

**NUBIAN RESOURCES LTD.**  
(formerly ICS Copper Systems Ltd.)

**CONSOLIDATED FINANCIAL STATEMENTS**

January 31, 2011

(Expressed in Canadian Dollars)

**NUBIAN RESOURCES LTD.**  
(formerly ICS Copper Systems Ltd.)

***These unaudited financial statements for the periods ended January 31, 2011 have not been reviewed by the Company's auditor.***

**NUBIAN RESOURCES LTD.**  
(formerly ICS Copper Systems Ltd.)

**Notice of No Auditor Review of Interim Financial Information**

Pursuant to subsection 4.3(3)(a) of Part 4 of National Instrument 51-102 Continuous Disclosure Obligations, if an auditor has not performed a review of interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been so reviewed.

The accompanying unaudited interim financial statements of Nubian Resources Ltd. (formerly ICS Copper Systems Ltd) (the "Company") for the period ending January 31, 2011 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these financial statements.

*"Graham A Chisholm"*  
(signed)

President and Chief Executive Officer

Date: March 2, 2011

# NUBIAN RESOURCES LTD.

(formerly ICS Copper Systems Ltd.)

## CONSOLIDATED BALANCE SHEETS

(Expressed in Canadian Dollars)

	January 31 2011	July 31 2010
	(Unaudited)	
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 187,002	\$ 1,733
Taxes receivable	7,418	1,134
Accounts receivable	-	210
Prepaid expenses	1,119	5,747
Current portion of proceeds receivable (Notes 2 and 4)	748,309	-
	<u>943,848</u>	<u>8,824</u>
Proceeds Receivable (Notes 2 and 4)	494,419	-
Assets Held For Sale (Note 3)	36,250	1,543,135
Equipment	7,641	7,980
Mineral Property (Note 3)	85,308	-
	<u>\$ 1,567,466</u>	<u>\$ 1,559,939</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 35,000	\$ 42,950
Accounts payable and accrued liabilities on assets held for sale	81,370	157,820
Due to related party (Note 5(c))	63,977	100,000
	<u>180,347</u>	<u>300,770</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital (Note 6)	13,419,903	13,172,324
Contributed Surplus	1,869,697	1,809,657
Deficit	(13,902,481)	(13,722,812)
	<u>1,387,119</u>	<u>1,259,169</u>
	<u>\$ 1,567,466</u>	<u>\$ 1,559,939</u>

Discontinued operations (Note 4)

Approved on behalf of the Board of Directors:

"G.A. Chisholm"

Graham A. Chisholm, Director  
President & Chief Executive Officer

"D. A. Fynn"

David A. Fynn, Director  
Chief Financial Officer

The accompanying notes are an integral part of these consolidated financial statements.

# NUBIAN RESOURCES LTD.

(formerly ICS Copper Systems Ltd.)

## CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

	THREE MONTHS ENDED JANUARY 31		SIX MONTHS ENDED JANUARY 31	
	2011	2010	2011	2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Expenses</b>				
Amortization	\$ 453	\$ 2,686	\$ 1,070	\$ 5,371
Consulting and filing fees	7,726	2,601	8,510	18,945
Insurance	2,315	1,613	4,628	4,032
Interest and bank charges	1,578	2,364	3,504	4,578
Investor relations and promotion	9,369	8,673	22,037	13,677
Management fees	15,875	22,315	27,503	49,650
Office	1,937	7,378	2,817	16,424
Professional fees	23,301	27,744	32,924	61,034
Rent and utilities	4,403	5,015	13,635	14,684
Salaries and employee benefits	11,954	46,079	24,445	72,664
Stock-based compensation	-	39,177	60,040	39,177
Telecommunications	2,520	2,097	4,551	4,785
Travel and accommodation	13,581	10,037	20,682	24,534
	<b>95,012</b>	<b>177,779</b>	<b>226,346</b>	<b>329,555</b>
<b>Loss before Other Income and Discontinued Operations</b>	<b>(95,012)</b>	<b>(177,779)</b>	<b>(226,346)</b>	<b>(329,555)</b>
Other Income	-	-	-	121
<b>Loss from Continuing Operations</b>	<b>(95,012)</b>	<b>(177,779)</b>	<b>(226,346)</b>	<b>(329,434)</b>
Income From Discontinued Operations	27,798	15,662	46,677	31,860
<b>Net Loss &amp; Comprehensive Loss For The Period</b>	<b>\$ (67,214)</b>	<b>\$ (162,117)</b>	<b>\$ (179,669)</b>	<b>\$ (297,574)</b>
<b>Loss Per Share, Basic and diluted before Discontinued Operations</b>	<b>\$ (0.01)</b>	<b>\$ (0.03)</b>	<b>\$ (0.03)</b>	<b>\$ (0.05)</b>
<b>Loss Per Share, Basic and diluted after Discontinued Operations</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>	<b>\$ (0.03)</b>	<b>(0.05)</b>
<b>Weighted Average Number Of Shares Outstanding, Basic and Diluted</b>	<b>6,926,414</b>	<b>6,487,556</b>	<b>6,739,594</b>	<b>6,245,817</b>

The accompanying notes are an integral part of these consolidated financial statements

# NUBIAN RESOURCES LTD.

(formerly ICS Copper Systems Ltd.)

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

	THREE MONTHS ENDED JANUARY 31		SIX MONTHS ENDED JANUARY 31	
	2011	2010	2011	2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Cash Provided By (Used In)</b>				
<b>Operating Activities</b>				
Loss from continuing operations	\$ (95,012)	\$ (162,117)	\$ (226,346)	\$ (297,574)
Items not affecting cash:				
Amortization	453	2,685	1,070	27,627
Stock-based compensation	-	39,177	60,040	39,177
	<b>(94,559)</b>	<b>(120,255)</b>	<b>(165,236)</b>	<b>(230,770)</b>
Changes in non-cash operating assets and liabilities:				
Accounts receivable	210	-	210	(6,418)
Taxes receivable	(1,793)	2,047	(6,284)	(1,755)
Accounts payable and accrued liabilities	-	(55,032)	(7,950)	(130,716)
Prepaid expenses	2,315	1,613	4,628	4,032
Discontinued operations	(32,275)	-	(29,773)	-
	<b>(126,102)</b>	<b>(171,627)</b>	<b>(204,405)</b>	<b>(365,627)</b>
<b>Investing Activities</b>				
Short-term investments	-	-	-	58,845
Discontinued operations (Note 4)	41,933	-	264,157	-
Acquisition of equipment	-	-	(731)	-
Acquisition of mineral property-Nevada	(31,472)	-	(85,308)	-
	<b>10,461</b>	<b>-</b>	<b>178,118</b>	<b>58,845</b>
<b>Financing Activities</b>				
Issue of Common Shares	250,000	100,000	250,000	305,000
Share issuance costs	(2,421)	-	(2,421)	(5,000)
Advances and repayments to related parties	(13,499)	-	(36,023)	15,000
Discontinued operations	-	52,887	-	132,715
	<b>234,080</b>	<b>152,887</b>	<b>211,556</b>	<b>447,715</b>
<b>Increase (Decrease) In Cash</b>	<b>118,439</b>	<b>(18,740)</b>	<b>185,269</b>	<b>140,933</b>
<b>Cash, Beginning Of Period</b>	<b>68,563</b>	<b>178,458</b>	<b>1,733</b>	<b>18,785</b>
<b>Cash, End Of Period</b>	<b>\$ 187,002</b>	<b>\$ 159,718</b>	<b>\$ 187,002</b>	<b>\$ 159,718</b>

The accompanying notes are an integral part of these consolidated financial statements.

**NUBIAN RESOURCES LTD.**  
(formerly ICS Copper Systems Ltd.)

**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**

**SIX MONTH PERIOD ENDED JANUARY 31, 2011**

	SHARE CAPITAL		CONTRIBUTED SURPLUS	DEFICIT	TOTAL
	NUMBER	AMOUNT			
Balance, July 31, 2010	6,552,773	\$ 13,172,324	\$1,809,657	<b>\$(13,722,812)</b>	\$1,259,169
<u>Quarter ended October 31, 2010</u>					
Stock-based compensation			60,040	-	60,040
Net loss and comprehensive loss for the quarter			-	<b>(112,455)</b>	(112,455)
<b>Balance, October 31, 2010</b>	<b>6,552,773</b>	<b>\$13,172,324</b>	<b>\$1,869,697</b>	<b>\$(13,835,267)</b>	<b>\$1,206,754</b>
<u>Quarter ended January 31, 2011</u>					
Private Placement	625,000	250,000	-	-	250,000
Share issuance costs	-	(2,421)	-	-	(2,421)
Net loss and comprehensive loss for the quarter	-	-	-	<b>(67,214)</b>	(67,214)
<b>Balance, January 31, 2011</b>	<b>7,177,773</b>	<b>\$13,419,903</b>	<b>\$1,869,697</b>	<b>(13,902,481)</b>	<b>1,387,119</b>

The accompanying notes are an integral part of these consolidated financial statements.

# NUBIAN RESOURCES LTD. (formerly ICS Copper Systems Ltd.)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**JANUARY 31, 2011**

(Expressed in Canadian Dollars)

(Information as at January 31, 2011 and for the six month period ended January 31, 2011 is unaudited)

### 1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Nubian Resources Ltd. (the "Company") is listed on the TSX Venture Exchange under the symbol "NBR". The principal business is the exploration of mineral properties and it is considered to be an exploration company. Subsequent to January 31, 2011, the Company changed its name from ICS Copper Systems Ltd. to Nubian Resources Ltd. and consolidated its share capital, options and warrants on a five to one basis. These statements reflect this share consolidation.

The interim financial statements of Nubian Resources Ltd. (formerly ICS Copper Systems Ltd.) have been prepared in accordance with accounting principles generally accepted in Canada. The interim financial statements have been prepared following the same accounting policies and methods of computation as the audited financial statements for the fiscal year ended July 31, 2010. The interim financial statements should be read in conjunction with the audited financial statements and the notes thereto for the year ended July 31, 2010.

Results of operations for the interim period are not necessarily indicative of annual results.

### 2. PROCEEDS RECEIVABLE

	January 31 2011	July 31 2010
Proceeds Receivable	\$ 1,242,728	\$ -
Less Current Portion	<u>748,309</u>	<u>-</u>
	<u>\$ 494,419</u>	<u>\$ -</u>

On September 21, 2010, the Company sold all of its mining equipment to a Zambian company for USD \$1,500,000. Repayments totalling USD \$260,000 have been received to date. Further monthly repayments of USD \$15,000 will continue until the earlier of either April 21, 2011 or the commissioning of the equipment by the purchaser, when the balance remaining will be repaid over an 18 month period. Security over the equipment is held via title which is being retained by the Company until all sale proceeds are received.

### 3. MINERAL PROPERTY

On August 19, 2010, the Company signed a lease agreement with a company to acquire lease rights over 100% of the Excelsior Springs gold property in Esmeralda County, Nevada, USA. Under the agreement, the Company will pay for all Bureau of Land Management and state fees and lease payments of USD \$32,000 in year 1, USD \$37,000 in year 2, and USD \$42,000 in year 3. Furthermore, a 2% Net Smelter Royalty will be payable upon gold production.

**NUBIAN RESOURCES LTD. (formerly ICS Copper Systems Ltd.)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JANUARY 31, 2011**

(Expressed in Canadian Dollars)

(Information as at January 31, 2011 and for the six month period ended January 31, 2011 is unaudited)

**4. DISCONTINUED OPERATIONS**

The following tables present summarized financial information related to discontinued operations in Zambia and the DRC:

**CONSOLIDATED BALANCE SHEETS**

	<b>January 31 2011</b>	<b>July 31 2010</b>
<b>ASSETS HELD FOR SALE</b>		
<b>Current</b>		
Proceeds receivable	\$ 748,309	\$ -
<b>Long-term</b>		
Proceeds Receivable	494,419	-
Mining Equipment	-	1,500,000
Vehicles	3,000	11,000
Mineral properties – Zambia	33,250	32,135
	<u>\$ 1,278,978</u>	<u>\$ 1,543,135</u>
<b>LIABILITIES HELD FOR SALE</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 81,370	\$ 157,820

**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS FROM DISCONTINUED**

	<b>SIX MONTH PERIOD ENDED JANUARY 31</b>	
	<b>2011</b>	<b>2010</b>
<b>Expenses</b>		
Zambian operating expenses	\$ 551	\$ -
<b>Loss Before Other Income</b>	<u>(551)</u>	<u>-</u>
<b>Other Income</b>		
Gain on settlement of debt	35,050	35,048
Gain (Loss) on disposal of assets	1,905	(1,744)
Foreign currency exchange gain (loss)	10,273	(1,444)
	<u>47,228</u>	<u>31,860</u>
<b>Net Gain From Discontinued Operations</b>	<u>\$ 46,677</u>	<u>\$ 31,860</u>

**NUBIAN RESOURCES LTD. (formerly ICS Copper Systems Ltd.)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JANUARY 31, 2011**

(Expressed in Canadian Dollars)

(Information as at January 31, 2011 and for the six month period ended January 31, 2011 is unaudited)

**5. DUE TO RELATED PARTIES AND RELATED PARTY TRANSACTIONS**

The Company had the following amounts due to related parties as of January 31, 2011 and July 31, 2010, and incurred the following transactions with related parties during the six month periods:

- a) Paid management and consulting fees to directors and officers of the Company in the amount of \$27,503 (2010 - \$49,650).
- b) Reimbursed vehicle lease and operating costs of a director and officer of the Company in the amount of \$1,248 (2010 - \$2,300).
- c) In 2006, the Company acquired mining equipment from a company controlled by a director and officer of the Company having a carrying value of \$555,944. The acquisition was financed by an unsecured 4.5% interest-bearing loan, with no fixed terms of repayment. Interest paid on the loan amounted to \$1,952 (2010 - \$4,050). On July 19, 2010, \$80,000 of the outstanding balance was forgiven, and during the six months ended January 31, 2011 a further \$36,023 was repaid. Accordingly the balance owing to the related company as of January 31, 2011 was \$63,977 (July 2010 - \$100,000).
- d) During the period ended January 31, 2011, the Company received and paid back advances from directors of the Company in the amount of \$49,500. The advances were unsecured, non-interest bearing and had no fixed terms of repayment.

Transactions with related parties were in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration agreed to and established by the related parties.

**6. SHARE CAPITAL**

- a) Authorized

Unlimited number of Class "A" voting Common shares without par value

Unlimited number of Preferred shares without par value (none issued)

- b) Issued

No shares were issued during the period ended October 31, 2010.

On December 8, 2010, the Company issued a private placement of 625,000 units at \$0.40 per unit for gross proceeds of \$250,000. Each unit consisted of one common share and one transferable share purchase warrant entitling the holder to purchase one share for a period of two years at a price of \$0.50 to \$0.75 per share. The expiry date of the warrants is December 8, 2012.

**NUBIAN RESOURCES LTD. (formerly ICS Copper Systems Ltd.)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JANUARY 31, 2011**

(Expressed in Canadian Dollars)

(Information as at January 31, 2011 and for the six month period ended January 31, 2011 is unaudited)

**6. SHARE CAPITAL** (continued)

c) Share Purchase Warrants

The Company had outstanding share purchase warrants with a weighted average exercise price of \$0.16 as at January 31, 2011 as follows:

<b>NUMBER OF WARRANTS</b>	<b>EXERCISE PRICES</b>	<b>EXPIRY DATE</b>
200,000	\$ 0.60 - \$ 1.00	October 8, 2012
210,000	\$ 0.60 - \$ 1.00	October 28, 2012
200,000	\$ 0.60 - \$ 1.00	December 1, 2012
625,000	\$ 0.50 - \$ 0.75	December 8, 2012
<b>1,235,000</b>		

d) Stock Options

The Company has a stock option plan that provides for the issuance of compensatory options to its directors, officers, employees and consultants. The maximum number of outstanding options must be no more than 10% of the issued and outstanding shares at any point in time. Options granted under the plan may have a maximum term of ten years. Terms of the vesting period over which the options are earned is determined by the Board of Directors.

On August 27, 2010, 50,000 stock options were issued to a new director and a further 170,000 stock options were issued to existing directors and officers. Stock based compensation in the amount of \$60,040 was recorded based on the stock options granted during the period. The fair value of the options granted was estimated using the following assumptions: Exercise Price – \$0.50; Expected Life – Ten.

Years; Volatility – 230%; Risk-Free Interest Rate – 2.9%; and Dividend Yield – \$Nil .

**NUBIAN RESOURCES LTD. (formerly ICS Copper Systems Ltd.)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JANUARY 31, 2011**

(Expressed in Canadian Dollars)

(Information as at January 31, 2011 and for the six month period ended January 31, 2011 is unaudited)

**6. SHARE CAPITAL** (continued)

d) Stock Options (continued)

A summary of the changes in stock options to acquire an equivalent number of shares for the period ended January 31, 2011 was as follows:

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, July 31, 2010	330,000	\$ 0.50
Granted	<u>220,000</u>	\$ 0.50
<b>Balance, January 31, 2011</b>	<b><u>550,000</u></b>	<b>\$ 0.50</b>

The Company had outstanding stock options as of January 31, 2011 as follows:

NUMBER OF OPTIONS	NUMBER OF OPTIONS EXERCISABLE	EXERCISE PRICE	EXPIRY DATE
130,000	130,000	\$ 0.50	May 8, 2012
125,000	125,000	\$ 0.50	May 20, 2014
75,000	75,000	\$ 0.50	January 6, 2015
<u>220,000</u>	<u>220,000</u>	\$ 0.50	August 27, 2020
<u>550,000</u>	<u>550,000</u>		

As of January 31, 2011 the weighted average remaining contractual life of the options was 5.3 years (July 2010 – 3.1 years).