

## Nuinsco Making Good Progress on Minago Scoping Study Positive nickel metallurgy, enhanced by-product credits lead to positive outlook

**Toronto, September 14, 2006** – Nuinsco Resources Limited ("Nuinsco")(TSX:NWI, <u>www.nuinsco.ca</u>) today provided an update on progress toward completion of the scoping study on its 100%-owned Minago nickel deposit currently being carried out by Wardrop Engineering Inc.

Metallurgical testing of Minago nickel mineralization by SGS Minerals Services (Lakefield) is progressing well, with results confirming positive past tests indicating that a nickel concentrate grading in the 25%-30% range could be produced. Nickel concentrates typically grade in the 12% to 20% range, meaning a high-grade concentrate from Minago would be easily marketable anywhere in the world.

In addition, Wardrop has determined that the cap rock over the projected open pit includes an estimated 3.0 million 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 CDN\$100 and CDN\$300 per tonne to a third-party supplier. Nuinsco is evaluating proposals from marketing consultants interested in selling this material to the oil and gas industry.

"We are very pleased with what we are seeing from the metallurgical testwork, and are confident that these results will be reflected in the scoping study due out next month," said Brian E. Robertson, President. "We are also excited by the potential sale of frac sand which could dramatically enhance the economics of Minago. Significant revenue could possibly be generated while pre-stripping the open pit deposit prior to beginning nickel mining. The frac sand, along with copper, cobalt, gold, silver, platinum and palladium, represent important by-product credits all of which add to the potential life-of-mine revenue stream."

Frac sand is comprised of rounded, spherical, high-purity quartz grains that exhibit compressive strengths greater than 4,000 PSI. Processing the sand includes washing and grading. Frac sand is used in conjunction with fluids pumped under high-pressure into oil and gas wells to enlarge or scour out openings in oil- or gas-bearing rock or to create new fractures from which oil or gas can be recovered. The unique properties of frac sand, combined with limited supply, have created a tight market for the product, a market that Wardrop estimates will grow by 7% annually to US\$1.2 billion in 2008 in the United States alone. The frac sand market in western Canada is estimated to be between 200,000 and 1 million tonnes per year.

Diamond drill holes at the Minago deposit have penetrated a substantial thickness of the Winnipeg Formation basal sandstone. The frac sand is contained within a 10 metre thick sand layer located at the interface of the overlying limestone cap rock and the Minago nickel deposit. Approximately 25% of the Winnipeg Formation basal sandstone is frac sand quality. Nuinsco will carry out further test work on the frac sand during its 2007 winter drill program.

## **About Minago**

The Minago Project is a large sulphide nickel deposit located in the prolific Thompson Nickel Belt near Thompson, Manitoba. Using a 0.4% cutoff grade, Minago has a measured and indicated resource of 29.8 million tonnes grading 0.64% nickel, and an additional inferred resource of 27.2 million tonnes at 0.67% nickel (please see the technical report by P.J. Chornoby, P.Geo entitled "Exploration Summary, The Minago Nickel Property and Mineral Resource Estimate, The Minago Nickel Deposit" filed on Sedar March 31, 2005). The project is superbly located: paved Provincial Highway 6 traverses the eastern part of the property, as does a high capacity powerline, while the rail line to the Port of Churchill is located nearby. Nuinsco is continuing to evaluate the potential to spin-off its Minago, Mel and Lac Rocher projects to create a pure-play nickel company.

The Minago project is being supervised internally by Paul Jones, Vice-President, Exploration for Nuinsco who acts as QP under National Instrument 43-101. P.J. Chornoby, P.Geo, an independent geological consultant, is Nuinsco's external QP for the Minago project.

## **About Nuinsco Resources**

Nuinsco is a growth-oriented, multi-commodity mineral exploration and development company that is prepared for production and focused on growth through nickel, copper, zinc, uranium and gold exploration and development in world-class mineralized belts in Canada and Turkey. Shares of Nuinsco trade on the Toronto Stock Exchange under the symbol NWI.

For further information, please visit our website at <a href="www.nuinsco.ca">www.nuinsco.ca</a>, or contact: Rene Galipeau or Sean Stokes, (416) 626-0470, <a href="mailto:admin@nuinsco.ca">admin@nuinsco.ca</a>

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