NICO MINING LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2009 and 2008

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of NiCo Mining Limited ("NiCo" or the "Company") should be read in conjunction with NiCo's audited consolidated financial statements and notes thereto as at and for the year ended December 31, 2009 that have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

All financial data in this MD&A has been prepared in accordance with Canadian GAAP. Unless otherwise indicated, all amounts in this MD&A are expressed in Canadian dollars.

The date of this MD&A is April 29, 2010.

BACKGROUND

NiCo Mining Limited

NiCo Mining Limited, formerly Sudbury Capital Corporation, is a Canadian-based nickel/cobalt exploration and development company, focused on opportunities in Africa and is traded on the TSX Venture Exchange ("TSXV") under the symbol NCL.

The Company is engaged in the systematic assessment of the nickel/cobalt potential of three permits totaling approximately 2,800 square kilometers located near Lomié in Southeast Cameroon, Africa through its 95% owned subsidiary, Resource Capital Group Cameroon Ltd. The exploration program is directed towards delineating the presence of at least one economically viable nickel/cobalt resource using modern exploration techniques. This program was initiated with the undertaking of a 24,000 km airborne geophysical survey of its exploration permits to define laterite-capped ultramafic bodies. Twenty nine priority anomalies were identified and evaluated to determine the presence of anomalous nickel and cobalt values. NiCo is also currently considering other opportunities elsewhere in Africa and other areas in the world.

Effective March 12, 2008, the Sudbury Capital Corporation completed a transaction with NiCo Mining Corp., a company incorporated under the Business Corporation Act (Ontario). This transaction was accounted for as a reverse takeover as the control of Sudbury Capital Corporation was acquired by the former shareholders of NiCo Mining Corp. After this transaction, the continuing entity's name was changed to NiCo Mining Limited.

The audited consolidated financial statements and amounts reflected in this MD&A include the accounts of the Company and its subsidiaries from March 12, 2008. Prior period results and comparatives are those of NiCo Mining Corp. and its subsidiaries for the period from incorporation June 29, 2007. Although legally, NiCo Mining Limited is regarded as the parent or continuing company, NiCo Mining Corp. whose shareholders now hold more than 50% of the voting shares of the Company, was treated as the acquirer under Canadian generally accepted accounting principles. Consequently, NiCo Mining Limited is deemed to have been acquired in consideration for the issuance of shares.

OVERALL PERFORMANCE

In response to the significant deterioration in the financial markets and commodity prices that commenced in 2008 and carried into a part of 2009, the Company maintained a cautious approach in 2009, limiting

significantly expenditures on its properties that were placed in a care and maintenance position at the end of 2008 and continuing to evaluate other potential opportunities that could increase shareholder value.

The Company is targeting Nickel/Cobalt laterite deposits in a known Nickel/Cobalt region in its exploration permits adjacent to significant identified resources held by Geovic Cameroon PLC. NiCo's exploration program is directed towards the identification of economic concentrations of laterite hosted mineralization through the delineation of highly magnetic serpentinite intrusive bodies. This is being realized through the airborne geophysical survey flown in 2007 combined with the detailed field reconnaissance and geochemical/ geological exploration phases undertaken between December 2007 and November 2008.

NiCo has not yet determined whether these properties contain resources that are economically recoverable. John Nicholas Lauderdale, a Qualified Person as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects, has reviewed and verified the technical information presented in this MD&A.

As a result of the depressed commodities and equity markets, and the outlook for nickel and cobalt in particular, the Company decided in September 2008 to wind down its current exploration activities on its Lomie nickel and cobalt properties in the Cameroon. The wind down was completed at the end of the fourth quarter of 2008. The exploration properties are being held on a care and maintenance basis until such time as market conditions improve to warrant further exploration. There was no exploration conducted on the properties during the 12-month period ended December 31, 2009 compared to exploration expenditures of approximately $1.2 million incurred in 2008.

The Company is currently in the process of applying for the renewal of the three permits with the Minister of Mines in Cameroon under a proposed exploration program of approximately $100,000 during a one year period. It is uncertain at this time if the renewal application and proposal will be accepted. The current permits expire in April and June 2010.

On April 14, 2009, the NiCo Board of Directors approved a Substantial Issuer Bid to purchase up to 12,000,000 common shares of the Company (approximately 57% of its issued and outstanding common shares prior to the issuer bid) for cancellation at a price of $0.40 which was approximately equal to the net cash value of the Company's shares at the time of the issuer bid. The transaction was completed on July 6, 2009 with 12,000,000 tendered common shares being cancelled and a cash outflow of $4,800,000 to acquire the shares.

On July 17, 2009**,** the Company executed a subscription agreement with View 22 Technology Inc. providing for the purchase of up to $3,000,000 principal amount of 12% secured debentures of View 22. Secured Debentures in the principal amount of $1,000,000 were purchased upon execution of the subscription agreement. As a result of View 22 not having satisfied certain performance milestones and other conditions provided for in the subscription agreement, the remaining secured debentures will not be purchased by the Company. The secured debentures (i) bear interest at the rate of 12% per annum on the principal outstanding payable quarterly; (ii) are repayable at any time but no later than 24 months from their respective dates of issue; and (iii) are secured by a fixed and floating charge on all of the assets and undertakings of View 22.

The Company incurred a net loss of approximately $543,000 in the year ended December 31, 2009 compared to a loss of approximately $3 million in the comparable 2008 period. The Company incurred general and administrative expenses of approximately $755,000, detailed further under "General and Administrative Expense", as well as amortization expense of approximately $11,000 and a foreign exchange loss of approximately $10,000, partially offset by interest and investment income amounting to approximately $233,000 in the year. Significant variances between the years include a write down of mining properties in 2008 amounting to approximately $1.2 million and a reduction of general and administration expenses in 2009 of approximately $1.3 million, primarily resulting from the termination of consulting agreements and lower travel and accommodation costs resulting from the cessation of

exploration activity at the end of 2008, resulting in a $463,000 reduction and lower stock-based compensation expense in 2009, resulting in a $408,000 reduction.

With working capital as at December 31, 2009 of approximately $2.775 million and no debt or other material commitments, the Company at the present time has sufficient cash resources to maintain its interest in the Lomie properties and to evaluate other potential opportunities. The exploration of mineral properties involves significant financial risks and the success of NiCo will be influenced by a number of factors including risks associated with exploration and eventual extraction, foreign investment regulation, and political uncertainty. At present, the Company's exploration activities do not generate any revenues.

SELECTED ANNUAL INFORMATION

A summary of selected annual information of NiCo for the two most recently completed financial years as at and for the years ending December 31 and for the period from incorporation of NiCo Mining Corp. June 29, 2007 to December 31, 2007, is provided below:

	2009	2008	2007
Net Sales	Nil	Nil	Nil
Net Loss	$ 543,183	$ 2,989,993	$ 505,571
Loss per Share	$ 0.04	$ 0.14	$ 0.04
Shares outstanding (weighted average)	15,013,168	20,820,504	11,302,896
Total Assets	$ 4,861,083	$ 10,341,070	$ 12,850,167
Total Liabilities	$ 69,596	$ 200,196	$ 265,221
Cash dividends declared Per share	Nil	Nil	Nil

Net loss in 2007 was lower than 2008 in part since it includes only a half year of operations from the date of incorporation of the Company and in part since exploration activities and the required administration required to manage that activity had not ramped up completely until 2008. In addition, the 2008 results include a write down of mining properties of approximately $1.2 million.

Net loss in 2008 is significantly higher than 2007 and 2009 since it includes the full year effect of administrative support for exploration activity, including the establishment and closure of administrative offices in Cameroon. In addition, results for 2008 include a write down of mining properties amounting to approximately $1.2 million.

Net loss in 2009 is significantly lower than 2008 reflecting lower general and administration expenditures as a result of the cessation of exploration activity at the end of 2008 and the absence of any write downs of mining properties.

The reduction in assets of approximately $5.5 million from 2008 to 2009 is primarily attributable to the substantial issuer bid and the return of $4.8 million to shareholders who tendered their shares.

RESULTS OF OPERATIONS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009

Net loss for the year ended December 31, 2009 is $543,183 compared to a loss of $2,989,993 in 2008, a reduction of approximately $2.4 million.

The 2008 results included an impairment charge of $1,226,605 for the write down of mining properties as a result of an independent valuation. No impairment charges were recorded in 2009.

General and administrative expenses in 2009 of $755,443 were approximately $1.3 million lower compared to the $2,027,071 recorded in 2008. The current year includes $34,657 of stock-based

compensation expense compared to $442,391 in 2008, a reduction in excess of $400,000. Consulting and travel expenses for the year ended December 31, 2009 were approximately $246,000 and $36,000 respectively compared to approximately $623,000 and $122,000 respectively for 2008, a reduction of approximately $463,000 resulting from the termination of consulting agreements and reduced travel due to the elimination of exploration activity in 2009. As well, general and administrative costs amounting to approximately $363,000 were incurred in the Cameroon and South Africa subsidiaries during the year ended December 31, 2008 compared to approximately $21,000 incurred in 2009, due to the reduction of activity at those locations at the end of 2008. Interest income of $233,388 reported in the year ended December 31, 2009 was $85,782 lower than the $319,170 reported in 2008 resulting from lower cash balances available for investment.

SUMMARY OF QUARTERLY RESULTS

A summary of selected financial information of NiCo Mining Limited for the eight most recently completed quarters is provided below:

	Quarter ended			
	December 31, 2009	**September 30, 2009**	**June 30, 2009**	**March 31, 2009**
Revenue	Nil	Nil	Nil	Nil
Net loss	$676	$147,294	$138,964	$256,249
Basic and diluted net loss per share	$0.00	$0.02	$0.01	$0.01
Total assets	$4,861,083	$4,933,509	$9,874,332	$10,172,697
Working capital	$2,774,367	$2,845,146	$8,745,299	$8,887,612

	Quarter ended			
	December 31, 2008	**September 30, 2008**	**June 30, 2008**	**March 31, 2008**
Revenue	Nil	Nil	Nil	Nil
Net loss	$1,435,609	$503,286	$354,515	$696,583
Basic and diluted net loss per share	$0.07	$0.02	$0.02	$0.03
Total assets	$10,341,070	$11,738,161	$12,245,587	$12,667,765
Working capital	$9,100,124	$9,541,552	$10,260,921	$10,982,884

The Company is an exploration and development stage mineral resources company that commenced operations in July 2007. The business is not subject to seasonality to any significant degree. During the six quarters ended December 31, 2008, the Company was actively engaged in exploration activity at its Lomie properties in Cameroon.

As a result of the depressed commodities and equity markets, and the outlook for nickel and cobalt in particular, the Company wound down its current exploration activities on its Lomie nickel and cobalt properties by December 31, 2008. The permits are being maintained in good standing until such time as the Company reassesses the potential of the properties.

Net loss for the three months ended March 31, 2008 includes $343,960 in stock-based compensation expense resulting from the revaluation of stock options granted prior to 2008 by the private company that were converted to stock options of the public company effective March 12, 2008, the date of the reverse takeover transaction.

During the fourth quarter of 2008, the Company's impairment analysis resulted in the write down to fair value of its Lomie properties. The analysis took into account exploration results to date, the Company's reduced exploration plans, and general market conditions which had become increasingly unfavourable. Included in the fourth quarter 2008 net loss was an impairment charge for the write-down of the Cameroon mining properties in the amount of $1,226,605 based on an independent valuation of the Company.

The net loss for each of the quarters of 2009 are lower than the comparable quarters of 2008 resulting from the cessation of exploration activities at the end of December 2008 and the effect of cost reduction initiatives commenced in the fourth quarter of 2008. Net loss for the second and third quarters of 2009 were lower than the first quarter of 2009 largely due to lower consulting costs arising from consulting agreements that terminated with effect from March 31, 2009. Loss for the fourth quarter of 2009 is lower than previous quarters as a result of the change in accounting policy for the translation of foreign subsidiaries' from the current rate method to the temporal method with effect from January 1, 2009. As a result of this change in accounting policy, and with the movement in the Canadian dollar and Cameroon exchange rate during the year, approximately $109,000 of unrealized foreign currency losses previously recorded in the first three quarters of 2009 was reversed in the fourth quarter of 2009.

The reduction in assets of approximately $4.9 million from June 2009 to September 2009 is primarily attributable to the Substantial Issuer Bid and the return of $4.8 million to shareholders who tendered their shares on July 6, 2009.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED DECEMBER 31, 2009

Net loss for the three months ended December 31, 2009 is $676 compared to a loss of $1,435,609 for the same period in 2008.

As previously noted, the current quarter results included the reversal of approximately $109,000 of unrealized foreign exchange losses recorded in the first three quarters of 2009 as a result of the change in accounting policy for the method of translation of foreign subsidiaries. Excluding this adjustment, net loss for the quarter would have been approximately $110,000. Interest and investment income in the three months ended December 31, 2009 of $45,223 is approximately $10,000 lower than for the three months ended September 30, 2009 resulting from the renewal of GIC certificates on September 21 at a substantially lower rate than was previously available and reduced cash balances available for investment resulting from the substantial issuer bid.

During the year, the Company continued its evaluation of prospective properties.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2009, the Company reported working capital of $2,774,367 compared to $9,100,124 as at December 31, 2008 and $11,477,127 as at December 31, 2007. The significant reduction in working capital of approximately $6.3 million in the year resulted largely from the $4,800,000 paid to shareholders under the Substantial Issuer Bid and the investment in the $1,000,000 View 22 debenture.

The Company has no capital expenditures or other commitments, other than those described under "Contractual Obligations and Commitments". The Company at present has no plans to secure new debt or equity financing and has sufficient cash resources to maintain its mining properties in good standing and to evaluate other potential opportunities.

CONTRACTUAL OBLIGATION AND COMMITMENTS

The Company, as a condition of maintaining its licences for the three remaining properties in Cameroon, is required to spend a minimum of 300,000,000 CFA ($779,700) over the initial three year term for each of the three properties. In total, this represents a commitment of 900,000,000 CFA ($2,339,100) over the

initial three year term of the license. Exploration activity to December 31, 2008 will allow the Company to maintain the licences in good standing to at least April 2010.

The Company is currently in the process of applying for renewal of the three permits with the Minister of Mines in Cameroon under a proposed exploration program of approximately $100,000 during a one year period. It is uncertain at this time if the renewal application and proposal will be accepted. The permits will expire in April and June 2010.

The Company has consulting agreements and a management services agreement which provides for the services of certain key management which specify salary, termination provisions and other terms and conditions. As at December 31, 2009, there are no estimated contingent payments with respect to such consulting and management services agreements.

The Company does not have any other commitments, contractual obligations, long term debt, capital lease obligations, or purchase obligations other than leases which are part of day to day corporate business activities such as the office rental lease for Canada noted below.

The minimum future payments as at December 31 are approximately as follows:

Year Ended December 31	
Fiscal 2010	$ 39,292
Fiscal 2011	39,292
Fiscal 2012	$ 19,646
	$ 98,230

INVESTMENT IN MINERAL EXPLORATION

Expenditures on mining properties in the year amounted to $12,474, offset by a reversal of $40,714 capitalized in 2008 and reversed in 2009 as a result of disputed charges similarly reversed from liabilities. The low expenditure results from the decision to wind down exploration activity by December 31, 2008 and to maintain the Lomie properties on a care and maintenance basis.

Expenditures on mining properties in 2008 during a period of active exploration amounted to $1,183,299.

GENERAL AND ADMINISTRATIVE EXPENSE

General and administrative expense for the quarter ended December 31, 2009 amounted to $151,807 compared to $443,694 in the comparable quarter in 2008. Included in general and administrative expense in the current quarter is $10,149 in stock-based compensation expense compared to $30,588 of stock-based compensation expense recorded in the comparable 2008 quarter. Other significant general and administration expenditures in the three month period ended December 31, 2009 with comparative amounts for the similar period in 2008 shown in brackets include consulting fees of $49,901 ($166,873), salary costs of $20,625 ($20,623), administrative services fees of $17,837 ($10,790), rent expense of $18,838 ($25,040), professional services fees of $10,000 ($68,782) and general and administration costs incurred by the Cameroon and South Africa subsidiaries $3,770 ($122,846).

General and administrative expense for the year ended December 31, 2009 amounted to $755,443 compared to $2,027,071 in 2008. Included in general and administrative expense in 2009 is $34,657 in stock-based compensation expense compared to $442,391 of stock-based compensation expense recorded in 2008. Other significant general and administration expenditures in the year ended December 31, 2009 with comparative amounts in 2008 shown in brackets include consulting fees of $245,926 ($622,795), travel expense of $35,564 ($122,256), salary costs of $85,643 ($83,668), administrative services fees of $67,801 ($32,619), rent expense of $83,438 ($94,714), professional services fees of

$82,301 ($109,637) and general and administration costs incurred by the Cameroon and South Africa subsidiaries $21,450 ($362,731).

USE OF OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any specialized financial agreement to minimize its investment, currency or commodity risk. There are no off balance sheet arrangements, such as a guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations and or any obligations that trigger financing, liquidity, market or credit risk to the Company.

TRANSACTIONS WITH RELATED PARTIES

Amounts due to and from the related parties, are payable to or receivable from entities controlled by shareholders, officers or directors of the Company as are transactions with these related parties. These amounts are non-interest bearing, unsecured and not subject to specific terms of repayment unless stated otherwise.

The Company pays consultation, management, strategic advisor and administrative services fees to companies controlled by officers and directors in lieu of their compensation. The net amount paid during the year ended December 31, 2009 amounted to $285,780 (2008 - $716,584). Included in accounts payable is a net amount of $23,000 (2008 - $48,504) due to related parties.

These transactions are in the normal course of operations and have been valued at the exchange amount which is the amount of consideration established and agreed to by the related parties.

PROPOSED TRANSACTIONS

The Company entered into a letter agreement (the "Letter Agreement ") dated March 24, 2010 with Red Crescent Resources Holding A.S. ("RCR"), a company incorporated under the laws of Turkey, pursuant to which NiCo has agreed to acquire all of the issued and outstanding shares of RCR (the "Proposed Transaction"). Under the terms of the Letter Agreement, NiCo will acquire all of the issued and outstanding shares of RCR in exchange for the issuance to shareholders of RCR such number of common shares of NiCo as determined by dividing the net asset value of RCR by the net asset value of NiCo as determined in accordance with a formula set out in the Letter Agreement.

Following the closing of the Proposed Transaction, NiCo intends to call a special meeting of shareholders to, among other things, change the name of Company to "Red Crescent Resources Limited" or such other name as may be approved by NiCo and RCR.

The Proposed Transaction is conditional upon, among other things, receipt of all necessary regulatory, stock exchange, director and shareholder approvals, the completion of satisfactory due diligence by both NiCo and RCR and the entering into of a definitive share exchange agreement. Prior to completion of the Proposed Transaction, RCR will complete a brokered private placement for a minimum of $10,000,000, the proceeds of which will be used to fund exploration expenditures and a pre-feasibility study at RCR's Hakkari zinc project in Turkey and for working capital and general corporate purposes. RCR has engaged Haywood Securities Inc. to act as agent on the private placement.

Assuming that $10,000,000 is raised by RCR under the underlying private placement, upon completion of the Proposed Transaction, shareholders of RCR are expected to own approximately 90% of the Company. The Proposed Transaction will be considered a “Reverse Takeover” pursuant to the policies of the TSX Venture Exchange.

USE OF ESTIMATES

The preparation of consolidated financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and

liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses for the periods reported. Actual results could differ from those estimates. The assets and liabilities that are subject to such estimates include the carrying value of mineral properties, stock based compensation, valuation of debentures, and future taxes.

Accordingly, the Company's measurements are based upon management's best estimates based on existing knowledge, which reflect the Company's planned courses of action and probable economic conditions; however, it is possible that actual events may be different from those anticipated. Accordingly, such differences could impact the carrying values of assets as well as future results of operations and cash flows.

CHANGES IN ACCOUNTING POLICIES

Translation of Foreign Currencies

Prior to 2009, the Company's subsidiaries' financial statements were translated from various currencies to Canadian dollars using the current rate method. Accordingly, assets and liabilities of the subsidiaries were translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Revenue and expense items were translated at average exchange rates prevailing during the period. Any corresponding foreign exchange gains and losses were deferred and disclosed separately as part of other comprehensive loss. In the latter half of 2008, the Company decided to cease active exploration of its properties in the Cameroon as a result of depressed commodity prices and equity markets, and the outlook for nickel and cobalt in particular. The Company continued its efforts of investigating other opportunities in the region and elsewhere which might be available to the Company in order to maximize shareholders' value. These investigations have not yet resulted in viable alternatives for the Cameroon subsidiary and as a result, the foreign subsidiary is no longer expected to generate its own cash inflows.

As a result of the change in circumstances relating to its foreign subsidiaries, the Company has changed its policy for the translation of foreign subsidiaries' to the temporal method with effect from January 1, 2009 in accordance with CICA Handbook Section 1651, *Foreign Currency Translation*. As a result, foreign currencies are translated using the average rate for the period for items included in the consolidated statement of operations and deficit, the rate in effect at the balance sheet date for monetary assets and liabilities, and historical rates for non-monetary assets and liabilities. Foreign exchange gains and losses are included in general and administrative expenses of the consolidated statement of operations and deficit. Exchange gains and losses previously accumulated in a separate component of accumulated other comprehensive income continue to be included in accumulated other comprehensive income.

New Accounting Policies

Goodwill and Intangible Assets

Effective January 1, 2009, the Company adopted CICA Section 3064, Goodwill and Intangible Assets, replacing Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Since this section does not apply to activities that are unique to enterprises in the extractive industries such as prospecting, acquisitions of mineral rights, exploration, drilling, mining and related mineral development, the adoption did not have a significant impact on the Company's consolidated financial statements.

Mining exploration costs

On March 27, 2009, the Emerging Issues Committee of the CICA approved abstract EIC-174, *Mining Exploration Costs* and withdrew EIC-126, *Accounting by Mining Enterprises for Exploration Costs*. The publication of EIC-174 covers all guidance in EIC-126 and provides additional guidance for mining exploration enterprises in circumstances where a test for impairment is required. The adoption of this abstract did not have any impact on the Company's consolidated financial statements.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA approved EIC-173 *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*. This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. The Company is continually evaluating its counterparties and their credit risks; the accounting treatments provided in EIC-173 have been applied in the preparation of these consolidated financial statements. The adoption of this standard did not have an impact on the valuation of financial assets and liabilities.

Financial instruments – Recognition and measurement

In July 2009, the Accounting Standards Board approved amendments to Handbook Section 3855, Financial Instruments: Recognition and Measurement, in order to converge with international standards for impairment of debt instruments by changing the categories into which debt instruments are required and permitted to be classified. These amendments will permit (or require in certain circumstances) entities to reclassify certain investments in debt instruments, amend the guidance regarding impairment measurement for held-to-maturity debt instruments and require reversals of impairment losses for available-for-sale debt instruments when conditions have changed. These amendments apply only to investments in debt instruments and do not apply to investments in equity instruments or to debt instruments that have been designated at origination as held-for-trading. The amendments are effective for annual financial statements for fiscal years beginning on or after November 1, 2008. The adoption of this standard did not have an impact on the classification of its investments in debt instruments.

Financial instruments – Disclosures

In June 2009, the CICA amended Handbook Section 3862, Financial Instruments – Disclosures, to include additional disclosure requirements about fair value measurement for financial instruments and liquidity risk disclosures. These amendments require a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of the fair value hierarchy are:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

Future Accounting Changes

The Company has assessed new and revised accounting pronouncements that have been issued that are not yet effective and determined that the following may have a significant impact on the Company:

Business Combinations/Consolidated Financial Statements/Non-Controlling Interests

In January 2009, the CICA issued Handbook Sections 1582, *Business Combinations*, 1601, *Consolidated Financial Statements*, and 1602, *Non-Controlling Interests*, which superseded current Handbook Sections 1581, *Business Combinations*, and 1600 *Consolidated Financial Statements*. These new sections

replaced existing guidance on business combinations and consolidated financial statements to harmonize Canadian accounting for business combinations with IFRS. These sections will be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier adoption is permitted. If an entity applies these sections before January 1, 2011, it is required to disclose that fact and apply each of the new sections concurrently. The Company is currently evaluating the impact of the adoption of these changes on its consolidated financial statements.

Multiple deliverable revenue arrangements

In December 2009, the CICA issued EIC-175, *Multiple Deliverable Revenue Arrangements*, which provides guidance for determining whether an arrangement involving multiple deliverables contains one or more units of accounting. The accounting treatments provided in EIC-175 are effective for the first annual reporting period beginning on or after January 1, 2011. Early adoption is permitted. The Company does not believe that this guidance will have an impact on its consolidated financial statements.

Transition to International Financial Reporting Standards (IFRS)

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises are required to prepare financial statements in accordance with IFRS for years beginning on or after January 1, 2011, with comparative figures for the previous year. IFRS are issued by the International Accounting Standards Board ("IASB").

The Company commenced its IFRS conversion project during 2009 and has established a conversion plan and an IFRS project team. The Company has developed a three phase changeover plan to adopt IFRS by January 1, 2011 as follows: project planning, scoping and preliminary impact analysis; detailed diagnostics and evaluation of financial impacts, selection of accounting policies, and design of operational and business processes; and implementation and review.

The Company's expected IFRS transition date of January 1, 2011 will require the restatement, for comparative purposes, of amounts reported on the company's opening IFRS balance sheet as at January 1, 2010 and amounts reported by the company for the year ended December 31, 2010.

The company is continuing to assess the financial reporting impacts of adopting IFRS in 2011. Based on analysis completed to date, the Company believes the following to be true:

- The conversion to IFRS will impact the Company's accounting policies and financial statement presentation and disclosure but is not expected to have a significant effect, other than potentially with respect to the valuation of mining properties.

- The conversion to IFRS is not expected to have a significant effect, if any, on information technology and data systems, internal control over financial reporting, compensation arrangements or contractual agreements.

The Company has completed the initial preliminary impact analysis and is presently completing an evaluation of financial impacts and the selection of accounting policies. This includes a detailed analysis of the standards, including the evaluation of policy choices for those standards that may have an impact on its financial statements, business processes and systems.

Differences between IFRS and Canadian GAAP, in addition to those identified under "Impact of Adoption of IFRS", may continue to be identified based on further detailed analyses and other changes in IFRS prior to the company's conversion to IFRS in 2011.

<u>Impact of Adoption of IFRS</u>

IFRS are premised on a conceptual framework similar to Canadian GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. The following standards

have been identified as having the greatest potential to impact the Company's accounting policies, financial reporting and information systems requirements upon conversion to IFRS.

Presentation and Disclosure

IFRS requires significantly more disclosure than Canadian GAAP for certain standards. The increased disclosure requirements may cause the company to change financial reporting processes to ensure the appropriate data is collected.

Deferred Exploration and Development Cost

Canadian GAAP is more comprehensive than IFRS, which only provides guidance up to the point that technical feasibility and commercial viability of extracting is demonstrated. Canadian GAAP allows for the capitalization of certain exploration and development costs. IFRS allows accounting in line with Canadian GAAP for the exploration and evaluation phase but expenditures beyond the exploration and evaluation phase must be considered in line with the capitalization criteria for Property Plant & Equipment and/or intangible assets. The Company is currently evaluating the impact of these differences.

Impairment of Assets

Impairment of Assets (IAS 36) uses a one-step approach for testing and measuring asset impairments, with asset carrying values being compared to the higher of value in use and fair value less costs to sell. Value in use is defined as being equal to the present value of future cash flows to be derived from the asset in its current state. In the absence of an active market, fair value less costs to sell may also be determined using discounted cash flows. The use of discounted cash flows under IFRS to test and measure asset impairment differs from Canadian GAAP where undiscounted future cash flows are used to compare against the asset's carrying value to determine if impairment exists. This may result in more frequent write-downs in the carrying value of assets under IFRS since asset carrying values that were previously supported under Canadian GAAP based on undiscounted cash flows may not be supported on a discounted cash flow basis under IFRS. However, under IAS 36, previous impairment losses may be reversed where circumstances change such that the impairment has been reduced. This also differs from Canadian GAAP, which prohibits the reversal of previously recognized impairment losses.

The company's accounting policies related to impairment of assets will be changed to reflect these differences and impairment assessments will be performed at the transition date in accordance with IFRS. The use of discounted cash flows as an indicator of impairment may lead to write-downs in the future.

Foreign Exchange, Functional Currency and IFRS

Functional currency is the currency of the primary economic environment in which an entity operates. The primary economic environment in which an entity operates is normally the one in which it primarily generates and expends cash. IFRS requires that the functional currency of the Company and its subsidiaries be determined separately and that the factors considered to determine functional currency are different than in Canadian GAAP. Foreign exchange translation; under IFRS, assets and liabilities are translated at the closing rate at the rate at the date of the balance sheet. All resulting exchange rate differences are recognized as a separate component of equity.
The Company does not expect any changes to its accounting policies related to foreign currency to have a material impact on the company's results.

First-Time Adoption of International Financial Reporting Standards

NiCo's adoption of IFRS will require the application of IFRS 1, *First-Time Adoption of International Financial Reporting Standards*, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires that an entity apply all IFRS effective at the end of its first IFRS reporting period retrospectively. However, IFRS 1 does require certain mandatory exceptions and limited optional exemptions in specified areas of certain standards from this general requirement. The following are the optional exemptions available under IFRS 1, significant to NiCo that the Company expects to apply in preparing its first financial statements under IFRS.

Cumulative Translation Differences
IAS 21, *The Effects of Changes in Foreign Exchange Rates*, requires a company to determine the translation differences in accordance with IFRS from the date on which a subsidiary was formed or acquired. IFRS allows cumulative translation differences for all foreign operations to be deemed zero at the date of transition to IFRS, with future gains or losses on subsequent disposal of any foreign operations to exclude translation differences arising from prior to the date of transition to IFRS. The Company expects to reset all cumulative translation differences to zero on transition to IFRS.

IFRS 1 allows for certain other optional exemptions; however, the Company does not expect such exemptions to be significant to the Company's adoption of IFRS.

In addition to planning for the initial adoption of IFRS, the Company continues to monitor changes to standards that may become effective during or shortly after the implementation phase. The Company will continue to follow the proposals contained in IASB exposure drafts and to assess potential impacts of new IFRS that may be applicable as at the January 1, 2010 adoption date.

The Company's transition plans are on schedule and further updates on the status of key activities for this project will be provided in the Company's 2010 interim Management's Discussion and Analysis.

FINANCIAL INSTRUMENTS

Fair Value

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial instruments measured at fair value have been ranked using a three-tier hierarchy that reflects the significance of the inputs used in making the fair value measurements.

Financial Assets and Liabilities at Fair Value
as at December 31, 2009

Financial Assets	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	2,801,723			2,801,723
Investment in View 22 Common Shares			75,000	75,000

The following is a reconciliation of the beginning to ending balance for financial instruments included in Level 3:

As at December 31	Investment in View 22 Common Shares
Balance, beginning of the year	$ 0
Investment in View 22 Shares	75,000
Balance, end of the year	$ 75,000

The carrying value of cash and cash equivalents, other receivables, accounts payable and accrued liabilities approximates their fair value because of the short-term nature of these instruments.

Concentration of Credit and Foreign Currency

The Company maintains its cash with major financial institutions in Canada and generally exceeds that of government insured levels. This is considered to be a minimal risk due to the strength of the Canadian banking sector and the big five banks in particular. Cash requirements to meet short term operating requirements are held in financial institutions in Cameroon and South Africa. These amounts are nominal and consequently pose no material risk.

The Company's operations are outside of North America, therefore, the Company is exposed to foreign currency risks. This is effectively limited to the Cameroon mining properties which represent the only material asset of the Company outside of Canada. The Company does not enter into financial instruments to manage this risk.

Market Risk

Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. For purposes of this disclosure, the Company segregates market risk into three categories: currency risk , interest rate risk and other price risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's financial liabilities consist of accounts payable. The Company has no liquidity risk as there are sufficient cash resources to allow it to meet its financial obligations in the foreseeable future.

Interest rate, currency and credit risk

The Company is subject to interest risks, or currency risk and credit risk arising from these financial instruments in the normal course of business. The most significant monetary asset is cash invested in cashable GIC's with a maturity date of September 21, 2010. Interest rate on this asset is mitigated up to the date of maturity. The View 22 debentures yield 12% per annum to maturity in July 2011, mitigating interest rate risk on this instrument to that time.

As at December 31, 2009, the Company's foreign currency balances, largely denominated in US$ and pound sterling, were approximately $23,793 in cash, $9,809 in receivables, and $11,403 in liabilities. Due to the nominal value of foreign currency balances, there is no material effect that could occur as a result of foreign currency exchange rates.

As at December 31, 2008, the Company's foreign currency balances were approximately $10,315 in cash, $18,708 in receivables, and $134,844 in liabilities.

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 8,898,100 common shares issued and outstanding as at April 29, 2010.

The following table provides the list of options that are issued as at April 29, 2010.

Exercise Price	Quantity	Expiry Date
$1.00	60,000	Dec 21, 2012
$0.75	35,000	May 28, 2011
$0.75	5,000	Aug 14, 2011
$0.30	500,000	Nov 24, 2012

ADDITIONAL INFORMATION

Additional information regarding the Company and its business and operations is available on the Company's profile at www.sedar.com. This information is also accessible on the Company's website at www.nicomining.com.