NUINSCO RESOURCES LIMITED

REPORT TO SHAREHOLDERS

Quarter ended September 30, 2004

During the third quarter of 2004 your Company focused on:

- Acquisition of base metal projects in Turkey
- Advancing its nickel properties located in the Thompson nickel belt of Manitoba
- Exploration drilling for base metal potential on its Timmins Joint Venture project

Berta Project

The Berta project is a newly acquired property located approximately 50 km from the Black Sea coast in northeastern Turkey. It lies within the prolifically mineralized Pontide Mountains metallogenic belt. An extensive alteration system, outlined by a total of 720 soil samples in a 15 km^2 area within the 59.5 km^2 project featured three areas of exceptionally anomalous copper and gold. These target areas are defined by copper greater than 450 ppm and by 300 ppb gold from samples taken at 100 metre spacings. Numerous samples, however, exceeded 1,000 ppm copper and up to 3.5g/t gold have been obtained (including one exceptional value of 12.8 g/t gold). Assay results from rock chips are pending. Noranda is the operator of the project and conducted the work reported.

Eastmed Minerals Strategic Alliance

Nuinsco has recently formed a strategic alliance with Eastmed Minerals to develop additional mineral properties in Turkey. The principals of Eastmed, a private English company, have extensive knowledge of the Turkish mineral industry. Nuinsco has been investigating mineral properties in Turkey for the past six months and have identified a number of projects. With Eastmed's in country experience and contacts, coupled with our own management team's expertise in developing and operating mines in Canada, we are in a position to move forward.

Mel Project

Following the winter 2004 drill program at the Mel Property, Inco Ltd completed an updated resource estimate for the deposit. The total measured and indicated resource is now estimated to be 3.03 million tons grading 0.77 % nickel. The proximity of the deposit to the Thompson site enhances the economics of the deposit. In the third quarter, Amec plc completed a preliminary open pit design. A first pass pit shell was developed and the broad based economic study was positive. The study generated a pit shell of 2.0 million tons grading 0.76 % nickel. Further geotechnical and metallurgical work is being carried out to provide additional information for pit design and metallurgical performance. This data will provide input for a prefeasibility study, which is expected during the fourth quarter of 2004. Budget preparation is now underway for a proposed exploration program on the property during the winter of 2005.

Minago Project

The Minago deposit is being evaluated as a large tonnage open pit operation. As part of this evaluation, additional assaying and core logging were carried out on existing core from the deposit to evaluate the lower grade zones between known mineralized lenses. This information will be incorporated by Mirarco into a virtual reality 3-D model of the deposit. The model will be used to determine an updated resource estimate and provide input into a preliminary evaluation of the potential for open pit mining. Further metallurgical test work is being carried out by Process Research Associates to evaluate the metallurgical response of the low-grade material. An updated scoping study is expected in the fourth quarter of 2004. Additional drilling is planned for 2005 to expand the resource and provide input for a scoping study.

Abitibi Belt

The Timmins JV with Falconbridge/Noranda and Wallbridge Mining comprises two components - the FedNor area and the Halliday Dome. The JV is testing airborne geophysical responses with ground geophysics and diamond drilling – a combined total of about 45 targets have been identified so far. Diamond drilling to date has not intersected economic mineralization but work is on-going.

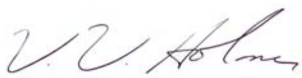
Corporate

A financing, currently underway and expected to close before the end of November, is required to provide sufficient funds to complete exploration commitments in 2004 and to fund its corporate and administrative expenses.

110-940 The East Mall, Toronto, Canada M9B 6J7
Phone: 416-626-0470 Fax: 416-626-0890 email admin@nuinsco.ca web site www.nuinsco.ca

Summary
The Company has continued to advance its exploration programs for the Mel Claims and Timmins JV. In addition, it has moved both the Mel and Minago deposits closer to a production decision. These projects have benefited from higher metal prices and are located close to existing infrastructure. The Company has also aggressively pursued exploration projects in Turkey, and is now joint ventured with Noranda at the very exciting Berta project. It is also evaluating other near term production opportunities in Turkey. Although not reflected in our current share price, we continue to believe that these initiatives will significantly increase share value.

On behalf of the Board of Directors



W. Warren Holmes
President and CEO
November 9, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS
Three Months and Nine Months Ended September 30, 2004

This Management Discussion and Analysis is dated November 9, 2004 and reflects the three-month and nine-month periods ended September 30, 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 2004, the Company undertook extensive exploration on its mineral properties in Manitoba and Ontario and undertook a new exploration initiative in Turkey. The majority of expenditures (56%) were incurred on the Mel Property in Thomson Manitoba where the drilling identified 3.03 million tons of measured and indicated resources at a grade of 0.77% nickel. Amec plc has been engaged to carry out a preliminary economic evaluation of mining this deposit by open pit. The Company has spent $3.5 million of a total $6.0 million requirement to earn 100% interest in the project. Inco has the right to earn back a 51% interest in the project.

Work continues on evaluating the Minago deposit located south of Thomson at the south end of the Thompson Nickel Belt. Modelling of the previous drilling information, which identified 10.6 million tonnes grading 1.19% nickel (quoted as an historical resource), has been completed and Mirarco's virtual reality modelling technology has been used to re-evaluate the mining potential of the deposit. Indications are that a significant low-grade deposit exists which could be amenable to open pit mining. Calculations are continuing and will be enhanced with an exploration program being planned for 2005.

Management continues its Timmins Joint Venture exploration program, and has committed to new exploration projects including projects in Turkey.

The Company does not have sufficient funds to complete its exploration commitments during the balance of 2004 nor to fund corporate and administrative activities and its working capital deficiency. Plans are underway to obtain the required financing which is expected to close in November.

RESULTS OF OPERATIONS
For the three months ended September 30, 2004, the Company incurred a loss of $705,000 or $0.01 per share compared to a loss of $138,000 in the same period of 2003. General administrative expenses were $141,000 during the second quarter of 2004 compared to $129,000 for the same period in 2003. General exploration expenses of $28,000 were incurred for the technical evaluation of new projects in the Sudbury area. In the current period, $514,000 of the loss was a write down of a portion of deferred exploration expenditures incurred on the Lac Rocher project.

For the nine-month period ended September 30, 2004, the Company incurred a loss of $1,326,000 or $0.02 per share compared to a loss of $474,000 or $0.01 per share in the same period of 2003. General administrative expenses were $533,000 during the nine months of 2004 compared to $397,000 for the same period in 2003. This reflects increased activities related to reviewing new projects, legal costs on financing opportunities and general corporate activities. Other expenses include a charge of $873,000 for the fair value attributed to 4,325,000 stock options granted during the first and third quarters of 2004 and the $1,072,000 write-down of Lac Rocher. In the same period in 2003, 1,500,000 stock options granted were valued at $71,000. During the 2004 period, expenses were offset in part 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.

SUMMARY OF QUARTERLY RESULTS
Selected financial information for the first three quarters of fiscal 2004 and each of the quarters of fiscal 2003 and 2002.

Fiscal year 2004		3rd Quarter	2nd Quarter	1st Quarter
Revenue		$ 1,000	$ 6,000	$ 11,000
(Loss) income		$ (705,000)	$ (765,000)	$ 144,000
(Loss) income per share –basic and fully diluted		$ (0.01)	$ (0.01)	$ -

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 2004. The financing completed towards the end of 2003 allowed the Company to advance several projects. A total of $2,241,000 was incurred on exploration during the first nine months of 2004 compared to $899,000 for the same period of 2003 of which $1,255,000 was spent on the Mel Property in 2004 compared to $589,000 in 2003. Complete details of the mineral properties can be reviewed in the 2003 Annual Report.

Mel Project
Nuinsco has spent a total of $3.5 million to date on this project and must spend a total of $6.0 million by February 28, 2006 to earn a 100% interest. Inco has the right to earn back a 51% interest in the project.

Rainy River Project
Nuinsco is currently negotiating with third parties to continue exploration of the property by way of a joint venture agreement.

Abitibi Belt
In January 2004, the Company and Wallbridge Mining Company Limited formed a joint venture with Falconbridge/Noranda to explore the Abitibi belt near Timmins, Ontario. While results of diamond drilling have not identified anything of economic interest, the program is still in its early stages with many high priority anomalies to test. Further drilling will be carried out during the last quarter of 2004.

Turkey
The Berta Joint Venture Agreement was signed and announced in a press release, dated October 13, 2004. The Berta project is a newly acquired property located approximately 50 km from the Black Sea coast in northeastern Turkey. Noranda is the operator of the project and conducted the work reported in a press release dated November 9, 2004. An extensive alteration system, outlined by a total of 720 soil samples in a 15 km^2 area within the 59.5 km^2 project featured three areas of exceptionally anomalous copper and gold. These target areas are defined by copper greater than 450 ppm and by 300 ppb gold from samples taken at 100 metre spacings. Numerous samples, however, exceeded 1,000 ppm copper and up to 3.5 g/t gold have been obtained (including one exceptional value of 12.8 g/t gold). Assay results from rock chips are pending. Nuinsco is committed to spending US$ 50,000 in 2004 and US$300,000 on the project in 2005.

LIQUIDITY AND CAPITAL RESOURCES
The working capital deficiency at September 30, 2004 was $324,000 (excluding the cash for exploration expenditures of $214,000.). The $214,000 of cash for exploration expenditures plus an additional amount of $651,000, which the company does not presently have, is required to be spent on Canadian Exploration Expenses (“CEE”) by December 31, 2004.

Additional financing is required to fund the working capital deficiency, the balance of $651,000 of CEE commitments and for ongoing operations. During the current period, the Company looked at a number of financing opportunities and has now agreed with agents to seek $5 million in private placement financing for both common shares and flow-through shares.

Cash and cash for exploration expenditures decreased during the nine-month period ended September 30, 2004 by $2,938,000 to $214,000. Of the decrease, $2,396,000 was spent on exploration and $574,000 was used for operating activities. At September 30, 2003, cash stood at $15,000 and subsequently during 2003, additional financings were secured to fund the Company's activities. In the first quarter of 2003, the Company received loans of $400,000 from two directors. The loans were 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 November 9, 2004, the Company had 81,242,498 common shares issued and outstanding. In addition, there were 8,300,000 stock options granted, 1,052,632 shares reserved for conversion of the convertible debt, and 10,260,949 warrants issued and outstanding which would bring the fully diluted issued common shares to a total of 100,856,079.

OUTLOOK

The Company is fortunate to own, not only a variety of highly prospective gold and nickel exploration properties but also several very advanced production possibilities. To this end, management plans to undertake a number of exploration and development programs to bring its properties into production.

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. Management is optimistic that additional financings will be completed to meet ongoing requirements in the very near term.

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.

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

	September 30,2004 (unaudited)	December 31, 2003
ASSETS		
Current		
Cash	**$ -**	$ 239
Cash for exploration expenditures (Note 2)	**214**	2,913
Accounts receivable	**32**	44
Prepaid expenses	**32**	21
Total current assets	**278**	3,217
Exploration and Development Projects (Note 3)	**16,083**	14,914
Other Assets	**43**	42
	$ 16,404	$ 18,173
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 388**	$ 553
Long-term Liabilities		
Convertible notes	**200**	200
	588	753
Shareholders' Equity		
Share capital (Note 4(a))	**58,738**	59,881
Stock option compensation (Note 4(b))	**1,018**	155
Share purchase warrants	**65**	65
Contributed surplus	**761**	759
Deficit	**(44,766)**	(43,440)
Net shareholders' equity	**15,816**	17,420
	$ 16,404	$ 18,173

Going Concern (Note l (b))
Commitments (Note 2)

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 Sept. 30,		Nine Months Ended Sept. 30,	
	2004	2003	**2004**	2003
Revenue				
Interest income	**$ 1**	$ -	**$ 18**	$ 1
Costs and Expenses				
General and administrative	**141**	129	**533**	397
Depreciation	**3**	2	**7**	7
Stock option compensation (Note 4(b)	**20**	7	**873**	71
General exploration	**28**	-	**41**	-
Write-down of exploration and development projects	**514**	-	**1,072**	-
	706	138	**2,526**	475
Loss before income taxes	**705**	138	**2,508**	474
Income taxes (Note 4(a))	**-**	-	**(1,182)**	-
Net loss for period	**705**	138	**1,326**	474
Deficit, beginning of period	**44,061**	40,261	**43,440**	39,925
Deficit, end of period	**$ 44,766**	$ 40,399	**$ 44,766**	$ 40,399
Loss per share	**$ 0.01**	nil	**$ 0.02**	$ 0.01
Weighted average outstanding common shares	**81,242,498**	60,945,600	**81,236,942**	60,566,842

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited, in thousands of dollars)

Cash from (used by)	Three Months Ended Sept. 30, 2004	Three Months Ended Sept. 30, 2003	Nine Months Ended Sept. 30, 2004	Nine Months Ended Sept. 30, 2003
Operating activities				
Net loss for the period	**$ (705)**	$ (138)	**$ (1,326)**	$ (474)
Items not affecting cash				
Depreciation	**3**	2	**7**	7
Stock option compensation	**20**	7	**873**	71
Write-down of exploration and development projects	**514**	-	**1,072**	-
Income taxes	**-**	-	**(1,191)**	-
	(168)	(129)	**(565)**	(396)
Changes in non-cash working capital	**78**	76	**(9)**	141
Cash used by operating activities	**(90)**	(53)	**(574)**	(255)
Financing Activities				
Demand Loans	**-**	-	**-**	400
Deposits	**-**	-	**-**	-
Issue of Common Shares	**-**	75	**40**	345
Cash from financing activities	**-**	75	**40**	745
Investing activities				
Additions to exploration and development projects	**(408)**	(139)	**(2,396)**	(852)
Other assets	**(1)**	-	**(8)**	-
Cash used by investing activities	**(409)**	(139)	**(2,404)**	(852)
Net decrease in cash during period	**(499)**	(117)	**(2,938)**	(362)
Cash, beginning of period	**713**	132	**3,152**	377
Cash, end of period (Note 2)	**$ 214**	$ 15	**$ 214**	$ 15
Cash, end of period				
Cash	**$ -**	$ 15	**$ -**	$ 15
Cash for exploration expenditures (Note 2)	**214**	-	**214**	-
	$ 214	$ 15	**$ 214**	$ 15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2004 (unaudited)

1. **a) General**

The interim consolidated financial statements of the Company for the three-month and nine-month periods ended September 30, 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 flows for the current periods are not necessarily indicative of the results to be expected for the full year.

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. The Company's exploration and development projects are in their early stages and, consequently, the Company, having no operating revenues to sustain its activities, has been wholly dependent on debt and equity financings and the optioning of resource properties for its funds.

Several adverse conditions cast substantial doubt on the validity of the Company's application of the going concern principle. During recent years, the Company has incurred losses. These losses included non-cash write-downs of exploration and development projects. As at September 30, 2004, the Company had a working capital deficiency of $324,000 (excluding the cash for exploration expenditures). Also, the Company is committed to spend $651,000 in addition to the $214,000 cash for exploration expenditures. (See Note 2)

Should the Company not be able to obtain additional financing and should the Company not be able to continue as a going concern, then adjustments would be required with respect to the carrying value of the Company's assets and liabilities, reported net loss for the year, and the balance sheet classifications used.

2. Cash for Exploration Expenditures and Commitments

At September 30, 2004, the Company had cash for exploration expenditures of $214,000. This amount, plus an additional amount of $651,000, which the Company does not presently have, is required to be spent on Canadian Exploration Expenses ("CEE") by December 31, 2004 as these expenses were renounced to investors under the terms of flow-through share financings completed in 2003.

3. Exploration and Development Projects

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

	Balance December 31, 2003	**Current Expenditures**	**Write-downs**	**Balance Sept. 30, 2004**
Rainy River (Note)	$ 9,358	$ 234	$ -	$ 9,592
Lac Rocher	2,726	37	(1,072)	1,691
Mel Properties	2,059	1,255	-	3,314
Cameron Lake	390	113	-	503
Prairie Lake	309	27	-	336
Other	72	575	-	647
	$ 14,914	$ 2,241	$ (1,072)	$ 16,083

	Balance December 31, 2002	**Current Expenditures**	**Write-downs**	**Balance Sept. 30, 2003**
Rainy River (Note)	$ 11,789	$ 95	$ -	$ 11,884
Lac Rocher	2,712	2	-	2,714
Mel Properties	1,487	589	-	2,076
Cameron Lake	108	58	-	166
Prairie Lake	143	137	-	280
Other	57	18	-	75
	$ 16,296	$ 899	$ -	$ 17,195

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. In 2004, the Lac Rocher project expenditures were written down by $1,072,000 to reflect work done prior to the main discovery and outside the main area of interest.

4. Share Capital

a) During the nine-month period ended September 30, 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 September 30, 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 amounting to $1,191,000 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) In January 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. In July 2004, 250,000 options were granted at $0.20 each. The options were granted for a term of 10 years. The fair value of the 4,325,000 options granted has been estimated on the dates of the grants at $873,000 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

During the period, 200,000 options were exercised for proceeds of $40,000 and 670,400 options expired resulting in 8,300,000 options being outstanding at September 30, 2004.

5. Subsequent Events

Subsequent to the end of the period, the Company (i) engaged agents to complete common share and flow-through financings for up to $5 million on a private placement basis (see press release dated October 14, 2004) and (ii) completed an option agreement with Noranda Inc. to acquire a 50% interest in the Berta copper (gold) project in north-eastern Turkey. Under the terms of the agreement, the Company must incur US$50,000 in exploration by December 31, 2004 and a further US$300,000, including 1,000 metres of diamond drilling, by October 31, 2005. The project is subject to a total of US$200,000 in payments to the original vendor, staged over four years. The vendor also retains a 1.5% Net Smelter Royalty (NSR) on two of the three licences which NSR can be bought back for US$1.5 million. Noranda will be the operator of the project until such time as its interest falls below 50%.