypt-based partner. Concessions up for bid are located in the highly prospective Eastern Desert, which is host to the Sukari Hill gold discovery of Centamin Egypt Limited. While expenditures to date have been nominal, a successful bid will entail expenditure commitments and will require financing.

In June, 2008, Nuinsco acquired a 13% equity interest in Gold Hawk, a mining company with a poly-metallic mine in Peru. Commercial production was achieved; however, operations at Gold Hawk's Coricancha mine were temporarily suspended in May 2008 due to third-party events completely unrelated to production or Gold Hawk's own activities. There were no operational issues causing the suspension and the mine was beginning to achieve its production targets. Gold Hawk has since obtained the necessary permits to restart production and is seeking financing to fund the restart.

On November 9, 2009, Gold Hawk is holding a shareholders' meeting to vote upon the sale of an 85 per cent interest in the Coricancha Mine to Nyrstar Netherlands (Holdings) BV ("Nyrstar") or its Nominee. The transaction is subject to certain customary conditions, including the approval of the TSX Venture Exchange and the replacement of Gold Hawk by Nyrstar as the guarantor of a US$13 million debt facility which is due in February 2010. In addition, the consent of Gold Hawk's lenders under the provisions of its debt facilities is required.

Upon approval of the Nyrstar transaction, Gold Hawk will have no debt, no debt guarantees, a 15% interest in the Coricancha Mine and US$15 million in cash, which Gold Hawk says it intends to use to pursue alternative business opportunities in the mining industry. Also, Gold Hawk claims that the Coricancha Mine could be in production during the first half of 2010. Gold Hawk shareholders are also being asked to approve the consolidation of the issued and outstanding common shares on the basis of every 25 common shares of Gold Hawk into one Gold Hawk common share.

The Cameron Lake project has risen to the top of Nuinsco's project portfolio as the price of gold continues to be attractive. The Company is increasing its efforts to attempt to get Cameron Lake advanced to production or, combined with other gold assets, to build a new gold mining entity. An application was made, along with the required closure plan, to obtain the required permits to dewater the mine and to move approximately 20,000 tonnes of gold-bearing material to a toll milling facility. Approval was not received and is subject to additional consultation with certain First Nations communities. This process is underway. The Company's gold mill located in Québec has been cleaned, product has been concentrated and sent to assay in anticipation of moving the mill to the Cameron Lake area.

Nuinsco is fortunate to have a variety of projects with extremely attractive exploration potential. In order to realize the value for shareholders, these projects need to be worked. Until the equity markets return and exploration financing is available to juniors such as Nuinsco, we will evaluate all of our options to advance our projects, including seeking out partners to participate in some of the higher cost exploration programs.

HIGHLIGHTS

During and subsequent to the three months ended September 30, 2009, the Company:

- Completed a non-brokered private placement financing of 7,441,834 flow-through shares generating gross proceeds of $446,510;
- Repaid the bridge loan by closing transactions with JIIL, a subsidiary of Jilin Jien, whereby it acquired the Company's Victory Nickel shares for US$2.7 million and advanced US$2.8 million through a two-year loan;
- In conjunction with an Egyptian partner, entered Egypt's 2009 International Bid Round, an auction of gold exploration concessions located in the highly prospective Eastern Desert, the region containing Centamin Egypt Limited's multi-million ounce Sukari Hill gold discovery;
- Announced positive results from metallurgical testing at the Prairie Lake Project which indicate the potential to produce concentrates of elevated grade from Prairie Lake mineralization which includes rare earth elements (REE), (namely - lanthanum (La), cerium (Ce), samarium (Sm), neodymium (Nd) and yttrium (Y)), as well as niobium (Nb), tantalum (Ta), phosphorus (P) and uranium (U); and
- Announced that additional sample process testing is being conducted on Prairie Lake mineralization to determine if flotation concentration produces better results than those from initial testing.

RESULTS OF OPERATIONS

Three months ended September 30, 2009 compared with the three months ended September 30, 2008

In the three months ended September 30, 2009, the Company had net income of $1,465,000, or $0.01 per share, compared with a net loss of $2,930,000, or $0.02 per share, in the three months ended September 30, 2008. The primary reasons for the significant change relates to reductions in the 2009 period in general and administrative expenses, foreign exchange movements associated with the loan arranged in the third quarter of 2008 combined with the effects of amounts from or related to equity-accounted investees and offset with a reduction in revenue from $368,000 to $nil in 2009.

Consulting fees in the three months ended September 30, 2008 were $75,000 which represents three months of fees from Campbell. The operating consulting agreement with Campbell was terminated in November, 2008 and fees ceased being accrued effective September 30, 2008 due to the significant operating and financial difficulties being experienced by Campbell and the consequent impact upon the collectability of amounts due from it.

Negligible interest income was earned in 2009, while $243,000 was earned in 2008. This is a function of lower invested balances and the cessation of recording interest on amounts due from Campbell. Interest accrued but not recorded on Campbell balances for the three months ended September 30, 2009 amounts to approximately $222,000 bringing the cumulative interest due but not recorded to approximately $949,000. Management continues to monitor activities at Campbell and does not believe that there has been a material adverse (or positive) change in the economic circumstances regarding Campbell since the Company's 2008 Audited Consolidated Financial Statements.

General and administrative expenses in the third quarter of 2009 decreased significantly from $319,000 in 2008 to $193,000 which is a similar level to the expenses recorded in the second quarter of 2009. Overhead recoveries through charges to Victory Nickel for services under the management contract and deducted from operating expenses amounted $147,000 in the three months ended September 30, 2009, compared with $196,000 in the same period of 2008. Costs allocated to Victory Nickel pursuant to the management agreement between the Company and Victory Nickel are activity related. In 2008, there was significant activity related to an acquisition and accordingly, a higher proportion of costs was charged to Victory Nickel in that period. In 2009, financial and accounting services were provided primarily by individuals employed by Nuinsco and charged to Victory Nickel, whereas, in 2008, the CFO of Victory Nickel was employed and remunerated directly by that company. Such amounts are recorded at the exchange amount which is equal to the cost to the Company of such services plus 10%.

The Company has continued to reduce its expenditures through a concerted effort to eliminate discretionary spending and defer cash outlays. Directors 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 salaries until financial circumstances improve. The aggregate amount of such deferrals included in general and administrative expenses in the three months ended September 30, 2009 is approximately $41,000. The number of directors as well as the number of meetings has declined in 2009 compared with 2008 thereby reducing the amount of directors' fees otherwise due.

Couriers are used sparingly, consultants have, to a great extent, been eliminated unless absolutely necessary for compliance purposes and so on. Nonetheless, it is estimated that approximately $89,000 of general and administrative expenditures were incurred on supporting the Company's public status in the three months ended September 30, 2009. Warrants were issued in the third quarter of 2008 upon the arrangement of the bridge loan with a corresponding expense of approximately $30,000 recorded through general and administrative expenses.

Lower exploration activity and the expenditure controls outlined above have given rise to reduced general and administrative expenditures including expenses incurred on investor and public relations where reporting is performed in as cost-effective a manner as possible and by taking advantage of mailing exemptions in order to conserve cash resources. Certain non-discretionary consultants have been challenged to revisit costs and reductions have been attained in 2009 which related to the cost of services accrued in 2008; such costs are now being accrued when services are received. Furthermore, in 2009 the Company eliminated the formal review process on its interim financial statements.

Effective December 31, 2008, the Company recorded an asset retirement obligation ("ARO") with respect to its Cameron Lake property. In accordance with Canadian GAAP, the ARO is being accreted on a periodic basis to bring the ARO at its expected retirement date to the estimated closure costs at that time. Accordingly, an expense of $3,000 was recorded in the current three-month period.

In July, 2008, the Company entered into a loan agreement denominated in US dollars which was advanced in several tranches. As described above, that loan was repaid effective July 31, 2009 at which time the amount outstanding on loan-related balances was approximately US$4,938,000. At that time, a two-year loan was taken out in the principal amount of US$2,800,000. Due to a strengthening Canadian dollar, the Company recognized a net foreign exchange gain of $493,000 in the third quarter of 2009, primarily as a function of the loan-related balances; there was a foreign exchange loss of approximately $142,000 in the comparative period in 2008.

The Company incurred interest expense of $181,000 on the loan in the three months ended September 30, 2009. This amount includes amortization of loan fees on the bridge loan (which has been settled in the period) and the two-year loan using the effective interest rate method. The interest on the two-year loan is at 8% and is not due until prepayment or repayment of the loan. In 2008, the Company had unexpended flow-through obligations which required the accrual of interest payable of approximately $30,000 in the third quarter of 2008; there was no such obligation in 2009.

Routine writedowns of exploration and development projects in the three months ended September 30, 2009 aggregated $18,000. In the same period of 2008, the Company incurred project writedowns of $60,000; the reduction is a result of the slow-down in activity.

The share of results of equity-accounted investees decreased significantly in the three months ended September 30, 2009 to a gain of $21,000, compared with a loss of $3,183,000 in the comparative period in 2008. The Company no longer has any equity-accounted investees with the sale of the Victory Nickel interest effective July 31, 2009. Furthermore, equity-accounted amounts in 2009 related solely to the Company's investment in Victory Nickel since Campbell ceased to be an equity investee in the fourth quarter of 2008 and was valued at $nil by the end of September 2008. In the three months ended September 30, 2008, the share of losses of investees amounted to $107,000 in respect of Victory Nickel and $3,076,000 in respect of Campbell. A provision for writedown of Campbell was also recorded through the statement of operations in the third quarter of 2008 to bring the value of Campbell to $nil. The dilution gain of $1,097,000 in the three months ended September 30, 2008 arose from Nuinsco's share of Victory Nickel's capital transactions in that quarter.

Effective July 31, 2009, the Company recorded a gain on the sale of its shares in Victory Nickel pursuant to the transactions with JIIL of approximately $1,360,000, using the gross proceeds of US$2,700,000 and after legal fees and equity-accounting adjustments.

The Company continues to view its interest in Campbell as the aggregate of the loan, convertible debenture and royalty interest and considers that the interest in Campbell, included in exploration and development properties, has an estimated recoverable amount of approximately $2,500,000 before taking into account Québec mining duties receivable of approximately $203,000. 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. While the Company has security over other assets, including other exploration properties owned by Campbell, the primary asset which is most amenable to valuation is considered to be the Corner Bay project. Despite signs of possible recovery in the copper market, the Company continues to believe that there has been neither an adverse nor sufficiently persuasive positive change in the economic circumstances impacting Campbell to require a change in the previously estimated recoverable amount.

Management determined that no significant impairment had been experienced in its exploration and development projects during the third quarter of 2009. Metals prices have continued to show signs of recovery since the end of December 2008 but management continues to monitor metals prices and other market factors for implications to its projects.

The Other Comprehensive Loss ("OCI") of $509,000 in the three months ended September 30, 2009 primarily represents the net decreases in the market value of the Company's marketable securities from June 30, 2009 (or acquisition, if later) – $598,000 decrease for Gold Hawk, a decrease of $44,000 representing the elimination of the Company's proportion of Victory Nickel's OCI, offset by an increase in the market value of $133,000 on the shares of Victory Nickel acquired in August through the exercise of rights retained by Nuinsco. In 2008, the OCI loss of $1,522,000 related to: the Company's share of Victory Nickel's OCI of $309,000, the elimination of Campbell's OCI of $910,000 and a decrease in the value of Gold Hawk shares of $303,000.

The Company retained certain rights from its holding of Victory Nickel shares and exercised those rights in August, acquiring 6,662,477 shares and 3,331,238 share purchase warrants for an aggregate amount of approximately $400,000. The warrants are exercisable for a period of one year from August 19, 2010 at an exercise price of $0.12 per warrant. The Company has attributed a market value of $nil to the warrants since they are not "in-the-money". As described below, the Company sold a portion of its Victory Nickel shares in October 2009.

Nine months ended September 30, 2009 compared with the nine months ended September 30, 2008

In the nine months ended September 30, 2009, the Company had net income of $914,000, or $0.00 per share, compared with a net loss of $2,619,000, or $0.02 per share, in the nine months ended September 30, 2008. The primary reasons for the significant change relates to a reduction in revenue from $1,140,000 to $297,000 in 2009, reductions in general and administrative expenses, costs associated with the loan taken out in the third quarter of 2008 combined with a significant reduction in the share of losses of equity-accounted investees, offset by the gain on sale of Victory Nickel in 2009 and reductions in income tax recoveries.

Consulting fees in the nine months ended September 30, 2008 were $225,000 which represents nine months of fees from Campbell. The operating consulting agreement with Campbell was terminated in November, 2008 as more fully described above.

Negligible interest income was earned in 2009, while $547,000 was earned in the nine months ended September 30, 2008. This is a function of lower invested balances and the cessation of recording interest on amounts due from Campbell. Interest accrued but not recorded on Campbell balances for the nine months ended September 30, 2009 amounts to approximately $711,000.

In April, 2009, the Company sold its holdings of Rainy River Resources shares and generated a gain on sale of $296,000. In the second quarter of 2008, a royalty on the Bucko nickel mine in Manitoba was sold which contributed significantly to the other revenue of $368,000 in the nine months ended September 30, 2008.

General and administrative expenses in the first nine months of 2009 decreased significantly from $1,156,000 in 2008 to $645,000. Overhead recoveries through charges to Victory Nickel for services under the management contract and deducted from operating expenses amounted to $445,000 in the nine months ended September 30, 2009, compared with $447,000 in the same period of 2008. Costs allocated to Victory Nickel pursuant to the management agreement between the Company and Victory Nickel are activity related. In the third quarter of 2008, the amount charged to Victory Nickel reflected activity on an acquisition. This increase was offset by the fact that, in 2009, financial and accounting services were provided primarily by individuals employed by Nuinsco and charged to Victory Nickel, whereas, in 2008, the CFO of Victory Nickel was employed and remunerated directly by that company. Such amounts are recorded at the exchange amount which is equal to the cost to the Company of such services plus 10%.

The Company has continued to generally reduce its expenditures as described above. The aggregate amount of agreed-upon cash deferrals included in general and administrative expenses in the nine months ended September 30, 2009 is approximately $134,000. It is estimated that approximately $337,000 of general and administrative expenditures were incurred on supporting the Company's public status in the nine months ended September 30, 2009.

The nine months ended September 30, 2008 included some expenditures which were not repeated or required in 2009. In particular, there was severance pay of approximately $120,000 recorded in 2008 as well as warrants expense of approximately $30,000. Otherwise lower activity and expenditure controls have given rise to reduced expenditures across many categories. As referred to above, we have challenged certain non-discretionary consultants to revisit costs and reductions have been attained in 2009. Furthermore, in 2009 the Company eliminated the formal review process on its interim financial statements.

As described above, the Company has recorded an ARO with respect to Cameron Lake. Accordingly, an accretion expense of $9,000 was recorded in the period. No such expense was recorded in 2008.

The Company recognized a net foreign exchange gain of $839,000 in the nine months ended September 30, 2009, primarily as a function of loan-related balances; there was a foreign exchange loss of $142,000 in the comparative period in 2008. The Company incurred interest expense of $879,000 on its loans in the nine months ended September 30, 2009; $305,000 in the nine months ended September 30, 2008. As described above, interest expense also includes the amortization of loan-related fees using the effective interest method as well as interest accrued in 2008 for unexpended flow-through expenditures which was not required in 2009. Under the facility with JIIL, interest is not paid until loan balances are repaid, the principal balance is much lower than the bridge facility and the rate of interest also reduced from 12.5% to 8%.

Routine writedowns of exploration and development projects in the nine months ended September 30, 2009 aggregated $70,000. In the same period of 2008, adjusting for the Rainy River core shack recovery, project writedowns of $151,000 were made. The reduction is a function of reduced activity.

The share of losses of equity-accounted investees decreased significantly in the nine months ended September 30, 2009 to $36,000, versus $4,039,000 in the comparative period in 2008. Pursuant to the sale of the interest in Victory Nickel on July 31, 2009, the Company no longer has any equity-accounted investees. Equity-accounted amounts in 2009 relate solely to the Company's investment in Victory Nickel up to the date of disposition since Campbell ceased to be an equity investee in the fourth quarter of 2008. The balance in Campbell was fully written off by the end of September 30, 2008. In the nine months ended September 30, 2008, the share of losses of equity investees amounted to $314,000 in respect of Victory Nickel and $3,725,000 in respect of Campbell.

In the third quarter of 2009, the Company recorded a gain of $1,360,000 on disposition of Victory Nickel as described more fully above.

Dilution gains or losses on equity-accounted investees are a function of the investee company's capital transactions. The dilution loss of $322,000 in 2009 relates to the Company's share of Victory Nickel's flow-through renunciations through capital in the first quarter of 2009. The gain of $627,000 in the same period of 2008 includes a dilution loss related to Victory Nickel's flow-through renunciations of $725,000, offset by dilution gains of $1,097,000 and $255,000 related to Victory Nickel's third quarter capital transactions and Campbell's capital transaction in the first quarter of 2008, respectively.

As described above, the equity-accounted investment in Campbell was written down to $nil by the end of September, 2008. This required a provision for writedown of investment through operations in the third quarter of 2008 of $436,000. The writedown in 2009 of $16,000 related to a marketable security.

The Company renounced flow-through share expenditures of its own in February of 2009 and 2008. Accordingly, income tax recoveries of $606,000 and $1,740,000 were recorded in 2009 and 2008, respectively, as the Company has recorded a full valuation allowance against its future income tax assets. The amounts are a function of the magnitude of the related flow-through share financings and the expected future income tax rates.

Other Comprehensive Income ("OCI") of $929,000 in the nine months ended September 30, 2009 represents net increases in the market value of the Company's marketable securities from December 31, 2008, or acquisition, if later. The largest component is the improvement in the market value of Gold Hawk shares of approximately $796,000 as well as the increase in market value of the Victory Nickel shares acquired pursuant to the exercise of rights amounting to $133,000. In 2008, the OCI of $1,508,000 related to the change in market value of Gold Hawk of $303,000, the elimination of OCI related to Campbell, upon the investment writedown, of $910,000 and $309,000 representing the Company's share of Victory Nickel's OCI.

A summary of the more significant changes in the unaudited interim consolidated balance sheet items not already discussed above as at September 30, 2009 compared with December 31, 2008 is as follows. Cash and cash equivalents have decreased by approximately $546,000 from December 31, 2008 and are discussed under liquidity and capital resources. Marketable securities increased by $1,183,000 as a function of the increase in market value of the Gold Hawk shares partially offset by the sale of the Rainy River shares as discussed above and the exercise of rights associated with Victory Nickel. Accounts receivable includes $203,000 for a Québec mining duties claim made in the second quarter of 2009. Prepaid expenses have reduced as the Company is paying its insurance over a year rather than upfront. Accounts payable and accrued liabilities have reduced as a function of reduced activity. As described above, the bridge loan payable was fully repaid in the period and replaced with a two-year loan with a smaller principal balance as well as reflecting the effects of a strengthening Canadian dollar. Accumulated other comprehensive loss reduced primarily as a result of the improvements in market value of the Company's available-for-sale investment in Gold Hawk as described above.

SUMMARY OF QUARTERLY RESULTS

Selected financial information for each of the last eleven quarters ended September 30, 2009 is as follows:

Fiscal year 2009		3rd Quarter	2nd Quarter	1st Quarter
Revenue and other income		$ -	$ 297	$ -
Net income (loss)		$ 1,465 (1)	$ 194 (2)	$ (745) (3)
Other comprehensive (loss) income		$ (509)	$ 557	$ 881
Income (loss) per share - basic and diluted		$ 0.01	$ 0.00	$ (0.00)
Fiscal year 2008	**4th Quarter**	**3rd Quarter**	**2nd Quarter**	**1st Quarter** *(Restated)*
Revenue and other income	$ 631 (4)	$ 368	$ 519	$ 253
(Loss) net income	$ (13,173) (5)	$ (2,930) (6)	$ (196)	$ 507 (7)
Other comprehensive income (loss)	$ (786)	$ (1,522)	$ (216)	$ 230
(Loss) income per share - basic and diluted	$ (0.07)	$ (0.02)	$ 0.00	$ 0.00
Fiscal year 2007	**4th Quarter** *(Restated)*	**3rd Quarter**	**2nd Quarter**	**1st Quarter** *(Restated)*
Revenue and other income	$ 361	$ 335	$ 335	$ 357
(Loss) net income	$ (667) (8)	$ (96)	$ (129)	$ 1,950 (9)
(Loss) income per share - basic and diluted	$ (0.01)	$ (0.00)	$ (0.00)	$ 0.02

(1) 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.

(2) 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.

(3) 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.

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

(5) 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.

(6) 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.

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

(8) Restated in 2007 to include a dilution gain of $27,000 on Victory Nickel.

(9) Restated in 2007 to include a dilution gain of $2,044,000 on Victory Nickel.

Variations in the quarterly results of operations are largely a function of the timing of property and other writedowns, gains on sales, 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 market values of the Company's securities, as well as those of its equity-accounted investees.

EXPLORATION AND DEVELOPMENT ACTIVITIES

As discussed in the Company's Annual Management's Discussion and Analysis, the Company has curtailed its exploration activities in 2009 until capital markets recover, debt is repaid and financing on acceptable terms is readily available. Accordingly, in the nine months ended September 30, 2009, the Company incurred exploration and development costs of $379,000 on its mineral interests (before reduction for Québec mining duties claim of $203,000 and writedowns), compared with $3,779,000 in the same period of 2008. Spending on the Elmalaan property in Turkey included costs to convert licences from exploration to exploitation status, a requirement to maintain the licences in good standing. The primary amount of spending in 2008 related to the Diabase Peninsula property.

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 southeast of 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 250m level, and drilling has demonstrated that gold mineralization extends to greater than 700m. In June, 2008, an updated NI 43-101 compliant resource estimate was completed that reported 100,000 tonnes grading 6.17g/t Au in the Measured category, 648,000 tonnes 6.51g/t Au in the Indicated category and 1,819,000 tonnes grading 4.99g/t in the Inferred category. Additional work evaluating the economic potential of the project, the geotechnical characteristics of the site, hydrogeology and ongoing environmental evaluation and permitting initiatives are in process.

In February 2009, the Company announced that it is reviewing options with regard to processing gold mineralized rock that is currently stockpiled on surface at the Cameron Lake site. A sampling program has now been conducted to better characterize the mineralization of the stockpile. The Company has evaluated the alternatives with respect to toll milling or the sale of this material offsite. Consultation with affected communities is ongoing while filing of a Closure Plan on the site is in process that will require further consultation to complete. This program could potentially provide revenue from gold sales, and provide valuable information on metallurgy and recoveries that will be helpful with future development of the Cameron Lake gold mine.

URANIUM

Diabase Peninsula Property, Saskatchewan

Nuinsco’s Diabase Peninsula uranium project is located 150km northwest of La Ronge, Saskatchewan in 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%. Diamond drilling was conducted between 2005 and 2008 that returned uranium values as well as key indicator minerals associated with uranium deposits in the Basin which, combined with past drilling and other studies, points toward the local presence of unconformity style mineralization.

If the project progresses to a development stage, Trend will have a one-time 50% back-in right upon reimbursing Nuinsco 140% of its total expenditures to that date.

An 18-hole, 6,534m $2.5 million drill program, designed to follow up on previous positive exploration results, began in the fourth quarter of 2007 and was completed in the second quarter of 2008. The winter 2007-2008 drilling was conducted over 23km of strike testing four widely-separated target areas within the previously-identified primary target along the prospective Cable Bay Shear Zone that underlies the entire property for 35km from north to south. Assays from this drilling returned uranium levels that are typical of values at the margins of economic uranium deposits in the Athabasca Basin including a 14.85m interval of anomalous uranium mineralization peaking at 0.07% uranium (0.083% U_3O_8), as well as a number of other uranium results and other key indicator geochemistry demonstrating strong and widespread evidence of a mineralizing event capable of producing unconformity style uranium mineralization on the property.

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. A plan for a next phase of exploration on the project has been developed and will be refined with additional interpretation of data – this program will be conducted when conditions permit.

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).

Assays clearly demonstrate the presence of strong uranium mineralization at Prairie Lake in conjunction with a suite of other minerals of economic interest. Results from hole DDH NP-07-01, collared at the centre of the complex, returned 0.106% U_3O_8 (or 2.3 lb/t) over 13.5m (11.49m true width), as well as 9.03% phosphorous, 1,744ppm niobium, 89ppm tantalum and elevated REE values averaging a combined 2,986ppm for lanthanum, cerium, neodymium, samarium as well as yttrium (1ppm = 1 g/t) over the same interval. Assay results for the balance of the holes were received in the fourth quarter of 2007 and showed similar significant economic potential of this underexplored easily accessible property.

A surface sampling program was undertaken during the second and third quarters of 2007. Rock chip samples were collected from surface pits and auger holes following a 50-100m spaced grid which covered the circular intrusion. Samples returned individual peak assays of 886ppm uranium, 4,390ppm niobium, 507ppm tantalum and 19.9% phosphorus (P_2O_5).

A second drill program was completed in the third quarter of 2008 comprising 2,543m (ten holes) of drilling including three holes of approximately 500m length which were designed to test the intrusion to a much greater depth than previously drilled as well as to attempt to characterize the outer contact of the carbonatite intrusion. The remaining seven holes (approximately 100m each) were drilled in the SW quadrant of the intrusion to follow up on positive historic drilling results and historic radiometric data as well as information obtained from the 2007 grid sampling program. Analysis of results obtained from the program demonstrates clear correlation between elements of interest and rock types (eg: a strong correlation of P_2O_5 and REEs in phoscorite and carbonatite). No fieldwork is currently proposed for the project but additional analysis of aspects of geochemistry, geophysics and processing will enhance our understanding of the project.

Subsequently, rock samples have been submitted to Kennecott and Corem processing laboratories to determine if rock from Prairie Lake can be upgraded to produce concentrates with enhanced content of mineral commodities of economic interest such as phosphorous, niobium, tantalum and REEs. In particular, a non-magnetic concentrate produced from the dense media separation process at the Kennecott laboratory returned mean values of 9.4% P_2O_5, 0.29% Nb_2O_5, 35.9 ppm Ta, and 2808.2 ppm combined REEs. The next step will be to optimize a process to specifically suit the Prairie Lake rocks to provide better separation of the mineral species and thereby further enhance concentrate grade. Additional sample process testing is being conducted to determine if flotation concentration produces better results. Samples have been selected from drill core and submitted for these tests.

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 21,288ha, by staking in July, 2007, subsequent to the work programs conducted on the project, the claim group was reduced to 35 claims encompassing the 7,322ha covering the most prospective areas identified. The Claims cover the largest and strongest uranium radiometric response in the region with a strike length of approximately 4km. The response occurs along strike of a major geological contact zone from which previous work has identified uranium mineralization including high grade historic drill intersections of 1.80% U_3O_8 over 0.60m, 0.38% U_3O_8 over 1.5m and 0.065% U_3O_8 over 4.6m.

Prospecting by Temex in 2007 resulted in the discovery of several new uranium showings. An east-west trending corridor, approximately 8km long by 1.5km wide, was identified as having elevated radioactivity counts, with six samples returning values over 300ppm uranium; assay analyses of the samples were 0.06%

and 0.13% U_3O_8 on the Marijane Lake claims and 0.047%, 0.92%, 0.123% and 0.124% U_3O_8 on the Huston Lake claims. The samples were taken from medium to coarse-grained white to pink granite (quartz-feldspar-biotite), which sometimes exhibited powdery yellow staining subsequently identified as the secondary uranium mineral uranophane.

Additional prospecting during the third quarter of 2008 resulted in positive results including 72 samples out of a total of 336 samples collected that returned >200ppm uranium (31 of those returned >500ppm uranium); of 12 samples reporting >1,000ppm uranium, the highest were 2,140ppm, 2,900ppm and 3,240ppm uranium. Discrete areas containing elevated uranium mineralization range up to 0.5km by 1.5km within more extensive trends up to 4.0km in length. The fall surface exploration program, completed in October and November of 2008, included detailed geological evaluation and prospecting of radiometric responses identified from the May, 2008 airborne radiometric survey. Airborne radiometric responses are located within and around the western margins of the 30km by 10km east-west trending Marijane Lake Batholith, a granite similar in mineral composition to that which hosts the large tonnage, low grade Rössing Uranium Mine in Namibia.

A follow-up diamond drilling program commenced in early December 2008 and was completed that month. Early in 2009, it was reported that anomalous uranium mineralization greater than 100ppm was returned in seven holes of the 12-hole, 1,386m diamond drilling program. With the completion of this program, the Company has now expended approximately $641,000 on the project and has fulfilled its first tier of expenditure commitments (to complete $500,000 in expenditures by May 2009). The remainder of the expenditure commitment of approximately $109,000 must be completed by May, 2010 in order for the Company to become vested with 50% of the project. Nuinsco may now elect to act as operator of the program, and is evaluating its options with regard to additional work going forward.

COPPER AND ZINC
Turkish Properties
Nuinsco has two properties in northeastern Turkey: the Berta copper project, a 50:50 joint venture with Xstrata Copper ("Xstrata") one of the commodity business units within Xstrata plc, on which exploration began in 2004, and the Elmalaan copper-zinc property, in which the Company completed expenditures to obtain its 100% earn-in in 2007 subject to Xstrata's back-in right to reacquire a 50% interest. At Berta, 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.

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 98.90-109.0 m; between 102.6-103.2 m, zinc values peaked at 9.25%, gold at 2.85g/t and silver at 211g/t. No additional field work was performed in 2008. With completion of its earn-in, and upon payment of the balance of $166,000 currently owed by the Company to Xstrata Copper for work conducted to date on the property, the Company is in the process of transferring ownership of the Elmalaan property to a newly-formed wholly-owned Turkish subsidiary.

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 in hole SD-07-08. Results from this hole were as follows: 710.9 metres grading 0.28% copper and 0.07 g/t gold between 3.80 metres and 714.7 metres, including: 6.85 metres grading 3.79% copper, 0.22 g/t gold, 11.6 g/t silver and 1.05% zinc; 5.90 metres grading 2.60% copper, 1.14 g/t gold and 8.3 g/t silver; and 9.0 metres grading 1.03% copper. Copper values peaked at 30% over 0.25 metres between 592.10 and 592.35 metres down hole. The results in this highly mineralized hole, which ended in mineralization, highlight the potential of the essentially unexplored Berta property.

In 2008, a 2,051m program comprising three drill holes was conducted to continue to assess the potential of copper mineralization at Berta. As with earlier drilling, the 2008 drill holes were collared to test a broad geophysical response identified in the northern part of the altered and mineralized geology at Berta and continued to intersect broad domains of altered rock containing copper mineralization. Sulphide mineralization in all of the drill holes occurs as fracture fillings and disseminations; locally dense fracturing results in sulphide content exceeding 20%. The relative abundance of copper, zinc and lead mineralization, the distribution of alteration and the rock types encountered all suggest that previous drilling has tested the upper, outer edges of a large porphyry system.

Nuinsco presently owes Xstrata approximately $417,000, 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. In such case, Nuinsco would eliminate the amount payable and reduce the exploration property by a similar amount adjusted for foreign exchange differences. The Company is presently in discussion with Xstrata regarding the dilution provisions. A reduction in interest would similarly reduce any future share of expenditures payable by Nuinsco.

Interest in Campbell
In the third quarter of 2008, the Company advanced funds to Campbell to be spent on the Corner Bay project. Of the amount advanced, $2.5 million was to earn a royalty interest equal to 10% of the net cash flows generated from the sale of production from the Corner Bay Property from the 145-metre level and above. Campbell confirmed that these advances were expended on eligible exploration expenditures in December 2008 and granted the Company the royalty interest.

Accordingly, the Company reclassified $2.5 million from the loan to Campbell to interest in Campbell as part of exploration and development projects. Further, the Company ceased accruing interest on such funds from the dates of the advances. As described in Note 8 to the Unaudited Interim Consolidated Financial Statements, the Company's security on amounts owing by Campbell includes Corner Bay and other exploration and development properties among other assets. The Company expects to recover value in kind or in cash upon restructuring or liquidation of Campbell and accordingly believes that $2.5 million continues to be the estimated recoverable amount for its interest in Campbell. The amount in exploration and development projects is shown net of a Québec mining duties claim of $203,000 submitted in the second quarter of 2009.

IMPAIRMENT ANALYSIS UPDATE

Given the changes in the metals markets and other general economic factors, the Company performed a detailed impairment analysis on each of its exploration and development projects as at December 31, 2008. The Company does not believe that there have been any further material changes to date which would adversely affect this analysis. In fact, there have been some sporadic signs of metals prices recovery which is encouraging. Furthermore, there has been no change in management's plans for the projects. Despite the slowdown in the velocity of spending, all projects have had recent expenditures, are in good standing and are considered active.

Management concluded that no impairment existed in each of its projects effective September 30, 2009, except that the estimated recoverable amount of the Company's interest in Campbell takes into account the provision for writedown of amounts owing by Campbell of $7,923,000 recorded in 2008 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.

STRATEGIC INVESTMENTS

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 a royalty interest in Corner Bay for 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.

Victory Nickel Inc.

As described above, pursuant to the transactions with JIIL, 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.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2009, the Company had working capital of $1,186,000, compared with a working capital deficiency of $6,050,000 at December 31, 2008. The improvement is primarily as a result of the transactions with JIIL which included the sale of the Company's interest in Victory Nickel for US$2,700,000, provided a two-year loan of US$2,800,000 and enabled repayment in full of all loan-related balances then outstanding under the short-term bridge facility.

The Company used cash of $546,000 during the nine months ended September 30, 2009, compared with $5,803,000 in the comparative period of 2008.

In the nine months ended September 30, 2009, the Company used cash of $525,000 in operating activities, compared with the use of cash totalling $324,000 in 2008. This change in the cash used by operating activities is primarily a result of non-cash items including amounts related to the loan, income tax recoveries, marketable securities and the equity-accounted investments in Victory Nickel and Campbell as well as from non-cash working capital items.

In 2008, $58,000 in net adjustments for gains were attributable to equity-accounted amounts related to Victory Nickel and $3,906,000 in adjustments for losses related to Campbell. In 2009, the net aggregate of such adjustments for gains was $1,002,000 and related to Victory Nickel, primarily as a result of the sale of that interest effective July 31, 2009. Balances with Campbell had been written off in 2008.

The cash from financing activities in the nine months ended September 30, 2008 of $6,867,000 represents $1,950,000 proceeds on the issuance of shares combined with $4,917,000 on the bridge loan taken out in July 2008. In 2009, that bridge loan was repaid for $5,915,000 and the new two-year facility was entered into for net proceeds of $2,836,000. The net proceeds of the flow-through private placement closing in the third quarter combined with the net proceeds of the rights offering which closed in the second quarter, provided the financing of $1,003,000.

The new loan under the transactions with JIIL has a two-year term and interest is not due until maturity or repayment at the option of Nuinsco.

The proceeds on the sale of Victory Nickel of $2,734,000 were primarily used to repay the bridge loan, leaving a net amount of $679,000 used in investing activities – primarily in exploration and development projects. Transactions in marketable securities totalled a net source of funds of $26,000 in the period. The lack of funds in 2009 has resulted in a curtailment of activity, investing activities in the nine months ended September 30, 2008 used funds of $12,346,000 in the comparative period. The spending in 2008 included an aggregate of $7,179,000 on investments and funding to Campbell as well as $3,569,000 on exploration and development projects and $1,796,000 on the acquisition of the position in Gold Hawk which is still retained by the Company. The sale of the Rainy River core shack in 2008 generated funds of $198,000.

Management continues to actively pursue ways to realize on assets or secure financing to repay debt, obtain funds for operations and return to active exploration. Many of these initiatives and cash-cost reduction strategies were described in the Company's 2008 Annual Management's Discussion and Analysis. Since that time, the Company's rights offering closed and raised approximately $763,000 in gross proceeds and a private placement on a flow-through basis closed generating gross proceeds of $447,000. The transactions with JIIL have reduced immediate pressure on the Company and have avoided the need to take immediate, precipitous action, however, the Company will continue to pursue means to eliminate the remaining debt.

In accordance with management's expectations, the market value of the Company's investment in Gold Hawk improved since December 31, 2008 and closed at $0.04 (compared with the Company's acquisition cost of $0.06). Management still believes that Gold Hawk represents an attractive investment and expects that the value of Gold Hawk shares will recover.

The exercise of the Company's rights in Victory Nickel resulted in the acquisition of 6,662,477 shares and 3,331,238 warrants for an approximate cost of $400,000 and the shares had a market value as at September 30, 2009 of approximately $533,000. The Company sold 1,500,000 shares in a series of transactions in October for gross proceeds of $119,000; additional sales will provide liquidity if required.

The Campbell investment has been written down significantly and the Company does not expect to realize anything from its interest in Campbell in the short-term. Management continues to work with its legal advisors and other stakeholders in order to protect its interests and to ultimately realize on the value of its interests. Management has also engaged consultants to more thoroughly review opportunities in the Chibougamau mining camp.

The Company has also announced that it could potentially generate revenue by milling the crushed ore stockpiled on surface at Cameron Lake. Management continues to pursue this opportunity which became economic with the buoyant gold price presently being experienced. A project plan is being prepared, permitting is underway and a number of companies have been solicited with respect to toll milling or the sale of this material. In addition, a gold mill owned by the Company contained gold residue which is presently being processed and is expected to generate an as yet undetermined amount of revenue in 2009.

In short, the Company is considering a wide variety of options to ensure its assets are protected and that it remains viable.

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 may still be required to sell additional assets. The Company will consider all alternatives to raise funds given appropriate pricing and other market conditions, however in this currently depressed economic environment it is uncertain how such initiatives will be received and how successful these will be in generating cash.

The Company's estimated monthly cash commitments, net of recoveries from Victory Nickel for ongoing administrative support, are approximately $89,000 excluding interest although management is exerting as much effort as possible to reduce this amount further. The Company's working capital requirements are modest. At September 30, 2009, the major regular item requiring financing was a GST receivable of $4,000 which averaged approximately $45,000 per quarter of 2008. Accounts receivable also include the Québec mining duties claim filed in June; this would represent a recovery of funds previously expended.

Accounts payable and accrued liabilities as at September 30, 2009 include approximately $272,000 of accruals which directors and management have agreed to defer until financial circumstances improve. The Company estimated, based on 2008 expenditures, that approximately $700,000 is required on an annual basis to support the Company as a public entity. While we are continuing to reduce costs where possible, such expenditures are not eligible for flow-through funding and must be financed through other means.

Given its current cash position, the Company has reduced its exploration activities to a minimum until additional funding is available. Measures have already been implemented as described above and others are being considered to ensure the Company remains viable and retains its assets until metal, financial and equity markets return.

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. 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 2008 Audited 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 2008 Audited Consolidated Financial Statements and the updates reflected in the notes to the Unaudited Interim Consolidated Financial Statements for the three and nine months ended September 30, 2009 and 2008. The Company's financial statements have been prepared using the going concern assumption; reference should be made to Note 1 to each of the Company's financial statements referred to above.

The Company's recorded value of its exploration and development projects is based on historical 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

There have been no new accounting policies adopted in the interim unaudited consolidated financial statements except as noted below.

Government Assistance

Government assistance is recorded in the financial statements when there is reasonable assurance that the Company has complied with, and will continue to comply with, all conditions necessary to obtain the assistance. Any government assistance relating to the exploration and development properties is recorded as a reduction of those related expenditures.

FUTURE ACCOUNTING CHANGES

There have been no additional future accounting changes from those reported in Note 3 to the 2008 Audited Consolidated Financial Statements.

International Financial Reporting Standards

The Company is continuing to review the requirements of International Financial Reporting Standards ("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.

A project management document has been prepared and approved by the Company's Audit Committee which includes the project governance, including escalation and issues management as well as the key steps required to meet conversion. The document includes a high-level project plan which will continue to be developed and refined as the project progresses past the diagnostic review. The project plan includes three main phases, which may overlap:

Phase 1: Preliminary Impact Assessment – this includes the preparation of a diagnostic review, the identification of preliminary GAAP differences, will define additional information requirements, will define the preliminary approach for managing dual reporting, will include a project timeline and a training plan.

Phase 2: Detailed Planning and Implementation – this includes determination of accounting policies and transition elections, development of statement and note disclosure templates, development of transition balance sheet, identification of new system requirements and their design.

Phase 3: Post Implementation Review – this includes an analysis of ongoing roles, continuous improvement process and ongoing monitoring of future IFRS changes.

In the annual MD&A for 2009, the Company expects to have completed its diagnostic review and will include qualitative information on the major identified differences between the Company's extant accounting policies and those which it is required or expects to apply under IFRS in force at that date, including those made under transition elections.

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 September 30, 2009, the Certifying Officers have concluded that the design of the Company's disclosure controls and procedures were effective as at September 30, 2009. 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 September 30, 2009 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 consolidated financial statements for external purposes in accordance with Canadian GAAP. The Company used the COSO control framework. For the fiscal quarter ended September 30, 2009, the Certifying Officers have concluded that the design of the Company's internal controls over financial reporting and procedures were effective as at September 30, 2009.

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 September 30, 2009 that materially affected, or are reasonably likely to affect, the Company's internal controls over financial reporting.

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 and nine months ended September 30, 2009 totalled $148,000 and $445,000 plus project-related costs of $13,000 and $47,000 (three and nine months ended September 30, 2008 - $196,000 and $447,000, plus $14,000 and $40,000 project-related costs) and have been deducted from general and administrative expenses. Furthermore, in the three and nine months ended September 30, 2009, Victory Nickel charged the Company $8,000 and $16,000 (2008 - $12,000 and $35,000) for project-related costs.

The Company ceased equity accounting for its investment in Campbell upon the termination of the operating consulting agreement in late 2008. During 2008 and 2007, the Company made various loans to and investments in Campbell, and earned interest, consulting fees and loan set-up fees from Campbell. These transactions are described in Note 8 to the Company's 2008 Audited Consolidated Financial Statements. The Company recorded significant writedowns on these amounts in 2008. Note 7 to the Company's Unaudited Interim Consolidated Financial Statements updates and summarizes the balances as at September 30, 2009.

OUTSTANDING SHARE DATA

At September 30, 2009, the Company had 213,675,400 common shares outstanding. At November 5, 2009, the Company had 213,675,400 common shares issued and outstanding. In addition, there were 17,910,000 stock options outstanding at November 5, 2009 as well as 7,962,996 warrants which, if exercised and issued, would bring the fully diluted issued common shares to a total of 239,548,396 and would generate approximately $3,521,000. The figures above include the effects of the 7,629,996 warrants issued pursuant to the rights offering which can be exercised no earlier than April 22, 2010 at a cost per warrant of $0.10 thereby generating estimated proceeds included above of $763,000 if fully exercised.

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 Annual Management's Discussion and Analysis. 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 its 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.

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 managers and 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 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. The Company has announced that it has entered into the bid process for gold exploration concessions in Egypt; a similar caveat to that expressed for Turkey is appropriate.

Strategic Investments
In addition, Nuinsco makes, from time to time, investments in the common shares of publicly traded companies in the junior natural resources sector and also makes loans thereto. These investee companies are subject to similar risks and uncertainties as is Nuinsco, and Nuinsco's investments in and advances to these investee companies are subject to the same areas of investment risk as noted above.

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 Management's Discussion and Analysis 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.

November 5, 2009