NUINSCO RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED
MARCH 31, 2009

DATED MAY 6, 2009

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The following discussion of the results of operations and financial condition of Nuinsco Resources Limited ("Nuinsco" or "the Company") prepared as of May 6, 2009 consolidates management's review of the factors that affected the Company's financial and operating performance for the three months ended March 31, 2009, and factors reasonably expected to impact on future operations and results. This discussion is intended to supplement and complement the Company's March 31, 2009 unaudited interim consolidated financial statements for such period ("Unaudited Interim Consolidated Financial Statements") and the audited consolidated financial statements as at and for the years ended December 31, 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 AND GOING CONCERN UNCERTAINTIES

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. In addition to its property holdings, Nuinsco owns approximately 15% of the outstanding common shares of Victory Nickel Inc. ("Victory Nickel") (TSX:Ni), approximately 11% 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 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 March 31, 2009, the Company had a working capital deficiency of $5,975,000. This working capital deficiency includes a $6,388,000 loan due on June 15, 2009. The loan is secured by Victory Nickel shares shown as investment in equity-accounted investee as well as being secured by other assets to accommodate the loan's restructuring in January 2009 (see Note 10 to the Unaudited Interim Consolidated Financial Statements).

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 the loan due June 15, 2009 and to successfully complete its projects and fund other operating expenses. Given the current economic climate, the ability to raise funds may prove difficult. The Company's rights offering, described further in the liquidity and resources section, closed on April 22, 2009 and raised approximately $763,000 before issue costs. 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 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. As a result, the Company will require additional financing, which, if not raised, will result in the continued curtailment of operating activities.

The Company continues to examine a number of financing alternatives as well as strategies to maximize the realization of amounts due from Campbell (even though the Company has written these down) to allow it to continue to meet its obligations as they become due. Furthermore, the Company has pledged its Victory Nickel and Gold Hawk shares as well as the Cameron Lake property to secure the loan payable as described in Note 10 to the Unaudited Interim Consolidated Financial Statements. In order to preserve cash resources, the Company has been forced to significantly curtail its exploration activities until funds become available.

There can be no assurances that the Company's efforts will be successful and as a result there is substantial 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 economic crisis continues and we are now in a recession with the economy contracting for the seventh month. However, there are signs that the pace of contraction is slowing which could indicate that the worst is behind us. There are some financings being completed for producing mining companies, particularly in the gold sector. However, the junior exploration sector has yet to see any return to significant capital deployment. The reluctance of investors to provide capital to junior companies like Nuinsco was further evidenced by shareholder participation in the Company's recent rights offering. Rights offerings are a means of financing on a non-dilutive basis for existing shareholders when equity prices do not reflect the underlying value of a company's assets. In the past, these financings by Nuinsco have been oversubscribed. In spite of the economy, many shareholders did support the financing and the Company was able to raise just shy of $800,000. Under current market conditions, this must be considered a success. We would like to thank those shareholders who showed their support by subscribing and management will make every effort to see that this support is rewarded.

Nuinsco has excellent projects so the immediate focus is to make sure that the Company maintains them all. As previously explained, Nuinsco has the potential to create several new companies from its existing asset base as was done with its nickel assets and the creation of Victory Nickel in 2007. The combination of the three uranium projects could create a pure uranium company; its base metal assets in Canada and in Turkey would 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 wealth through the spin out of pure play companies. When the time is right and the markets return to support these efforts, this will happen. Metal prices are cyclical.

Cycles are the norm in our business. Some are more extreme than others. The world cannot exist without metals and exploration is necessary to replace deposits as mines are depleted or closed for economic reasons and markets' reactions to perceived shortages become more apparent. We believe that markets will improve and that the value of Nuinsco's assets will be recognized when that happens - as it was in the past. In the interim, the Company is focussing on preserving cash and activities required in the near term to maintain its projects.

In June 2008, Nuinsco took a 13% equity interest in Gold Hawk Resources, 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. There were no operational issues which caused the suspension of operations as the mine was beginning to achieve its production targets since commencement in October 2007. Gold Hawk has since obtained the necessary permits to restart production which is seeking financing to fund the re-start of production. Nuinsco is very positive on the potential at the Coricancha mine and is making every effort to raise non-dilutive funding to increase its participation. The competition for this project is significant and should Nuinsco not succeed in its efforts to raise funding in time, we are confident that the value of Nuinsco's equity investment in Gold Hawk will appreciate significantly and provide some or all of the funding to repay its loan due in June.

RESULTS OF OPERATIONS

In the three months ended March 31, 2009, the Company had a net loss of $745,000, or $0.00 per share compared with net income of $507,000, or $0.00 per share, in the three months ended March 31, 2008. The primary reasons for the significant change relates to a reduction in revenue from $253,000 to $nil in 2009, costs associated with the loan taken out in the third quarter of 2008 combined with a reduction in the effect of flow-through renunciations on the income tax recovery.

Consulting fees in the three months ended March 31, 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.

No interest income was earned in 2009, while $160,000 was earned in 2008. This is a function of lower investable balances and the cessation of recording interest on amounts due from Campbell. Interest accrued but not recorded on Campbell balances for the first three months of 2009 amounts to approximately $240,000 bringing the cumulative interest due but not recorded to approximately $478,000. Management continues to monitor circumstances regarding 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 first three months of 2009 reduced by approximately 25% from $366,000 in 2008 to $273,000. Overhead recoveries through charges to Victory Nickel for services under the management contract and deducted from operating expenses amounted $150,000 in 2009, compared with $123,000 in 2008. Costs allocated to Victory Nickel pursuant to the management agreement between the Company and Victory Nickel are activity related. In 2009, financial and accounting services were provided primarily by individuals employed by Nuinsco, whereas in 2008, the CFO of Victory Nickel was employed 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 generally reduced its expenditures due to a concerted effort to eliminate discretionary spending. 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 March 31, 2009 is approximately $49,000. 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 $161,000 of general and administrative expenditures were incurred on supporting the Company's public status in the first three months of 2009.

Effective December 31, 2008, the Company recorded an asset retirement obligation ("ARO") with respect to its Cameron Lake location. 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 period.

In July, 2008, the Company entered into a loan agreement denominated in US dollars which was advanced in several tranches and aggregated US$5.2 million as at March 31, 2009 before foreign exchange and unamortized loan fees. The net balance of the loan is $6,388,000 as at March 31, 2009. Due to a weakening Canadian dollar, the Company incurred a net foreign exchange loss of $192,000 in the first quarter of 2009; there was a minimal foreign exchange loss in the comparative period in 2008.

The Company incurred interest expense of $344,000 on the loan in the first three months of 2009. This amount includes amortization of loan fees (the costs associated with the issuance of shares in the period) using the effective interest rate method. As part of the loan renegotiation, one of the members of the syndicate behind the loan, agreed to support 80% of the interest payments. Accordingly, that portion of interest is being included in the loan balance, with the remaining 20% interest included in accrued liabilities.

The share of losses of equity-accounted investees decreased significantly in the first three months of 2009 to $2,000, compared with $319,000 in the comparative period in 2008. Equity-accounted amounts in 2009 relate solely to the Company's investment in Victory Nickel since Campbell ceased to be an equity investee in the fourth quarter of 2008; this balance was fully written off by the end of September 30, 2008.

In the three months ended March 31, 2008, the share of losses of investees amounted to $94,000 in respect of Victory Nickel and $225,000 in respect of Campbell. In addition, a dilution loss of $725,000 was recorded in 2008 for Victory Nickel, compared with a dilution loss of $322,000 in the three months ended March 31, 2009. Both amounts relate to the Company's proportion of flow-through renunciations made by Victory Nickel in February of each year. The decrease is a function of the reduction in renunciation made by Victory Nickel from $3,335,000 in 2008 to $2,192,000 in 2009 combined with a reduction in Nuinsco's percentage ownership interest in Victory Nickel.

The Company's investment in Victory Nickel suffered a significant decline in market value by the end of 2008 to a bid price of $0.045 and was written down to that value through the statement of operations in accordance with Canadian GAAP. As at March 31, 2009, the bid price had further reduced to $0.04 which represents a market value of approximately $1,540,000. This is in excess of the recorded value after equity-accounting adjustments. Accordingly, no further writedown was necessary. The Company continues to believe in the quality of Victory Nickel's projects. Unless or until the Company ceases to be required to account for its investment in Victory Nickel on the equity-accounting basis, no write-up to market value is permitted under Canadian GAAP.

The Company views 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 $2.5 million. 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 estimated recoverable amount.

Management of the Company determined that no significant impairment had been experienced in its exploration and development projects during the first quarter of 2009. Metals prices have shown some 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 Company renounced flow-through share expenditures 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 $881,000 in the three months ended March 31, 2009 represents net increases in the market value of the Company's marketable securities from December 31, 2008 – $598,000 for Gold Hawk, $204,000 for Rainy River Resources Limited ("Rainy River"), combined with a transfer of $16,000 to the statement of operations for an investment in shares determined to be other-than-temporarily impaired and $63,000 representing the Company's proportion of Victory Nickel's other comprehensive income on its available-for-sale investments. In 2008, the OCI of $230,000 related to the Company's share of Victory Nickel's OCI.

A summary of the more significant changes in the unaudited interim consolidated balance sheet as at March 31, 2009 compared with December 31, 2008 is as follows. Cash and cash equivalents have decreased by approximately $515,000 from December 31, 2008. Cash flows are discussed under liquidity and capital resources. Marketable securities increased by $802,000 as a function of the increases in market value of both Gold Hawk and Rainy River shares as discussed above. Deferred rights offering costs represent costs associated with the rights offering which was consummated in April 2009. Such costs will be reclassified against share capital in the second quarter of 2009. The loan payable is shown net of unamortized loan fees but includes accrued interest as described earlier as well as the effects of a weakening Canadian dollar. Accumulated other comprehensive loss reduced as a result of the improvements in market value of the Company's available-for-sale investments as described above.

The Company continues to have no recurring sources of revenue but is actively considering non-recurring alternatives. In February it announced an initiative to source a custom mill to process the crushed ore stockpiled on surface at Cameron Lake. Because of buoyant gold prices, the economics of transporting and processing this ore have become attractive. It is estimated that potentially significant revenue could be realized before shipping and treatment costs with the possibility of additional revenue from uncrushed ore also above-ground. A project plan is in process and a number of alternative mills have been identified as possible processors.

In April 2009, the Company sold its Rainy River shares in a series of transactions as soon as practicable following the expiry of the hold period and realized approximately $426,000. The completion of the rights offering also in April of 2009 raised gross proceeds of approximately $763,000. The net proceeds will be used to repay a portion of the Company's debt. On April 30, 2009, the Company made a debt repayment of US$300,000 and expects to make an additional repayment from the rights offering proceeds once final costs of the rights offering are known.

SUMMARY OF QUARTERLY RESULTS

Selected financial information for each of the last nine quarters ended March 31, 2009 is as follows:

Fiscal year 2009				1st Quarter
Revenue and other income				$ -
(Loss) net income				$ (745) (1)
(Loss) income per share - basic and diluted				$ (0.00)

Fiscal year 2008	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter *(Restated)*
Revenue and other income	$ 631 (2)	$ 368	$ 519	$ 253
(Loss) net income	$ (13,173) (3)	$ (2,930) (4)	$ (196)	$ 507 (5)
(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) (6)	$ (96)	$ (129)	$ 1,950 (7)
(Loss) income per share - basic and diluted	$ (0.01)	$ (0.00)	$ (0.00)	$ 0.02

(1) 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.
(2) Includes $630,000 for the sale of the Rainy River royalty received in cash and shares.
(3) 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.
(4) 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.
(5) Restated in 2008 to include a dilution loss on the share of Victory Nickel's flow-through share renunciations.
(6) Restated in 2007 to include a dilution gain of $27,000 on Victory Nickel.
(7) 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, tax recoveries and the recording of losses of equity-accounted investees and dilution gains and losses therein.

EXPLORATION AND DEVELOPMENT ACTIVITIES

As discussed in the Company's Annual Management's Discussion and Analysis, the Company has been forced to curtail its activities in 2009 until capital markets recover, debt is repaid and financing on acceptable terms is readily available. Accordingly, in the three months ended March 31, 2009, the Company incurred exploration and development costs of $117,000 on its mineral interests, compared with $1,311,000 in the same period of 2008. Spending on the Elmalaan property in Turkey included costs to convert licenses from exploration to exploitation status. 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 near Kenora in northwestern Ontario, the Cameron Lake Project has been the subject of considerable historic work. Approximately $24 million was spent in the 1980s by a former partner of Nuinsco to develop the mine to the 800-foot level, and drilling has demonstrated that gold mineralization extends to greater than 700m. 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 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. While gold prices have softened a little since the announcement, the Company is actively evaluating its alternatives with respect to toll milling or the sale of this material offsite and is preparing a project plan. 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 on the Athabasca Basin; the region that hosts the world's richest uranium mines. The 21,900-hectare property is a joint venture with Trend Mining Company of Denver ("Trend") whose interest currently approximates 13%. Nuinsco completed two drill programs in 2005 and 2006 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 the most recent drilling provide 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 rare earth element (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, 4390ppm niobium, 507ppm tantalum and 19.9% phosphorus (P_2O_5).

A second drill program was completed in the third quarter of 2008 with 2,543m (ten holes) of drilling including three approximately 500m deep holes 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.

Marijane and Huston Lakes Property
Nuinsco entered into an agreement with Temex in 2008 in order to earn an undivided 50% interest in claims staked by Temex in the Marijane – Huston lakes area. The property area straddles the Ontario-Manitoba boundary 75km east of Lac du Bonnet, Manitoba.

Temex acquired the properties, totalling 87 mining claims (the "Claims") and covering 52,604 acres, by staking in July, 2007. 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 and was completed by the end of December 2008. 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 its 100% earn-in in 2007 subject to Xstrata's back-in right to reacquire a 50% interest. Xstrata's back-in right is exercisable upon, among other things, incurring expenditures equal to 200% of the aggregate expenditures incurred by the Company. In addition, Xstrata is entitled to acquire a further 20% interest in the property by incurring an additional US$20 million in expenditures. In the event that Xstrata elects not to exercise its back-in right, it will be entitled to a 2% NSR which can be reduced to 1% on payment by the Company of US$1 million. Under the terms of the joint venture agreement, Xstrata is the operator.

At Berta during 2007, the Company intersected a significant, continuous domain of strong sulphide mineralization. Copper, gold, silver and zinc values occurred over the entire 771.5 metre length of hole SD-07-08, which ended in mineralization. The results in this highly mineralized hole 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 $491,000, 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.

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. With completion of its earn-in, the Company is in the process of transferring ownership of the Elmalaan property to a newly-formed wholly-owned Turkish subsidiary, which process is nearing completion. No additional field work was performed in 2008.

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 product 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.

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 and are considered active.

Management concluded that no impairment existed in each of its projects effective March 31, 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, the Company holds an approximate 15% interest in Victory Nickel. In 2008, Victory Nickel acquired Independent Nickel Corp. In October 2008, thereby adding an additional project at Lynn Lake to the properties held. Victory Nickel has over 900 million pounds of in-situ nickel in NI 43-101-compliant measured and indicated resources at its four Canadian projects.

Minago
Victory Nickel's l00%-owned Minago project is located on the Thompson Nickel Belt in Manitoba, and is one of Canada's largest undeveloped nickel deposits with measured and indicated resources as updated in the first quarter of 2009 and described in the table below.

Following the completion of a Preliminary Economic Assessment ("PEA") in the fall of 2006, Wardrop Engineering Limited ("Wardrop") was engaged to conduct a feasibility study. The feasibility study is ongoing, and is expected to be completed in 2009.

On January 6, 2009, Victory Nickel announced the receipt of a NI-43-101-compliant revised resource estimate for the Minago Project. The revised resource estimate prepared by Wardrop reports only the nickel that is present in sulphide minerals (denoted NiS), and excludes unrecoverable nickel in silicate. This is necessary to allow accurate determination of a recovery curve at various grades. Previous Minago resource estimates have been reported on a Total Nickel basis at a 0.25% cut-off grade. The adoption of NiS values for the resource estimate (using a 0.20% nickel sulphide cut-off grade as a minimum for economic viability) provides a more accurate determination of the recoverable nickel.

The Minago Project NiS resource estimate is as follows:

Sulphide Nickel Resource Estimate, January 2009

Classification At 0.2% Nickel Sulphide Cut-off Grade	**Tonnes (millions)**	**Grade (% NiS)**	**NiS In-Situ Nickel (millions of pounds)**
Measured Resource	9.1	0.47	94
Indicated Resource	35.0	0.42	327
Total Measured and Indicated	**44.1**	**0.43**	**420**
Inferred Resource	**12.0**	**0.44**	**115**

Lynn Lake
The Lynn Lake property, acquired by Victory Nickel via its acquisition of Independent, is located in the historic mining town of Lynn Lake in northern Manitoba, about 320km by road northwest of the Thompson mining camp. The Lynn Lake property is the former Sherritt producing mine site known as the Lynn Lake A Mine and Farley Mine. The Lynn Lake nickel mine was first operated by Sherritt-Gordon from 1953 to 1976. During its 23 years of operation, the mine produced over 20 million tonnes of nickel-copper ore at an average grade of 1.02% nickel and 0.54% copper, making Lynn Lake the third largest nickel producer in North America. The mine closed in 1977 due to a period of stagnant growth in the nickel market, not because the ore was mined out.

The Lynn Lake project has 0.86 million tonnes of measured resources grading 0.80% nickel or 15 million pounds of in-situ nickel as well as 13.7 million tonnes of indicated resources at 0.65% grade or 196 million pounds. A further 4.2 million tonnes inferred resources grading 0.59% nickel contains an additional 55 million pounds of in-situ nickel.

Exploration upside on the property exists within the mine infrastructure below the 3,000 foot level as well as along an inferred secondary mine structure distinct from the historic main mine trend. This secondary structure was outlined in 2008 with the drilling of the Company's Disco Zone - a small near-surface deposit (approximately 30 m from surface) that extends approximately 200m below surface. The morphology and style of mineralization of the Disco Zone is similar to the historic orebodies mined at Lynn Lake, with similar apparent structural controls, which is that of vertically-extensive, pipe-like orebodies, truncated by reactivated shear zones. The Disco Zone remains open at depth and the inferred northeast-southwest structure that abuts the zone remains unexplored along strike.

The Company is currently evaluating additional work on the Lynn Lake property and will review the pre-feasibility study prepared by Wardrop in detail.

Mel

The Mel project is located on the Thompson Nickel Belt, just north of Thompson, Manitoba. It is a large property, approximately 25km east-west by about 6km north-south.

Mel has an indicated resource of 4.3 million tonnes grading 0.88% nickel (approximately 83 million pounds in-situ nickel), an additional inferred resource of one million tonnes grading 0.84% nickel (approximately 19 million pounds in-situ nickel) and offers significant exploration upside as well as near-term production potential.

Victory Nickel has fully funded sufficient expenditures to earn a 100% ownership interest in this project subject to a 51% Vale Inco back-in. Vale Inco is continuing to assess metallurgical characteristics of typical Mel mineralization prior to making a decision on exercising its back-in right. By agreement, Vale Inco must mill ore from the Mel project at cash costs plus 5% subject to capacity availability and metallurgy.

Lac Rocher

Lac Rocher is located in northwestern Québec and has measured (0.29 million tonnes grading 1.23% Ni) and indicated (0.51 million tonnes grading 1.05% Ni) resources of 0.80 million tonnes grading 1.12% nickel, at a 0.5% nickel cutoff, for approximately 20 million pounds of in-situ nickel located between surface and 125 vertical metres (representing 8 million pounds measured and 12 million pounds indicated). Additional inferred resources total 0.44 million tonnes grading 0.65% nickel (or 6 million pounds in-situ). Mineralization remains open to the southwest.

Current plans are for road construction to be completed from the end of the existing logging road to the site of the proposed Lac Rocher portal, which will allow year-round ground access to the site. This road will be completed only if Victory Nickel has adequate funds available. Victory Nickel will be reviewing the Lac Rocher PEA to see if more economical mining methods are possible.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2009, the Company had a working capital deficiency of $5,975,000 (December 31, 2008 - $6,050,000). The Company used cash of $515,000 during the three months ended March 31, 2009, compared with $2,188,000 in the comparative period of 2008.

In the three months ended March 31, 2009, the Company used cash of $144,000 in operating activities, compared with the use of cash totalling $7,000 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 and the equity-accounted investment in Victory Nickel rather than from non-cash working capital items.

The cash from financing activities in 2009 represents deferred rights offering costs incurred in association with the rights offering which closed in April 2009. There were no financing activities in 2008. Upon renegotiation of the loan in January 2009, the amount available was increased by US$250,000 to include a provision for prepaid interest on amounts due to 80% of the lenders representing the syndicate behind the loan with the remaining member of the syndicate accepting deferred payment. Consequently, no cash is required to service the interest on the loan.

Because of the lack of funds, investing activities in the three months ended March 31, 2009 used funds of $268,000, compared with $2,181,000 in the comparative period. All spending in 2009 related to exploration and development projects. Spending in 2008 included $600,000 on additional investment in Campbell.

Management continues to actively pursue ways to realize on assets or secure financing to repay debt, secure 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 has closed and raised approximately $763,000 in gross proceeds. On April 30, 2009, approximately $360,000 of the proceeds (representing US$300,000) was used to repay a portion of the Company's debt. The Company expects to make an additional repayment once the final costs of the rights offering are known.

The Rainy River shares were sold in April at approximate proceeds of $426,000. In accordance with management's expectations, the market value of the Company's investment in Gold Hawk has continued to improve after March 31, 2009 and has traded at the Company's acquisition cost of $0.06 in April. Additional recovery in the market value would go a long way to helping to repay debt should lenders concur with that possible strategy. Fortunately, lenders have been very supportive. Management still believes that Gold Hawk represents an attractive investment and expects that the value of Gold Hawk shares will recover even further when the Coricancha mine reopens.

The Company's investment in Victory Nickel had a market value as at March 31, 2009 of approximately $1,540,000 using a bid price of $0.04. Management continues to believe that the market is undervaluing Victory Nickel's projects. Some sign of market recovery was seen during April when the share price of Victory Nickel reached $0.10 on significant volume during one day's trading.

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 is working with its legal advisors and other stakeholders in order to protect its interests and to realize on the value of its interests.

The Company has also announced that it could potentially generate significant revenue by milling the crushed ore stockpiled on surface at Cameron Lake. Management is actively pursuing this opportunity which became economic with the buoyant gold prices presently being experienced. A project plan is being prepared and a number of companies have been solicited with respect to toll milling or the sale of this material. In addition, a gold mill which was announced as acquired in 2008 contains gold residue which will be processed once the winter season is over 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 through this downturn in the economic cycle.

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's rights offering was not fully subscribed and it may still be required to sell additional assets. The Company will consider all alternatives 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 $135,000. The Company's working capital requirements are modest. At March 31, 2009, the major item requiring financing was a GST receivable of $31,000 which averaged approximately $45,000 per quarter of 2008. We estimate that approximately $700,000 is required on an annual basis to support the Company as a public entity. Such expenditures are not eligible for flow-through funding and must be financed through other means.

Given its current cash position, the Company has been required to reduce 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 months ended March 31, 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.

FUTURE ACCOUNTING CHANGES

There have been no additional future accounting changes from those reported in Note 3 to the 2008 Audited Consolidated Financial Statements. The Company is continuing to review the requirements of International Financial Reporting Standards and will develop a project plan over the summer of 2009.

CORPORATE GOVERNANCE

The Company's Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility principally through the Audit Committee. The Audit Committee, which is comprised of directors, none of whom are employees or officers of the Company, meets with management to review the unaudited interim consolidated financial statements to satisfy itself that management is properly discharging its responsibilities to the directors who approve the unaudited interim consolidated financial statements. The Board of Directors has also appointed compensation and corporate governance and nominating committees composed of non-executive directors.

Design of Disclosure Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer, (collectively, the "Certifying Officers"), are responsible for designing a system of disclosure controls and procedures, or causing them to be designed under their supervision, to provide reasonable assurance that information required to be disclosed in reports filed with or submitted to, securities regulatory authorities is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws and that material information relating to the Company is made known to them with respect to financial and operational conditions to allow timely decisions regarding required disclosure. For the fiscal quarter ended March 31, 2009, the Certifying Officers have concluded that the design of the Company's disclosure controls and procedures were effective as at March 31, 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 March 31, 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 March 31, 2009, the Certifying Officers have concluded that the design of the Company's internal controls over financial reporting and procedures were effective as at March 31, 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 March 31, 2009 that materially affected, or are reasonably likely to affect, the Company's internal controls over financial reporting.

RELATED PARTY TRANSACTIONS

Related party transactions in the period include the following:

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 has an initial term of 24 months from February 1, 2007 and is terminable thereafter by the Company upon 90 days notice and by Victory Nickel upon 180 days notice. Costs recovered from Victory Nickel in the three months ended March 31, 2009 totalled $150,000 plus project-related costs of $17,000 (2008 - $123,000, plus $13,000 project-related costs) and have been deducted from general and administrative expenses. Furthermore, Victory Nickel charged the Company $4,000 (2008 - $12,000) 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 March 31, 2009.

OUTSTANDING SHARE DATA

At March 31, 2009, the Company had 190,973,574 common shares outstanding. At May 6, 2009, the Company had 206,231,086 common shares issued and outstanding. In addition, there were 16,485,000 stock options outstanding at May 6, 2009 as well as 333,000 warrants which, if exercised and issued, would bring the fully diluted issued common shares to a total of 223,049,086 and would generate approximately $3,307,000. The figures above do not include the effects of the 7,628,756 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 additional estimated proceeds 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 the projects. There can be no assurance that any debt or equity financing or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Nuinsco. Moreover, future activities may require Nuinsco to alter its capitalization significantly. The inability of Nuinsco to access sufficient capital for its operations could have a material adverse effect on its financial condition, results of operations or prospects.

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

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

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

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

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

Regulatory Risks

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

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

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

Other Risks

Environmental and Health Risks

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

Key Personnel

Nuinsco relies on a limited number of key consultants and there is no assurance that Nuinsco will be able to retain such key consultants or other senior management. The loss of one or more of such key consultants or members of senior management, if not replaced, could have a material adverse effect on Nuinsco's business, financial condition and prospects. Directors and management have 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.

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.

May 6, 2009

NUINSCO RESOURCES LIMITED

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2009 AND 2008

DATED MAY 6, 2009

Management's comments on Unaudited Interim Consolidated Financial Statements

The accompanying unaudited interim consolidated financial statements of Nuinsco Resources Limited for the three months ended March 31, 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)		March 31, 2009 (unaudited)		December 31, 2008
ASSETS				
Current				
Cash and cash equivalents	**$**	**278**	$	793
Marketable securities (Note 5)		**1,350**		548
Due from Victory Nickel Inc. (Note 16)		**21**		18
Accounts receivable		**31**		31
Prepaid expenses and deposits		**38**		86
Total Current Assets		**1,718**		1,476
Investment in Equity-Accounted Investees (Note 6)		**1,471**		1,732
Deferred Rights Offering Costs (Note 18)		**103**		-
Exploration and Development Projects (Note 8)		**14,283**		14,187
Property and Equipment (Note 9)		**120**		124
	$	**17,695**	$	17,519
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities (Note 16)	**$**	**1,305**	$	1,403
Loan payable (Note 10)		**6,388**		6,123
Total Current Liabilities		**7,693**		7,526
Asset retirement obligation (Note 11)		**102**		99
Total Liabilities		**7,795**		7,625
Shareholders' Equity (Note 12)				
Share capital		**91,453**		91,757
Contributed surplus		**3,173**		2,999
Deficit		**(84,213)**		(83,468)
Accumulated other comprehensive loss (Note 14)		**(513)**		(1,394)
Net Shareholders' Equity		**9,900**		9,894
	$	**17,695**	$	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 March 31, 2009 (unaudited)	Three Months Ended March 31, 2008 (Restated - Note 6) (unaudited)
Revenue		
Consulting fees	**$ -**	$ 75
Interest income	**-**	160
Other	**-**	18
	-	253
Costs and Expenses		
General and administrative (Note 16)	**273**	366
Foreign exchange loss	**192**	-
Stock option compensation (Note 12)	**174**	23
Amortization of property and equipment	**4**	4
Accretion of asset retirement obligation (Note 11)	**3**	-
Interest expense	**344**	-
Writedown of exploration and development projects (Note 8)	**21**	49
	1,011	442
Loss before the Undernoted	**(1,011)**	(189)
Share of Losses of Equity-Accounted Investees (Note 6)	**(2)**	(319)
Provision for Writedown of Investment (Note 5)	**(16)**	-
Dilution Loss (Note 6)	**(322)**	(725)
Loss before Income Taxes	**(1,351)**	(1,233)
Income Tax Recoveries (Note 13)	**606**	1,740
Net (Loss) Income for the Period	**$ (745)**	$ 507
(Loss) Income per Share - Basic and Diluted	**$ (0.00)**	$ 0.00
Weighted Average Common Shares Outstanding	**183,342,000**	172,330,000

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

NUINSCO RESOURCES LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands of Canadian dollars)	Three Months Ended March 31, 2009 (unaudited)	Three Months Ended March 31, 2008 (Restated - Note 6) (unaudited)
Net (loss) income for the period	**$ (745)**	$ 507
Other comprehensive income (Note 14)	**881**	230
Comprehensive Income for the Period	**$ 136**	$ 737

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

NUINSCO RESOURCES LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars)	Three Months Ended March 31, 2009 (unaudited)	Three Months Ended March 31, 2008 (Restated - Note 6) (unaudited)
Cash from (used by)		
Operating Activities		
Net (loss) income for the period	**$ (745)**	$ 507
Items not affecting cash:		
Stock option compensation	**174**	23
Other stock-based compensation	**-**	17
Amortization of loan fees, property and equipment	**151**	4
Accretion of asset retirement obligation (Note 11)	**3**	-
Writedown of exploration and development projects (Note 8)	**21**	49
Share of losses of equity-accounted investees (Note 6)	**2**	319
Interest capitalized to loan (Note 10)	**212**	-
Dilution losses (Note 6)	**322**	725
Provision for writedown of investment (Note 5)	**16**	-
Unrealized foreign exchange loss on loan	**178**	-
Income tax recoveries (Note 13)	**(606)**	(1,740)
Change in non-cash working capital (Note 15)	**128**	89
Cash used by operating activities	**(144)**	(7)
Financing Activities		
Deferred rights offering costs	**(103)**	-
Cash used by financing activities	**(103)**	-
Investing Activities		
Investment in Campbell Resources Inc.	**-**	(600)
Exploration and development projects	**(268)**	(1,581)
Cash used by investing activities	**(268)**	(2,181)
Net Decrease in Cash During the Period	**(515)**	(2,188)
Cash and Cash Equivalents, Beginning of the Period	**793**	7,099
Cash and Cash Equivalents, End of the Period	**$ 278**	$ 4,911
Supplemental Cash Flow Information		
Income taxes paid	**$ -**	$ -
Interest paid	**$ -**	$ -

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

NUINSCO RESOURCES LIMITED
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(unaudited) (in thousands of Canadian dollars)	Share Capital Number of Shares	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**
Shares issued for services	10,000,000	297	-	-	-	297
Shares issued for property	100,000	5	-	-	-	5
Options granted and vesting	-	-	174	-	-	174
Flow-through share renunciation	-	(606)	-	-	-	(606)
Net loss for the period	-	-	-	(745)	-	(745)
Other comprehensive income (Note 14)	-	-	-	-	881	881
Balance as at March 31, 2009	**190,973,574**	**$ 91,453**	**$ 3,173**	**$ (84,213)**	**$ (513)**	**$ 9,900**

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

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 March 31, 2009, the Company had a working capital deficiency of $5,975,000 (December 31, 2008 – $6,050,000). This working capital deficiency includes a $6,388,000 loan due on June 15, 2009. The loan is secured by Victory Nickel Inc. ("Victory Nickel") shares shown as an investment in equity-accounted investee as well as being secured by other assets to accommodate the loan's restructuring in January 2009 (see Note 10).

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 the loan due June 15, 2009 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 18 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 down) to allow it to continue to meet its obligations as they become due. Furthermore, the Company has pledged its Victory Nickel and Gold Hawk Resources Inc. ("Gold Hawk") shares as well as the Cameron Lake property to secure the loan payable as described in Note 10. Unless the loan is repaid or extended, the Company's assets could be significantly reduced. 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 substantial 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 inactive 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 March 31, 2009 was $14,283,000 (December 31, 2008 - $14,187,000). Management's review of these carrying values indicated that at March 31, 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.

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. 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 a working capital deficiency of $5,975,000 as at March 31, 2009 and there is substantial doubt as to its ability to continue as a going concern. The Company is actively exploring alternatives which include refinancing or extension of debt, equity financing or sale of assets. However, there can be no assurance that these efforts will be successful. The Company currently has no significant long-term liabilities. All 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 March 31, 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 incurred $192,000 in net foreign exchange losses in the three months ended March 31, 2009 ($nil in the three months ended March 31, 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. During the third quarter of 2008, the Company entered into a loan denominated in US dollars. As at March 31, 2009, the US dollar-denominated balances include: cash of approximately US$123,000, accounts payable and accruals of approximately US$544,000 and loan-related balances of US$5,210,000. As at December 31, 2008, US dollar-denominated balances include: cash of approximately US$535,000, accounts payable and accruals 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 $71,000 on the Company's results of operations based on the balances as at March 31, 2009 (December 31, 2008 - $61,000).

5. MARKETABLE SECURITIES

		March 31, 2009		December 31, 2008
		Market Value		Market Value
Gold Hawk Resources Inc.	$	897	$	299
Rainy River Resources Ltd.		452		248
Other Shares		1		1
	$	1,350	$	548

In accordance with the royalty sale described in Note 9 to the 2008 Audited Consolidated Financial Statements, the Rainy River Resources Ltd. shares are subject to a hold period expiring in April 2009. The Company sold the shares in April in a series of transactions aggregating cash proceeds of approximately $426,000 after commissions of approximately $2,000.

The Company believes that the decline in the market value of Gold Hawk is due to general market conditions which are not specific to that company. The amount of unrealized loss recorded in accumulated other comprehensive income for Gold Hawk is approximately $898,000 as at March 31, 2009 (December 31, 2008 - $1,496,000) and reflects a share price of $0.03 at March 31, 2009. The junior resource sector has been adversely affected by the tightening in the credit and equity markets and the general decline in commodity prices. Given the volatility in the sector over a short period of time, the Company continues to believe that this loss is temporary. Since the end of December, Gold Hawk's closing share price has ranged from $0.01 to $0.06, indicating its volatility but also its ability to improve. Refer also to Note 6 to the 2008 Audited Consolidated Financial Statements.

Accordingly, the Company has continued to record the change in market value of Gold Hawk through other comprehensive loss rather than recording a permanent impairment through the statement of operations. 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 losses of investees		(2)		-		(2)
Share of other comprehensive income of investees		63		-		63
Balance as at March 31, 2009	**$**	**1,471**	**$**	**-**	**$**	**1,471**
Balance as at December 31, 2007	$	6,148	$	4,216	$	10,364
Dilution loss		(725)		-		(725)
Additional investment, February 2008		-		600		600
Share of losses of investees		(94)		(225)		(319)
Share of other comprehensive income of investees		230		-		230
Balance as at March 31, 2008	$	5,559	$	4,591	$	10,150

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 March 31, 2009 and December 31, 2008, the Company has an approximate 15% interest in Victory Nickel.

The dilution losses recorded in each period relates to the Company's share of Victory Nickel's flow-through renunciations in February of each year. In February, 2009, Victory Nickel renounced $8,121,000 (2008 - $11,500,000) in Canadian Exploration Expenditures to investors of flow-through shares issued in 2008 and 2007, respectively. The tax value of these renunciations amounted to $2,192,000 (2008 - $3,335,000) and gave rise to a reduction in Victory Nickel's shareholders' equity by this amount. The Company's proportionate share of this amount has been shown as a reduction in the carrying value of the investment in Victory Nickel and a corresponding dilution loss of $322,000 (2008 - $725,000) has been included in the consolidated statement of operations. The dilution loss of $725,000 arising in the three months ended March 31, 2008 was not recorded in 2008 until the second quarter of that year. Accordingly, the results of operations, comprehensive income, cash flows and balances as at and for the three months ended March 31, 2008 have been restated.

The Company's share of Victory Nickel's loss for the three months ended March 31, 2009 was $2,000 (for the three months ended March 31, 2008 - $94,000). The Company's share of Victory Nickel's other comprehensive income for the three months ended March 31, 2009 was $63,000 (2008 - $230,000).

As was the case with the majority of resource companies, the share price of Victory Nickel which is listed on the TSX decreased precipitously in the second half of 2008 from $0.47 on June 30, 2008 to a bid price of $0.045 per share at December 31, 2008 and to $0.04 at March 31, 2009. During the period, commodity prices decreased sharply and the availability of equity and debt financing was severely curtailed due to a worldwide credit crisis. The Company does not believe that the March 31, 2009 share price properly reflects the value of Victory Nickel's projects nor its longer term potential. However, given the extent and duration of the current global economic downturn, and an inability to predict the timing of metal price recoveries along with the normalization of credit markets, the decline in value of its investment in Victory Nickel is considered other than temporary.

Accordingly, 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. The market value of the Company's investment in Victory Nickel as at March 31, 2009 is approximately $1,540,000; as this is in excess of the recorded value after taking into account the equity-accounting adjustments reflected above, no additional writedown is necessary. However, no writeup is permitted under Canadian GAAP for investments accounted for under the equity method.

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 Arrangements Act ("CCAA"). The Company is working with legal advisors 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 quarter ended March 31, 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 March 31, 2009	-	48,250,000	$ -	$ -	$ -	$ 2,500

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 matures 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 has been 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 March 31, 2009 is approximately $478,000 (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.

8. EXPLORATION AND DEVELOPMENT PROJECTS

Cumulative costs relative 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 March 31, 2009
URANIUM				
Diabase Peninsula	$ 5,737	$ 13	$ -	$ 5,750
Prairie Lake	1,136	11	-	1,147
Marijane and Huston Lakes	730	29	-	759
	7,603	53	-	7,656
GOLD, COPPER AND ZINC				
Cameron Lake	1,563	23	-	1,586
Berta and Elmalaan	2,521	20	-	2,541
Interest in Campbell	2,500	-	-	2,500
Other	-	21	(21)	-
	6,584	64	(21)	6,627
	$ 14,187	$ 117	$ (21)	$ 14,283

	Balance as at December 31, 2007	Current Expenditures	Writedowns	Balance as at March 31, 2008
URANIUM				
Diabase Peninsula	$ 3,548	$ 1,115	$ -	$ 4,663
Prairie Lake	591	10	-	601
	4,139	1,125	-	5,264
GOLD, COPPER AND ZINC				
Cameron Lake	848	46	-	894
Berta and Elmalaan	1,865	91	-	1,956
Other	12	49	(49)	12
	2,725	186	(49)	2,862
	$ 6,864	$ 1,311	$ (49)	$ 8,126

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. If the project progresses 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 March 31, 2009, the Company has fulfilled the one-year commitment and has incurred an additional $141,000 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 800-foot level. A NI 43-101 compliant technical report and resource estimate was completed in April 2004 and was updated in June 2008. Since 2006, work and studies have been undertaken in order to apply for permits to advance the project; 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 $491,000, 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 amount of $21,000 were written off in the first quarter of 2009 (2008 - $49,000).

9. PROPERTY AND EQUIPMENT

		March 31, 2009		December 31, 2008
Equipment				
Cost	**$**	**383**	$	383
Accumulated Amortization		**263**		259
Net Book Value	**$**	**120**	$	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
Aggregate advances in US Dollars	$	5,000
Capitalized interest in US Dollars		168
Foreign exchange		1,345
Unamortized loan fees (shares issued)		(125)
Balance as at March 31, 2009	$	6,388

The loan has been classified as an other financial liability. Transaction costs associated therewith, including the cost of shares issued, have been netted against the loan balance and amortized to interest expense using the effective interest rate method. The loan was originally due no later than December 15, 2008, was secured by the Company's Victory Nickel shares and was subject to a prepayment obligation from proceeds of debt or equity financing excluding flow-through shares, warrants and options. The renegotiation was treated as a modification to the existing loan. The Company was technically in default on the loan until it was renegotiated in January 2009 with terms as described below:

- The aggregate amount of the loan was increased to US$5,250,000 to include prepaid interest on amounts underwritten by 80% of the syndicate behind the loan;
- Interest remained at 12.5%;
- The term of the loan was extended to June 15, 2009;
- The issuance, subject to regulatory approval, which was subsequently received, of 10,000,000 common shares of the Company;
- Security supporting the loan was increased to include 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; and
- The prepayment obligation was amended to include the first $1 million of proceeds from any rights offering, 50% of the next $4 million of proceeds and 100% thereafter.

11. ASSET RETIREMENT OBLIGATION

The Company has estimated an asset retirement obligation 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		3
Balance as at March 31, 2009	$	102

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**	**$**	**91,757**
Shares issued for services [(a)]	10,000,000		297
Shares issued for option in exploration property [(b)]	100,000		5
Flow-through share renunciation [(c)]	-		(606)
Balance as at March 31, 2009	**190,973,574**	**$**	**91,453**

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

(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).

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**	**$**	**0.20**
Options granted	5,575,000		0.05
Options expired	(2,375,000)		0.19
Balance as at March 31, 2009	**17,035,000**	**$**	**0.15**

In total, 5,575,000 options were granted during the first quarter of 2009 at a weighted average exercise price of $0.05 per share. The weighted average grant date fair value of options granted during the quarter was $0.037. The granting and vesting of the options resulted in compensation expense of $173,927.

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:

	Three Months Ended March 31,	
Option Assumptions	**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 17,035,000 options outstanding at March 31, 2009, 1,262,500 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 $44,675. The weighted average exercise price of fully-vested options at December 31, 2008 was $0.15.

The following table summarizes further information about the stock options outstanding at March 31, 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	4.95	$	0.05
$0.0600 - $0.2100	7,000,000	7,000,000	1.98	$	0.14
$0.2200 - $0.2700	2,100,000	2,225,000	4.29	$	0.25
$0.2800 - $0.4880	2,185,000	2,235,000	3.28	$	0.36
	15,772,500	17,035,000	3.42	$	0.15

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

13. INCOME TAXES

The income tax recoveries in the three months ended March 31, 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 (LOSS) INCOME

Accumulated other comprehensive (loss) income (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:

		Three Months Ended March 31, 2009		Three Months Ended March 31, 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		**802**		-
Determination of change in the fair value as "other than temporary" and reclassification through operations		**16**		-
Proportionate share of Victory Nickel Inc.'s OCI		**63**		230
Accumulated OCI at end of period	**$**	**(513)**	$	1,130

15. CHANGES IN NON-CASH WORKING CAPITAL

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

		Three Months Ended March 31, 2009		Three Months Ended March 31, 2008
Accounts receivable, prepaid expenses and deposits	**$**	**48**	$	(51)
Due from/to Victory Nickel Inc.		**(3)**		400
Due from Campbell Resources Inc.		**-**		(196)
Accounts payable and accrued liabilities		**83**		(64)
	$	**128**	$	89

16. RELATED PARTY TRANSACTIONS

Related party transactions not described elsewhere in these unaudited interim consolidated financial statements include the following:

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 has an initial term of 24 months commencing February 1, 2007 and is terminable thereafter by the Company upon 90 days notice and by Victory Nickel upon 180 days notice. Costs recovered from Victory Nickel in the three months ended March 31, 2009 total $150,478 (2008 - $122,765) and have been deducted from general and administrative expenses. Furthermore, project-related costs aggregating $3,760 have been charged to the Company by Victory Nickel and are included in exploration and development costs on the balance sheet

($11,625 in 2008). In addition, project-related costs aggregating $17,363 have been charged by the Company to Victory Nickel during the three months ended March 31, 2009 (2008 - $13,000).

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

Included in accounts payable and accrued liabilities at March 31, 2009 are amounts owing to directors and officers of $157,950 (December 31, 2008 - $115,100). These amounts consist primarily of directors' fees and reimbursement of expenses.

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	$	64
2010		88
2011		61
2012		5
	$	218

18. SUBSEQUENT EVENTS

Subsequent events not otherwise referred to in these unaudited interim consolidated financial statements is as follows:

Rights offering
On March 11, 2009, the Company announced a rights offering to holders of its outstanding common shares on the record date of March 24, 2009 to purchase units of the Company (each a "Unit") at a price per Unit of $0.05. Each Unit consisted of one common share of the Company (each a "Unit Share") and one-half of one Common Share Purchase Warrant (each whole Common Share Purchase Warrant a "Unit Warrant"). The rights offering closed on April 22, 2009 and resulted in the issuance of 15,257,512 Unit Shares and 7,628,756 Unit Warrants. Aggregate proceeds before issue costs were approximately $763,000 (excluding any potential proceeds from the exercise of the Unit Warrants). Each Unit 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.

Debt payment
On April 30, 2009, the Company made a payment of US$300,000 ($360,000 equivalent) on account of its loan payable described in Note 10.

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