

NiCo Mining Limited

www.nicomining.com

TSX-V: NCL



2007 ANNUAL REPORT

NiCo Mining Limited – Report to Shareholders

On behalf of the Board of Directors, I am pleased to present your company's annual report for the fiscal year ended December 31, 2007.

We are a Canadian based exploration and development mining company focused on building a nickel and cobalt portfolio of properties with our current emphasis being on exploring our Lomie nickel-cobalt concessions in the Cameroon. We are debt free and well financed with approximately \$10 million in cash.

Our wholly-owned subsidiary company, NiCo Mining Corp., was formed in Ontario in June 2007 to acquire through subsidiaries a 95% interest in three large nickel cobalt concessions totaling approximately 2,800 sq km in the Lomie area of southeast Cameroon. In April 2008, we were granted a fourth nickel cobalt exploration permit covering approximately 302 sq km which extends our exploration area in the Lomie area to approximately 3,100 sq km.

During the financial year, NiCo Mining Corp. raised in excess of \$14,100,000 through two private placements of units consisting of common shares and share purchase warrants. In March 2008, NiCo Mining Corp. completed a reverse take-over transaction with a capital pool corporation listed on the TSX Venture Exchange under which our name was changed from Sudbury Capital Corporation to NiCo Mining Limited and former shareholders of NiCo Mining Corp. received approximately 98.1% of our issued and outstanding shares in exchange for their shares of NiCo Mining Corp.

Our Lomie concessions are located within a major nickel-cobalt laterite province first identified by the United Nations Development Program between 1981 to 1986. They are adjacent to the mining concessions held by a subsidiary of Geovic Mining Corp., a company listed on the Toronto Stock Exchange, whose successful exploration program has enabled them to declare a significant laterite-hosted nickel and cobalt resource. Geovic is in the process of putting its Nkamouna project into production.

We are engaged in a systematic and phased exploration program of our Lomie Concessions which is directed towards delineating the presence of at least one economically viable cobalt/nickel resource using modern exploration techniques. This program was initiated with the undertaking of a 24,000 km airborne geophysical survey over our exploration permits to define laterite-capped ultramafic bodies. Twenty seven priority anomalies were identified and have been evaluated by geological mapping and soil geochemistry to determine if anomalous nickel and cobalt values are present.

The 2008 exploration programme to date (end April 2008) has comprised gaining access to and sampling of the majority of identified geophysical anomalies. These have been sampled on a 500 x 500m GPS controlled grid with soil, laterite, rock and stream sediment heavy mineral concentrates collected. The first batch of samples is currently in the Alex Stewart sample preparation laboratory in Yaoundé before transmission to the OMAC laboratory in Galway, Ireland. It is anticipated that all sample results from this detailed reconnaissance phase will have been received by the end of the short rains (May-June) enabling more detailed field follow up programmes to be undertaken commencing July-August 2008. This will comprise infill soil sampling, pitting and the collection of preliminary metallurgical samples, and result in the better

definition of targets. Success at this stage will lead to target drilling which is expected to commence November-December 2008.

Concurrent with the exploration in the Lomie 1-4 permits, on-going target generation studies have identified other properties in the immediate area of the permits and in south-east Cameroon which are being actively pursued.

Initial indications from our work to date are very positive and going forward, we are very optimistic about the prospects of the Company. Our timetable targets completion of a pre-feasibility study on at least one deposit by the end of December 2009 depending on satisfactory drilling and metallurgical results.

The Company has a fully operational office in Yaounde with a Country Manager and an Administrator. We have a dedicated staff of six geologists and technicians as well as a team of casual laborers in the Cameroon who support our ongoing comprehensive exploration activities.

On behalf of the Board of Directors, I would like to thank the officers, field employees and shareholders for their support. I look forward to an eventful and successful future for our company.

Tony Frizelle
Chairman & CEO
April 29, 2008

Management Discussion and Analysis

For the year ended December, 2007

NiCo Mining Limited (formerly Sudbury Capital Corporation)

This management's discussion and analysis ("**MD&A**") should be read in conjunction with the audited financial statements of NiCo Mining Limited (the "**Company**") for the year ended December 31, 2007 and the related notes thereto. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("**Canadian GAAP**"). Unless otherwise indicated, all amounts in this MD&A are expressed in Canadian dollars.

The date of this MD&A is April 24, 2008.

BACKGROUND

As at December 31, 2007, the Company was a capital pool company pursuant to the policies of the TSX Venture Exchange (the "**Exchange**") and, as at that date, the Company did not have any business operations or assets other than cash. Its principal business activity was to identify and evaluate opportunities for the acquisition of interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to the acceptance for filing by the Exchange.

In October 2006, the Company entered into a letter of intent with Sea Dragon Energy Inc. (the "**Sea Dragon**") to combine with Sea Dragon pursuant to a share exchange agreement. That proposed transaction was subsequently terminated in 2007.

In November 5, 2007, the Company entered into an agreement with NiCo Mining Corp. ("**Nico Corp.**") and a subsidiary of the Company ("**Subco**") to complete a business combination (the "**Business Combination**") which would constitute the Company's "qualifying transaction" under the policies of the Exchange. The Business Combination was completed in March 2008, subsequent to the December 31, 2007 financial year of the Company.

At the time of the Business Combination, NiCo Corp. was a private company engaged in the exploration of three large nickel cobalt concessions, being Lomie 1, Lomie 2 and Lomie 3 (collectively, the "**Lomie Concessions**") which total approximately 2,800 sq. km. in the Republic of Cameroon. As a result of two private placements consisting of common shares and common share purchase warrants completed in 2007, NiCo Corp. had approximately \$11,477,000 of working capital as at December 31, 2007.

Pursuant to the Business Combination:

- the Company consolidated its common shares on the basis of one new common share for each ten of the then issued and outstanding common shares;
- changed its name from Sudbury Capital Corporation to NiCo Mining Limited;

- NiCo Corp. amalgamated with Subco to continue as a wholly-owned subsidiary of the Company; and
- former shareholders of NiCo Corp. received, in exchange for their shares of NiCo Corp., common shares of the Company representing approximately 98.1% of the then issued and outstanding common shares.

This management discussion and analysis relates to the balance sheet and results of operations of the Company for the year ended December 31, 2007 and, accordingly, does not give effect to the Business Combination with NiCo Corp. as discussed above and does not include financial information with respect to the assets or results of operations of NiCo Corp. as at December 31, 2007 and for the year then ended. The filing statement filed with the Exchange providing disclosure with respect to the Business Combination and NiCo Corp. can be found at www.sedar.com.

OVERALL PERFORMANCE

For the purposes of this discussion, unless the context otherwise requires," the Company" refers to the operations of NiCo Mining Limited (formerly Sudbury Capital Corporation). This document should be read in conjunction with the Company annual audited financial statements for the year ended December 31, 2007. Throughout this document, reference to the "fourth quarter of 2007" refers to the period October 1, 2007 to December 31, 2007.

During the fourth quarter of 2007, the Company's previously announced business combination with NiCo Mining Corp. was concluded and approved by the TSX Venture Exchange on March 12, 2008. Prior to the completion of this business combination, all of the issued and outstanding common shares of the Company were consolidated on a ten for one basis and the Company changed its name to NiCo Mining Limited and in addition, the predecessor Company issued 20,498,100 common shares on the acquisition. The consolidation and the name change were previously approved at the annual and special meeting of the Company shareholders held on December 7, 2007.

This transaction constituted the Company's qualifying transaction pursuant to the policies of the TSX Venture Exchange.

SELECTED ANNUAL INFORMATION

	2007	2006
Revenue	\$0	\$0
Net Earnings (Loss)	(\$23,617)	(\$163,274)
Net Earnings (Loss) per share	(\$0.01)	(\$0.07)
Total Assets	\$58,444	\$182,189
Total Liabilities	\$9,996	\$110,124

The Company did not have any revenue during the year as it was in the process of identifying a qualifying transaction that was concluded during the fourth quarter of 2007. The majority of the annual expenses of \$95,047 (total expenses prior to the reversal of previously accrued legal fees of \$71,430) were expended in the first two quarters of 2007 as the Company attempted to complete the previously announced business combination transaction with Sea Dragon. The

majority of the annual expenses totalling approximately \$64,000 relate primarily to professional fees and travel expenses incurred with regards to the failed transaction. As mentioned, previously accrued for professional fees of \$71,430 relating to the Sea Dragon deal were reversed in the third quarter of 2007 and taken into income as these costs were either borne by Sea Dragon or written off. The accounts payable and accrued liabilities at December 31, 2007 relate primarily to professional fees owed to the Company's solicitors and public auditors. The Company's assets at December 31, 2007 consist of cash and a GST amount refundable totalling \$58,444.

RESULTS OF OPERATIONS

As stated previously, the Company's business combination with NiCo Mining Corp. was concluded and approved by the TSX Venture Exchange on March 12, 2008. The Company is now in the process of closing its Sudbury operations and transferring all of the Sudbury Capital Corporation's files and documents to the successor company, NiCo Mining Limited.

During the year, the Company incurred total professional fees of \$55,281, the majority of which were incurred during the first two quarters of the year on legal fees pertaining to the failed Sea Dragon transaction. The balance of the legal fees were paid for on-going general corporate matters. In addition, the Company incurred occupancy and administrative costs of \$12,488, primarily from renting office space and paying for contract administrative services in Sudbury, Ontario. The balance of the expenses for the year pertain to transfer agent, listing and filing fees of \$6,398 which are self-explanatory and travel costs of \$20,880 the majority of which were for business related travel by the directors of the Company relating to the failed Sea Dragon transaction.

In the prior year, the Company incurred total expenses of \$163,274 (of which \$71,430 were reversed pursuant to a legal fee settlement as described above). Of this amount, \$23,196 related to stock-based compensation costs calculated from the stock options granted and issued to the Company directors and the Company's investment advisors. Another \$121,374 was expended in fiscal 2006 on legal fees (of which \$71,430 was reversed in 2007), the majority of which related to the initial documents, filing statements and numerous legal issues pertaining to the failed Sea Dragon deal. In addition the Company incurred occupancy and administrative costs of \$8,540, transfer agent, listing and filing fees of \$6,400 and business travel of \$3,764.

FOURTH QUARTER RESULTS.

The Company wound down its Sudbury operations during the fourth quarter once the letter of intent had been signed with NiCo regarding the proposed business combination transaction in order to minimize any further operating costs.

The cash used in operations was approximately \$16,009 for the fourth quarter of 2007. This is comprised primarily of costs which include professional fees, regulatory and compliance fees, and rental costs.

RELATED PARTY TRANSACTIONS

During fiscal 2007, the Company incurred legal costs of approximately \$46,300 (2006-\$75,270) to a law firm in which a director of the Company is a partner, and these costs are included in the professional fee costs and share issuance costs.

LIQUIDITY AND CAPITAL RESOURCES

Net cash used in operating activities for the year ended December 31, 2007 was \$127,125. Net cash used in operating activities for the year consisted mainly of the net loss from operations of \$23,617 and a decrease in amounts receivable and accounts payable and accrued liabilities totalling \$103,508.

For the three months ended December 31, 2007, cash outflows from operating activities were derived from the loss incurred of \$8,208 offset primarily by a small decrease in non-cash operating accounts payable and accrued liabilities and amounts receivable of \$4,651 resulting in a net decrease in operating cash flows for the fourth quarter of \$3,557.

There was no financial activity for the three months ended December 31, 2006.

There was no financial activity for the year ended December 31, 2007 and the fourth quarter of 2007 as well.

Cash inflows from financing activities were \$212,143 for the year ended December 31, 2006 representing the net proceeds from the founders' 2,000,000 common share issuance and the subsequent Initial Public Offering of an additional 2,000,000 common shares.

The entire \$55,064 of cash on hand at December 31, 2007 is not restricted and is available for use in the Company's operations.

DISCLOSURE AND INTERNAL CONTROLS

Management is responsible for establishing and maintaining disclosure controls and procedures with respect to the timely and accurate dissemination of material information and for internal controls over financial reporting. Disclosure controls and procedures are designed to ensure that material information relating to the Company is accumulated and communicated to management including the Company's Chief Financial Officer (CFO) and Chief Executive Officer (CEO) to allow for timely decisions regarding the required filings pursuant to provincial securities legislation. Internal controls over financial reporting should provide reasonable assurance that the Company's financial reporting is reliable and in accordance with GAAP.

The Company's CFO and CEO, prior to the business combination, have evaluated the effectiveness of disclosure controls and procedures as at December 31, 2007 and have concluded that they provide reasonable assurance that all material information relating to the Company is disclosed in a timely manner.

The Company's CFO and CEO have evaluated the Company's internal controls over financial reporting as at December 31, 2007 and have concluded they are designed effectively to provide reasonable assurance that the Company's financial reporting is reliable and in accordance with GAAP. Due to the relatively small size of the Company and limited human resource personnel, a control weakness in respect of segregation of duties was identified. This creates a risk that Company personnel could initiate transactions or accounting entries that were not compatible with their other responsibilities or make accounting errors that could be undetected due to lack of direct supervision. The design of a control system reflects resource constraints, and the benefits of controls must be considered relative to costs. The control weakness results in a greater likelihood that a material misstatement would not be prevented or detected. As a compensating control, the CFO and CEO oversee all material transactions and the Audit Committee reviews the financial statements on a quarterly basis.

There were no changes in the Company's internal control over financial reporting during the quarter and year ended December 31, 2007 that materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

CRITICAL ACCOUNTING POLICIES

The Company's Financial Statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in Canada. The accounting policies followed by the Company are considered to be an integral part of the financial statements.

A summary of the Company's significant accounting policies including the critical accounting policies discussed above is set forth in Note 2 to the Company's audited financial statements for the year ended December 31, 2007.

CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2007, the Company has adopted the new recommendations of CICA Handbook section 1506, Accounting Changes. These new recommendations permit voluntary changes in accounting policy only when they result in the financial statements providing reliable and more relevant information, require changes in accounting policy to be applied retrospectively unless doing so is impractical, require prior period errors to be corrected retrospectively and require enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements. These recommendations also require the disclosure of new primary sources of generally accepted accounting principles that have been issued but not yet effective.

Effective January 1, 2007, the Company has also adopted CICA Handbook Sections 1530, "Comprehensive Income", Section 3251 "Equity", Section 3855, "Financial Instruments – Recognition and Measurement", Section 3861, "Financial Instruments – Disclosure and Presentation" and Section 3865, "Hedges." Section 1530 establishes standards for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net income calculated in accordance with Canadian generally accepted accounting principles.

Section 3861 establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. Under the new standards, policies followed for periods prior to the effective date generally are not reversed and therefore, the comparative figures have not been restated except for the requirement to restate currency translation adjustment as part of other comprehensive income. Section 3865 describes when and how hedge accounting can be applied as well as the disclosure requirements. Hedge accounting enables the recording of gains, losses, revenues and expenses from derivative financial instruments in the same period as for those related to the hedged item.

Section 3855 prescribes when a financial asset, financial liability or non-financial derivative is to be recognized on the balance sheet and at what amount, requiring fair value or cost-based measured under different circumstances. Under Section 3855, financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend

on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net earnings; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net earnings.

Under adoption of these new standards, the Company designated its cash and cash equivalents as held-for-trading, which are measure at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

There have been no other changes in the Company's accounting policies for the fiscal periods covered by these annual financial statements.

FINANCIAL INSTRUMENTS

The Company's financial instruments at December 31, 2007 consist of amounts receivable and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values due to their short-term to maturity.

FORWARD LOOKING STATEMENTS

Certain information in this management discussion and analysis contains forward-looking statements involving the Company's current expectations regarding future results and other matters. These forward-looking statements reflect management's current forecast of certain aspects of the Company's future business, and are subject to certain risks and uncertainties that could cause actual results of operations to differ materially from current expectations. The words "plan", "expect", "believe", "intend", "anticipate", "forecast", "target", "estimate" and similar expressions identify forward-looking statements. Risk factors include shifts in customer demand, product shipment schedules, product mix, competitive products and pricing, technological shifts and other variables. Readers are referred to the Company's most recent reports filed with the Ontario Securities Commission for a more complete discussion of other risks and uncertainties. The factors underlying forecasts are dynamic and subject to change. As a result, forecasts speak only as of the date they are given and do not necessarily reflect the Company's outlook at any other point in time. The Company does not undertake to update or review these forward-looking statements.

OTHER MD&A REQUIREMENTS

The Company has 20,898,100 common shares issued and outstanding as at March 31, 2008.

The following table provides the list of options that are issued as at March 31, 2008.

Exercise Price	Quantity	Expiry Date
\$0.75	750,000	Aug 30, 2010
\$1.00	779,880	Oct 3, 2009
\$1.00	1,295,000	Dec 21, 2012
\$1.00	20,000	Sept 5, 2008
\$1.00	40,000	Aug 31, 2011

The following table provides the list of warrants that are issued and outstanding as at March 31, 2008.

Number of Warrants	Exercise Price	Type	Expiry Date
2,500,000	\$ 0.75	Class A Warrants	July 4, 2009
6,499,000	1.50	Class B Warrants	Oct 3, 2009
389,940	1.50	Class B Warrants	Oct 3, 2009

You may access other information about our Company, including our filing statement and our other disclosure documents, reports, statements or other information that we file with the Canadian securities regulatory authorities through SEDAR at www.sedar.com.