NUINSCO RESOURCES LIMITED

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2006

Management's Comments on Unaudited Interim Consolidated Financial Statements

The accompanying unaudited interim consolidated financial statements of Nuinsco Resources Limited for the three months and nine months ended September 30, 2006 have been prepared by management, reviewed by the Audit Committee and approved by the Board of Directors of the Company.

NUINSCO RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS
Three and Nine Months Ended September 30, 2006

This Management's Discussion and Analysis is dated November 3, 2006, reflects the three and nine month periods ended September 30, 2006 and should be read in conjunction with the interim consolidated financial statements for the three and nine months ended September 30, 2006 and the financial statements and Management's Discussion and Analysis for the year ended December 31, 2005 available in the Company's Annual Report. These documents, along with an Annual Information Form and other documents published by Nuinsco Resources Limited ("Nuinsco" or the "Company"), are available on SEDAR at www.sedar.com *or from the office of the Company.*

COMPANY OVERVIEW
Nuinsco is a Canadian exploration and development-stage mineral resource company engaged in the acquisition, exploration and development of precious and base metal properties. Property interests are located in northwestern Ontario, in northern Manitoba on the Thompson Nickel Belt, in Saskatchewan's Athabasca Basin, in the Lac Rocher area of Quebec and in northeastern Turkey.

During the second quarter of 2006, Nuinsco entered into a transaction to provide operating consulting services to gold and copper producer Campbell Resources Inc. ("Campbell"). This transaction is a significant step forward toward Nuinsco's goal of making the transition to mine development and commercial production as it offers the potential for Nuinsco to become a producer in 2007 as a 50% partner with Campbell in the high-grade Corner Bay copper deposit in Quebec's Chibougamau Mining Camp.

RESULTS OF OPERATIONS
For the three months ended September 30, 2006, the Company had net income of $34,000, or $0.00 per share, compared with a net loss of $1,064,000, or $0.01 per share, in the same period of 2005. As was the case in the first and second quarters of 2006, a significant gain ($558,000) was realized in the current quarter from the sale of marketable securities (Rainy River Resources Ltd.).

As explained in more detail below under Liquidity and Capital Resources, on May 1, 2006 the Company commenced providing operating consulting services to Campbell which resulted in consulting fees totaling $215,000 being earned in the current quarter.

General and administrative expenses totaled $175,000 in the three months ended September 30, 2006, compared with $195,000 in the same 2005 period. General and administrative expenses in the current three-month period have been reduced by non-recurring recoveries of approximately $135,000 recognized on the finalization in the quarter of definitive agreements with Campbell as discussed under Liquidity and Capital Resources below. These agreements provided for the reimbursement of various costs incurred by the Company, the majority of which had previously been expensed in the first six months of the year. The increase in general and administrative expenses, excluding this one-time recovery, is consistent with increased activities and additional employees.

During the second quarter of 2006, the Company restructured its management team and hired several individuals to meet the increased requirements evolving from the Company's growth. Nuinsco has never had more activity than it has at present and expects corporate costs to increase accordingly in the future as it develops its existing assets and pursues additional opportunities for growth.

In the nine months ended September 30, 2006, the Company had net income of $2,706,000, or $0.02 per share, versus a net loss of $1,212,000, or $0.01 per share, for the same period in 2005. Aggregate gains on the sale of marketable securities in the current nine-month period were $2,305,000. Tax revenues for the nine months ended September 30, 2006 totaled $1,859,000, compared with $211,000 in the 2005 nine-month period. The Company recognized tax revenues of $783,000 in the second quarter. Net proceeds of this amount were received as a result of the transactions entered into which resulted in the realization of the benefit of previously unrecognized tax loss carry forwards. The Company also recognized income tax recoveries in the first quarters of 2006 and 2005 of $1,076,000 and $211,000, respectively. These income tax recoveries represent the tax benefits realized from the renunciation of Canadian exploration expenses to the investors in flow-through share financings.

General and administrative expenses for the nine months ended September 30, 2006 totaled $1,322,000, versus $775,000 for the same period in 2005. The increase in general and administrative costs reflects the increased activities described above. General and administrative expenses in the 2006 nine-month period also include an amount of

$294,000 (including issue costs) ascribed to 1,400,000 common shares issued to the estate of a former Chief Executive Officer of the Company for services rendered over many years. The issuance of the shares followed the receipt of approval of the transaction by the Toronto Stock Exchange. As mentioned in the December 31, 2005 Management's Discussion and Analysis, administrative costs are expected to continue to increase as the Company's activities expand and regulatory compliance demands are met.

The three- and nine-month periods ended September 30, 2006 include stock compensation expense of $266,000, representing the fair value of 2,750,000 options issued to directors, officers, employees and consultants in August 2006. The corresponding period in 2005 includes $333,000 of stock compensation expense with respect to options issued in 2005. The fair market value of the options issued was determined using the Black-Scholes option pricing model, as explained more fully in Note 6 to the Company's interim consolidated financial statements.

The 2006 nine-month results also include a writedown of marketable securities of $168,000. As explained more fully in Note 2 to the interim consolidated financial statements, in May and June 2006, the Company received 2,400,000 shares of Campbell, which were initially valued at the then market value of $0.17 per share. The carrying value of those shares was written down in the third quarter to the approximate quoted market value at the end of the period of $0.10 per share. A further 600,000 Campbell shares received in the third quarter were valued at $0.10 per share and therefore did not require a writedown.

In the third quarter of 2006, the Company decided not to undertake further exploration on the Muriel Lake property, and accordingly wrote off exploration costs associated with this project totaling $174,627. Other exploration costs relating to discontinued projects in the amount of $52,102 were also written off in the third quarter. In the nine months ended September 30, 2005, the Prairie Lake project was written down by $325,000, to nil. The Timmins project costs amounting to $536,000 were also written off in the 2005 nine-month period.

SUMMARY OF QUARTERLY RESULTS

Selected financial information for the first, second and third quarters of fiscal 2006 and each of the quarters of fiscal 2005 and 2004 is as follows:

Fiscal year 2006		3rd Quarter	2nd Quarter	1st Quarter
Revenue and other income		$ 873,000	$ 895,000	$ 1,070,000
Net income		$ 34,000	$ 928,000	$ 1,744,000
Income per share – basic and diluted		$ 0.00	$ 0.01	$ 0.02

Fiscal year 2005	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue and other income	$ 404,000	$ 2,000	$ 2,000	$ -
(Loss) net income	$ (3,798,000)	$ (1,064,000)	$ 247,000	$ (395,000)
(Loss) income per share – basic and diluted	$ (0.04)	$ (0.01)	$ -	$ -

Fiscal year 2004	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue and other income	$ -	$ 1,000	$ 6,000	$ 11,000
(Loss) net income	$ (7,380,000)	$ (705,000)	$ (765,000)	$ 144,000
(Loss) income per share – basic and diluted	$ (0.09)	$ (0.01)	$ (0.01)	$ -

EXPLORATION AND DEVELOPMENT ACTIVITIES

For the nine months ended September 30, 2006, the Company incurred exploration expenditures of $3,775,000 on mineral interests, compared with $2,244,000 in the same period of 2005. Significant expenditures of $766,000 and $1,488,000 were made in 2006 on the Minago nickel project and Diabase Peninsula uranium property, respectively where drilling and analytical work was undertaken. The Company also spent $570,000 on its Mel property, $388,000 on its Berta and Elmalaan properties in Turkey and $349,000 on its Lac Rocher nickel property in Quebec. Complete details of the mineral properties are included in the 2005 Annual Report and on the Company's website at www.nuinsco.ca.

NICKEL

Minago Project

Nuinsco has expended approximately $1,900,000 on the Minago Project. Of this amount, approximately $770,000 was spent in the first nine months of 2006 on metallurgical studies and diamond drilling to provide additional samples for ongoing metallurgical study, geotechnical measurements, confirmation of historic assays and to test for extensions to the existing mineralized envelope. Two holes were completed totaling 1,483 metres, and the Company continued to intersect wide zones of strong nickel mineralization, including assays at depth that were among the highest recorded to date. Hole DDH NM-06-02 ended in mineralization at 856 metres, and results indicated 551 metres of 0.55% nickel, which includes 80.95 metres grading 1.12% nickel. Sub intervals graded up to 47.65 metres at 1.49% nickel and 3.93 metres grading 1.91% nickel.

A baseline environmental study is underway, as is a scoping study that is scheduled for completion in November 2006. As part of the scoping study, metallurgical testing was done that confirmed historic studies showing that a very high-grade nickel concentrate can be produced at Minago. The concentrate produced in testing by SGS Mineral Services (Lakefield) ("SGS") graded 27% nickel with a 57% recovery. Higher grades can be produced with a lower recovery. The high concentrate grade is due to the presence of millerite which contains a very high percentage of nickel (64.7%) and the low sulphide content of the deposit. In addition to the 27% nickel grade, the concentrate contained 1.30% copper, 8.77 g/t palladium, 3.67 g/t platinum, 0.35 g/t gold, 6.0 g/t silver and 0.38% cobalt. Magnesium oxide (MgO) content was 9.5%.

Assuming the scoping study is positive, Nuinsco intends to immediately undertake a feasibility study which will incorporate the results of a $3,000,000 reserve definition drilling program to begin toward the end of the year.

The firm doing the scoping study, Wardrop Engineering Ltd., has also determined that the cap rock over the projected open pit includes an estimated 3,000,000 tonnes of fracturing or hydraulic "frac" sand. Frac sand is used to enhance recoveries in the oil and gas industry and typically sells for between $100 and $300 per tonne to a third-party supplier. The Company is evaluating proposals from marketing consultants interested in selling this material to the oil and gas industry. Wardrop has indicated its confidence in the marketability of the frac sand, and is expected to include a by-product credit for the sale of the frac sand within the Minago scoping study economic model.

Mel Project

At the end of 2005, a writedown of $3,900,000 was required because the Mel option agreement with Inco Limited ("Inco") expired on February 28, 2006 and the Company had not incurred the $6,000,000 in expenditures required by the option agreement. The Mel option agreement was amended in May 2006 to extend, to February 28, 2008, the date to complete the $6,000,000 in expenditures. Nuinsco has spent a total of approximately $4,500,000 to date, and expects to complete its required expenditures before the new deadline of February 28, 2008 to earn a 100% interest. Accordingly, costs currently being expended on the Mel project are being capitalized ($570,000 in the nine months ended September 30, 2006). During the third quarter, the Company and its joint venture partner were working to create an exploration program for the winter 2007 season, and the Company is re-evaluating an historic resource estimated by Inco to evaluate near-term production potential.

Lac Rocher

The Lac Rocher property is located on the Frotet-Evans Greenstone Belt in northwestern Quebec. In January 1999 Nuinsco drilled three holes, including one that intersected disseminated sulphide mineralization and 3.2 metres of massive sulphide grading 10.8% nickel. Subsequent drilling further tested the discovery intrusion as well as other targets, identifying a larger halo zone in excess of 1% nickel surrounding the massive sulphide discovery.

In the second quarter of 2006, the Company began a 2,000 metre drill program to assess the high-grade massive sulphide and associated disseminated sulphide zones in order to enable the estimate of a National Instrument 43-101-compliant resource at Lac Rocher. Drill results included intersections up to 6.03% nickel over 1.14 metres and 2.04% nickel over 17 metres. With these results in hand, the Company expects to have a National Instrument 43-101-compliant resource at Lac Rocher in the fourth quarter.

COPPER, ZINC

Turkish Properties

Nuinsco has two properties in northeastern Turkey: the Berta copper project, a 50:50 joint venture with Xstrata Copper, on which exploration began in 2004; and the Elmalaan copper-zinc property. The Company finalized an agreement (the "Elmalaan Agreement") in August 2006 to acquire 100% of Elmalaan from Xstrata.

At Berta during the third quarter of 2006, the Company, in conjunction with Xstrata Copper, received results of a state-of-the-art Geotech airborne magnetic and VTEM electromagnetic survey, the first such survey flown over the area. The survey identified broad conductive domains in the centre and north of the Berta mineralized system that occur in conjunction with anomalous copper and gold mineralization identified in earlier soil sampling. A drill program, operated by Xstrata Copper, began in the fourth quarter to follow up on the targets identified by the geophysics program.

The Elmalaan Agreement requires that Nuinsco expend US$250,000, including 1,000 metres of diamond drilling, before the end of December 2006. Approximately $154,000 had been spent on Elmalaan at September 30, 2006 on geological mapping, geochemical sampling and ground geophysics to define targets for diamond drilling planned for the fourth quarter.

URANIUM

Diabase Peninsula Property

In December 2004, Nuinsco optioned 50% of a prospective uranium property in the Athabasca Basin of northern Saskatchewan from Trend Mining Company. During the first nine months of 2006, Nuinsco spent approximately $1,500,000 on exploration. The winter program consisted of six diamond drill holes, totaling 2,789 metres, and associated analytical work. This phase-one drilling returned elevated levels of uranium mineralization and of key indicator minerals in many samples both in the Athabasca sediments and the underlying graphite and sulphide bearing basement rocks. A 2,000 metre phase-two diamond drilling program began in June to follow-up on these positive drill results, with assays expected in the fourth quarter. In addition, the Company is reinterpreting the existing ground and airborne geophysical data to refine a lineament study, to model the depth to basement across the entire claim group, and to further refine interpretation of geophysical responses on the project.

GOLD

Cameron Lake Project

During the second quarter of 2006, the Company announced that Wardrop Engineering Ltd. had been commissioned to obtain the permits required for the dewatering of the underground workings at the Cameron Lake gold project in northwestern Ontario. This work represents the first step toward production at the advanced-stage gold project, and is being carried out in addition to a $450,000 expenditure by an unrelated third party to improve road access to the site.

Cameron Lake hosts a National Instrument 43-101-compliant gold resource, and $24,000,000 in underground development has been completed by a past operator. Underground development includes a production ramp to the 260-metre level and additional development on a number of intermediate levels. The Company sees potential for near-term gold production at Cameron Lake, and continues to evaluate the acquisition of a mill facility.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2006, the Company had working capital of $3,264,000, compared with $3,327,000 at December 31, 2005. In addition, the Company's marketable securities had a value of $335,000 in excess of their book value.

In the nine months ended September 30, 2006, the Company used cash of $329,000 in operating activities, compared with the use of cash totaling $913,000 in the same period in 2005. The reduction in cash used in operations reflects the receipt of cash tax recoveries and consulting fees in the current nine-month period of $783,000 and $135,000, respectively (none received in 2005), offset by increased general and administrative expenditures and additional cash used as a result of increases in non-cash working capital.

Cash provided by financing activities in the current nine-month period totaled $1,341,000 mostly as a consequence of the issuance of 3,750,000 shares, including 2,470,000 flow-through shares, for net proceeds of $1,330,000. In the same period in 2005, the Company raised $1,855,000 through the issuance of flow-through share units comprising flow-through shares and warrants. Cash from financing activities was reduced by $177,000 in costs incurred in connection with a Rights Offering and Plan of Arrangement, discussed under Rights Offering and Plan of Arrangement below.

Investing activities in the nine months ended September 30, 2006 generated cash of $187,000. Cash inflows included proceeds from the sale of marketable securities of $2,567,000 plus $750,000 in payments received on the Company's long-term receivable from Rainy River Resources Ltd., less expenditures on exploration and development projects of $3,115,000 and additions to equipment of $15,000. In the nine months ended September 30, 2005, investing activities comprised expenditures of $2,060,000 on exploration and development projects, less receipt of $500,000 with respect to the long-term receivable.

Total cash generated in the current nine-month period amounted to $1,199,000, versus the use of cash of $618,000 in the comparable period in 2005.

Given its current capital position and its expected cash inflows from the Rights Offering and Plan of Arrangement discussed below, the Company is sufficiently financed to fund its anticipated future administration and exploration costs unless a decision is made to advance one or more of its projects to production. In addition, the Company has agreed with Campbell (the "Campbell Transaction") whereby Nuinsco will purchase 31,250,000 units of Campbell at $0.08 per unit for a total cost of $2,500,000 (each unit consists of one common share and one-half of one common share purchase warrant). This purchase would represent approximately 10% of Campbell's outstanding shares.

The Campbell Transaction also provides Nuinsco with an option to purchase an additional 20% interest in Campbell at a price of $0.10 per share. The option is valid for a two-year period and would require an investment of approximately $7,700,000 should the Company exercise its option in full.

As part of the Campbell Transaction, Nuinsco has entered into an Operating Consulting Agreement whereby Nuinsco is providing consulting services with respect to the operation of Campbell's Joe Mann gold mine and Copper Rand copper mine for a fee of $25,000 per month plus 200,000 Campbell common shares per month to a maximum of 4,000,000 shares. The Company also received 2,000,000 Campbell common shares on commencement of the Operating Consulting Agreement and will receive a further 1,000,000 shares on completion of the contemplated financings by Campbell. The Company commenced providing consulting services on May 1, 2006 pursuant to this arrangement. Accordingly, the Company has recorded the consulting fees earned under the arrangement since the beginning of May 2006 in the current nine-month period.

Nuinsco is entitled to receive a 50% interest from Campbell in the Corner Bay copper deposit in Chibougamau, Quebec. The Company expects this transaction will be completed in the fourth quarter.

The Board of Directors decided to postpone the rights offering, originally scheduled for the second quarter, until October of 2006 in order to capitalize on a potentially more robust market environment in the fall. The Board of Directors and management believe that the Rights Offering will give the existing shareholders an opportunity to choose to participate, in a potentially non-dilutive manner, in financing the Company's activities to advance the Company's many attractive projects.

OUTSTANDING SHARE DATA

At October 23, 2006, the Company had 111,900,099 common shares issued and outstanding. In addition, there were 13,325,000 stock options outstanding, 833,333 shares reserved for conversion of the convertible debt, and 9,548,705 warrants, compensation units and underlying warrants issued and outstanding which if exercised would bring the fully diluted issued common shares to a total of 135,604,835 and would generate approximately $7,049,000 of cash and debt reduction.

At the Annual and Special Meeting of Shareholders held June 14, 2006, shareholders passed a special resolution approving amendment of the Company's articles of continuance to provide for creation of five classes of special shares ("Tracking Shares"). Each class of Tracking Share would track and reflect the economic performance of a particular division or part of the Company's business. Potential divisions for Nuinsco at present could be one or more of: nickel assets, gold assets, uranium assets and Turkish assets. The amended articles of continuance have been filed, however no tracking shares have yet been issued. Management and the Board of Directors are continuing to evaluate the implementation of the Tracking Share structure, including the receipt of favourable tax rulings.

RIGHTS OFFERING AND PLAN OF ARRANGEMENT

Rights Offering

In October 2006, the Company offered the holders of its outstanding common shares the right (the "Rights") to purchase additional common shares at a price of $0.30 per share (the "Rights Offering"). One Right will be issued for each common share outstanding, and six Rights plus $0.30 are required to subscribe for one additional common share. Assuming the maximum number of Rights is exercised, the Rights Offering will result in the issuance of 18,649,061 common shares, for gross proceeds, before expenses of the offering, of approximately $5,000,000.

Legal and other out-of-pocket costs aggregating approximately $70,000 at September 30, 2006 have been incurred in connection with the Rights Offering. These costs have been deferred and will be included in the determination of the net proceeds from such offering when consummated.

Plan of Arrangement

The Company intends to restructure its assets with the objectives of (a) unlocking unrecognized values, including the value of its significant sulphide nickel projects, and (b) facilitating a financing to accelerate the development of the nickel projects. In order to achieve these objectives, the Company intends to complete a plan of arrangement (the "Arrangement"), which will be subject to regulatory, court and shareholder approval. Under the proposed terms of the Arrangement, the Company's Lac Rocher, Mel and Minago nickel projects will be transferred to a new company ("NickelCo") and holders of shares of the Company will be entitled to receive new common shares of the Company and common shares of NickelCo proportionate to their current shareholdings. Upon completion of the Arrangement, and prior to any equity financing undertaken by NickelCo, the Company's shareholders will hold a 100% interest, through their combined shareholdings in the Company and NickelCo, in the transferred properties. The Company will continue to hold its non-nickel property interests, which include the Diabase Peninsula, Berta, Elmalaan, Cameron Lake and Corner Bay projects, and will retain an approximate 25% equity interest in NickelCo.

It is anticipated that NickelCo will reimburse the Company for all costs incurred in connection with the Arrangement from proceeds of an equity financing expected to form part of the Arrangement. Accordingly, approximately $107,000 of such costs incurred prior to September 30, 2006 has been deferred pending reimbursement on finalization of the Arrangement.

OUTLOOK

Nuinsco is a multi-commodity company focused on enhancing the value of its assets. With exposure to a range of commodities, from gold to nickel to copper, zinc and uranium, the Company is uniquely positioned to capitalize on strong commodity prices throughout the cycle and create value for its shareholders. Nuinsco's goal remains to become a producing company that generates cash flow to advance its strong stable of exploration and development projects.

To this end, the Company is evaluating a number of projects with respect to near-term production potential. The completion during the second quarter of 2006 of the Campbell Transaction moves Nuinsco closer to achieving this goal. An immediate benefit of the Campbell Operating Consulting Agreement is that it will provide a certain level of cash flow to offset a portion of overhead and exploration expenses. Furthermore, assuming Campbell achieves its objectives with respect to increasing production at Campbell's Joe Mann gold and Copper Rand copper mines, an increase in the value of Nuinsco's shareholdings in Campbell would be expected. Potentially most significant, however, is the near-term production opportunity arising from the proposed 50% interest in the high-grade Corner Bay copper deposit and exposure to other advanced projects in the Chibougamau mining camp.

As discussed under Exploration and Development Activities above, production potential is being evaluated at Cameron Lake and Lac Rocher, and the Company intends to spin off its Minago, Mel and Lac Rocher properties to create a pure-play nickel company with the objective of unlocking the value of these assets for shareholders. At Minago, a scoping study will be completed in November 2006; at Lac Rocher, a 43-101-compliant resource estimate is expected to be completed early in the fourth quarter of 2006; and, at Mel, the Company is re-evaluating an historic resource estimated by Inco to evaluate near-term production potential.

The Company also intends to remain very active on its key exploration projects -- Diabase Peninsula, Elmalaan and Berta – for the foreseeable future.

Economic conditions in the mining industry continue to be favourable, as metal prices remain strong due to ongoing worldwide demand for commodities virtually across the board. This is a positive trend for all exploration and mining companies, and Nuinsco is optimistic about its ability to capitalize on the current robust environment and create value for shareholders by achieving its goal of becoming a producing mining company.

RISKS AND UNCERTAINTIES

The nature of risks and uncertainties are discussed in the Annual Information Form filed by the Company and in the Management's Discussion and Analysis for the year ended December 31, 2005, and apply to the period under review.

FORWARD LOOKING STATEMENTS

These unaudited interim consolidated financial statements and Management's Discussion and Analysis contain certain forward-looking statements relating to, but not limited to, the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe," "expect," "goal," "plan," "intend," "estimate," "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results.

Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

November 3, 2006

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

	September 30, 2006 (unaudited)	December 31, 2005
ASSETS		
Current		
Cash and cash equivalents	**$ 3,658**	$ 578
Cash for exploration expenditures	**191**	2,072
Marketable securities – at cost (market value September 30 - $689; December 31 - $1,543)	**354**	316
Accounts receivable (Note 3)	**549**	46
Current portion of long-term receivable	**250**	1,000
Prepaid expenses	**54**	29
Total current assets	**5,056**	4,041
Exploration and Development Projects (Note 4)	**8,525**	5,076
Property and Equipment	**48**	41
Other Deferred Costs (Note 5)	**177**	-
	$ 13,806	$ 9,158
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	**$ 1,389**	$ 714
Deferred revenue (Note 3)	**203**	-
Convertible notes – current portion	**200**	-
Total current liabilities	**1,792**	714
Convertible Notes (due July 2007)	**-**	200
	1,792	914
Shareholders' Equity (Note 6)		
Share capital	**63,581**	62,768
Stock option compensation	**1,259**	1,177
Share purchase warrants	**391**	406
Contributed surplus	**1,233**	1,049
Deficit	**(54,450)**	(57,156)
Net shareholders' equity	**12,014**	8,244
	$ 13,806	$ 9,158

NATURE OF OPERATIONS (Note 2)

Approved by the Board

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

NUINSCO RESOURCES LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	**2006**	2005
Revenue and Other Income				
Consulting fees (Note 3)	**$ 215**	$ -	**$ 390**	$ -
Interest income	**50**	2	**88**	4
Gain on sale of marketable securities	**558**	-	**2,305**	-
Other (Note 3)	**50**	-	**55**	-
	873	2	**2,838**	4
Costs and Expenses				
General and administrative	**175**	195	**1,322**	775
Stock option compensation (Note 6)	**266**	333	**266**	333
Amortization	**3**	2	**8**	7
Writedown of marketable securities (Note 3)	**168**	-	**168**	-
Writedown of exploration and development projects (Note 4)	**227**	536	**227**	861
Recovery on sale of exploration and development project (Note 4)	-	-	**-**	(549)
	839	1,066	**1,991**	1,427
Income (loss) before income taxes	**34**	(1,064)	**847**	(1,423)
Income tax recoveries (Note 7)	**-**	-	**(1,859)**	(211)
Net income (loss) for the period	**34**	(1,064)	**2,706**	(1,212)
Deficit, beginning of the period	**(54,484)**	(52,294)	**(57,156)**	(52,146)
Deficit, end of the period	**$ (54,450)**	$ (53,358)	**$ (54,450)**	$ (53,358)
Income (loss) per share – basic and fully diluted	**$ 0.00**	$ (0.01)	**$ 0.02**	$ (0.01)
Weighted average common shares outstanding	**111,665,874**	94,979,726	**108,880,070**	92,494,951

NUINSCO RESOURCES LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited - in thousands of dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	**2006**	2005
Cash from (used by)				
Operating activities				
Net income (loss) for the period	**$ 34**	$ (1,064)	**$ 2,706**	$ (1,212)
Items not affecting cash:				
Expenses settled through issuance of shares or warrants	**-**	-	**291**	-
Consulting fees received in marketable securities (Note 3)	**(140)**	-	**(265)**	-
Gain on sale of marketable securities	**(558)**	-	**(2,305)**	-
Stock option compensation	**266**	333	**266**	333
Amortization	**3**	2	**8**	7
Writedown of marketable securities	**168**	-	**168**	-
Writedown of exploration and development projects	**227**	536	**227**	861
Recovery on sale of exploration and development project (Note 4)	-	-	-	(549)
Income tax recoveries	-	-	**(1,076)**	(211)
Changes in non-cash working capital (Note 8)	**(330)**	(16)	**(349)**	(142)
Cash used by operating activities	**(330)**	(209)	**(329)**	(913)
Financing activities				
Other deferred costs (Note 5)	**(132)**	-	**(177)**	-
Issue of common shares	**120**	-	**1,518**	1,855
Cash (used by) from financing activities	**(12)**	-	**1,341**	1,855
Investing activities				
Sale of marketable securities	**608**	-	**2,567**	-
Loan to Campbell Resources Inc. (Note 3)	**(2,000)**	-	**(2,000)**	-
Repayment of loan to Campbell Resources Inc. (Note 3)	**2,000**	-	**2,000**	-
Long-term receivables	**250**	-	**750**	500
Additions to exploration and development projects	**(1,232)**	(393)	**(3,115)**	(2,060)
Additions to equipment	**(9)**	-	**(15)**	-
Cash (used by) from investing activities	**(383)**	(399)	**187**	(1,560)
Net (decrease) increase in cash during the period	**(725)**	(602)	**1,199**	(618)
Cash and cash equivalents, beginning of the period	**4,574**	982	**2,650**	998
Cash and cash equivalents, end of the period	**$ 3,849**	$ 380	**$ 3,849**	$ 380
Cash and cash equivalents, end of the period				
Cash and cash equivalents	**$ 3,658**	$ -	**$ 3,658**	$ -
Cash for exploration expenditures	**191**	380	**191**	380
	$ 3,849	$ 380	**$ 3,849**	$ 380

NUINSCO RESOURCES LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2006 (unaudited)
(all tabular amounts are in thousands of Canadian dollars)

1. Basis of Presentation

The unaudited interim consolidated financial statements of the Company are prepared by management using generally accepted accounting principles for interim financial statements and reflect the accounting principles in the notes to the Company's audited financial statements for the year ended December 31, 2005 and accordingly should be read in conjunction with those annual financial statements and the notes thereto. The accompanying unaudited interim consolidated financial statements include all adjustments that are, in the opinion of management, necessary for fair presentation. The results of operations and cash flows for the current periods are not necessarily indicative of the results to be expected for the full year.

2. Nature of Operations

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.

As a development stage enterprise, none of the Company's exploration or development projects have commenced commercial production and accordingly the Company historically has been 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, or alternatively upon the profitable disposal of projects.

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

3. Transactions with Campbell Resources Inc.

In April 2006, the Company reached an agreement with Campbell Resources Inc. ("Campbell") which outlined the principles upon which the two entities would enter into various proposed transactions to be set out in definitive consulting, operating and financing agreements (the "Campbell Transaction"). Campbell is currently undertaking a reorganization of its affairs under the Companies Creditors Arrangement Act (the "CCAA") and the Campbell Transaction forms part of the Plan of Arrangement proposed by Campbell under its CCAA proceedings. The Campbell Transaction includes the following:

Under the Operating Consulting Agreement, the Company is providing operating consulting services for Campbell's development and mining activities, including development to increase production at Campbell's Copper Rand copper mine, development of Campbell's Corner Bay copper deposit and optimization of its Joe Mann gold mine.

In consideration for providing these services, the Company has received or is entitled to receive:

- a 50% interest in Campbell's Corner Bay copper deposit;
- warrants exercisable for a two year period to purchase up to 20% of the issued and outstanding common shares of Campbell, on a fully diluted basis. The exercise price of the warrants will be $0.10 per share;
- 2,000,000 common shares of Campbell upon commencement of the provision of services under the Operating Consulting Agreement;
- 1,000,000 common shares of Campbell upon completion by Campbell of all of the financings described below; and,
- fees of $25,000 plus 200,000 common shares of Campbell per month, in advance (up to a maximum of 4,000,000 common shares).

The Company is also entitled to appoint two individuals as directors of Campbell.

Campbell Financings

Campbell's financing agreements are as follows:

- The Company has agreed to subscribe for 31,250,000 units of Campbell (the "Nuinsco Placement") at a price of $0.08 per unit, for gross proceeds of $2,500,000.
- Sprott Securities Inc. (the "Agent") completed a private placement of 125,000,000 units of Campbell at a price of $0.08 per unit, for gross proceeds of $10,000,000 (the "Brokered Placement").
- Concurrent with the Brokered Placement and the Nuinsco Placement, Campbell has initiated a rights offering (the "Rights Offering") to its shareholders of 69,966,264 units at a price of $0.08 per unit, for gross proceeds of up to $5,400,000. In the event that the Rights Offering is not fully subscribed, the Agent and the Company will have the option to take up any shortfall on a pro rata basis to their equity financings.

Each unit of all three financings consists of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant shall be exercisable at any time for one common share at a price of $0.15 for a period of two years following closing. Campbell shall have the right, 12 months after closing, to call the outstanding warrants should Campbell common shares trade above $0.30 for 20 consecutive trading days.

The net proceeds of the Nuinsco Placement, the Brokered Placement and the Rights Offering will be used by Campbell to fund further development to expand production at the Copper Rand mine, to finance development of the Corner Bay deposit and for general working capital. Except for $4,000,000 to repay a secured credit facility, no proceeds of the financing agreements will be used under Campbell's Plan of Arrangement to pay its creditors. The Plan of Arrangement was approved by Campbell's creditors on June 26, 2006 and by the court on June 27, 2006.

In July 2006, the Company entered into a loan agreement with Campbell, whereby it agreed to lend Campbell up to $2,000,000. The advances under the loan bore interest at 12% per annum, and were secured by all of Campbell's resource properties. An aggregate of $2,000,000 was advanced to Campbell in July and August 2006. Campbell repaid the $2,000,000 in September 2006 upon the closing of its $10,000,000 Brokered Placement referred to above. The Company earned interest of $35,560 on this loan and also earned loan set-up fees of $50,000 in the third quarter.

As part of the Campbell Transaction, the Company announced its intention, subject to receipt of all required regulatory approvals, to complete a rights offering to its shareholders. (see Note 5)

Upon the commencement of provision of the operating consulting services on May 1, 2006 as contemplated in the agreement with Campbell referred to above, the Company began earning the monthly consulting fee of $25,000 and 200,000 Campbell common shares, and has received an additional 2,000,000 Campbell common shares.

Revenue related to the value of the 2,000,000 common shares in the amount of $340,000 was initially deferred and is being included in consulting fee income over the minimum non-cancelable contractual term of the agreement of one year commencing May 1, 2006. Consulting fee income in the three and nine months ended September 30, 2006 also includes the cash and share consideration due for consulting services rendered by the Company commencing May 1, 2006.

The 2,400,000 Campbell shares received in May and June 2006 pursuant to these arrangements were initially recorded at the then quoted market price of $0.17 per share. The carrying value of these shares was written down in the three months ended September 30, 2006 to the approximate quoted market value at the end of the period of $0.10 per share, resulting in a writedown of $168,000. A further 600,000 Campbell shares received in the third quarter were valued at $0.10 per share and therefore did not require a writedown.

Included in accounts receivable at September 30, 2006 are amounts totaling $489,192 which the Company incurred in connection with the Campbell Transaction. Subject to a final accounting, the Company expects to be reimbursed for these amounts pursuant to its agreement with Campbell. To the extent any such amounts are not reimbursed, they will be deferred and amortized over the term that the Company is earning consulting fees under the Operating Consulting Agreement.

4. 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 December 31, 2005	Current Expenditures	Writedowns /recoveries	Balance September 30, 2006
Lac Rocher	$ 1,693	$ 349	$ -	$ 2,042
Mel	-	570	-	570
Cameron Lake	531	92	-	623
Minago	1,158	766	-	1,924
Berta and Elmalaan	534	388	-	922
Diabase	919	1,488	-	2,407
Other	241	122	326	37
	$ 5,076	$ 3,775	$ 326	$ 8,525

	Balance December 31, 2004	Current Expenditures	Writedowns /recoveries	Balance September 30, 2005
Lac Rocher	$ 1,686	$ 22	$ -	$ 1,708
Mel	3,431	381	-	3,812
Cameron Lake	662	93	(250)	505
Minago	434	696	-	1,130
Prairie Lake	325	-	(325)	-
Timmins	417	119	(536)	-
Berta	64	456	-	520
Diabase	22	394	-	416
Other	83	83	-	166
	$ 7,124	$ 2,244	$ (1,111)	$ 8,257

In the third quarter of 2006, the Company decided not to undertake further exploration on the Muriel Lake property, and according wrote off costs associated with this project totalling $174,627. Other exploration costs relating to discontinued projects in the amount of $52,102 were also written off in the third quarter.

At December 31, 2005, generally accepted accounting principles required a writeoff of the carrying value of the Mel project in the amount of $3,900,000 because the Company had not completed the required $6,000,000 expenditures prior to the expiry of the option agreement on February 28, 2006. During the second quarter of 2006, the option agreement was extended to February 28, 2008 and accordingly current costs on the Mel project are being capitalized.

The recovery on sale of the exploration and development project amounting to $549,000 in the nine months ended September 30, 2005, represents the value of 2,197,380 common shares of Rainy River (valued at $0.25 per share) received pursuant to the sales agreement whereby the Company sold its Rainy River property. This transaction is more fully described in Note 3 to the Company's audited consolidated financial statements for the year ended December 31, 2005.

5. Rights Offering and Plan of Arrangement

Rights Offering

In October 2006, the Company offered the holders of its outstanding common shares the right (the "Rights") to purchase additional common shares at a price of $0.30 per share (the "Rights Offering"). One Right will be issued for each common share outstanding, and six Rights plus $0.30 are required to subscribe for one additional common share. Assuming the maximum number of Rights is exercised, the Rights Offering will result in the issuance of 18,649,061 common shares, for gross proceeds, before expenses of the offering, of approximately $5,000,000. The Rights Offering is expected to close in November 2006.

Legal and other out-of-pocket costs aggregating approximately $70,000 at September 30, 2006 have been incurred in connection with the Rights Offering. These costs have been deferred and will be included in the determination of the net proceeds from such offering when consummated.

Plan of Arrangement

The Company intends to restructure its assets with the objectives of (a) unlocking unrecognized values, including the value of its significant sulphide nickel projects, and (b) facilitating a financing to accelerate the development of the nickel projects. In order to achieve these objectives, the Company intends to complete a plan of arrangement (the

"Arrangement"), which will be subject to regulatory, court and shareholder approval. Under the proposed terms of the Arrangement, the Company's Lac Rocher, Mel and Minago nickel projects will be transferred to a new company ("NickelCo") and holders of shares of the Company will be entitled to receive new common shares of the Company and common shares of NickelCo in exchange for the common shares of the Company held by shareholders on the record date of the Arrangement. Upon completion of the Arrangement, and prior to any equity financing undertaken by NickelCo, the Company's shareholders will hold a 100% interest, through their combined shareholdings in the Company and NickelCo, in the transferred properties. The Company will continue to hold its non-nickel property interests, which include the Diabase Peninsula, Berta, Elmalaan, Cameron Lake and Corner Bay projects, and will retain an approximate 25% equity interest in NickelCo.

It is anticipated that NickelCo will reimburse the Company for all costs incurred in connection with the Arrangement from proceeds of an equity financing expected to form part of the Arrangement. Accordingly, approximately $107,000 of such costs incurred prior to September 30, 2006 has been deferred pending reimbursement on finalization of the Arrangement.

6. Shareholders' Equity

Share capital:

At the Annual General and Special Meeting of Shareholders on June 14, 2006, the shareholders passed a special resolution approving the amendment of the Company's articles of continuance to change the authorized capital of the Company to provide for five (5) additional classes of shares, with each class issuable in one or more series with each class tracking designated mineral assets. The amended articles have been filed, however no tracking shares have yet been issued.

During the nine months ended September 30, 2006, the following changes in share capital occurred:

	Shares	Amount ('000s)
Balance December 31, 2005	105,727,412	$ 62,768
Renunciation of flow-through share tax value (a)	-	(1,076)
Shares issued in settlement of accounts payable (b)	212,500	34
Shares issued for property	50,000	11
Shares issued for services rendered (c)	1,400,000	291
Exercise of warrants (d)	757,885	223
Shares issued pursuant to private placement (e)	3,750,000	1,330
Balance September 30, 2006	111,897,797	$ 63,581

(a) In February 2006, the Company renounced $3,154,977 in Canadian Exploration Expenditures to investors of flow-through shares in 2005. The tax value of these renunciations 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 $1,076,000.

(b) Included in accounts payable at December 31, 2005 was an amount of $43,750 owing to Trend Mining Company in connection with the Company's December 31, 2004 acquisition of its interest in the Diabase Peninsula property. In April, 2006, $34,325 of this obligation was settled through the issuance of 212,500 common shares. The balance of the obligation of $9,375 will be settled in cash.

(c) In April 2006, the Company issued 1,400,000 common shares to the estate of a former Chief Executive Officer of the Company for services that he rendered as an officer of the Company. The issuance of the shares followed the receipt of approval of the transaction by the Toronto Stock Exchange.

(d) In April 2006, 296,064 common shares were issued upon the exercise of warrants at an average price of $0.23 per common share. This resulted in an increase in share capital in the amount of the proceeds of $68,580 plus the carrying value of the warrants in the amount of $10,266.
In August and September 2006, 461,821 common shares were issued upon the exercise of warrants at an average price of $0.25 per common share. This resulted in an increase in share capital in the amount of the proceeds of $119,459 plus the carrying value of the warrants of $25,114.

(e) On May 20, 2006, the Company issued 1,280,000 common shares at $0.32 per common share and 2,470,000 flow-through shares at $0.40 per common share for gross proceeds of $409,600 and $988,000, respectively. After fees and other out-of-pocket costs, net proceeds aggregated $1,330,000.

Options:
In August 2006, the Company granted 2,750,000 options to directors, officers, employees and consultants (August 2005 – 3,875,000). The options have an exercise price of $0.31 and a term of five years (2005 – exercise price of $0.20 and a term of five years). The fair value of the options granted totals $288,750 (2005 – $333,000). Of this amount, $266,000 relating to fully vested and vesting options has been recorded as compensation expense (2005 – $333,000). The remaining $27,750 relating to options that are not fully vested will be recognized as additional compensation expense over the balance of the one-year vesting period. The fair value at the date of grant was estimated using the Black-Scholes option pricing model, with the following assumptions:

	2006	2005
Dividend Yield	-	-
Expected Volatility	44%	61%
Interest Rate	4.2%	3.5%
Time to Expiry	3 years	3 years

During the first quarter of 2006, 1,000,000 stock options with an exercise price of $0.42 per share were cancelled resulting in a reclassification of $184,000 from stock option compensation to contributed surplus with no net effect on shareholders' equity. In the third quarter of 2006, 250,000 stock options with an exercise price of $2.20 expired. No value had originally been ascribed to these options.

Warrants:
During the second quarter of 2006, 200,000 warrants exercisable at $0.35 per share, and valued at $20,000, were issued in payment of reimbursable costs incurred in connection with the Campbell Transaction.

7. Income Tax Recoveries

In addition to the income tax recoveries resulting from the renunciation of the flow-through share tax value in the amount of $1,076,000 as explained in Note 6, the Company realized further income tax recoveries in the nine months ended September 30, 2006 of $783,000. This amount represents the proceeds received (net of fees and out-of-pocket expenses) as a result of certain transactions entered into which resulted in the realization of the benefit of previously unrecognized tax loss carry forwards and exploration and development deductions totaling approximately $13,000,000.

8. Changes in Non-Cash Working Capital

Changes in non-cash working capital balances impacting cash from operating activities are as follows:

	Three Months Ended September 30,		**Nine Months ended September 30,**	
	2006	**2005**	**2006**	**2005**
Accounts receivable and prepaid expenses	**$ (272)**	$ (25)	**$ (409)**	$ (104)
Accounts payable and accrued liabilities	**(58)**	9	**60**	(38)
	$ (330)	$ (16)	**$ (349)**	$ (142)

9. Lease Commitment

The Company is committed under the terms of an operating lease for office premises which commenced in September 2006 to make future minimum lease payments as follows:

	Minimum Lease Payments
2006	$ nil[1]
2007	40,280
2008	47,345
2009	48,725
2010	50,104
2011	34,051
	$ 220,505

[1] No payments are due in 2006 as the lease includes a rent-free period.