NUINSCO RESOURCES LIMITED
CONSOLIDATED BALANCE SHEETS
(in thousands of dollars)

	March 31, 2004 (unaudited)	December 31, 2003 (audited)
ASSETS		
Current		
Cash	**$ -**	$ 239
Cash for exploration expenditures	**1,505**	2,913
Accounts receivable	**30**	44
Prepaid expenses	**12**	21
Total current assets	**1,547**	3,217
Exploration and Development Projects (Note 2)	**16,353**	14,914
Other Assets	**40**	42
	$ 17,940	$ 18,713
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank overdraft	**$ 97**	$ -
Accounts payable and accrued liabilities	**377**	553
Total current liabilities	**474**	553
Long-term		
Convertible notes	**200**	200
	674	753
Shareholders' Equity		
Share capital (Note 3(a)	**58,738**	59,881
Stock option compensation (Note 3(b))	**1,000**	155
Share purchase warrants	**65**	65
Contributed surplus	**759**	759
Deficit	**(43,296)**	(43,440)
Net shareholders' equity	**17,266**	17,420
	$ 17,940	$ 18,173

Approved by the Board

W. Warren Holmes, Director **René R. Galipeau, Director**

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

(unaudited - in thousands of dollars, except per share amounts)

	Three Months Ended	March 31,
	2004	2003
Revenue		
Interest income	**$ 11**	$ -
Costs and Expenses		
General and administrative	**203**	125
Depreciation	**2**	2
Stock option compensation (Note 3(b)	**853**	64
	1,058	191
Loss before income taxes	**(1,047)**	(191)
Income taxes (Note 3(a))	**1,191**	-
Profit (net loss) for period	**144**	(191)
Deficit, beginning of period	**(43,440)**	(39,925
Deficit, end of period	**$ (43,296)**	$ (40,116)
Profit (loss) - basic and fully diluted	**nil**	nil
Weighted average outstanding common shares	**81,225,831**	60,029,323

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited - in thousands of dollars)

	Three Months Ended	March 31,
Cash from (used by)	**2004**	2003
Operating activities		
Profit (net loss) for the period	**$ 144**	$ (191)
Items not affecting cash		
Depreciation	**2**	2
Stock option compensation	**853**	64
Income taxes	**(1,191)**	-
	(192)	(125)
Changes in non-cash working capital	**(9)**	25
Cash used by operating activities	**(201)**	(100)
Financing Activities		
Demand Loans	**-**	400
Deposits	**-**	240
Issue of Common Shares	**40**	-
Cash from financing activities	**40**	640
Investing activities		
Additions to exploration and development projects	**(1,583)**	(698)
Cash used by investing activities	**(1,583)**	(698)
Net decrease in cash during period	**(1,734)**	(158)
Cash, beginning of period	**3,152**	377
Cash, end of period	**$ 1,408**	$ 219
Cash, end of period		
Cash	**$ -**	$ 219
Cash for exploration expenditures	**1,505**	-
Bank overdraft	**(97)**	-
	$ 1,408	$ 219

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2004 (unaudited)

1. a) General

The interim consolidated financial statements of the Company for the three months ended March 31, 2004 have been prepared by management using accounting principles generally accepted in Canada for interim financial statements and reflect the same accounting principles set out in the notes to the Company's consolidated financial statements as of December 31, 2003, appearing in the Company's 2003 Annual Report. These interim financial statements should be read in conjunction with those annual financial statements and the notes thereto. The results of operations and cash flow for the current periods are not necessarily indicative of the results to be expected for the full year.

These interim consolidated financial statements are not audited and have not been reviewed by the Company's external auditors.

b) Going Concern

These consolidated financial statements have been prepared using accounting principles applicable to a going concern entity, which assume that the entity will continue operating in the future and be able to realize its assets and discharge its liabilities in the normal course of its business principally by obtaining additional financings at this stage of its operations. These financial statements do not reflect adjustments in the carrying values of the Company's assets and liabilities and reported losses that would be necessary if the going concern assumptions were not appropriate.

2. Exploration and Development Project

Activities and balances for the periods are as follows (thousands of dollars):

	Balance December 31, 2003	**Current Expenditures**	**Write-downs**	**Balance March 31, 2004**
Rainy River (Note)	$ 9,358	$ 168	$ -	$ 9,526
Lac Rocher	2,726	27	-	2,753
Mel Properties	2,059	993	-	3,052
Cameron Lake	390	41	-	431
Prairie Lake	309	16	-	325
Other	72	194	-	266
	$ 14,914	$ 1,439	$ -	$ 16,353

	Balance December 31, 2002	**Current Expenditures**	**Write-downs**	**Balance March 31, 2003**
Rainy River (Note)	$ 11,789	$ 46	$ -	$ 11,835
Lac Rocher	2,712	2	-	2,714
Mel Properties	1,487	841	-	2,328
Cameron Lake	108	14	-	122
Prairie Lake	143	15	-	158
Other	57	5	-	62
	$ 16,296	$ 923	$ -	$ 17,219

Note: In December 2003, the Rainy River project expenditures were written down by $2,605,000 for costs incurred on areas of the property on which the Company is no longer focusing.

3. Share Capital

a) During the three-month period ended March 31, 2004 the following common shares were issued:

	Shares	Amount (,000)
Balance December 31, 2003	81,042,498	$ 59,881
Stock options exercised	200,000	40
Value of options exercised	-	8
Tax value of renunciations for flow-through shares (Note)	-	(1,191)
Balance March 31, 2004	81,242,498	$ 58,738

Note: In February 2004, the Company renounced $3,489,000 in Canadian Exploration Expenditures to investors of flow-through shares in 2003. The tax value of this renunciation has been recorded as a liability and charged against share capital. Since the Company has unrecorded future income tax assets, the liability has been reduced and an income tax recovery has been recognized in the statement of operations.

b) During the three month period ended March 31, 2004, 250,000 stock options were granted at $0.44 each and 3,825,000 stock options were granted at $0.42 each under the stock option plan (887,500 of the options were granted subject to the shareholders of the Company approving the increase of the size of the stock option plan). The options were granted for a term of 10 years. The fair value of the 4,075,000 options granted has been estimated on the date of the grant at $852,800 using the Black-Scholes option pricing method, using the following weighted average assumptions:

Dividend yield	-
Expected volatility	30%
Risk free interest rate	4.2%
Expected option term – years	8

c) At May 14, 2004 the issued and outstanding common shares of the Company totalled 81,242,498 and on a fully diluted basis there would be 101,600,479 common shares outstanding.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Three Months Ended March 31, 2004

This Management Discussion and Analysis is dated May 14, 2004 and reflects the three-month period ended March 31, 2004 and should be read in conjunction with the interim consolidated financial statements and the Management Discussion and Analysis included in the 2003 Annual Report. The Company also published an Annual Information Form. These documents along with others published by the Company are available on SEDAR at www.sedar.com or from the office of the Company.

OVERALL PERFORMANCE

During the three-month period ended March 31, 2004, the Company undertook extensive exploration on its mineral properties in Manitoba and Ontario. The Company is well funded to continue its exploration activities during the second quarter of 2004. Although the Company is well funded for exploration projects it requires funding for its 2004 corporate activities. Plans are well underway to acquire this funding during this period of higher metal prices and market activity.

SELECTED ANNUAL INFORMATION

Fiscal Years Ended, December 31,	2003	2002	2001
Interest income	$ 10,000	$ 1,000	$ 28,000
Loss for the year	$ 3,515,000	$ 2,128,000	$ 4,089,000
Loss per share - basic and diluted	$ 0.05	$ 0.04	$ 0.08
Total assets	$ 18,173,000	$ 16,842,000	$ 17,800,000
Total long-term liabilities	$ 200,000	$ 200,000	$ -

RESULTS OF OPERATIONS

For the three months ended March 31, 2004, the Company incurred a profit of $144,000 compared to a loss of $191,000 in the same period of 2003. In the current period the profit was created by the recognition of previously unrecorded tax assets amounting to $1,191,000 which were recognized with the renunciation of the tax benefits of the flow-through share expenditures. This was offset somewhat by a charge of $852,800 for the fair value attributed to 4,075,000 stock options issued during the first quarter of 2004. In the same period in 2003, 1,250,000 stock options were granted and valued at $64,000. General administrative expenses were $203,000 during the first quarter ended March 31, 2004 compared to $125,000 for the same period in 2003. This reflects increased activities related to reviewing new projects, financing opportunities and general corporate activities.

SUMMARY OF QUARTERLY RESULTS

Selected financial information for the first quarter of fiscal 2004 and each of the last eight quarters of fiscal 2003 and 2002.

Fiscal year 2004	1st Quarter
Revenue	$ 11,000
Income	$ 144,000
Income per share –basic and fully diluted	$ -

Fiscal year 2003	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue	$ 9,000	$ -	$ 1,000	$ -
Loss	$ 3,041,000	$ 138,000	$ 145,000	$ 191,000
Loss per share –basic and fully diluted	$ 0.05	$ -	$ -	$ -

Fiscal year 2002	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue	$ (2,000)	$ -	$ -	$ 3,000
Loss	$ 1,459,000	$ 84,000	$ 471,000	$ 114,000
Loss per share –basic and fully diluted	$ 0.05	$ -	$ 0.01	$ -

EXPLORATION AND DEVELOPMENT ACTIVITIES

Exploration activities accelerated during the first quarter of 2004. The financing completed towards the end of 2003 allowed the Company to advance several projects. A total of $1,439,000 was spent on exploration during the first quarter of 2004 compared to $923,000 for the same period of 2003. Complete details of the mineral properties can be reviewed in the 2003 Annual Report.

Mel Project

The main focus continued to be on the Mel properties where $993,000 was spent to further expand the known resources in an effort to outline a minimum of the one million tonnes of mineable ore. Results of the drilling are as follows:

DDH No.	From (feet)	To (feet)	Core Length (feet)	Weighted Average (% Ni)
102578	478.7	502.9	24.2	1.36
including	478.7	482.4	3.7	2.18
including	490.4	492.7	2.3	2.38
including	496.1	502.9	6.8	1.94
102579	507.7	508.8	1.1	3.02
102579	515.6	516.7	1.1	2.14
102579	544.2	547.0	2.8	2.55
102580	463	480.9	17.9	1.50
including	463	470.0	7.0	2.36
102580	600.7	605.2	4.5	1.26
102581	483.4	486.7	3.3	2.98
102581	493.1	500.0	6.9	1.23
102581	620.6	638.7	18.1	2.33
102582	479.9	485.1	5.2	1.60
102583	407.6	421.8	14.2	2.08
102583	481.4	487.6	6.2	1.32
102584	462.3	467.1	4.8	2.63
102585	378.8	389.6	10.8	2.30
102585	436.5	446.9	10.4	1.28

Additional results are expected shortly following which an estimation of resources will be completed to determine the success of achieving the one million tonne target.

On the Mel Claims portion of the Mel Project, geophysical surveys were conducted along the prospective Mel geology. Three drill holes were completed to test previously defined geophysical anomalies – causative sulphide mineralization was intersected in the drill holes but at present, assay results are incomplete. Numerous anomalies have been identified and are slated for future drilling.

Rainy River Project

At Rainy River, a small drill program on the Zone 34 was completed. The best result was a 9.65 m intersection grading 3.00% nickel, 2.69% copper, 1.60 grams per tonne gold (g/t), 4.22 g/t platinum and 11.39 g/t palladium and 25.66 g/t silver and confirms the premise of a very interesting rich nickel, copper, PGM zone.

Abitibi Belt

In January 2004, the Company and Wallbridge Mining Company Limited formed a joint venture with Falconbridge/Noranda to explore the Abitibi belt south of Timmins, Ontario. During the first quarter of 2004, approximately $155,000 was paid toward the Company's commitment of $300,000 as its share of the exploration program for 2004. Exploration results for these expenditures are pending.

RISKS AND UNCERTAINTIES

The Company's business of exploring and developing mineral properties is highly uncertain and risky by its very nature. In addition, the Company's working capital deficiency casts substantial doubt on its ability to continue as a going concern without additional financing. While a company's success may result from good fortune, it is more often dependent on management's knowledge and expertise and its ability to identify and advance attractive projects and targets from the grass-roots stage to the more advanced stages as well as to secure necessary financing.

Regulatory standards continue to change making the review process longer, more complex, and more costly. Even if an apparently mineable deposit is discovered, there is no assurance that it will ever reach production or be profitable, as its results are influenced by many key factors, such as commodity prices and foreign exchange rates, which cannot be controlled by management.

While it is impossible to eliminate all of the risks associated with exploration and mining, it is management's intention to manage its affairs, to the extent possible, to ensure that the Company's assets are protected and that its efforts will result in increased shareholder value.

LIQUIDITY AND CAPITAL RESOURCES

Cash decreased during the three-month period ended March 31, 2004 by $1,734,000 to $1,408,000. Of the decrease, $1,583,000 was spent on exploration. At March 31, 2003, cash stood at $219,000 and subsequently during 2003, additional financings were secured. Of the current cash position at March 31, 2004, there is a $97,000 bank overdraft for current operations and $1,505,000 available to fund exploration expenditures for the balance of 2004. During the current period, the Company looked at a number of financing opportunities and is diligently trying to close on a financing to fund non-exploration corporate activities which are estimated at $800,000 for the balance of 2004. In the first quarter of 2003, the Company received loans of $400,000 from two directors. The loans are on a demand basis bearing interest at 12% per annum. The loans were repaid in the last quarter of 2003 from the equity financings.

OUTSTANDING SHARE DATA

At May 14, 2004, the Company had 81,242,498 common shares issued and outstanding.

In addition, there were 8,420,400 stock options granted, 1,052,632 shares reserved for conversion of the convertible debt, and 10,260,949 warrants issued and outstanding which in total would bring the fully diluted issued common shares to a total of 100,976,479.

OUTLOOK

The Company is fortunate to own a variety of highly prospective gold and nickel exploration properties sufficiently advanced to be considered for production possibilities. To this end, management plans to undertake a number of exploration and development programs to advance its properties towards production. The environment for financings has become very favourable in the past year and management is optimistic that additional financings will be completed to meet ongoing requirements.