NORD RESOURCES CORP
Form PRE 14A
February 16, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant [x]
Filed by a Party other than the Registrant [ ]
Check the appropriate box:

[x] Preliminary Proxy Statement
[ ] **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
[ ] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material Pursuant to Section 240.14a -12

NORD RESOURCES CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[x] No fee required.
[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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5) Total fee paid:

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[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount previously paid:

2) Form, Schedule or Registration Statement No.

3) Filing Party:

4) Date Filed:

NORD RESOURCES CORPORATION
1 West Wetmore Road, Suite 107
Tucson, Arizona, 85705

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To be held on u, 2006

Dear Stockholder:

The Annual Meeting of Stockholders (the Annual Meeting) of Nord Resources Corporation (the Company) will be held at u, Tucson, Arizona, on u, 2006 at u a.m. (Mountain Time).

At the Annual Meeting, stockholders will be asked:

1. To elect Ronald A. Hirsch, Nicholas Tintor, Stephen D. Seymour, Wade D. Nesmith, Douglas P. Hamilton and John F. Cook to our Board of Directors;

2. To approve the grant of discretionary authority to the Company s Board of Directors to amend the Company s Amended Certificate of Incorporation to effect a reverse stock split of the Company s issued and outstanding shares of common stock at a ratio within the range from one- for-two to one-for-six, at any time prior to the Company s next annual meeting of stockholders;

3. To approve an amendment to the Company s Amended Certificate of Incorporation to increase the number of authorized shares of common stock from 50,000,000 to 100,000,000;

4. To approve the Company s 2006 Stock Incentive Plan;

5. To ratify the selection of Mayer Hoffman McCann P.C. as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2006; and

6. To transact any other business properly brought before the Annual Meeting and any adjournment thereof.

The foregoing items of business are more fully described in the proxy statement accompanying this Notice. **Only stockholders of record of the Company s common stock at the close of business on February 16, 2006 are entitled to notice of, and to vote at, the Annual Meeting and any adjournment thereof.**

It is important that your shares be represented and voted at the Annual Meeting. If you are the registered holder of the Company s common stock, you can vote your shares by completing and returning the enclosed proxy card, even if you plan to attend the Annual Meeting. Please review the instructions on the proxy card or the information forwarded by your broker, bank or other nominee regarding the voting instructions. You may vote your shares of common stock in person even if you previously returned a proxy card. Please note, however, that if your shares of common stock are held of record by a broker, bank or other nominee and you wish to vote in person at the Annual Meeting, you must obtain a proxy issued in your name from such broker, bank or other nominee.

If you are planning to attend the Annual Meeting in person, you will be asked to register before entering the Annual Meeting. **All attendees will be required to present government-issued photo identification** (e.g., driver s license or passport) to enter the Annual Meeting. **If you are a stockholder**

of record, your ownership of the Company s common stock will be verified against the list of stockholders of record as of February 16, 2006 prior to being admitted to the Annual Meeting. **If you are not a stockholder of record and hold your shares of common stock in street name (that is, your shares of common stock are held in a brokerage account or by a bank or other nominee) you must also provide proof of beneficial ownership as of February 16, 2006, such as your most recent account statement prior to February 16, 2006, and a copy of the voting instruction card provided by your broker, bank or nominee, or similar evidence of ownership.**

If you would like to register to receive materials relating to the Annual Meeting of stockholders electronically next year instead of by mail, please go to www.icsdelivery.com and follow the instructions to enroll. You will be required to click on the name of your broker or other participating nominee through which you hold your shares, and to provide your account number with the broker/nominee and certain additional information such as your e-mail address. We highly recommend that you consider electronic delivery of these documents as it helps to lower the Company s costs and reduce the amount of paper mailed to your home.

By Order of the Board of Directors

Ronald A. Hirsch

Chairman of the Board
u, 2006

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NORD RESOURCES CORPORATION
1 West Wetmore Road, Suite 107
Tucson, Arizona, 85705

PROXY STATEMENT
FOR THE 2006 ANNUAL MEETING OF THE STOCKHOLDERS
TO BE HELD ON u, 2006

THE ANNUAL MEETING

General

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Nord Resources Corporation (we , the Company or Nord) for use at the 2006 annual meeting of the stockholders to be held on u, 2006 at u a.m. (Mountain Time) at u, Tucson, Arizona, and at any adjournment thereof, for the purposes set forth in the accompanying notice of annual meeting.

This proxy statement, the notice of meeting, the enclosed form of proxy and our Annual Report on Form 10-KSB for the year ended December 31, 2005 are expected to be mailed to our stockholders on or about u, 2006.

Entitlement to Vote

If you are a registered holder of shares of our common stock on the record date, you may vote those shares of our common stock in person at the annual meeting or by proxy in the manner described below under Voting of Proxies. If you hold shares of our common stock in street name through a broker or other financial institution, you must follow the instructions provided by your broker or other financial institution regarding how to instruct your broker or financial institution to vote your shares.

Voting of Proxies

You can vote the shares that you own of record on the record date by either attending the annual meeting in person or by filling out and sending in a proxy in respect of the shares that you own. Your execution of a proxy will not affect your right to attend the annual meeting and to vote in person.

You may revoke your proxy at any time before it is voted by:

(a) filing a written notice of revocation of proxy with our corporate secretary at any time before the taking of the vote at the annual meeting;

(b) executing a later-dated proxy relating to the same shares and delivering it to our corporate secretary at any time before the taking of the vote at the annual meeting; or

(c) attending at the annual meeting, giving affirmative notice at the annual meeting that you intend to revoke your proxy and voting in person. Please note that your attendance at the annual meeting will not, in and of itself, revoke your proxy.

All shares of common stock represented by properly executed proxies received at or prior to the annual meeting that have not been revoked will be voted in accordance with the instructions of the stockholder who has executed the proxy. If no choice is specified in a proxy, the shares represented by the

proxy will be voted FOR the election of all the nominees to serve as our directors and FOR the approval of all of the other proposals set forth in the accompanying notice of meeting. The shares represented by each proxy will also be voted for or against such other matters as may properly come before the annual meeting in the discretion of the persons named in the proxy as proxy holders. We are not aware of any other matters to be presented for action at the annual meeting other than those described herein.

Any written revocation of proxy or subsequent later-dated proxy should be delivered to Nord Resources Corporation, 1 West Wetmore Road, Suite 107, Tucson, Arizona, 85705, Attention: John T. Perry, Senior Vice President, Chief Financial Officer, Secretary and Treasurer.

Record Date And Shares Entitled To Vote

Our Board of Directors has fixed the close of business on February 16, 2006 as the record date for the determination of stockholders entitled to notice of and to vote at the annual meeting. At the record date, there were approximately u shares of our common stock issued, outstanding, and entitled to vote at the annual meeting. Holders of common stock are entitled to one vote at the annual meeting for each share of common stock held of record at the record date. There are no separate voting groups or separate series of stock. There is no cumulative voting in the election of directors.

Quorum

A quorum is necessary to hold a valid meeting of our stockholders. The required quorum for the transaction of business at the annual meeting is one-third of our issued and outstanding shares as of the record date.

In order to be counted for purposes of determining whether a quorum exists at the annual meeting, shares must be present at the annual meeting either in person or represented by proxy. Shares that will be counted for purposes of determining whether a quorum exists will include:

1. shares represented by properly executed proxies for which voting instructions have been given, including proxies which are marked Abstain or Withhold for any matter;

2. shares represented by properly executed proxies for which no instruction has been given; and

3. broker non-votes.

Broker non-votes occur when shares held by a broker for a beneficial owner are not voted with respect to a particular proposal because the broker has not received voting instructions from the beneficial owner and the broker does not have discretionary authority to vote such shares.

Votes Required

Proposal One Election of Directors: The affirmative vote of the holders of a plurality of the shares of common stock voting is required for the election of our directors. This means that the nominees who receive the greatest number of votes for each open seat will be elected. Votes may be cast in favor of the election of directors or withheld. A vote is withheld when a properly executed proxy is marked WITHHOLD for the election of one or more directors. Votes that are withheld and broker non-votes will be counted for the purposes of determining the presence or absence of a quorum but will have no other effect on the election of directors.

Proposals Two and Three Changes to Amended Certificate of Incorporation: The affirmative vote of the holders of a majority of the shares of our common stock outstanding on the record date is required for the approval of the amendments to our Amended Certificate of Incorporation to effect a reverse stock split of the outstanding shares of our common stock and to increase the authorized number of shares of our common stock. Stockholders may vote in favor of or against any of these proposals, or they may abstain. Abstentions and broker non-votes will be counted for purposes of determining the presence or absence of a quorum, and will have the same effect as a vote against these proposals.

Proposal Four Stock Incentive Plan: The affirmative vote of the holders of a majority of our common stock represented at the annual meeting in person or by proxy is required for the approval of the 2006 Stock Incentive Plan. Stockholders may vote in favor or against any proposal, or they may abstain. Abstentions and broker non-votes will be counted for purposes of determining the presence or absence of a quorum. Abstentions are deemed to be votes cast , and have the same effect as a vote against this proposal. Broker non-votes are not deemed to be votes cast and, therefore, have no effect on the vote with respect to this proposal.

Proposal Five Appointment of Accountants: The affirmative vote of the holders of a majority of our common stock represented at the annual meeting in person or by proxy is required for the ratification of the appointment of our independent registered public accountants. Stockholders may vote in favor or against any proposal, or they may abstain. Abstentions and broker non-votes will be counted for purposes of determining the presence or absence of a quorum. Abstentions are deemed to be votes cast , and have the same effect as a vote against this proposal. Broker non-votes are not deemed to be votes cast and, therefore, have no effect on the vote with respect to this proposal.

Stockholder Proposals

No proposals have been received from any stockholder to be considered at the annual meeting.

Other Matters

It is not expected that any matters other than those referred to in this proxy statement will be brought before the annual meeting. If other matters are properly presented, however, the persons named as proxy appointees will vote in accordance with their best judgment on such matters. The grant of a proxy also will confer discretionary authority on the persons named as proxy appointees to vote in accordance with their best judgment on matters incident to the conduct of the annual meeting.

Solicitation of Proxies

This proxy solicitation is being made on behalf of our Board of Directors. We will solicit proxies initially by mail. Further solicitation may be made by our directors, officers and employees personally, by telephone, facsimile, e-mail, Internet or otherwise, but they will not be specifically compensated for these services. At this time, the Company has not engaged a proxy solicitation firm. We may, in the discretion of the Board of Directors, choose to engage a proxy solicitation firm to assist us with this proxy solicitation. In such event, the proxy solicitation firm will be engaged and compensated for their services on customary terms. Upon request, we will reimburse brokers, dealers, banks or similar entities acting as nominees for their reasonable expenses incurred in forwarding copies of the proxy materials to the beneficial owners of the shares of our common stock they hold as of the record date. We will bear the expenses incurred in connection with printing, filing and mailing of this proxy statement.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of January 31, 2006 regarding the beneficial ownership of our common stock by:

- each person who is known by us to beneficially own more than 5% of our shares of common stock; and
- each named executive officer, each director and all of our directors and executive officers as a group.

The number of shares beneficially owned and the percentage of shares beneficially owned are based on 33,218,347 shares of common stock outstanding as of January 31, 2006.

For the purposes of the information provided below, shares that may be issued upon the exercise or conversion of options, warrants and other rights to acquire shares of our common stock that are exercisable or convertible within 60 days following January 31, 2006, are deemed to be outstanding and beneficially owned by the holder for the purpose of computing the number of shares and percentage ownership of that holder, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

	As of January 31, 2006	
Name and Address of Beneficial Owner	**Shares[1]**	**Percent**
Named Executive Officers and Directors[2]		
Ronald A. Hirsch[3] Chairman	7,456,750[4]	21.2%
Nicholas Tintor[3] Director, President and Chief Executive Officer	114,286[5]	0.3%
Stephen D. Seymour Director	4,838,907[6]	13.9%
Wade D. Nesmith [7] Director	60,000[8]	0.2%
Douglas P. Hamilton[7] Director	-	-
John F. Cook[7] Director	142,858[9]	0.4%
Erland A. Anderson[10] Executive Vice President and Chief Operating Officer	1,500,000[11]	4.4%
John T. Perry Senior Vice President, Chief Financial Officer, Secretary and Treasurer	1,235,714[12]	3.6%
Directors and Executive Officers as a Group (Eight Persons)	15,348,515[13]	40.3%
Beneficial Owners of in Excess of 5% (other than		

Named Executive Officers and Directors)		
John F. Champagne	3,105,000	9.3%
Summo USA Corporation	1,600,000	4.8%

(1) Based on 33,218,347 shares of common stock issued and outstanding as of January 31, 2006. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Except as otherwise indicated, we believe that the beneficial owners of the common stock listed above, based on information furnished by such owners, have sole investment and voting power with respect to such shares, subject to community property laws where applicable, and except as noted below.

(2) The address of the executive officers and directors is c/o Nord Resources Corporation, 1 West Wetmore Road, Suite 107, Tucson, Arizona, 85705.

(3) Mr. Hirsch also held the position of Chief Executive Officer of the Company until February 15, 2006. Effective February 15, 2006, Mr. Tintor became President, Chief Executive Officer and a director of the Company.
Mr. Hirsch remains Chairman of the Board of Directors.

(4) Includes warrants to acquire up to 1,130,000 common shares exercisable within sixty days. Also includes 800,750 common shares issuable upon conversion of convertible promissory notes.

(5) Includes warrants to acquire up to 57,143 common shares exercisable within sixty days.

(6) Includes warrants to acquire up to 1,130,000 common shares exercisable within sixty days, 1,575,000 common shares held by Mr. Seymour as a co-trustee of a trust, 320,757 common shares held jointly with his spouse, and 36,300 owned by his spouse. Mr. Seymour disclaims beneficial ownership of the 36,300 common shares owned by his spouse. Also includes 371,250 common shares issuable upon conversion of convertible promissory notes.

(7) Messrs. Nesmith, Hamilton and Cook were appointed to the Board of Directors on February 15, 2006.

(8) Includes warrants to acquire up to 30,000 common shares exercisable within sixty days.

(9) Includes warrants to acquire up to 71,429 common shares exercisable within sixty days and 71,429 shares of common stock, all of which are owned by Tormin Resources Limited, a company owned and controlled by Mr. Cook.

(10) Mr. Anderson was also President and a director of the Company until February 15, 2006. Mr. Anderson was appointed Executive Vice President and Chief Operating Officer on February 15, 2006.

(11) Includes options to acquire up to 675,000 common shares exercisable within sixty days.

(12) Includes options to acquire up to 500,000 common shares and warrants to acquire up to 142,857 common shares exercisable within sixty days.

(13) Includes options to acquire up to 1,175,000 common shares, warrants to acquire up to 2,561,429 common shares exercisable within sixty days. Also includes 1,172,000 common shares issuable upon conversion of convertible promissory notes.

We have no knowledge of any arrangements, including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change in our control.

We are not, to the best of our knowledge, directly or indirectly owned or controlled by another corporation or foreign government.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the following persons has any substantial or material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the annual meeting except for our current and future directors and executive officers inasmuch as they may be granted stock options or stock awards:

1. each person who has been one of our directors or executive officers at any time since the beginning of our last fiscal year;

2. each nominee for election as one of our directors; or

3. any associate of any of the foregoing persons.

PROPOSAL NUMBER ONE:

ELECTION OF DIRECTORS TO OUR BOARD OF DIRECTORS

Election of Directors

We propose to elect six directors, each to hold office until each director s successor is elected and qualified at our next annual meeting.

The persons named in the enclosed proxy will vote it for the election of the nominees listed under Nominees for Election of Directors below unless you instruct them otherwise, or unless a nominee is unwilling to serve as a director of our Company. Our Board of Directors has no reason to believe that any nominee will be unwilling to serve, but if a nominee should determine not to serve, the persons named in the proxy may vote for another candidate nominated by our Board of Directors.

The affirmative vote of a plurality of the votes present in person or by proxy at the annual meeting and entitled to vote on the election of directors is required for election of each nominee as a director. Our Amended Certificate of Incorporation does not provide for cumulative voting in the election of directors.

Nominees for Election as Directors

Each of our current directors, Ronald A. Hirsch, Stephen D. Seymour, Nicholas Tintor, John F. Cook, Douglas P. Hamilton and Wade D. Nesmith have been nominated by our Board of Directors for election. It is the intention of the persons named in the accompanying form of proxy to vote proxies for the election of these individuals and they have consented to being named in this proxy statement and to serve, if elected. In the event that any or all of these individuals should for some reason, presently unknown, become unavailable for election, the persons named in the form of proxy intend to vote for substitute nominees.

Directors and Executive Officers

The following table and information that follows sets forth the names and positions of our directors and executive officers:

Name and Municipality of Residence	Age	Current Office with Nord Resources Corporation	Director Since
Ronald A. Hirsch[1] Laguna Beach, CA	62	Director and Chairman	September 7, 2000
Nicholas Tintor[1] Mississauga, ONT	50	Director, President and Chief Executive Officer	February 15, 2006
Stephen D. Seymour Baltimore, MD	63	Director	October 15, 2003
Wade D. Nesmith North Vancouver, BC	54	Lead Director	February 15, 2006
Douglas P. Hamilton	63	Director	February 15, 2006

North Chatham, MA			
John F. Cook Roslin, ONT	66	Director	February 15, 2006

Name and Municipality of Residence	Age	Current Office with Nord Resources Corporation	Director Since
Erland A. Anderson[(2)] Tucson, AZ	62	Executive Vice President and Chief Operating Officer	N/A
John T. Perry Tucson, AZ	39	Senior Vice President, Chief Financial Officer, Secretary and Treasurer	N/A

(1) Mr. Hirsch also held the position of Chief Executive Officer of the Company until February 15, 2006. Effective February 15, 2006, Mr. Tintor became President, Chief Executive Officer and a director. Mr. Hirsch remains Chairman of the Board of Directors.

(2) Mr. Anderson was also President and a director of the Company until February 15, 2006. Mr. Anderson was appointed Executive Vice President and Chief Operating Officer on February 15, 2006.

The following is a description of the business background of the directors, director nominees and executive officers of our company.

Ronald A. Hirsch Mr. Hirsch has been a director of our company since September 7, 2000 and Chairman since October 20, 2003. He was also Chief Executive Officer from October 20, 2003 until February 15, 2006. Mr. Hirsch has over 30 years experience in the investment and corporate finance community. From January 2000 to October 2003, he was the President of Hirsch Enterprises, a private investment firm based in Laguna Beach, California. Until 1997, Mr. Hirsch was Senior Vice President - Investments with Lehman Brothers in New York where he was employed for 20 years, and previous to that was with Dean Witter for five years. He holds a bachelors degree in economics from Michigan State University and pursued advanced studies in Finance at New York University.

Nicholas Tintor Mr. Tintor was appointed President, Chief Executive Officer and a director of our company on February 15, 2006. He holds a Bachelor of Science (Geology) from the University of Toronto and brings to Nord more than 28 years of experience in all facets of mineral exploration and public resource company management. Mr. Tintor s positions included Project Geologist, Urangesellschaft (Canada) Ltd. (1978-1982), Staff Geologist, Ontario Geological Survey (1982-1983), Assistant Editor, The Northern Miner (1983-1990), Chief Operating Officer, Great Lakes Minerals (1990-1997), Vice-President, Santa Cruz Gold Ltd. (1995-1998) and President, Chief Executive Officer and Director, New Inca Gold Inc. (1997-2004). Mr. Tintor has been President and CEO of Anaconda Gold Corp. since January 2002 and Vice President Canada with Moto Goldmines Ltd. since May 2005. He is also a Director of Andina Minerals Inc. Mr. Tintor is a Member, The Canadian Institute of Mining and Metallurgy (CIMM), the Prospectors and Developers Association of Canada and the Ontario Prospectors Association.

Stephen D. Seymour Mr. Seymour was appointed a director of our company on October 15, 2003. He has over 30 years experience in sales, marketing and finance. Mr. Seymour has owned and been employed by Rockland Investments since 1986. He spent 15 years with Westinghouse Broadcasting where he was head of all television sales and marketing and a member of the board of the Broadcasting Division. Since 1980, he has specialized in leveraged buy outs, turn around situations and under managed and under capitalized ventures. Mr. Seymour holds an undergraduate degree from Rutgers University and an MBA from Columbia University.

Wade D. Nesmith Mr. Nesmith has been a director of our company since February 15, 2006 and is our Lead Director. He obtained his Bachelors of Law degree from York University Osgoode Hall, Ontario in 1977. He has been Associate Counsel with Lang Michener LLP since November 2005 and from January to December 2004, prior to which he was the Vice President of Strategic Development for Westport Innovations Inc. from September 2000 to December 2003. He has been a director of Silver Wheaton Corp., a company listed on the Toronto Stock Exchange and the American Stock Exchange,

since October 2004. He was a director and Secretary of Kingsway International Holdings Limited from August 1995 to August 2004 and a director and officer of Westport Innovations Inc. from April 1996 to April 2003, both of which are listed on the Toronto Stock Exchange, and a director of Creation Ventures Inc. from November 1999 to May 2003, which is listed on the TSX Venture Exchange. He was also a director and Chair of the Executive Committee of Oxford Automotive Inc., a private Michigan based company, from December 2003 to March 2005.

Douglas P. Hamilton Mr. Hamilton has been a director of our company since February 15, 2006. He has over 30 years of experience in operations and finance in the power generation, automotive and aerospace industries. Mr. Hamilton has been retired since 1997. Prior to his retirement, he was Senior Vice President Finance and Chief Financial Officer of Barnes Group Inc. (1996-1997) and Vice President Finance and Control of U.S. Power Generation Businesses for Asea Brown Boveri, Inc. (1993-1996). Prior to that, he held various executive and management positions at United Technologies, Corporation and Ingersoll-Rand Company. Mr. Hamilton holds an AB degree in Engineering Science from Dartmouth College and an MBA in accounting from Columbia University.

John F. Cook Mr. Cook has been a director of our company since February 15, 2006. Prior to that, for the past five years Mr. Cook has been the President of Tormin Resources Limited, a private company providing consulting services to the mining industry. He holds a Bachelor of Engineering (Mining), C. Eng UK, and P. Eng Ontario, and brings to Nord more than 40 years of experience in the operations and management of mining companies. Mr. Cook s positions included Senior Mining and Managing Consultant, RTZ Consultants Ltd. (1974-78), Associate and Principal, Golder Associates Ltd. (1978-83), Senior Project Manager, General Manager, and Vice President Engineering, Lac Minerals Ltd. (1983-90), Vice President Operations, Goldcorp Inc. (1990-94), and Navan Resources Plc, Operations Director (1994-96). Currently, Mr. Cook serves as the Chairman of Wolfden Resources Inc. and of Anaconda Gold Corp. He is also a director of GLR Resources Inc., Uranium City Resources Inc. and MBMI Resources Inc.

Erland A. Anderson Mr. Anderson was appointed Chief Operating Officer and Executive Vice President of our company on February 15, 2006. He served as our President and was on the Board of Directors from October 2003 until February 15, 2006. Mr. Anderson has over 30 years operational experience in the mining industry. From December 30, 2002 to October 2003, he was our Vice President. From June, 1999 to December 30, 2002, he served as the Company s Operations Manager and from 1994 to 1999 was North American Operations Manager for Nord Pacific Limited. Prior to 1994, Mr. Anderson was Vice President of Minera Roca Roja, S.A. de C.V., Walhalla Mining Company and Keweenaw Copper Company and a Director of Technical Services for St. Joe Minerals Corporation where he was employed for 14 years and had responsibility for mine planning and technical services. Mr. Anderson holds a degree in Civil Engineering Technology from Michigan Technological University and is a member of the Society for Mining, Metallurgy, and Exploration of the American Institute of Mining, Metallurgical, and Petroleum Engineers.

John T. Perry Mr. Perry was appointed as our Senior Vice President and Chief Financial Officer on April 1, 2005 and Secretary and Treasurer in September 2005. Mr. Perry has over 15 years (1989 to present) of mining and metals industry experience. Before joining our company, Mr. Perry was Vice President, Director with CB Richard Ellis, International Mining and Metals Group from December 2003 to August 2005. Prior to that, he held various positions with BHP Billiton Base Metals and BHP Copper Inc., including Vice President Finance with BHP Billiton Base Metals from August 2002 to November 2003, President, BHP Copper, Inc. from August 1999 to August 2002, and Vice President Finance and Administration for BHP Copper, Inc. He is a Certified Public Accountant and holds an undergraduate degree in Accounting and Finance as well as an MBA from the University of Arizona.

Our directors hold office until the next annual meeting of the stockholders and the election and qualification of their successors. Officers are elected annually by the Board of Directors and serve at the direction of the Board of Directors.

Meetings of Directors During the Last Fiscal Year

The Company s Board of Directors did not hold any meetings during the fiscal year ended December 31, 2005. During 2005, the Board of Directors transacted its business by unanimous consent resolution.

The Company does not have a formal policy with respect to director attendance at annual stockholders meetings, however, all directors are encouraged to attend. The Company did not hold an annual stockholders meeting last year.

Stockholders may contact an individual director, the Board of Directors as a group, or a specified board committee or group, including the non-employee directors as a group, by writing to: Nord Resources Corporation, 1 West Wetmore Road, Suite 107, Tucson, Arizona, 85705, Attn: Board of Directors.

The Board of Directors has determined that the following directors are independent, as defined in the listing standards of the American Stock Exchange (the AMEX): John F. Cook, Douglas P. Hamilton and Wade D. Nesmith.

Committees of the Board of Directors

In February 2006, our Board of Directors established four board committees: an Audit Committee, a Compensation Committee, a Corporate Governance and Nominating Committee and an Executive Committee. Since these Committees were established in February 2006, none of these Committees met during the fiscal year ended December 31, 2005.

The information below sets out the current members of each of the Company s board committees and summarizes the functions of each of the committees.

Audit Committee

Our Audit Committee has been structured to comply with Rule 10A-3 under the *Securities Exchange Act of 1934*. Our Audit Committee is comprised of Douglas P. Hamilton, John F. Cook and Wade D. Nesmith, all of whom qualify as independent directors under the *Securities Exchange Act of 1934*, and the audit committee rules of the AMEX. Douglas P. Hamilton is the Chairman of the Audit Committee and our Board of Directors has determined that he satisfies the criteria for an audit committee financial expert under Item 401(e) of Regulation S-B of the rules of the Securities and Exchange Commission (SEC). Each Audit Committee member is able to read and understand fundamental financial statements, including the Company s consolidated balance sheet, consolidated statement of operations and consolidated statement of cash flows.

The Audit Committee will meet with management and our external auditors to review matters affecting the Company s financial reporting, the system of internal accounting and financial controls and procedures and the audit procedures and audit plans. The Audit Committee will review our significant financial risks, will be involved in the appointment of senior financial executives and will annually review our insurance coverage and any off balance sheet transactions.

The Audit Committee is mandated to monitor our Company s audit and the preparation of financial statements and to review and recommend to the Board of Directors all financial disclosure contained in our company s public documents. The Audit Committee is also mandated to appoint external auditors, monitor their qualifications and independence and determine the appropriate level of their remuneration. The external auditors report directly to the Audit Committee and to the Board of Directors. The Audit Committee and Board of Directors each have the authority to terminate the external auditor s engagement (subject to confirmation by our stockholders). The Audit Committee will also approve in advance any permitted services to be provided by the external auditors which are not related to the audit.

The Company will provide appropriate funding as determined by the Audit Committee to permit the Audit Committee to perform its duties and to compensate its advisors. The Audit Committee, at its discretion, has the authority to initiate special investigations, and if appropriate, hire special legal, accounting or other outside advisors or experts to assist the Audit Committee to fulfill its duties.

The Audit Committee operates pursuant to a written charter, which complies with the applicable provisions of the *Sarbanes-Oxley Act of 2002* and related rules of the SEC and the AMEX. A copy of the Audit Committee charter is attached as Exhibit A to this proxy statement.

Report of the Audit Committee

u [Our Audit Committee is currently in the process of their review with management and the independent accounting firm. The following is proposed language to be used, subject to completion of such review to the satisfaction of the Audit Committee.]

u [The Audit Committee has reviewed and discussed the audited financial statements for the year ended December 31, 2005 with the Company s management. In addition, the Audit Committee has discussed with the Company s independent registered public accounting firm, Mayer Hoffman McCann P.C., the matters required by Statement on Auditing Standards No. 61, *Communication with Audit Committees*. The Audit Committee has received the written disclosures and the letter from Mayer Hoffman McCann P.C. required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees*, and has discussed, with Mayer Hoffman McCann P.C., their independence. The Audit Committee considered the compatibility of non-audit services with the auditors independence. Based on the discussions and reviews referenced above, the Audit Committee recommended to the Company s Board of Directors that the audited financial statements for the year ended December 31, 2005 be included in the Company s Annual Report on Form 10-KSB for the year ended December 31, 2005. The Audit Committee has selected Mayer Hoffman McCann P.C. to serve as the Company s Independent Registered Public Accounting Firm for the year 2006.

The Audit Committee of the Board of Directors of Nord Resources Corporation:]

Douglas P. Hamilton (Chairman)
Wade D. Nesmith
John F. Cook

Compensation Committee

The Compensation Committee is comprised of Douglas P. Hamilton, John F. Cook and Wade D. Nesmith, all of whom qualify as independent directors under the rules of the AMEX. John F. Cook is the Chairman of the Compensation Committee. The Compensation Committee is responsible for considering and authorizing terms of employment and compensation of directors, executive officers and providing

advice on compensation structures in the various jurisdictions in which our company operates. In addition, the Compensation Committee reviews our overall salary objectives and any significant modifications made to employee benefit plans, including those applicable to directors and executive officers, and proposes any awards of stock options and incentive and deferred compensation benefits.

The Compensation Committee does not currently have a written charter, but is considering adopting a formal charter to govern its responsibilities and conduct.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is comprised of Douglas P. Hamilton, John F. Cook and Wade D. Nesmith, all of whom qualify as independent directors under the rules of the AMEX. Wade D. Nesmith is the Chairman of the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee is responsible for developing our approach to corporate governance issues and compliance with governance rules. The Corporate Governance and Nominating Committee is also mandated to plan for the succession of our company, including recommending director candidates, review of board procedures, size and organization, and monitoring of senior management with respect to governance issues. The Committee is responsible for the development and implementation of corporate communications to ensure the integrity of our disclosure controls and procedures, internal control over financial reporting and management information systems. The purview of the Corporate Governance and Nominating Committee also includes the administration of our Board of Directors relationship with our management.

The Corporate Governance and Nominating Committee identifies individuals believed to be qualified to become board members and recommends individuals to fill vacancies. There are no minimum qualifications for consideration for nomination to be a director of the Company. The Committee will assess all nominees using the same criteria. In nominating candidates, the Committee takes into consideration such factors as it deems appropriate, including judgment, experience, skills and personal character, as well as the needs of the Company. The Corporate Governance and Nominating Committee will consider nominees recommended by stockholders if such recommendations are made in writing to the Committee and will evaluate nominees for election in the same manner whether the nominee has been recommended by a stockholder or otherwise. To recommend a nominee, please write to the Corporate Governance and Nominating Committee c/o Nord Resources Corporation, Attn: Secretary, 1 West Wetmore Road, Suite 107, Tucson, Arizona, 85705.

The Corporate Governance and Nominating Committee does not currently have a written charter, but is considering adopting a formal charter to govern its responsibilities and conduct.

Executive Committee

The Executive Committee is comprised of Wade D. Nesmith, Stephen D. Seymour and Douglas P. Hamilton. Wade D. Nesmith is the Chairman of the Executive Committee. Mr. Nesmith and Mr. Hamilton qualify as independent directors under the rules of the AMEX. The purpose of the Executive Committee is to exercise all the powers and authority of the Board in the management of the property, affairs and business of the Company, except as otherwise provided in Section 141(c)(1) of the Delaware General Corporation Law and Section 3.10 of the Company's By-Laws.

A copy of the Executive Committee charter is attached as Exhibit B to this proxy statement.

Code of Ethics

Effective January 5, 2006, the Company adopted a Code of Ethics that applies to all directors and officers. This code summarizes the legal, ethical and regulatory standards that must be followed and is a reminder to the directors and officers of the seriousness of that commitment. Compliance with this Code of Ethics and high standards of business conduct is mandatory for each director and officer. As adopted, the Code of Ethics sets forth written standards that are designed to deter wrongdoing and to promote:

1. honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

2. compliance with applicable governmental laws, rules and regulations;

3. the prompt internal reporting of violations of the Code of Ethics to the appropriate person or persons identified in the Code of Ethics; and

4. accountability for adherence to the Code of Ethics.

The Company will provide a copy of the Code of Ethics to any person without charge, upon request. Requests can be sent to: Nord Resources Corporation, at 1 West Wetmore Road, Suite 107, Tucson, Arizona, 85705.

Involvement in Certain Legal Proceedings

Except as disclosed in this proxy, during the past five years none of our directors or executive officers is, or has been, a general partner or executive officer of any business that filed a bankruptcy petition (or had a bankruptcy petition filed against it), either at the time of filing or within two years prior to such time.

None of our directors or executive officers has, within the past five years, been convicted in a criminal proceeding or been the subject of a pending criminal proceeding (excluding traffic violations and other minor offenses).

None of our directors or executive officers has, within the past five years, been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities.

None of our directors or executive officers has, within the past five years, been found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated.

On February 22, 2001, we filed a petition for reorganization pursuant to Chapter 11 of the United States Bankruptcy Code, 11 U.S.C., section 101, et seq. Mr. Hirsch was a director of the Company at the time of this filing. The petition was filed in the United States Bankruptcy Court for the District of New Mexico, in Albuquerque, New Mexico as case number 11-01-11160MA. We retained possession of our assets, as debtor-in-possession, and continued to operate our business. On April 23, 2001 the United States Bankruptcy Court dismissed the proceeding pursuant to 11 U.S.C., section 1112(b)(1), because the court held there was continuing loss to or diminution of the estate, there was no likelihood of rehabilitation, and it was in the best interests of the creditors and the estate.

There are currently no legal proceedings to which any of our directors or officers is a party adverse to us or in which any of our directors or officers has a material interest adverse to us.

Certain Relationships and Related Transactions

Except for the transactions described below, during the last two years none of our directors, officers or principal stockholders, nor any associate or affiliate of the foregoing have any interest, direct or indirect, in any transaction, or in any proposed transactions, which has materially affected or will materially affect us.

As of December 31, 2005, we have accrued $295,000 for consulting services performed by Ronald Hirsch, Chairman of the Board. On December 31, 2004, Mr. Hirsch converted $25,000 of the accrued consulting liability into a convertible promissory note, which has a balance of $106,000 at year-end, which includes amounts owing in connection with this conversion as well as the advance of $81,000 cash to the Company by Mr. Hirsch. During 2004, Stephen Seymour, a director of our company, converted an advance of $66,000 cash to the Company into a convertible promissory note.

During 2004, we issued convertible promissory notes to Stephen Seymour and Ronald Hirsch in the principal amounts of $66,000 and $106,000 (as described in the previous paragraph), respectively. The loans evidenced by these convertible notes accrue interest at 10% per annum, are unsecured and have been extended to mature on the earlier of May 8, 2006, or one week after the closing of an equity offering in which the Company raises in excess of $25 million, unless converted in accordance with their terms. The principal amounts of these loans and (at our option, the accrued interest thereon), may be converted on their maturity dates into common stock at the conversion price of $0.20 per share.

As of December 31, 2005, we have accrued $45,948 in accounts payable for consulting services performed by Mine Tech Services, an entity owned and operated by Erland Anderson, our then President and a former member of our Board of Directors, under a verbal arrangement. Services from Mine Tech Services ceased in 2002.

As of December 31, 2005, we have accrued $400,000 and $270,500 in unpaid salary to Mr. Hirsch and Mr. Anderson, respectively.

In June 2004, we agreed to compensate Rex Loesby, our former Vice President of Corporate Development and Treasurer with 12,500 shares of common stock per month for his services. Furthermore, in consideration of past consulting services provided to us during 2004 by Mr. Loesby, we issued 50,000 shares of common stock to Mr. Loesby. We issued a total of 130,645 shares of common stock to Mr. Loesby during 2004 for consulting services, valued at $48,822. Between January 2005 and May 2005, we issued 67,271 shares of common stock valued at $22,720 to Rex Loesby for consulting services. As of May 9, 2005 Mr. Loesby is no longer an officer or employee of ours.

In July 2004, Mr. Loesby purchased 71,500 units of our common stock in a private placement for total proceeds to our company of $25,025. The units include warrants to purchase 35,750 additional shares of common stock at an exercise price of $0.35 per share.

On October 14, 2004, we acquired a right of first refusal and an option to purchase from Ronald Hirsch and Stephen Seymour, two of our directors, assets comprising ASARCO LLC s Tennessee Mines Division zinc business. In consideration for the right of first refusal and the option, we assigned to Mr. Hirsch and Mr. Seymour all of our interests and rights to acquire ASARCO s Tennessee Mines Division zinc business. We made this assignment after we were informed by our senior lender that we

were not permitted to make the acquisition directly at that time. There are no restrictions imposed by our current lender in respect of these zinc assets.

On February 26, 2005, Mr. Hirsch and Mr. Seymour assigned their interests and rights to acquire ASARCO s Tennessee Mines Division zinc business to TMD Acquisition Corporation, a corporation formed by Mr. Hirsch and Mr. Seymour to facilitate an Asset Purchase Agreement dated March 21, 2005, with ASARCO. TMD Acquisition agreed to assume all of the duties and obligations owed to us by Mr. Hirsch and Mr. Seymour with respect to the right of first refusal and the option. We own no interest in TMD Acquisition.

The option allows us to recoup the opportunity to purchase ASARCO s Tennessee Mines Division zinc business in the future if the Asset Purchase Agreement is consummated. However, on August 2, 2005, ASARCO purported to terminate the underlying Asset Purchase Agreement between ASARCO and TMD Acquisition. ASARCO subsequently filed for relief under Chapter 11 of the United States Bankruptcy Code on August 8, 2005. TMD has informed us that it is disputing ASARCO s position that the Asset Purchase Agreement has terminated under its own terms. Accordingly, we are not certain at this time whether or not the option will be upheld as currently exercisable, or whether this transaction will ultimately be of any direct value to us. However, our Board of Directors is considering these matters and whether it would be in the best interests of our company to endeavor to acquire these assets.

During June 2004, Ronald Hirsch exercised 1,750,000 stock options at an exercise price of $0.02 per share, for a total of $35,000. Subsequently, during April 2005, we agreed to rescind this stock option exercise and to reinstate the original 1,750,000 options at the exercise price and with the expiration date of the options under the original grant, in order to facilitate tax planning by Mr. Hirsch. In exchange for the $35,000 that was paid to exercise the stock options, we issued Mr. Hirsch a convertible promissory note for $35,000, dated as of the date of the rescinded option exercise. The promissory note bears interest at 10.0% per annum and was originally convertible on the maturity date of January 1, 2006 into common stock at a conversion rate of $0.175 per share. The maturity of this note has been extended to the earlier of May 8, 2006, or one week after the closing of an equity offering in which the Company raises in excess of $25 million.

On June 21, 2005, we entered into a $600,000 revolving line of credit agreement with Ronald Hirsch and Stephen Seymour. The line of credit bears interest at 6.0% per annum and was to mature on December 31, 2005. The maturity of this loan has been extended to the earlier of May 8, 2006, or one week after the closing of an equity offering in which the Company raises in excess of $25 million. In consideration for the issuance of the line of credit, we agreed to issue to the lenders four shares of common stock and four warrants for every $1 loaned to us. Each warrant entitles the lender to purchase one share of common stock at an exercise price of $0.25 for a period of three years. In connection with our loan from Auramet Trading, LLC, Mr. Hirsch, Stephen D. Seymour and Auramet Trading entered into a Subordination Agreement dated October 17, 2005 whereby Mr. Hirsch and Mr. Seymour agreed to subordinate all present and future loans to us in favor of any and all indebtedness that we have with Auramet Trading. This Subordination Agreement was superseded by a new Subordination Agreement dated November 8, 2005 in connection with our loan from Nedbank Limited.

On October 17, 2005, we obtained a loan in the amount of $2,850,000 from Auramet Trading, LLC, of which $1,850,000 was funded by Ronald Hirsch pursuant to an Agreement for Credit Risk Participation dated October 17, 2005, between Auramet Trading and Mr. Hirsch. The agreement gave Mr. Hirsch the right to own a 65% interest in the loan and in all documents, instruments and collateral issued by Auramet Trading, as well as all payments, recoveries or distributions in connection with the

loan. On November 8, 2005, we used $1,860,175 of the proceeds from the loan from Nedbank Limited to repay the portion of the Auramet Trading that was contributed by Ronald Hirsch.

In September 2005, we commenced a private placement of equity securities up to a maximum of 1,428,571 units, whereby one unit, consisting of one share of common stock and a warrant to purchase one share of common stock, was offered for $0.35 per unit. We sold 899,644 units for a total of $314,875. The stock purchase warrants have an exercise price of $0.40 and expire in three years. We issued these securities to accredited investors, relying on Rule 506 of Regulation D and/or Section 4(2) of the Securities Act of 1933, as amended. Certain of our executive officers and directors participated in the private placement as follows: Nicholas Tintor (57,143 units), Wade D. Nesmith (30,000 units), John T. Perry (142,857 units) and Tormin Resources Limited, a company owned and controlled by John F. Cook, (71,429 units). All insiders participated on the same terms as third party purchasers.

Other than compensatory arrangements described under Executive Compensation, we have no other transactions, directly or indirectly, with our promoters, directors, senior officers or principal stockholders, which have materially affected or will materially affect us.

Conflicts of Interest

To our knowledge, and other than as disclosed in this proxy, there are no known existing or potential conflicts of interest among us, our promoters, directors and officers, or other members of management, or any proposed director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to us and their duties as a director or officer of such other companies.

Compliance with Section 16(A) of the Securities Exchange Act

Section 16(a) of the *Securities Exchange Act of 1934* requires our executive officers and directors, and persons who beneficially own more than ten percent of our equity securities, to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than ten percent stockholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file. We have not yet received copies of any such forms, and believe that during the fiscal year ended December 31, 2005 these filing requirements were not complied with.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth compensation awarded to, earned by or paid to each of the individuals who served as our Chief Executive Officer and our four other most highly compensated executive officers (the named executive officers) for the fiscal years ended December 31, 2005, 2004 and 2003.

		Annual Compensation			Long Term Compensation			
					Awards		Payouts	
Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Other Annual Compen-sation ($)	Common Shares Under Options/ SARs Granted (#)	Restricted Shares or Restricted Share Units ($)	Long Term Incentive Plan Payouts ($)	All Other Compen-sation ($)
Ronald A. Hirsch	2005	200,000[2]						
Chairman and	2004	200,000[2]						
Chief Executive Officer[1]	2003			90,000[3]	3,000,000[4]			
Erland A. Anderson	2005	150,000[6]						
	2004	150,000[6]						
President and Chief Operating Officer[5]	2003	109,890[6]			1,500,000			
John T. Perry	2005	52,700[7]	75,000[8]		500,000			
Senior Vice	2004							
President, Chief Financial Officer, Secretary, and Treasurer	2003							

(1) Mr. Hirsch resigned as Chief Executive Officer of the Company effective February 15, 2006, but remains Chairman of the Board.

(2) $200,000 of salary deferred in each of 2005 and 2004.

(3) Deferred compensation for consulting services while serving as non-executive director.

(4) During June 2004, Mr. Hirsch exercised 1,750,000 stock options at an aggregate exercise price of $35,000. During April 2005, we agreed to rescind this stock option exercise and to reinstate the original 1,750,000 options at the exercise price and with the expiration date of the options under the original grant. We issued Mr. Hirsch a convertible promissory note, dated as of the date of the rescinded option exercise, for the $35,000 received by us as the exercise price but which was not refunded to Mr. Hirsch upon cancellation of the underlying stock. (See Certain Relationships and Related Transactions for details).

(5)

Mr. Anderson resigned as President and was appointed Executive Vice President and Chief Operating Officer effective February 15, 2006.

(6) $98,000, $140,000 and $32,500 of salary deferred in 2005, 2004 and 2003, respectively.

(7) Shares in lieu of salary.

(8) Shares issued upon entering into employment agreement.

Option Grants in Fiscal 2005

The following table shows options granted during the fiscal year ended December 31, 2005 to our named executive officers:

	Individual Grants				Grant Date Value
	Number of Shares Underlying Options Granted (#)	Percent of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price ($ Per Share)	Expiration Date	Grant Date Present Value ($) (1)
Ronald A. Hirsch	N/A[2]	N/A	N/A	N/A	N/A
Erland A. Anderson	N/A	N/A	N/A	N/A	N/A
John T. Perry	200,000	20%	$0.30	April 1, 2010	57,893

Individual Grants				
Number of Shares Underlying Options Granted (#)	Percent of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price ($ Per Share)	Expiration Date	Grant Date Value Grant Date Present Value ($) (1)
100,000	10%	$0.40	April 1, 2010	28,783
100,000	10%	$0.50	April 1, 2010	28,642
100,000	10%	$0.60	April 1, 2010	28,517

(1) The grant date present value shown is an estimate only, arrived at using the Black-Scholes option pricing model, with the following weighted average assumptions as of the grant date: risk-free interest rate of 3.75%, expected life of option of five years, expected dividend yield of 0% and expected stock volatility of 185%.

(2) During June 2004, Mr. Hirsch exercised 1,750,000 stock options at an aggregate exercise price of $35,000. During April 2005, we agreed to rescind this stock option exercise and to reinstate the original 1,750,000 options at the exercise price and with the expiration date of the options under the original grant. We issued Mr. Hirsch a convertible promissory note, dated as of the date of the rescinded option exercise, for the $35,000 received by us as the exercise price but which was not refunded to Mr. Hirsch upon cancellation of the underlying stock. (See Certain Relationships and Related Transactions for details).

Option Exercises in Fiscal 2005

During the year ended December 31, 2005, there were no stock options exercised by directors or named executive officers. In January and February 2006, certain of our directors and executive officers exercised stock options totaling 2,675,000 at an exercise price of $0.02, for gross proceeds of $53,500.

Long Term Incentive Plan Awards

We currently have no long term incentive plans in place.

Compensation of Non-Executive Directors

The Board of Directors is currently reviewing a proposed compensation structure for our non-executive directors which will be designed to fairly pay non-executive directors for work required while aligning the interests of the non-executive directors with the long-term interests of stockholders. At this time, it is expected that our non-executive directors will receive a one-time grant of 200,000 stock options, vesting annually over three years, at an exercise price to be determined by the Board of Directors.

Non-executive directors will also receive a $25,000 annual retainer, with an additional $15,000 to be paid annually to the Chairman of the Audit Committee and to the Lead Director. In addition, $7,500 will be paid annually to the Chairman of each of the Compensation Committee and Nominating and Corporate Governance Committee. It is currently expected that all of these fees will be payable in stock, restricted stock, restricted stock units, or such other equity-based compensation as the Board of Directors determines. The Chairman of the Executive Committee will also receive a monthly retainer of $5,000 and the other members of the Executive Committee will receive a monthly retainer of $1,000. The Executive Committee fees will be payable in cash. The non-executive directors will also receive attendance fees of $1,500 for each board and committee meeting (except for members of the Executive Committee who will not receive additional attendance fees), payable in cash. All cash fees can be deferred at the option of the directors.

It is anticipated that the equity-based fees will be payable in the form of awards to be issued pursuant to the Company's 2006 Stock Incentive Plan, which will be submitted to the stockholders for approval as described in this proxy statement under the heading "Proposal Number Four: Approval of 2006 Stock Incentive Plan." The non-executive directors will have limited rights, exercisable within applicable time limits, to elect to have any percentage of such awards, and any percentage of cash fees, payable in deferred stock units. Any deferred stock units that are issued will be subject to the 2006 Deferred Stock Unit Plan for Directors, which supplements the 2006 Stock Incentive Plan and is described under the heading "Proposal Number 4: 2006 Stock Incentive Plan."

Employment Contracts and Termination of Employment and Change-In-Control Arrangements

On January 2, 2004, we entered into an Executive Employment Agreement with Erland A. Anderson to serve as our President. The term of this agreement is for three years, and the agreement is subject to automatic renewal for successive one year periods unless cancelled by either of the parties. Mr. Anderson s base salary under the agreement is $150,000 annually. Mr. Anderson is also entitled to participate in a formal incentive stock option plan, once adopted by us. Additionally, Mr. Anderson is entitled to participate in all health, insurance, retirement and other benefits provided to our other senior executives pursuant to authorization by our Board of Directors. Absent a change in control, if we terminate Mr. Anderson for any reason not for cause (other than due to death or disability), we must pay to Mr. Anderson (i) accrued unpaid salary, bonuses and expenses, if any, (ii) his base salary for the greater of the remaining term and 12 months, and (iii) his health insurance premiums until the earlier of the expiration of 12 months and the date he is eligible for similar health benefits with another employer. Following a change in control, in the event we terminate Mr. Anderson for any reason other than for death/disability or cause, we are required to pay Mr. Anderson all accrued unpaid salary, bonuses, and expenses, a lump sum equal to three times his base salary, and we are required to pay for his health, dental, and disability insurance premiums for 18 months. Mr. Anderson may also elect to terminate his employment following a change of control and receive these payments. In connection with his employment with our company, Mr. Anderson received stock options for the purchase of up to 1,500,000 shares of our common stock with an exercise price of $0.02 per share, which was the market price at the time of grant. Effective February 15, 2006, Mr. Anderson resigned as our President and was appointed as Executive Vice President and Chief Operating Officer. On February 15, 2006, we entered into a waiver and amendment to the Executive Employment Agreement with Mr. Anderson to revise the Executive Employment Agreement in light of Mr. Anderson s new appointments and to confirm the waiver of any rights that he may have had under such Agreement in respect of Nicholas Tintor s appointment as President and the changes to the composition of the Board of Directors.

On January 2, 2004, we entered into an Executive Employment Agreement with Ronald Hirsch to serve as our CEO. The term of this agreement is for three years, and the agreement is subject to automatic renewals for successive one year periods unless cancelled by either of the parties. Mr. Hirsch s base salary under the agreement is $200,000 annually. Mr. Hirsch is also entitled to participate in a formal incentive stock option plan, once adopted by us. In addition, Mr. Hirsch is entitled to participate in all health, insurance, retirement and other benefits provided to our other senior executives pursuant to authorization by our Board of Directors. Absent a change in control, if we terminate Mr. Hirsch for any reason not for cause (other than due to death or disability), we must pay to Mr. Hirsch (i) accrued unpaid salary, bonuses and expenses, if any, (ii) his base salary for the greater of the remaining term and 12 months, and (iii) his health insurance premiums until the earlier of the expiration of 12 months and the date he is eligible for similar health benefits with another employer. Following a change in control, in the event we terminate Mr. Hirsch for any reason other than for death/disability or cause, we are required to pay Mr. Hirsch all accrued unpaid salary, bonuses, and expenses, a lump sum equal to three times his base salary, and we are required to pay for his health, medical, and disability insurance premiums for 18 months. Mr. Hirsch may also elect to terminate his employment following a change of control and receive

these payments. In connection with his employment by our company, Mr. Hirsch received stock options for the purchase of up to 3,000,000 shares of our common stock with an exercise price of $0.02 per share, which was the market price at the time of grant. Effective February 15, 2006, Mr. Hirsch resigned as our Chief Executive Officer but will continue as Chairman of our Board of Directors. On February 15, 2006, we entered into a waiver and amendment to the Executive Employment Agreement with Mr. Hirsch to confirm that he will work with Mr. Tintor for six months as part of the Company's transition to our new Chief Executive Officer, and will continue to act as Chairman for a period of two years after we have received funding of at least $25,000,000. As well, the waiver and amendment provides that Mr. Hirsch will receive the compensation set forth in his original Executive Employment Agreement until that date that is six months after we receive such funding, and thereafter at the rate of $100,000 annually. Any accrued and unpaid salary owing to Mr. Hirsch to and including the date that we receive funding of at least $25,000,000 will be paid, following the funding, as to 50% in cash and 50% in fully-paid and non-assessable shares of our common stock with a deemed issue price per share equal to 75% of the price at which any of our shares are sold to complete such funding. Pursuant to the waiver and amendment, Mr. Hirsch has waived any rights that he may have had under his Executive Employment Agreement in respect of Mr. Tintor's appointment as Chief Executive Officer and the changes to the composition of the Board of Directors, but with a right, in the event of a change in control, to receive from the Company the balance accrued and owing under his amended Executive Employment Agreement. If the Company has not received funding of at least $25,000,000 on or before August 31, 2006, Mr. Hirsch will be appointed as our President and Chief Executive Officer with an annual salary of $200,000, and Mr. Tintor will voluntarily resign from such positions.

Effective April 1, 2005, we hired John T. Perry as our Senior Vice President and Chief Financial Officer. In connection with his hiring, we executed a memorandum of understanding with Mr. Perry which states that for employment services rendered, Mr. Perry will be compensated on a monthly basis with 20,000 shares of common stock until such time that we receive funding of at least $10,000,000. Additionally, we agreed to issue 500,000 shares of common stock to Mr. Perry as a signing bonus, of which 250,000 were issued upon the execution of the memorandum of understanding, and the remaining 250,000 will be disbursed one year thereafter. We also issued stock options to Mr. Perry entitling him to purchase up to 500,000 shares of our common stock, exercisable for a term of five years, as follows: (a) 200,000 shares at an exercise price of $0.30 per share; (b) 100,000 at an exercise price of $0.40 per share; (c) 100,000 at an exercise price of $0.50 per share; and (d) 100,000 at an exercise price of $0.60 per share. On April 18, 2005, we entered into an employment agreement with John T. Perry to serve as our Senior Vice President and Chief Financial Officer. The term of this agreement is for two years, and the agreement is subject to automatic renewal for successive one year periods unless cancelled by either of the parties. Mr. Perry's base salary under the agreement is $175,000 annually, although Mr. Perry has agreed to accept 20,000 shares of common stock per month under his memorandum of understanding with us, in lieu of cash salary, until we have received funding of at least $10,000,000. The agreement also confirms that Mr. Perry will be compensated in the form of common shares of our company until such time as we complete a financing of at least $10 million. In addition, Mr. Perry is entitled to participate in a formal incentive stock option plan, once adopted by us. Mr. Perry is also entitled to participate in all health, insurance, retirement and other benefits provided to our other senior executives pursuant to authorization by our Board of Directors. Absent a change in control, if we terminate Mr. Perry for any reason not for cause (other than due to death or disability), we must pay to Mr. Perry (i) accrued unpaid salary, bonuses and expenses, if any, (ii) his base salary for the greater of the remaining term and 12 months, and (iii) his health insurance premiums until the earlier of the expiration of 12 months and the date he is eligible for similar health benefits with another employer. Following a change in control, in the event we terminate Mr. Perry for any reason other than for death/disability or cause, we are required to pay Mr. Perry all accrued unpaid salary, bonuses, expenses, a lump sum equal to three times his base salary, and we are required to pay for his health, dental, and disability insurance premiums for 18 months. Mr. Perry may also elect to terminate his employment following a change of control and receive these payments. On February 15, 2006, we entered into a waiver agreement with Mr. Perry to confirm the waiver of any rights that he may have had under his Executive Employment Agreement with respect to the changes to the composition of the Board of Directors.

On February 15, 2006, Nicholas Tintor accepted our offer to serve as President and Chief Executive Officer of our Company. We will enter into a definitive Executive Employment Agreement with Mr. Tintor within 30 days of the date of his acceptance of our offer. The term of his Executive Employment Agreement will be for three years and his initial salary will be $6,000 per month, increasing to $200,000 per annum contingent and effective upon the Company receiving funding of at least $25,000,000. Until such time as our Company receives such funding, Mr. Tintor's salary will be accrued but will remain unpaid. Mr. Tintor will report to the Executive Committee of the Company's Board of Directors and will voluntarily resign from his executive positions if our Company does not receive funding of at least $25,000,000 on or before August 31, 2006. We have agreed to pay Mr. Tintor a signing bonus of $150,000, payable as to $75,000 as soon as practicable following the adoption of a formal stock incentive plan and $75,000 on the one-year anniversary of his acceptance. The bonus is to be paid in shares of common stock (upon adoption of a formal stock incentive plan), to be issued as fully paid and non-assessable at a deemed issue price per share equal to the market price of our common stock, less a 15% discount to reflect their status as "restricted securities" with the meaning assigned in Rule 144 under the Securities Act of 1933, as amended. Additionally, we agreed to grant Mr. Tintor 500,000 options to purchase shares of common stock with a term of three years, to be issued upon adoption of a formal stock incentive plan by our board. Mr. Tintor will also receive all normal Company benefits and be eligible for participation in future Company stock option and executive bonus plans as implemented by our Board of Directors.

Report on Repricing of Options/SARs

None.

Equity Compensation Plans

We have granted incentive and non-qualified stock options to our employees and directors under the terms of our 1991 Stock Option Plan. We have also granted non-qualified stock options under individual compensation arrangements, which have been authorized by our Board of Directors.

The following table provides a summary of the number of options granted under our 1991 Stock Option Plan, and the number of options granted under individual compensation agreements and the weighted average exercise price and the number of options remaining available for issuance as at December 31, 2005.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	**Weighted average exercise price of outstanding options, warrants and rights (b)**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)**
Equity compensation plans approved by security holders	None	N/A	None
Equity compensation plans not approved by security holders	4,739,999	$0.25	N/A
Total[1]	4,739,999	$0.25	None

(1) Includes certain options granted to executive officers pursuant to employment agreements described in more detail under the caption Employment Contracts and Termination of Employment and Change-In-Control Arrangements.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF THE DIRECTOR NOMINEES SET FORTH ABOVE. DIRECTORS ARE ELECTED BY A PLURALITY OF THE VOTES CAST

PROPOSAL NUMBER TWO:

APPROVAL OF GRANT OF DISCRETIONARY AUTHORITY TO THE COMPANY S BOARD OF DIRECTORS TO AMEND THE COMPANY S AMENDED CERTIFICATE OF INCORPORATION TO EFFECT A REVERSE STOCK SPLIT OF THE COMPANY S COMMON STOCK AT A RATIO WITHIN THE RANGE FROM ONE-FOR-TWO TO ONE-FOR-SIX AT ANY TIME PRIOR TO THE NEXT ANNUAL MEETING OF STOCKHOLDERS

Overview

On February 15, 2006, our Board of Directors adopted resolutions approving and authorizing proposed amendments to our Amended Certificate of Incorporation (the Amended Certificate) to effect a reverse stock split of all outstanding shares of common stock at an exchange ratio ranging from one-for-two to one-for-six. The Board of Directors has declared such proposed amendments to be advisable and has recommended that these proposed amendments be presented to the stockholders for approval. You are now being asked to vote upon these amendments to the Amended Certificate which would effect a reverse stock split whereby a number of outstanding shares of common stock between and including two and six would be combined into one share of common stock. The reverse stock split would reduce the number of outstanding (but not authorized) shares of common stock.

Upon receiving stockholder approval, the Board of Directors will have the sole discretion to elect, as it determines to be in the best interests of the Company and its stockholders, whether or not to effect a reverse stock split, and if so, the number of shares of common stock between and including two and six which will be combined into one share of common stock, at any time before the next annual meeting of stockholders. The Board of Directors believes that stockholder approval of these amendments granting the Board of Directors this discretion, rather than approval of a specified exchange ratio, provides the Board of Directors with maximum flexibility to react to then-current market conditions and, therefore, is in the best interests of the Company and its stockholders.

The text of the form of proposed amendments to our Amended Certificate is attached hereto as Exhibit C. By approving these amendments, stockholders will approve a series of amendments to the Amended Certificate pursuant to which any whole number of outstanding shares between and including two and six would be combined into one share of common stock, and authorize the Board of Directors to file only one such amendment as determined by the Board of Directors in the manner described herein, and to abandon each amendment not selected by the Board of Directors. The Board of Directors may also elect not to undertake any reverse split and abandon all the amendments.

If approved by the stockholders, and following such stockholder approval the Board of Directors determines that effecting a reverse stock split is in the best interests of the Company and its stockholders, the reverse stock split will become effective upon filing one such amendment with the Secretary of State of the State of Delaware. The amendment filed thereby will contain the number of shares elected by the board within the limits set forth in this proposal to be combined into one share of common stock. The text of the proposed amendment is subject to modifications to include such changes as may be required by the office of the Secretary of State of Delaware or as our Board of Directors deems necessary and advisable to effect the reverse stock split.

If the Board of Directors elects to effect a reverse stock split following stockholder approval, the number of issued and outstanding shares of common stock would be reduced in accordance with an exchange ratio determined by the Board of Directors within the limits set forth in this proposal. Except for adjustments that may result from the treatment of fractional shares as described below, each stockholder

will hold the same percentage of the outstanding common stock immediately following the reverse stock split as such stockholder held immediately prior to the reverse stock split. The reverse stock split, if implemented, would not change the number of authorized shares of common stock or the par value of the Company s common stock.

Reasons for Reverse Stock Split

The principal reason for the reverse stock split is to reduce the number of shares of the Company s common stock outstanding and thereby attempt to raise the per share price of the Company s common stock. This would enhance our ability to seek the listing of our common stock on the Nasdaq National Market, the Nasdaq SmallCap Market or the American Stock Exchange (the AMEX). In order for a company's stock to be listed on the Nasdaq National Market, the Nasdaq SmallCap Market or the AMEX, it must meet certain requirements, including a minimum bid price of $5.00 per share for the Nasdaq National Market, a minimum bid price of $4.00 per share for the Nasdaq SmallCap Market and a minimum bid price of $2.00 per share for the AMEX. On Februaryu, 2006, the last reported sales price of our common stock on the Pink Sheets was $u. There can be no assurance that the reverse stock split will result in an increase in the per share price of our common stock or that we will be able to obtain the listing of our shares of common stock on the Nasdaq National Market, the Nasdaq SmallCap Market or AMEX even if we meet their respective minimum bid price requirements.

In addition, we believe that a reverse stock split could improve the marketability of the common stock and will encourage interest and trading in the common stock. A number of institutional investors and investment funds are reluctant to invest, and in some cases may be prohibited from investing, in lower-priced stocks and brokerage firms may be reluctant to recommend lower-priced stocks to their clients. By effecting a reverse stock split, we may be able to raise our common stock price to a level where our common stock would be viewed more favorably by potential investors. Other investors may also be dissuaded from purchasing lower-priced stocks because the brokerage commissions, as a percentage of the total transaction, tend to be higher for such stocks. A higher stock price after a reverse stock split would help to reduce this concern. The combination of lower transaction costs and increased interest from institutional investors and investment funds could have the effect of improving the trading liquidity of our common stock.

In evaluating whether or not to authorize the reverse stock split, the Board of Directors also took into account various negative factors associated with a reverse stock split. These factors include: the negative perception of reverse stock splits held by some investors, analysts and other stock market participants; the fact that the stock price of some companies that have effected reverse stock splits has subsequently declined back to pre-reverse stock split levels; the adverse effect on liquidity that might be caused by a reduced number of shares outstanding; and the costs associated with implementing a reverse stock split.

Our Board of Directors intends to effect the proposed reverse stock split only if it believes that a decrease in the number of shares outstanding is likely to improve the trading price for our common stock, and only if the implementation of a reverse stock split is determined by the Board of Directors to be in the best interest of the Company and its stockholders. If the trading price of our common stock increases without a reverse stock split, the Board may exercise its discretion not to implement a reverse split.

Risks Associated with a Reverse Stock Split

Reduced Market Capitalization. As noted above, the principal purpose of the reverse stock split would be to help increase the price of our common stock above the threshold required for listing on either the Nasdaq SmallCap Market or the AMEX. We cannot assure you that the reverse stock split will

accomplish this objective. While we expect that the reduction in our outstanding shares of common stock will increase its market price, we cannot assure you that the reverse stock split will increase the market price of our common stock in proportion to the reduction in the number of shares outstanding as a result of the reverse stock split or result in any permanent increase in the market price, which can be dependent upon many factors, including our business and financial performance and prospects. Should the market price decline after the reverse stock split, the percentage decline may be greater, due to the smaller number of shares outstanding, than it would have been prior to the reverse stock split. In some cases the stock price of companies that have effected reverse stock splits has subsequently declined back to pre-reverse split levels. Accordingly, we cannot assure you that the market price of our common stock immediately after the effective date of the proposed reverse stock split will be maintained for any period of time or that the ratio of post- and pre-split shares will remain the same after the reverse stock split is effected, or that the reverse stock split will not have an adverse effect on our stock price due to the reduced number of shares outstanding after the reverse stock split. A reverse stock split is often viewed negatively by the market and, consequently, can lead to a decrease in our overall market capitalization. If the per share price does not increase proportionately as a result of the reverse stock split, then our overall market capitalization will be reduced.

Increased Transaction Costs. The number of shares held by each individual stockholder will be reduced if the reverse stock split is implemented. This will increase the number of stockholders who hold less than a round lot, or 100 shares. Typically, the transaction costs to stockholders selling odd lots are higher on a per share basis. Consequently, the reverse stock split could increase the transaction costs to existing stockholders in the event they wish to sell all or a portion of their position.

Liquidity. Although the Board believes that the decrease in the number of shares of our common stock outstanding as a consequence of the reverse stock split and the anticipated increase in the price of our common stock could encourage interest in our common stock and possibly promote greater liquidity for our stockholders, liquidity could also be adversely affected by the reduced number of shares outstanding after the reverse stock split.

Principal Effects of the Reverse Stock Split

After the effective date of the proposed reverse stock split, each stockholder will own a reduced number of shares of common stock. However, the proposed reverse stock split will affect all stockholders uniformly and will not affect any stockholder s percentage ownership interest in the Company (except to the extent that the reverse split would result in any of the stockholders owning a fractional share as described below). Proportionate voting rights and other rights and preferences of the holders of common stock will not be affected by the proposed reverse stock split (except to the extent that the reverse split would result in any stockholders owning a fractional share as described below). The number of stockholders of record also will not be affected by the proposed reverse stock split (except to the extent that the reverse split would result in any stockholders owning only a fractional share as described below).

Although the proposed reverse stock split will not affect the rights of stockholders or any stockholder s proportionate equity interest in the Company, subject to the treatment of fractional shares, the number of authorized shares of common stock will not be reduced. This will increase significantly the ability of the Board of Directors to issue authorized and unissued shares without further stockholder action. The issuance in the future of such additional authorized shares may have the effect of diluting the earnings per share and book value per share, as well as the stock ownership and voting rights, of the currently outstanding shares of common stock. The effective increase in the number of authorized but unissued shares of common stock may be construed as having an anti-takeover effect by permitting, for example, the issuance of shares to purchasers who might oppose a hostile takeover bid or oppose any efforts to amend or repeal certain provisions of the Amended Certificate or the bylaws.

The following table contains approximate information relating to the common stock under each of the proposed amendments based on share information as of January 31, 2006 (in thousands):

	Pre Reverse Split	1-for-2	1-for-3	1-for-4	1-for-5	1-for-6
Authorized	50,000	50,000	50,000	50,000	50,000	50,000
Outstanding	33,218	16,609	11,073	8,305	6,644	5,536
Reserved for future issuance pursuant to outstanding stock options, warrants and rights	7,732	3,866	2,577	1,933	1,546	1,289

The Company has certain outstanding stock options and warrants to purchase shares of common stock. Under the terms of the Company s outstanding stock options and warrants, the proposed reverse stock split will effect a reduction in the number of shares subject to such outstanding options and warrants proportional to the ratio of the reverse stock split and will effect a proportionate increase in the exercise price of such outstanding stock options and warrants. In connection with the proposed reverse stock split, the number of shares of common stock issuable upon exercise or conversion of outstanding stock options and warrants will be rounded to the nearest whole share and no cash payment will be made in respect of such rounding.

The Company also has certain outstanding convertible debt. The proposed reverse stock split would also result in a proportionate increase in the conversion price of that debt and decrease in the number of shares issuable upon conversion of that debt.

If the proposed reverse stock split is implemented, it will increase the number of stockholders of the Company who own odd lots of less than 100 shares of common stock. Brokerage commission and other costs of transactions in odd lots are generally higher than the costs of transactions of more than 100 shares of common stock.

The common stock is currently registered under Section 12(g) of the Securities Exchange Act, and the Company is subject to the periodic reporting and other requirements of the Securities Exchange Act. The proposed reverse stock split will not affect the registration of the common stock under the Securities Exchange Act.

Effective Date

The proposed reverse stock split would become effective as of 5:00 p.m. Eastern time on the date of filing of the Certificate of Amendment with the office of the Secretary of State of the State of Delaware. On the effective date, shares of common stock issued and outstanding immediately prior thereto will be combined and converted, automatically and without any action on the part of the stockholder, into new shares of common stock in accordance with the ratio determined by the Board of Directors within the limits set forth in this proposal.

Fractional Shares

We will not issue any fractional shares in connection with a reverse stock split. Instead of any fractional shares to which a holder of common stock would otherwise be entitled as a result of the reverse stock split, we will pay cash equal to the fraction to which the stockholder would otherwise be entitled multiplied by the average of the closing prices of the common stock on the relevant market (as adjusted to reflect the reverse stock split) during the ten consecutive trading days ending on the trading day

immediately prior to the effective date. The ownership of a fractional interest will not give the holder thereof any voting, dividend or other rights except to receive payment as described herein.

Exchange of Certificates

Once the Certificate of Amendment to our Amended Certificate effecting the reverse stock split is filed with the Secretary of State of the State of Delaware, the reverse stock split would occur without any further action on the part of stockholders and would not be affected by the timing of the physical surrender of the old stock certificates. As soon as practicable after the effective date, stockholders will be notified that the reverse stock split has been effected. The Company s transfer agent will act as exchange agent for purposes of implementing the exchange of stock certificates. Holders of pre-reverse stock split shares will be asked to surrender to the exchange agent certificates representing pre-reverse stock split shares in exchange for certificates representing post-reverse stock split shares and payment in lieu of fractional shares (if any) in accordance with the procedures to be set forth in a letter of transmittal to be sent by the Company. No new certificates and no payments in lieu of fractional shares will be issued to a stockholder until such stockholder has surrendered such stockholder s outstanding certificate(s) together with the properly completed and executed letter of transmittal to the exchange agent.

STOCKHOLDERS SHOULD NOT DESTROY ANY PRE-REVERSE STOCK SPLIT CERTIFICATES AND SHOULD NOT SUBMIT ANY CERTIFICATES UNTIL THEY ARE REQUESTED TO DO SO.

Accounting Matters

The par value of the common stock would remain the same after the reverse stock split becomes effective. As a result, the stated capital of the Company would be reduced and capital in excess of par value (paid-in capital) increased accordingly. Stockholders equity would remain unchanged. The per share net income (loss) would be retroactively restated to reflect any reverse stock split.

Potential Anti-Takeover Effect

Although the increased proportion of unissued authorized shares to issued shares could, under certain circumstances, have an anti-takeover effect (for example, by permitting issuances that would dilute the stock ownership of a person seeking to effect a change in the composition of our Board or contemplating a tender offer or other transaction for the combination of Nord with another company), the reverse stock split proposal is not being proposed in response to any effort to accumulate our common stock or obtain control of us.

No Dissenters Rights

Under the Delaware General Corporation Law, stockholders are not entitled to dissenters rights with respect to the reverse stock split, and we will not independently provide stockholders with any such right.

Federal Income Tax Consequences of the Reverse Stock Split

The following is a summary of the material U.S. federal income tax consequences of the proposed reverse stock split. This discussion is based on the Internal Revenue Code, the Treasury Regulations promulgated thereunder, published statements by the Internal Revenue Service and other applicable authorities on the date of this proxy statement, all of which are subject to change, possibly with retroactive effect. This discussion does not address the tax consequences to holders that are subject to

special tax rules, such as banks, insurance companies, regulated investment companies, personal holding companies, foreign entities, nonresident alien individuals, broker-dealers and tax-exempt entities. Further, it does not address any state, local or foreign income or other tax consequences. This summary also assumes that the shares of common stock held immediately prior to the effective time of the reverse stock split were, and the new shares received will be, held as a capital asset , as defined in the Internal Revenue Code (generally, property held for investment).

Subject to the discussion below concerning the treatment of the receipt of cash payments instead of fractional shares, we believe that the material U.S. federal income tax consequences of the reverse stock split are as follows:

- We will not recognize any gain or loss as a result of the reverse stock split.

- You will not recognize any gain or loss as a result of the reverse stock split, except with respect to cash received instead of fractional shares.

- The aggregate adjusted basis of the shares of each class of our common stock you hold following the reverse stock split will be equal to your aggregate adjusted basis immediately prior to the reverse stock split, reduced by any tax basis attributable to a fractional share.

- Your holding period for the common stock you continue to hold after the reverse stock split will include your holding period for the common stock you held immediately prior to the reverse stock split.

In general, if you receive cash instead of a fractional share of our common stock, you will recognize capital gain or loss based on the difference between the amount of cash received and your adjusted basis in the fractional share. The capital gain or loss will constitute long-term capital gain or loss if your holding period for our common stock is greater than one year as of the date of the reverse stock split. The deductibility of capital losses is subject to limitations.

Our view regarding the tax consequences of the reverse stock split is not binding on the Internal Revenue Service or the courts. Accordingly, we urge you to consult with your own tax advisor with respect to all of the potential tax consequences to you of the reverse stock split.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THIS PROPOSAL TO GRANT DISCRETIONARY AUTHORITY TO THE COMPANY S BOARD OF DIRECTORS TO AMEND THE COMPANY S AMENDED CERTIFICATE OF INCORPORATION TO EFFECT A REVERSE STOCK SPLIT OF THE COMPANY S COMMON STOCK, AT A RATIO WITHIN THE RANGE FROM ONE-FOR-TWO TO ONE-FOR-SIX, AT ANY TIME PRIOR TO THE NEXT ANNUAL MEETING

PROPOSAL NUMBER THREE:

APPROVAL OF AMENDMENT TO AMENDED CERTIFICATE OF INCORPORATION TO INCREASE AUTHORIZED SHARES OF COMMON STOCK

The stockholders are being asked to approve an amendment to the Company s Amended Certificate of Incorporation (the Amended Certificate) to increase the number of authorized shares of common stock from 50,000,000 to 100,000,000. On February 15, 2006, the Company s Board of Directors adopted resolutions approving and authorizing the amendment and directing that the amendment be submitted to a vote of the stockholders at the Annual Meeting. A copy of the proposed amendment to our Amended Certificate effecting the increase in our authorized shares is attached hereto as Exhibit D. The Board determined that the amendment is in the best interests of the Company and its stockholders and unanimously recommends approval by the stockholders.

If this proposed amendment is approved by the stockholders, the Board of Directors may proceed to file the amendment, thereby making the increase in authorized capital effective either: (i) in the event the reverse stock split proposed in Proposal Number Two is not effected (either because stockholder approval is not obtained or because the Board of Directors, in its discretion, elects to abandon the amendments relating to the reverse stock split); or (ii) in the event the reverse stock split is effected and the Board of Directors nonetheless determines that it is still in the best interests of the Company and its stockholders to increase the authorized capital. The Board of Directors may, in its discretion, abandon the amendment to increase the authorized capital. If the Board of Directors determines that it is in the best interests of the Company and its stockholders to proceed with the increase in authorized capital, the Board of Directors will, subject to stockholder approval, file with the Secretary of State of the State of Delaware a Certificate of Amendment to the Amended Certificate increasing the Company s authorized capital as set forth in this proposal.

The Amended Certificate currently authorizes the issuance of up to 50,000,000 shares of stock, of which 50,000,000 shares are designated as common stock, $.01 par value per share. Of the 50,000,000 shares of common stock currently authorized, as of the close of business on January 31, 2006, there were 33,218,347 shares of common stock issued and outstanding on a pre-reverse-split basis. In addition, as of January 31, 2006, the Company has reserved up to approximately 7,732,393 shares of common stock for issuance pursuant to the outstanding options, warrants and convertible debt.

Reasons for Increase

The Board of Directors has proposed this amendment to ensure that the Company has sufficient shares available for general corporate purposes including, without limitation, equity financings, acquisitions, establishing strategic relationships with corporate partners, providing equity incentives to employees, and payments of stock dividends, stock splits or other recapitalizations. The Company considers from time to time acquisitions, equity financings, strategic relationships and other transactions as market conditions or other opportunities arise. Without an increase in the shares of common stock authorized for issuance, the Company might not be able to conclude any such transaction in a timely fashion.

Effect of Increase

If the stockholders approve the proposed amendment, the Board may cause the issuance of additional shares of common stock without further vote of the stockholders of the Company, except as may be required in particular cases by the Company s charter documents, applicable law or the rules of

any national securities exchange on which shares of common stock of the Company may then be listed. Under the Company s Amended Certificate, the Company s stockholders do not have preemptive rights to subscribe to additional securities that may be issued by the Company, which means that current stockholders do not have a prior right to purchase any new issue of capital stock of the Company in order to maintain their proportionate ownership of common stock. In addition, if the Board elects to cause the Company to issue additional shares of common stock or securities convertible into or exercisable for common stock, such issuance could have a dilutive effect on the voting power and earnings per share of existing stockholders.

The increase in the number of authorized shares of common stock could have an anti-takeover effect, although this is not the intent of the Board in proposing the amendment. For example, if the Board issues additional shares in the future, such issuance could dilute the voting power of a person seeking control of the Company, thereby deterring or rendering more difficult a merger, tender offer, proxy contest or an extraordinary transaction opposed by the Board of Directors. As of the date of this Proxy Statement, the Board is not aware of any attempt or plan to obtain control of the Company.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THE AMENDMENT TO THE AMENDED CERTIFICATE OF INCORPORATION INCREASING THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK

PROPOSAL NUMBER FOUR:

APPROVAL OF 2006 STOCK INCENTIVE PLAN

On February 15, 2006, the Board of Directors adopted resolutions approving and authorizing, subject to stockholder approval, the proposed 2006 Stock Incentive Plan. The purpose of the 2006 Stock Incentive Plan will be to advance the interests of the Company by encouraging Eligible Participants to acquire shares of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive to advance the interests of the Company in the conduct of their affairs. Eligible Participants means employees, directors and consultants of (a) the Company or (b) any of the following entities (each, a Related Entity): (i) any parent corporation (Parent) as defined in section 424(e) of the Internal Revenue Code of 1986, as amended (the Code); (ii) any subsidiary corporation (Subsidiary) as defined in section 424(f) of the Code (a Subsidiary); or (iii) any business, corporation, partnership, limited liability company or other entity in which the Company, a Parent or a Subsidiary holds a substantial ownership interest, directly or indirectly.

The 2006 Stock Incentive Plan will provide for the granting to Eligible Participants of such incentive awards (each, an Award) as the administrator of the 2006 Stock Incentive Plan (the Administrator) may from time to time approve.

Authorized Shares

A total of 6,000,000 shares of common stock have been reserved for issuance under all Awards that may be granted under the 2006 Stock Incentive Plan. We have also reserved: (a) an additional 1,940,000 shares of common stock for issuance under stock options granted to our directors, officers, employees and consultants outside of the 2006 Stock Incentive Plan; (b) 5,692,394 shares of common stock for issuance under convertible notes and warrants; and (c) 99,999 shares of common stock for issuance pursuant to options granted in connection with the purchase of a property option.

We have six members on our Board of Directors, four executive officers (two of whom are members of the Board of Directors), approximately three other employees, and various consultants, all of whom would be eligible to receive Awards under the 2006 Stock Incentive Plan.

Summary of 2006 Stock Incentive Plan

This summary of the 2006 Stock Incentive Plan is qualified in its entirety by reference to the full text of the 2006 Stock Incentive Plan, which is attached to this Proxy Statement as Exhibit E and the full text of the 2006 Deferred Stock Unit Plan for Directors, which is attached to this Proxy Statement as Exhibit F.

The highlights of the 2006 Stock Incentive Plan are as follows:

(a) the Administrator will be the Board of Directors of the Company or a committee of the Board of Directors appointed to act in such capacity;

(b) subject to applicable laws, including the rules of any applicable stock exchange or national market system, the Administrator will be authorized to grant any type of Award to an Eligible Participant (a Grantee) that is not inconsistent with the provisions of the 2006 Stock Incentive Plan, and that by its terms involves or may involve the issuance of:

(i) shares of common stock of the Company (including Performance Shares which may be earned in whole or in part upon attainment of performance criteria established by the Administrator),

(iii) contemplates that deferred stock units will be represented by notional accounts maintained in the respective names of the Grantees, and that the number of deferred stock units to be credited to each such account in respect of the Award will be determined by the Administrator by dividing the dollar amount of the Award by the Fair Market Value (as defined in the 2006 Deferred Stock Unit Plan for Directors and described below) of one of the Company s shares of common stock on a date approved by the Administrator; and

(iv) provides that, upon the Grantee ceasing to be a director of the Company, the Grantee (or the Grantee s legal representative in the event of the Grantee s death) will be entitled to receive, net of any applicable withholding taxes payable by the Company, one share of common stock of the Company for each deferred stock unit credited to the Grantee s account;

(d) the number of securities issuable to insiders, at any time, under all of the Company s security based compensation arrangements, cannot exceed 10% of the issued and outstanding securities of the Company, unless the Company obtains disinterested stockholder approval;

(e) the number of securities issued to insiders, within any one year period, under all of the Company s security based compensation arrangements, cannot exceed 10% of the issued and outstanding securities of the Company, unless the Company obtains disinterested stockholder approval;

(f) each Award will be subject to a separate award agreement to be executed by the Company and the Grantee, which shall specify the term of the Award;

(g) the exercise or purchase price, if any, of an Award will be determined by the Administrator in compliance with applicable laws, including the rules of an applicable stock exchange or national market system;

(h) the term of an Option will be no more than ten years;

(i) if the exercise price or any tax required to be withheld in respect of an Option is satisfied by the Company or the Grantee s employer withholding shares otherwise deliverable to the Grantee, the Administrator may issue the Grantee an additional Option, subject to terms identical to the award agreement under which the Option was exercised, but at an exercise price as determined by the Administrator in accordance with the 2006 Stock Incentive Plan;

(j) an Option may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent or distribution, and may be exercised during the lifetime of the Grantee only by the Grantee;

(k) other Awards will be transferable to the extent provided in the relevant award agreements;

(l) subject to applicable laws, including the rules of an applicable stock exchange or national market system, an award agreement may permit a Grantee to exercise an Award for a specified period following termination of the Grantee as an Eligible Participant, in which event the Award will terminate to the extent it is not exercised on the last day of the specified period or the last day of the original term of the Award, whichever occurs first;

(m) the Administrator may at any time offer to buy out a previously granted Award for a payment in cash or shares of common stock of the Company;

(n) the Administrator may issue Awards in settlement, assumption or substitution for outstanding awards or obligations to grant future awards in connection with the Company or a Related Entity acquiring another entity, an interest in another entity or an additional interest in a Related Entity, whether by merger, stock purchase, asset purchase or other form of transaction;

(o) the number of shares of common stock issuable under the 2006 Stock Incentive Plan, including the number of shares issuable under any outstanding Awards, is subject to adjustment in certain circumstances, including certain changes in the Company s share capital;

(p) a Grantee may exercise an Award by delivering to the Company a written notice that specifies the number of Award Rights that the Grantee is exercising, and elects whether to (i) exercise those Award Rights in the normal manner by cash or certified check, or (ii) dispose of those Award Rights in a net-stock settled manner, in which case the Grantee is deemed to have disposed of the Grantee s rights under the 2006 Stock Incentive Plan to exercise the specified number of Award Rights in the normal manner, and to have received as consideration therefore, and in full and final satisfaction of those disposed Award Rights, the right to receive the appropriate number of shares of common stock. Award Rights means each right to acquire a share of common stock of the Company pursuant to an Award;

(q) the Administrator can amend the terms of any outstanding Award, provided that any amendment that would adversely affect the Grantee s rights under an existing award will not be made without the Grantee s consent, unless a result of a change in applicable law;

(r) the Board of Directors of the Company may at any time amend, suspend or terminate the 2006 Stock Incentive Plan, subject to such stockholder approval as may be required by applicable laws, including the rules of an applicable stock exchange or national market system, provided that:

(i) no Award may be granted during any suspension of the 2006 Stock Incentive Plan or after termination of the 2006 Stock Incentive Plan, and

(ii) any amendment, suspension or termination of the 2006 Stock Incentive Plan will not affect Awards already granted, and such Awards will remain in full force and effect as if the 2006 Stock Incentive Plan had not been amended, suspended or terminated, unless mutually agreed otherwise between the Grantee and the Administrator, which agreement will have to be in writing and signed by the Grantee and the Company.

The 2006 Stock Incentive Plan has specific provisions which apply to grants of Awards intended to qualify as performance-based compensation , as defined under section 162(m) of the Code, to any employees who are covered employees for the purposes of section 162(m)(3) of the Code:

(a) the exercise or purchase price per share, if any, of such an Award may not be less than the Fair Market Value (as defined in the 2006 Stock Incentive Place and described below) of the Company's common stock on the date of the grant, and

(b) grants of such Awards may only be made by a committee (or a subcommittee of a committee) which is comprised solely of two or more directors eligible under the Code to serve on a committee responsible for making Awards of performance based compensation.

Under the 2006 Stock Incentive Plan, Options may be granted as either incentive stock options under section 422 of the Code and the regulations thereunder (the Incentive Stock Options) or non-incentive stock options under section 83 of the Code (the Non-Qualified Stock Options). Non-Qualified Stock Options may be granted for a term not exceeding ten years, and unless otherwise determined by the Administrator, the exercise price per share may not be less than the Fair Market Value of the Company's common stock on the date of the grant.

The specific provisions under the 2006 Stock Incentive Plan which apply to Incentive Stock Options include the following:

(a) if granted to a Grantee who at the time of the grant owns stock representing more than ten percent of the voting power of all classes of the Company or any Parent or Subsidiary, an Incentive Stock Option will be limited to a maximum term of five years, and will be subject to an exercise price per share which may not be less than 110% of the Fair Market Value of the Company's common stock on the date of the grant;

(b) an Incentive Stock Option granted to any other Grantee may be granted for a term not exceeding ten years at an exercise price per share which may not be less than the Fair Market Value of the Company's common stock on the date of the grant;

(c) if the aggregate Fair Market Value of common stock subject to Incentive Stock Options which become exercisable for the first time by a Grantee (under all plans of the Company or any Parent or Subsidiary) exceeds $100,000 during any calendar year, the Incentive Stock Options to which such excess value is attributable will be treated as Non-Qualified Stock Options;

(d) any Incentive Stock Option which is not exercised following the Grantee's termination as an Eligible Participant within the time permitted by law will automatically convert to a Non-Qualified Stock Option and will thereafter be exercisable for the period specified under the relevant award agreement.

Fair Market Value is defined to mean the value of the Company s shares of common stock determined as of any date as follows:

(a) where a public market exists for the Company s common stock, the Fair Market Value shall be (i) the closing price for a share of common stock of the Company for the last market trading day prior to the time of the determination (or, if no closing price was reported on that date, on the last trading date on which a closing price was reported) on the stock exchange determined by the Administrator to be the primary market for the Company s shares of common stock or the Nasdaq National Market, whichever is applicable, or (ii) if the rules of the applicable stock exchange require, the volume weighted average trading price for five (5) days prior to the date the Board approves the grant of the Award; or (iii) if the Company s shares of common stock are not traded on any such exchange or national market system, the average of the closing bid and asked prices of a share of common stock of the Company on the Nasdaq SmallCap Market for the day prior to the time of the determination (or, if no such prices were reported on that date, on the last date on which such prices were reported), in each case, as reported in The Wall Street Journal or such other source as the Administrator deems reliable, or

(b) in the absence of an established market for the Company s common stock of the type described above, the Fair Market Value shall be determined by the Administrator in good faith.

Acceleration of Vesting, Change in Control

The Administrator shall have the authority, exercisable either in advance or at the time of any actual or anticipated Corporate Transaction, Change in Control or Related Entity Disposition (all as defined in the 2006 Stock Incentive Plan) and exercisable at the time of the grant of an Award under the 2006 Stock Incentive Plan or any time while an Award remains outstanding, to provide for the full automatic vesting and exercisability of one or more outstanding unvested Awards under the 2006 Stock Incentive Plan and the release from restrictions on transfer and repurchase or forfeiture rights of such Awards in connection with a Corporate Transaction, Change in Control or Related Entity Disposition, on such terms and conditions as the Administrator may specify. The Administrator also shall have the authority to condition any such Award vesting and exercisability or release from such limitations upon the subsequent termination of the continuous service of the grantee within a specified period following the effective date of the Corporate Transaction, Change in Control or Related Entity Disposition. The Administrator may provide that any Awards so vested or released from such limitations in connection with a Change in Control or Related Entity Disposition, shall remain fully exercisable until the expiration or sooner termination of the Award.

Federal Income Tax Consequences

The Company has been advised that, based on the current provisions of the Code, the federal income tax consequences of the grant, vesting and exercise of awards under the 2006 Stock Incentive Plan and the subsequent disposition of shares of common stock acquired under the 2006 Stock Incentive Plan will be as described below. The following discussion addresses only the general federal income tax consequences of awards. Participants in the 2006 Stock Incentive Plan are urged to consult their own tax advisers regarding the impact of federal, state and local taxes, the federal alternative minimum tax, and securities laws restrictions, given their individual situations. It is intended that the underlying benefits that are required to be treated as deferred compensation to which Internal Revenue Code section 409A is applicable, will comply with statute and the underlying agency guidance interpreting that section.

In the case of an exercise of a Non-Qualified Stock Option or SAR, the participant will recognize ordinary income in an amount equal to the difference between the option exercise price (or SAR grant price) and the Fair Market Value of the Company's common stock on the exercise date. Likewise, in the case of a common law employer-employee relationship, any amount recognized as ordinary income for income tax purposes will be also recognized as wages for the *Federal Insurance Contributions Act* (FICA) and the *Federal Unemployment Tax Act* (FUTA) purposes. This will require reporting and payment of Old Age Survivors and Disability Insurance ("OASDI"), assuming the FICA-OASDI Taxable Wage Base has not been exceeded for the year of exercise, and Hospital Insurance ("HI"). For awards, other than Incentive Stock Options issued to non-employees, the income from the exercise of the grant will be taxable as self-employment income and will therefore be subject to both federal and state income taxes as well as self-employment taxes to the individual.

In the case of an Incentive Stock Option, there is no tax liability at the time of exercise. However, the excess of the Fair Market Value of the Company's common stock on the exercise date over the option exercise price is included in the participant's income for purposes of the alternative minimum tax. If no disposition of the Incentive Stock Option stock is made before the later of one year from the date of exercise or two years from the date the Incentive Stock Option is granted, the participant will realize a long-term capital gain or loss upon a sale of the stock equal to the difference between the option exercise price and the sale price. If the stock is not held for the required period, it is considered to be a

"disqualifying disposition," and ordinary income tax treatment will generally apply to the amount of any gain at sale or exercise, whichever is less, and the balance of any gain or loss will be treated as capital gain or loss (long- term or short-term, depending on whether the shares have been held for more than one year). In an employer-employee relationship, if the stock received through the exercise of an Incentive Stock Option is held for the required period, and there is no disqualifying disposition, FICA and FUTA taxes will not apply. In an employer-employee relationship, if the stock received through the exercise of an Incentive Stock Option is not held for the required period (a disqualifying disposition), the FICA and FUTA taxes will apply to the difference between the option exercise price and the Fair Market Value of the Company s common stock on the exercise date.

In the case of an award of restricted stock, the immediate federal income tax effect for the recipient will depend on the nature of the restrictions. Generally, the value of the Company's common stock will not be taxable to the recipient as ordinary income until the year in which his or her interest in the stock is freely transferable or is no longer subject to a substantial risk of forfeiture. However, the recipient may elect to recognize income when the stock is received, rather than when his or her interest in the stock is freely transferable or is no longer subject to a substantial risk of forfeiture. If the recipient makes this election, the amount taxed to the recipient as ordinary income is determined as of the date of receipt of the restricted stock.

In the case of all other awards, the participant generally will recognize ordinary income equal to the value of the common stock received by the participant at the time of distribution, or if later, when such shares are no longer subject to a substantial risk of forfeiture. To the extent that such an award is considered as an award of deferred compensation, it will be likely, under application of the "special timing rule," that its present value will be treated for employment tax purposes as wages and FICA and FUTA will be assessed at the later of the date of the performance of services or the elimination of a substantial risk of forfeiture for entitlement to the benefit.

The Company will generally be allowed an income tax deduction simultaneous with, and equal to, the ordinary income recognized by the participant. The Company does not receive an income tax deduction as a result of the exercise of an Incentive Stock Option, provided that the Incentive Stock Option stock is held for the required period as described above.

The Company may not deduct compensation of more that $1,000,000 that is paid in a taxable year to certain "covered employees" as defined in Section 162(m) of the Code. The deduction limit, however, does not apply to certain types of compensation, including qualified performance-based compensation. The Company believes that compensation attributable to stock options granted under the 2006 Plan is qualified performance-based compensation and therefore not subject to the deduction limit.

New Plan Benefits

No awards have been granted under the 2006 Stock Incentive Plan. Because future awards under the 2006 Stock Incentive Plan are discretionary and not yet determined, benefits to be received by individual participants are not determinable at this time and we have therefore not included a table estimating future awards. Information concerning certain past stock option grants is set forth under *"Proposal 1 -- Election of Directors."*

THE BOARD RECOMMENDS A VOTE FOR THIS PROPOSAL TO APPROVE THE 2006 STOCK INCENTIVE PLAN

PROPOSAL NUMBER FIVE:

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

Mayer Hoffman McCann P.C. has been appointed effective February 15, 2006 as the independent registered public accountants of the Company for the year ending December 31, 2006. Mayer Hoffman McCann P.C. audited the Company s financial statements for the years ending December 31, 2005 and 2004.

The Company anticipates that a representative of Mayer Hoffman McCann P.C. will be present at the annual meeting. The representative will have the opportunity to make a statement if they desire to do so. It is expected the representative will not be available to respond to questions.

In the event ratification by the stockholders of the appointment of Mayer Hoffman McCann P.C. as the Company s independent registered public accountants is not obtained, our Board of Directors will reconsider such appointment.

Principal Accountant Fees and Services

Mayer Hoffman McCann P.C. performed the services listed below and was paid the fees listed below for the fiscal years ended December 31, 2005 and 2004:

Audit Fees

2005	2004
$ 264,850	$ 135,168

Audit Fees consists of fees billed for professional services rendered for the audits of our financial statements, reviews of interim financial statements included in quarterly reports, services performed in connection with filings with the Securities and Exchange Commission and related comfort letters and other services that are normally provided by Mayer Hoffman McCann P.C. in connection with statutory and regulatory filings or engagements.

Audit - Related Fees

2005	2004
None	None

Audit-Related Fees consists of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements.

Tax Fees

2005	2004
$ 51,975	$ 1,992

Tax Fees consists of fees billed for professional services for tax compliance, tax advice and tax planning. These services include assistance regarding federal, state and local tax compliance and consultation in connection with various transactions and acquisitions.

All Other Fees

2005	2004
$ 2,475	None

All Other Fees consists of fees billed for accounting services related to stock options and financing matters.

Pre-Approval of Services by the Independent Auditor

Since the Audit Committee was formed in February 2006, it did not pre-approve the services performed by the Company's independent registered public accountants during 2005. However, all services performed were approved by our Board of Directors. Going forward, the Audit Committee will be responsible for the pre-approval of audit and permitted non-audit services to be performed by the Company's independent auditor, Mayer Hoffman McCann P.C. The Audit Committee will, on an annual basis, consider and, if appropriate, approve the provision of audit and non-audit services by Mayer Hoffman McCann P.C. Thereafter, the Audit Committee will, as necessary, consider and, if appropriate, approve the provision of additional audit and non-audit services by Mayer Hoffman McCann P.C. which are not encompassed by the Audit Committee's annual pre-approval and are not prohibited by law. The Audit Committee has delegated to the Chair of the Audit Committee the authority to pre-approve, on a case-by-case basis, non-audit services to be performed by Mayer Hoffman McCann P.C.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THIS PROPOSAL TO RATIFY THE APPOINTMENT OF MAYER HOFFMAN MCCANN P.C. AS THE INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS OF THE COMPANY FOR THE YEAR ENDING DECEMBER 31, 2006

FORWARD LOOKING STATEMENTS

This proxy statement includes statements that are not historical facts. These statements are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995 and are based, among other things, on the Company s current plans and expectations relating to expectations of anticipated growth in the future and future success under various circumstances. As such, these forward-looking statements involve uncertainty and risk.

Other factors and assumptions not identified above could also cause the actual results to differ materially from those set forth in any forward-looking statement. The Company does not undertake any obligation to update the forward-looking statements contained in this proxy statement to reflect actual results, changes in assumptions, or changes in other factors affecting these forward-looking statements.

FUTURE STOCKHOLDER PROPOSALS

It is anticipated that the release date for the Company s proxy statement and form of proxy for this current annual meeting of stockholders will be February u, 2006. The deadline for submission of stockholder proposals to be included in the proxy statement and form of proxy for the Company s next Annual Meeting of stockholders will be u, 2006. Stockholder proposals must satisfy the conditions established by the Securities and Exchange Commission for stockholder proposals in order to be included in the Company s proxy statement for that meeting.

For any stockholder that intends to present a proposal that will not be included in the proxy statement for the Company s 2007 Annual Meeting, but is instead sought to be presented directly at the 2007 Annual Meeting, SEC rules permit management to vote proxies in its discretion if we: (1) receive notice of the proposal before the close of business on u, 2007 and advise stockholders in the 2007 proxy statement about the nature of the matter and how management intends to vote on such matter; or (2) do not receive notice of the proposal prior to the close of business on u, 2007.

Proposals or notices of intention to present proposals should be addressed to: John T. Perry, Secretary, Nord Resources Corporation, 1 West Wetmore Road, Suite 107, Tucson, Arizona, 85705.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the *Securities Exchange Act of 1934*. We file reports, proxy statements and other information with the SEC. You may read and copy these reports, proxy statements and other information at the SEC s Public Reference Section at One Station Place, 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website, located at www.sec.gov, that contains reports, proxy statements and other information regarding our company.

By Order of the Board of Directors of Nord Resources Corporation

Ronald A. Hirsch
Chairman of the Board

u, 2006

EXHIBIT A

AUDIT COMMITTEE CHARTER

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

OF

NORD RESOURCES CORPORATION

(Adopted as of January 5, 2006)

I. PURPOSE

This Charter specifies the scope of the responsibilities of the Audit Committee (the Committee) of the Board of Directors (the Board) of Nord Resources Corporation (the Corporation) and the manner in which those responsibilities shall be performed, including its structure, processes and membership requirements.

The primary purpose of the Committee is to assist the Board in fulfilling its responsibilities to oversee management s financial, accounting and reporting processes, the Corporation s system of internal accounting and financial controls and the Corporation s compliance with related legal and regulatory requirements. The Committee shall also review the qualifications, independence and performance of the registered public accounting firm employed by the Corporation for the purpose of preparing or issuing an audit report or related work or performing other review or attest services to the Corporation as required under the federal securities laws (the Independent Auditor) and shall approve the appointment and terms of engagement of, and retain and oversee the Corporation s Independent Auditor. The Committee shall prepare any reports required by the Committee under applicable securities regulations. The Committee shall regularly report its activities to the Board.

The Corporation shall provide appropriate funding as determined by the Committee to permit the Committee to perform its duties under this Charter and to compensate its advisors. The Committee, at its discretion, has the authority to initiate special investigations, and if appropriate, hire special legal, accounting or other outside advisors or experts to assist the Committee, to fulfill its duties under this Charter. The Committee may also perform such other activities consistent with this Charter, the Corporation s Bylaws and governing law, as the Committee or the Board deems necessary or appropriate.

The Committee s role is one of oversight. The Corporation s management is responsible for preparing the Corporation s financial statements and providing all required certifications relating to those financial statements; the Independent Auditor is responsible for auditing those financial statements. In carrying out its oversight responsibilities, the Committee is relying on information provided by the Corporation s management and the Corporation s Independent Auditor. The Committee is not responsible for providing any expert or special assurance nor any guarantee as to the accuracy or completeness of the Corporation s financial statements or other public disclosure, nor is the Committee providing any professional certification as to the work of the Independent Auditor.

II. STRUCTURE AND OPERATIONS

The Committee s composition and qualifications shall meet the rules and requirements of the American Stock Exchange (the AMEX) as well as laws and regulations that are applicable to the Audit Committee.

A. <u>Composition</u>

The Committee shall be comprised of three or more members, unless the Corporation qualifies as a small business issuer (as defined in Regulation S-B), in which case the Committee shall be comprised of two or more members. Each member must be a director of the Corporation.

B. Independence

Each member of the Committee will be independent in accordance with:

(a) The AMEX Company Guide; and

(b) Rule 10A-3 of the *Securities Exchange Act of 1934*, as amended (the Exchange Act).

The independence requirements the AMEX Company Guide and Rule 10A-3 of the Exchange Act as in effect as of the date of the adoption of this Charter are attached hereto as Exhibit II.B Audit Committee Independence Requirements.

C. Financial Literacy

Each member of the Committee shall meet experience and financial literacy requirements required by Rule 121B of the AMEX Company Guide, as amended.

The financial literacy requirements of Rule 121B of the AMEX Company Guide as in effect as of the date of the adoption of this Charter are attached hereto as Exhibit II.C Audit Committee Financial Literacy Requirements.

D. Financial Expert

At least one member of the Committee will meet the definition of a financial expert as defined in Item 401 of Regulation S-K or, if the Corporation qualifies as a small business issuer , in Item 401 of Regulation S-B.

The definition of financial expert as in effect as of the date of adoption of this Charter is attached hereto as Exhibit II.D - Financial Expert Definition.

E. Appointment, Term and Removal

The members of the Committee shall be appointed by the Board taking into account the recommendation of the Nominating and Governance Committee and shall serve until their successors shall be duly elected and qualified or their earlier resignation or removal by the Board. Any member of the Committee may be replaced by the Board.

F. Chairman

Unless a chairman is elected by the full Board, the members of the Committee may designate a chairman by majority vote of the full Committee membership.

III. MEETINGS

A. Generally

The Committee shall meet with management, the chief internal auditor, the general counsel (if any) and the Independent Auditor in separate executive sessions as appropriate. The Committee shall meet with the Independent Auditor and management to review the Corporation s financial statements and financial reports contained in the Corporation s annual and quarterly reports to be filed with the United States Securities and Exchange Commission (the SEC).

The Committee may invite to its meetings any director, any manager of the Corporation, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The

Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

B. Frequency of Meetings

The Committee shall meet as often as it determines, but not less frequently than quarterly.

C. Minutes

The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

IV. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Corporation s internal accounting staff, Board of Directors, managers, other staff and the Independent Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of the Board of Directors.

B. Powers and Responsibilities

The Committee will have the following responsibilities and will be vested with the powers and authorities set forth below in order to perform and discharge these responsibilities:

1. The Audit Committee shall have the sole authority to appoint or replace the Independent Auditor subject, if applicable, to shareholder ratification as required by the Corporation s charter.

2. The Audit Committee shall be directly responsible for the compensation and oversight of the work of the Independent Auditor (including resolution of disagreements between management and the Independent Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.

3. The Independent Auditor shall report directly to the Audit Committee.

4. The Committee shall approve all audit engagement fees and terms and all significant non-audit engagements with the Independent Auditor. The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the Independent Auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

5. The Audit Committee shall pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Corporation by its Independent Auditor, subject to the *de minimus* exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Audit Committee prior to the completion of the audit.

6. The Audit Committee shall consult with management but shall not delegate these responsibilities.

7. The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee, as it determines necessary to carry out its duties.

8. The Audit Committee may request any officer or employee of the Corporation or the Corporation s outside counsel or Independent Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

9. The Audit Committee shall meet with management, the internal auditors and the Independent Auditor in separate executive sessions at least quarterly. The Audit Committee may also, to the extent it deems necessary or appropriate, meet with the Corporation s investment bankers or financial analysts who follow the Corporation.

10. The Audit Committee shall make regular reports to the Board.

11. The Audit Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

12. The Audit Committee shall annually review the Audit Committee s own performance.

C. <u>Financial Statement and Disclosure Matters</u>

The Audit Committee, to the extent it deems necessary or appropriate, shall:

1. Review and discuss with management and the Independent Auditor the annual audited financial statements, including disclosures made in management s discussion and analysis, and recommend to the Board whether the audited financial statements should be filed with applicable securities regulatory authorities and included in the Corporation s annual reports filed with the SEC.

2. Review and discuss with management and the Independent Auditor the Corporation s quarterly financial statements, including disclosures made in management s discussion and analysis, prior to the filing of its quarterly financial statements and management s discussion analysis with applicable securities regulatory authorities, including the results of the Independent Auditor s review of the quarterly financial statements.

3. Discuss with management and the Independent Auditor significant financial reporting issues and judgments made in connection with the preparation of the Corporation s financial statements, including any significant changes in the Corporation s selection or application of accounting principles, any major issues as to the adequacy of the Corporation s internal controls and any special steps adopted in light of material control deficiencies.

4. Review and discuss quarterly reports from the Independent Auditor on:

   (a) All critical accounting policies and practices to be used.

(b) All alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Independent Auditor.

(c) Other material written communications between the Independent Auditor and management, such as any management letter or schedule of unadjusted differences., the development, selection and disclosure of critical accounting estimates, and analyses of the effect of alternative assumptions, estimates or GAAP methods on the Corporation s financial statements.

D. Oversight of the Corporation s Relationship with the Independent Auditor

The Committee will:

1. Review and evaluate the experience and qualifications of the lead partner and senior members of the Independent Auditor team.

2. Obtain and review a report from the Independent Auditor at least annually regarding:

   (a) the Independent Auditor s internal quality-control procedures;

(b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm;

(c) any steps taken to deal with any such issues; and

(d) all relationships between the Independent Auditor and the Corporation.

E. Oversight of the Corporation s Internal Audit Function

The Committee will:

1. Review the appointment and replacement of the senior internal auditing executive.

2. Review the significant reports to management prepared by the internal auditing department and management s responses.

3. Discuss with the Independent Auditor and management the internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.

F. Compliance Oversight Responsibilities

The Committee will:

1. Obtain from the Independent Auditor assurance that Section 10A(b) of the Exchange Act has not been implicated.

2. Obtain reports from management, the Corporation s senior internal auditing executive and the Independent Auditor that the Corporation and its subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Corporation s Code of Ethics.

3. Review reports and disclosures of insider and affiliated party transactions.

4. Advise the Board with respect to the Corporation s policies and procedures regarding compliance with applicable laws and regulations and with the Corporation s Code of Ethics.

5. Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

6. Discuss with management and the Independent Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Corporation s financial statements or accounting policies.

7. Discuss with the Corporation s general counsel (if any) or outside legal counsel any legal matters that may have a material impact on the financial statements or the Corporation s compliance policies.

G. Limitation of Audit Committee s Role

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Independent Auditor.

EXHIBIT II.B

TO THE

AUDIT COMMITTEE CHARTER OF

NORD RESOURCES CORPORATION

AUDIT COMMITTEE MEMBER INDEPENDENCE REQUIREMENTS

AMEX Rule 121A

The definition of independent director , as specified in Rule 121A of the AMEX Company Guide, is set forth below:

"Independent director" means a person other than an officer or employee of the company or any parent or subsidiary. No director qualifies as independent unless the Board of Directors affirmatively determines that the director does not have a material relationship with the listed Corporation that would interfere with the exercise of independent judgment. In addition, audit committee members must also comply with the requirements set forth in the paragraph below. The following is a non-exclusive list of persons who shall not be considered independent:

(a) a director who is, or during the past three years was, employed by the company or by any parent or subsidiary of the company, other than prior employment as an interim Chairman or CEO;

(b) a director who accepts or has an immediate family member who accepts any payments from the company or any parent or subsidiary of the company in excess of $60,000 during the current or any of the past three fiscal years, other than the following:

(1) compensation for board service,

(2) payments arising solely from investments in the company's securities,

(3) compensation paid to an immediate family member who is a non- executive employee of the company or of a parent or subsidiary of the company,

(4) compensation received for former service as an interim Chairman or CEO,

(5) benefits under a tax-qualified retirement plan,

(6) non-discretionary compensation,

(7) loans permitted under Section 13(k) of the Exchange Act,

(8) loans from a financial institution provided that the loans (i) were made in the ordinary course of business, (ii) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with the general public, (iii) did not involve more than a normal degree of risk or other unfavorable factors, and (iv) were not otherwise subject to the specific disclosure requirements of SEC Regulation S-K, Item 404, or

(9) payments from a financial institution in connection with the deposit of funds or the financial institution acting in an agency capacity, provided such payments were (i) made in the ordinary course of business, (ii) made on substantially the same terms as those prevailing at the time for comparable transactions with the general public , and (iii) not otherwise subject to the disclosure requirements of SEC Regulation S-K, Item 404.

Exchange Act Rule 10A-3

In order to be considered independent for the purposes of Rule 10A-3, a director must meet the following independence standards:

(i) Each member of the audit committee must be a member of the board of directors of the listed issuer, and must otherwise be independent.

(ii) In order to be considered to be independent, a member of an audit committee may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee:

(A) Accept directly or indirectly any consulting, advisory, or other compensatory fee from the issuer or any subsidiary thereof, provided that, unless the rules of the national securities exchange or national securities association provide otherwise, compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the listed issuer (provided that such compensation is not contingent in any way on continued service); or

(B) Be an affiliated person of the issuer or any subsidiary thereof.

The following definitions apply to the determination of independence under Rule 10A-3:

(1) (i) The term affiliate of, or a person affiliated with, a specified person, means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

(ii) A person will be deemed not to be in control of a specified person for purposes of this section if the person:

(1) Is not the beneficial owner, directly or indirectly, of more than 10% of any class of voting equity securities of the specified person; and
(2) Is not an executive officer of the specified person.

(iii) The following will be deemed to be affiliates:

(A) An executive officer of an affiliate;

(B) A director who also is an employee of an affiliate;

(C) A general partner of an affiliate; and

(D) A managing member of an affiliate.

(2) The term control (including the terms controlling, controlled by and under common control with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

(3) The term executive officer has the meaning set forth in 17 CFR §240.3b -7.

(4) The term indirect acceptance by a member of an audit committee of any consulting, advisory or other compensatory fee includes acceptance of such a fee by a spouse, a minor child or stepchild or a child or stepchild sharing a home with the member or by an entity in which such member is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary of the issuer.

(5) The terms listed and listing refer to securities listed on a national securities exchange or listed in an automated inter-dealer quotation system of a national securities association or to issuers of such securities.

EXHIBIT II.C

TO THE

AUDIT COMMITTEE CHARTER OF

NORD RESOURCES CORPORATION

AUDIT COMMITTEE FINANCIAL LITERACY REQUIREMENTS

AMEX Rule 121B(a(ii))

Each member of the Audit Committee will qualify as being financially literate if he or she:

is able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement. Additionally, the company must certify that it has, and will continue to have, at least one member of the audit committee who is financially sophisticated, in that he or she has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including but not limited to being or having been a chief executive officer, chief financial officer, other senior officer with financial oversight responsibilities. A director who qualifies as an audit committee financial expert under Item 401(h) of Regulation S-K, [or] Item 401(e) of Regulation S-B is presumed to qualify as financially sophisticated .

EXHIBIT II.D

TO THE

AUDIT COMMITTEE CHARTER OF

NORD RESOURCES CORPORATION

DEFINITION OF AUDIT COMMITTEE FINANCIAL EXPERT

As of the date of adoption of the Audit Committee Charter, audit committee financial expert is defined in the same way in Item 401(h) of Regulation S-K and Item 401(e) of Regulation S-B, as follows:

(2) For purposes of this Item, an audit committee financial expert means a person who has the following attributes:

(i) An understanding of generally accepted accounting principles and financial statements;

(ii) The ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;

(iii) Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the small business issuer s financial statements, or experience actively supervising one or more persons engaged in such activities;

(iv) An understanding of internal controls and procedures for financial reporting; and

(v) An understanding of audit committee functions.

(ii) The designation or identification of a person as an audit committee financial expert pursuant to this Item 401 does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the audit committee and board of directors in the absence of such designation or identification.

(iii) The designation or identification of a person as an audit committee financial expert pursuant to this Item 401 does not affect the duties, obligations or liability of any other member of the audit committee or board of directors.

EXHIBIT B

EXECUTIVE COMMITTEE CHARTER

NORD RESOURCES CORPORATION
(the Corporation)

EXECUTIVE COMMITTEE CHARTER

I. Purpose, Goals and Responsibilities

The purpose of the Executive Committee is to exercise, except as otherwise provided in Section 141(c)(1) of the Delaware General Corporation Law and Section 3.10 of the Corporation's ByLaws, all the powers and authority of the Board in the management of the property, affairs and business of the Corporation.

II. Organization

The Executive Committee shall consist of three or more directors. A majority of the members of the Committee shall be independent directors.

Committee members shall be elected by the Board; members shall serve until their successors shall be duly elected and qualified. The Committee's Chairperson shall be designated by the Board or, if it does not do so, the Committee members shall elect a Chairperson by vote of a majority of the full Committee.

The Committee may form and delegate authority to subcommittees when appropriate.

III. Structure and Meetings

The Chairperson of the Executive Committee will preside at each meeting of the Committee and, in consultation with the other members of the Committee, shall set the frequency and length of each meeting and the agenda of items to be addressed at each meeting.

EXHIBIT C

CERTIFICATE OF AMENDMENT
TO THE
AMENDED CERTIFICATE OF INCORPORATION
OF
NORD RESOURCES CORPORATION

It is hereby certified that:

1. The name of the corporation (hereinafter called the Corporation) is NORD RESOURCES CORPORATION and the certificate of incorporation of the Corporation was filed on January 18, 1971.

2. Pursuant to Section 242 of the Delaware General Corporation Law, the certificate of incorporation of the Corporation is hereby amended by inserting the following Article 4, subparagraph A immediately following Article 4:

4A: Effective at 5:00 p.m. (Delaware time) on the date this Certificate of Amendment to the Amended Certificate of Incorporation is filed with the Secretary of State of the State of Delaware (the Effective Time), each u**[two to six]***
shares of the Corporation s Common Stock, par value $0.01 per share, issued and outstanding immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof, be combined and converted into one (1) share of Common Stock, par value $0.01 per share, of the Corporation, subject to the treatment of fractional share interests set forth below. No fractional shares of Common Stock shall be issued by the Corporation, and the Corporation shall not recognize on its stock record books any purported transfer of any purported fractional share interest. A holder of Common Stock immediately prior to the Effective Time who would otherwise be entitled to a fraction of a share as a result of the reverse stock split effected hereby (which shall be determined on the basis of the total number of shares of Common Stock held by a holder of record immediately prior to the Effective Time) shall, in lieu thereof, be entitled to receive a cash payment in an amount equal to the fraction to which the stockholder would otherwise be entitled multiplied by the average of the closing prices of the Common Stock on the relevant market (as adjusted to reflect the reverse stock split) during the ten consecutive trading days ending on the trading day immediately prior to the day on which the Effective Time occurs (or if such price is not available, such other price determined by the Board of Directors).

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* These amendments approve the combination of any whole number of shares of Common Stock between and including two (2) and six (6) into one (1) share of Common Stock. By these amendments, the stockholders would approve each of the five amendments proposed by the Board of Directors. The Certificate of Amendment filed with the Secretary of State of the State of Delaware will include only that amendment determined by the Board of Directors to be in the best interests of the Corporation and its stockholders. The other four amendments will be abandoned pursuant to Section 242(c) of the Delaware General Corporation Law. The Board of Directors may also elect not to do any reverse split in which case all five proposed amendments will be abandoned. In accordance with the resolutions to be adopted by the stockholders, the Board of Directors will not implement any amendment providing for a different split ratio.

3. The foregoing was duly adopted in accordance with Sections 141 and 242 of the Delaware General Corporation Law by resolution of the Board of Directors of the Corporation on February 15, 2006 and approved by the holders of a majority of the capital stock outstanding and entitled to vote at a special meeting of stockholders of the Corporation on u, 2006.

Signed as of the u day of u, 2006.

u

ATTESTED TO:

u

EXHIBIT D

CERTIFICATE OF AMENDMENT
TO THE
AMENDED CERTIFICATE OF INCORPORATION
OF
NORD RESOURCES CORPORATION

It is hereby certified that:

1. The name of the corporation (hereinafter called the Corporation) is NORD RESOURCES CORPORATION and the certificate of incorporation of the Corporation was filed on January 18, 1971.

2. The amended certificate of incorporation of the Corporation is hereby amended by striking the first paragraph of Article 4 thereof and by substituting in lieu of said Article the following new first paragraph of Article 4:

4: The total number of shares of stock which the Corporation has authority to issue is One Hundred Million (100,000,000) and the par value of each such share is One Cent, $.01, amounting in the aggregate to One Million ($1,000,000) Dollars.

3. The foregoing was duly adopted in accordance with Sections 141 and 242 of the Delaware General Corporation Law by resolution of the Board of Directors of the Corporation on February 15, 2006 and approved by the holders of a majority of the capital stock outstanding and entitled to vote at the annual meeting of stockholders of the Corporation on u, 2006.

Signed as of the u day u, 2006.

u

ATTESTED TO:

u

EXHIBIT E

2006 STOCK INCENTIVE PLAN

NORD RESOURCES CORPORATION

2006 STOCK INCENTIVE PLAN

1. PURPOSE

1.1 The purpose of this Stock Incentive Plan of Nord Resources Corporation (the **Company**) is to advance the interests of the Company by encouraging Eligible Participants (as herein defined) to acquire shares of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnish them with additional incentive in their efforts of the Company in the conduct of their affairs.

1.2 This Plan is specifically designed for Eligible Participants of the Company who are residents of the United States and/or subject to taxation in the United States, although Awards (as herein defined) under this Plan may be issued to other Eligible Participants.

2. DEFINITIONS

2.1 As used herein, the following definitions shall apply:

(a) **2006 Deferred Stock Unit Plan for Directors** means the Company s plan that contains additional provisions applicable to Awards that, upon election by the Grantee or determination by the Board, will be comprised of Deferred Stock Units;

(b) **Administrator** means the Board or a Committee of the Board duly appointed by the Board as the Administrator hereof;

(c) **Affiliate** and **Associate** shall have the respective meanings ascribed to such terms in Rule 12b-2 promulgated under the *Exchange Act*;

(d) **Applicable Laws** means the legal requirements relating to the administration of stock incentive plans, if any, under applicable provisions of federal securities laws, state corporate laws, state or provincial securities laws, the Code, the rules of any applicable stock exchange or national market system, and the rules of any foreign jurisdiction applicable to Awards granted to residents therein;

(e) **Award** means the grant of an Option, SAR, Restricted Stock, Restricted Stock Unit, or other right or benefit under the Plan, or a Deferred Stock Unit administered under the 2006 Deferred Stock Unit Plan for Directors;

(f) **Award Agreement** means the written agreement evidencing the grant of an Award executed by the Company and the Grantee, including any amendments thereto;

(g) **Award Right** means each right to acquire a Share pursuant to an Award;

(h) **Board** means the Board of Directors of the Company;

(i) **Cause** means, with respect to the termination by the Company or a Related Entity of the Grantee s Continuous Service, that such termination is for Cause as such term is expressly defined in a then-effective written agreement between the Grantee and the Company or such

Related Entity, or in the absence of such then-effective written agreement and definition, is based on, in the determination of the Administrator, the Grantee s:

(i) refusal or failure to act in accordance with any specific, lawful direction or order of the Company or a Related Entity;

(ii) unfitness or unavailability for service or unsatisfactory performance (other than as a result of Disability);

(iii) performance of any act or failure to perform any act in bad faith and to the detriment of the Company or a Related Entity;

(iv) dishonesty, intentional misconduct or material breach of any agreement with the Company or a Related Entity; or

(v) commission of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person;

(j) **Change in Control** means a change in ownership or control of the Company effected through either of the following transactions:

(i) the direct or indirect acquisition by any person or related group of persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company s outstanding securities pursuant to a tender or exchange offer made directly to the Company s shareholders which a majority of the Continuing Directors who are not Affiliates or Associates of the offeror do not recommend such shareholders accept;

(ii) a change in the composition of the Board over a period of thirty-six (36) months or less such that a majority of the Board members (rounded up to the next whole number) ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who are Continuing Directors;

(iii) the Company sells, leases or exchanges (in one or a series of transactions) all or substantially all of its assets to any other person or entity; or

(iv) the shareholders approve a plan to dissolve and liquidate the Company.

Notwithstanding the foregoing, the following transactions shall not constitute a **Change of Control** : (1) the closing of any public offering of the Company s securities pursuant to an effective registration statement filed under the *Securities Act of 1933*, as amended, and (2) the closing of a public offering of the Company s securities through the facilities of any stock exchange;

(k) **Code** means the United States *Internal Revenue Code of 1986*, as amended;

(l) **Committee** means the Compensation Committee or any other committee appointed by the Board to administer the Plan;

(m) **Common Stock** means the common stock of the Company;

(n) **Company** means Nord Resources Corporation, a Delaware corporation;

(o) **Consultant** means any person (other than an Employee) who is engaged by the Company or any Related Entity to render consulting or advisory services to the Company or such Related Entity;

(p) **Continuing Directors** means members of the Board who either (i) have been Board members continuously for a period of at least thirty-six (36) months, or (ii) have been Board members for less than thirty-six (36) months and were appointed or nominated for election as Board members by at least a majority of the Board members described in clause (i) who were still in office at the time such appointment or nomination was approved by the Board;

(q) **Continuous Service** means that the provision of services to the Company or a Related Entity in any capacity of Employee, Director or Consultant that is not interrupted or terminated. Continuous Service shall not be considered interrupted in the case of (i) any approved leave of absence, (ii) transfers between locations of the Company or among the Company, any Related Entity, or any successor, in any capacity of Employee, Director or Consultant, or (iii) any change in status as long as the individual remains in the service of the Company or a Related Entity in any capacity of Employee, Director or Consultant (except as otherwise provided in the Award Agreement). An approved leave of absence shall include sick leave, maternity or paternity leave, military leave, or any other authorized personal leave. For purposes of Options, no such leave may exceed ninety (90) days, unless reemployment upon expiration of such leave is guaranteed by statute or contract;

(r) **Corporate Transaction** means any of the following transactions:

(i) a merger or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is organized;

(ii) the sale, transfer or other disposition of all or substantially all of the assets of the Company (including the capital stock of the Company s subsidiary corporations) in connection with the complete liquidation or dissolution of the Company; or

(iii) any reverse merger in which the Company is the surviving entity but in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company s outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such merger;

(s) **Covered Employee** means an Employee who is a **covered employee** under Section 162(m)(3) of the Code;

(t) **Deferred Stock Unit** has the meaning assigned in the 2006 Deferred Stock Unit Plan for Directors;

(u) **Director** means a member of the Board or the board of directors of any Related Entity;

(v) **Disability** means that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental

impairment. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Administrator in its discretion;

(w) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company s shareholders at a duly constituted shareholders meeting, excluding votes attached to shares beneficially owned by Insiders;

(x) **Eligible Participant** means any person who is an Officer, a Director, an Employee or a Consultant;

(y) **Employee** means any person who is a full-time or part-time employee of the Company or any Related Entity;

(z) **Exchange Act** means the *Securities Exchange Act of 1934*, as amended;

(aa) **Fair Market Value** means, as of any date, the value of Common Stock determined as follows:

(i) where there exists a public market for the Common Stock, the Fair Market Value shall be (A) the closing price for a Share for the last market trading day prior to the time of the determination (or, if no closing price was reported on that date, on the last trading date on which a closing price was reported) on the stock exchange determined by the Administrator to be the primary market for the Common Stock or the Nasdaq National Market, whichever is applicable, or (B) if the rules of the applicable stock exchange require, the volume-weighted average trading price for five (5) days prior to the date the Board approves the grant of the Award, or (C) if the Common Stock is not traded on any such exchange or national market system, the average of the closing bid and asked prices of a Share on the Nasdaq SmallCap Market for the day prior to the time of the determination (or, if no such prices were reported on that date, on the last date on which such prices were reported), in each case, as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or

(ii) in the absence of an established market for the Common Stock of the type described in paragraph 2.1(aa)(i), above, the Fair Market Value thereof shall be determined by the Administrator in good faith;

(bb) **Grantee** means an Eligible Participant who receives an Award pursuant to an Award Agreement, and includes a Director who receives a Deferred Stock Unit pursuant to an Award Agreement under this Plan and administered under the 2006 Deferred Stock Unit Plan for Directors;

(cc) **Incentive Stock Option** means an Option within the meaning of Section 422 of the Code;

(dd) **Insider** means:

(i) a Director or Senior Officer of the Company;

(ii) a Director or Senior Officer of a person that is itself an Insider or Subsidiary of the Company;

(iii) a person that has

(A) direct or indirect beneficial ownership of,

(B) control or direction over, or

(C) a combination of direct or indirect beneficial ownership of and control or direction over,

securities of the Company carrying more than ten percent (10%) of the voting rights attached to all the Company s outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution; or

(iv) the Company itself, if it has purchased, redeemed or otherwise acquired any securities of its own issue, for so long as it continues to hold those securities;

(ee) **Non-Qualified Stock Option** means an Option which is not an Incentive Stock Option;

(ff) **Officer** means a person who is an officer, including a Senior Officer, of the Company or a Related Entity within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder;

(gg) **Option** means an option to purchase Shares pursuant to an Award Agreement granted under the Plan;

(hh) **Parent** means a **parent corporation** , whether now or hereafter existing, as defined in Section 424(e) of the Code;

(ii) **Performance - Based Compensation** means compensation qualifying as **performance-based compensation** under Section 162(m) of the Code;

(jj) **Performance Shares** means Shares or an Award denominated in Shares which may be earned in whole or in part upon attainment of performance criteria established by the Administrator;

(kk) **Performance Units** means an Award which may be earned in whole or in part upon attainment of performance criteria established by the Administrator and which may be settled for cash, Shares or other securities or a combination of cash, Shares or other securities as established by the Administrator;

(ll) **Plan** means this 2006 Stock Incentive Plan as amended from time to time;

(mm) **Related Entity** means any Parent, Subsidiary and any business, corporation, partnership, limited liability company or other entity in which the Company, a Parent or a Subsidiary holds a greater than fifty percent (50%) ownership interest, directly or indirectly;

(nn) **Related Entity Disposition** means the sale, distribution or other disposition by the Company of all or substantially all of the Company s interests in any Related Entity effected by a

sale, merger or consolidation or other transaction involving that Related Entity or the sale of all or substantially all of the assets of that Related Entity.

(oo) **Restricted Stock** means Shares issued under the Plan to the Grantee for such consideration, if any, and subject to such restrictions on transfer, rights of first refusal, repurchase provisions, forfeiture provisions, and other terms and conditions as established by the Administrator and specified in the related Award Agreement;

(pp) **Restricted Stock Unit** means a notional account established pursuant to an Award granted to a Grantee, as described in Part 7, that is (i) valued solely by reference to Shares, (ii) subject to restrictions specified in the Award Agreement, and (iii) payable only in Shares;

(qq) **Restriction Period** means the period during which the transfer of Shares of Restricted Stock is limited in some way (based on the passage of time, the achievement of performance objectives, or the occurrence of other events as determined by the Administrator, in its sole discretion) or the Restricted Stock is not vested;

(rr) **SAR** means a stock appreciation right entitling the Grantee to Shares or cash compensation, as established by the Administrator, measured by appreciation in the value of Common Stock;

(ss) **Senior Officer** means:

(i) the chair or vice chair of the Board, the president, a vice-president, the secretary, the treasurer or the general manager of the Company or a Related Entity;

(ii) any individual who performs functions for a person similar to those normally performed by an individual occupying any office specified in paragraph 2.1(ss)(i) above; and

(iii) the five (5) highest paid employees of the Company or a Related Entity, including any individual referred to in paragraph 2.1(ss)(i) or 2.1(ss)(ii) and excluding a commissioned salesperson who does not act in a managerial capacity;

(tt) **Share** means a share of the Common Stock; and

(uu) **Subsidiary** means a **subsidiary corporation** , whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. STOCK SUBJECT TO THE PLAN

3.1 Subject to the provisions of Part 15, the maximum aggregate number of Shares which may be issued pursuant to all Awards under this Plan and the 2006 Deferred Stock Unit Plan for Directors is Shares. The Shares to be issued pursuant to Awards may be authorized, but unissued, or reacquired Common Stock. Any Shares covered by an Award (or portion of an Award) which is forfeited or cancelled, expires or is settled in cash, shall be deemed not to have been issued for purposes of determining the maximum aggregate number of Shares which may be issued under the Plan. Shares that have been issued under the Plan pursuant to an Award shall not be returned to the Plan and shall not become available for future issuance under the Plan; except that any Shares that are forfeited or repurchased by the Company at their original purchase price shall be returned to, and thereafter shall be available for reissuance under, the Plan.

3.2 The number of securities issuable to Insiders, at any time, under all of the Company s security based compensation arrangements, cannot exceed ten percent (10%) of the Company s total issued and outstanding Common Stock, unless the Company obtains Disinterested Shareholder Approval.

3.3 The number of securities issued to Insiders, within any one year period, under all of the Company s security based compensation arrangements, cannot exceed ten percent (10%) of the issued and outstanding Common Stock, unless the Company obtains Disinterested Shareholder Approval.

4. ADMINISTRATION

Plan Administrator

4.1 (a) **Administration with Respect to Eligible Participants**. With respect to grants of Awards to Eligible Participants, the Plan shall be administered by (i) the Board or (ii) a Committee designated by the Board, which Committee shall be constituted in such a manner as to satisfy the Applicable Laws. Once appointed, such Committee shall continue to serve in its designated capacity until otherwise directed by the Board.

(b) **Administration With Respect to Covered Employees**. Notwithstanding the foregoing, grants of Awards to any Covered Employee intended to qualify as Performance-Based Compensation shall be made only by a Committee (or subcommittee of a Committee) which is comprised solely of two or more Directors eligible to serve on a committee making Awards qualifying as Performance-Based Compensation. In the case of such Awards granted to Covered Employees, references to the **Administrator** or to a **Committee** shall be deemed to be references to such Administrator or subcommittee.

Powers of the Administrator

4.2 Subject to Applicable Laws and the provisions of the Plan (including any other powers given to the Administrator hereunder), and except as otherwise provided by the Board, the Administrator shall have the authority, in its discretion:

(a) to select the Eligible Participants to whom Awards may be granted from time to time hereunder;

(b) to determine whether and to what extent Awards are granted hereunder;

(c) to determine the number of Shares or the amount of other consideration to be covered by each Award granted hereunder;

(d) to approve forms of Award Agreements for use under the Plan;

(e) to determine the terms and conditions of any Award granted under the Plan;

(f) to amend the terms of any outstanding Award granted under the Plan, provided that any amendment that would adversely affect the Grantee s rights under an existing Award shall not be made without the Grantee s consent unless as a result of a change in Applicable Law;

(g) to suspend the right of a holder to exercise all or part of an Award for any reason that the Administrator considers in the best interest of the Company;

(h) subject to regulatory approval, amend or suspend the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan, will, without the written consent of all Grantees, alter or impair any Award granted under the Plan unless as a result of a change in the Applicable Law;

(i) to establish additional terms, conditions, rules or procedures to accommodate the rules or laws of applicable foreign jurisdictions and to afford Grantees favorable treatment under such laws; provided, however, that no Award shall be granted under any such additional terms, conditions, rules or procedures with terms or conditions which are inconsistent with the provisions of the Plan; and

(j) to take such other action, not inconsistent with the terms of the Plan, as the Administrator deems appropriate.

Effect of Administrator s Decision

4.3 All decisions, determinations and interpretations of the Administrator shall be conclusive and binding on all persons.

5. ELIGIBILITY

5.1 All Awards may be granted to Eligible Participants. An Eligible Participant who has been granted an Award may be, if they continue to be eligible, granted additional Awards.

6. AWARDS

Type of Awards

6.1 The Administrator is authorized to award any type of arrangement to an Eligible Participant that is not inconsistent with the provisions of the Plan and that by its terms involves or might involve the issuance of

(a) Shares,

(b) Options,

(c) SARs or similar rights with a fixed or variable price related to the Fair Market Value of the Shares and with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions, or

(d) any other security with the value derived from the value of the Shares, such as sales or bonuses of Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares, and an Award may consist of one such security or benefit, or two (2) or more of them in any combination or alternative.

Designation of Award

6.2 Each Award shall be designated in the Award Agreement. In the case of an Option, the Option shall be designated as either an Incentive Stock Option or a Non-Qualified Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of Shares subject to Options designated as Incentive Stock Options which become exercisable for the first time by a Grantee during any calendar year (under all plans of the Company or any Parent or Subsidiary) exceeds $100,000, such excess Options, to the extent of the Shares covered thereby in excess of the foregoing limitation, shall be treated as Non-Qualified Stock Options. For this purpose, Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the date the Option with respect to such Shares is granted.

7. RESTRICTED STOCK UNITS

Deferral of Compensation into Restricted Stock Units

7.1 Subject to the terms and provisions of the Plan, the Administrator may, at any time and from time to time, allow (or require, as to bonuses) an Eligible Participant to defer the payment of any portion of his or her annual retainer, salary, fee, attendance fee and/or bonus pursuant to this Section 7.1. A Grantee s deferral under this section will be credited to the Grantee in the form of Restricted Stock Units. The Administrator will establish rules and procedures for the deferrals, as it deems appropriate. If a Grantee s compensation is deferred, he or she will be credited, as of the date specified in the Award Agreement, with a number of Restricted Stock Units no less than the amount of the deferral divided by the Fair Market Value on that date, rounded to the nearest whole unit. Any Restricted Stock Unit granted pursuant to this section 7.1 will be exercised in accordance with the Award Agreement on a cashless basis.

Conditions of Restricted Stock Units

7.2 The Restricted Stock Units awarded to the Grantee will vest according to the time-based or performance-based criteria specified in the Award Agreement. The Award Agreement will also specify the number of Share equivalent units granted and such other provisions as the Administrator determines.

Settlement of Restricted Stock Units

7.3 Each Restricted Stock Unit shall be paid or settled by the issuance of one Share upon vesting on such terms as may be determined by the Administrator, or, if the Restricted Stock Unit shall not have vested, upon the termination of the Grantee s service as a Director, Officer or Employee or Consultant, provided that such termination of service shall have occurred:

(a) in the case of a Director, after the age (if applicable) at which the Director ceases to be eligible under the Company s by-laws to stand for re-election to the Board;

(b) after the completion of such minimum number of years of service as a Director, Officer or Employee as the Administrator may determine, provided that such minimum number of years shall not be less than one nor greater than five;

(c) in the case of a Consultant, upon successful completion of the contract that governs the consulting or advisory services the Consultant provided to the Company;

(d) as a result of the Eligible Participant s death or disability; or

(e) in connection with or as a result of a Change in Control.

In the event such Grantee s service as a Director, Officer, Employee or Consultant shall terminate in circumstances other than those specified in paragraphs (a) through (e) of this Section 7.3, any Restricted Stock Units that have not vested prior to the date of termination shall automatically expire, and all of the rights, title and interest of the recipient thereunder shall be forfeited in their entirety. Notwithstanding the foregoing:

(i) in no event shall Shares be issued pursuant to a Restricted Stock Unit granted under this Part 7 if a Grantee s service as an Eligible Participant terminates less than six months after the date of grant for any reason other than death or disability;

(ii) no Grantee who is a resident of Canada will be awarded a Restricted Stock Unit on terms whereby such Restricted Stock Unit would constitute a salary deferral arrangement within the meaning assigned that term under the *Income Tax Act* (Canada).

Issuance of Shares Upon Lapse of Restrictions

7.4 A stock certificate or certificates shall be registered and issued in the name of the holder of Restricted Stock Units and delivered to such holder as soon as practicable after such Restricted Stock Units have become payable or satisfied in accordance with the terms of the Plan.

8. TERMS AND CONDITIONS OF AWARDS

Conditions of Award

8.1 Subject to the terms of the Plan and Applicable Laws, the Administrator shall determine the provisions, terms, and conditions of each Award including, but not limited to, the Award vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions, form of payment (cash, Shares, or other consideration) upon settlement of the Award, payment contingencies, and satisfaction of any performance criteria. The performance criteria established by the Administrator may be based on any one of, or combination of, increase in share price, earnings per share, total shareholder return, return on equity, return on assets, return on investment, net operating income, cash flow, revenue, economic value added, personal management objectives, or other measures of performance selected by the Administrator. Partial achievement of the specified criteria may result in a payment or vesting corresponding to the degree of achievement as specified in the Award Agreement. The Administrator may provide that restrictions established under this Section 8.1 as to any given Award will lapse all at once or in installments.

Acquisitions and Other Transactions

8.2 The Administrator may issue Awards under the Plan in settlement, assumption or substitution for, outstanding Awards or obligations to grant future Awards in connection with the Company or a Related Entity acquiring another entity, an interest in another entity or an additional interest in a Related Entity whether by merger, stock purchase, asset purchase or other form of transaction.

Deferral of Award Payment

8.3 The Administrator may establish one or more programs under the Plan to permit selected Grantees the opportunity to elect to defer receipt of consideration upon exercise of an Award, satisfaction of performance criteria, or other event that absent the election would entitle the Grantee to payment or receipt of Shares or other consideration under an Award. The Administrator may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts, Shares or other consideration so deferred, and such other terms, conditions, rules and procedures that the Administrator deems advisable for the administration of any such deferral program.

Award Exchange Programs

8.4 Subject to Part 9 and Applicable Laws, the Administrator may establish one or more programs under the Plan to permit selected Grantees to exchange an Award under the Plan for one or more other types of Awards under the Plan on such terms and conditions as determined by the Administrator from time to time.

Separate Programs

8.5 The Administrator may establish one or more separate programs under the Plan for the purpose of issuing particular forms of Awards to one or more classes of Grantees on such terms and conditions as determined by the Administrator from time to time.

Early Exercise

8.6 The Award Agreement may, but need not, include a provision whereby the Grantee may elect at any time while an Eligible Participant to exercise any part or all of the Award prior to full vesting of the Award. Any unvested Shares received pursuant to such exercise may be subject to a repurchase right in favor of the Company or a Related Entity or to any other restriction the Administrator determines to be appropriate.

Term of Award

8.7 The term of each Award shall be the term stated in the Award Agreement, provided, however, that the term of an Option shall be no more than ten (10) years from the date of grant thereof. However, in the case of an Incentive Stock Option granted to a Grantee who, at the time the Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Option shall be five (5) years from the date of grant thereof or such shorter term as may be provided in the Award Agreement.

Transferability of Awards

8.8 Options may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Grantee, only by the Grantee; provided, however, that the Grantee may designate a beneficiary of the Grantee s Option in the event of the Grantee s death on a beneficiary designation form provided by the Administrator. Other Awards shall be transferable to the extent provided in the Award Agreement.

Time of Granting Awards

8.9 The date of grant of an Award shall for all purposes be the date on which the Board makes the determination to grant such Award, or such other date as is determined by the Board. Notice of the grant determination shall be given to each Employee, Director or Consultant to whom an Award is so granted within a reasonable time after the date of such grant.

9. ADDITIONAL TERMS IF THE COMPANY BECOMES LISTED ON A STOCK EXCHANGE

9.1 In the event the Company becomes listed on a stock exchange then the following terms and conditions shall apply to an Award in addition to those contained herein, as applicable:

(a) the exercise price of an Award must not be lower than the market price (without discount) of the shares on the stock exchange at the time the Award is granted; and

(b) the exercise price of an Award granted to an Insider cannot be reduced, or the term of the Award cannot be extended to benefit an Insider, unless the Company obtains Disinterested Shareholder Approval.

10. PLAN AMENDMENTS REQUIRING SHAREHOLDER APPROVAL

10.1 Ordinary shareholder approval will be required for the following types of amendments to the Plan:

(a) any increase in the number of Common Stock issuable under the Plan, including an increase to a fixed maximum number of Common Stock or a change from a fixed maximum number of Common Stock to a fixed maximum percentage; provided however that a change to a fixed maximum percentage which was previously approved by the shareholders will not require additional shareholder approval;

(b) any change to those persons who are entitled to become participants under the Plan which would have the potential of broadening or increasing Insider participation; or

(c) the addition of any form of financial assistance.

11. AMENDMENTS TO THE PLAN NOT REQUIRING SHAREHOLDER APPROVAL

11.1 Subject to Applicable Law, the Plan Administrator may in its absolute discretion, amend or modify the Plan as follows:

(a) make amendments which are of a housekeeping or clerical nature;

(b) change the vesting provisions of an Award granted hereunder, as applicable, except for an Award granted to an Insider; and

(c) change the termination provision of an Award granted hereunder, as applicable, which does not entail an extension beyond the original expiry date of such Award.

12. AWARD EXERCISE OR PURCHASE PRICE, CONSIDERATION, TAXES AND RELOAD OPTIONS

Award Rights Interpretation

12.1 For the purpose of this Part 12, each holder of an Award will be considered to have that number of Award Rights with respect to the Award that equals the number of Shares that may be acquired under that Award.

Exercise or Purchase Price

12.2 The exercise or purchase price, if any, for an Award shall be as follows:

(a) in the case of an Incentive Stock Option:

(i) granted to an Eligible Participant who, at the time of the grant of such Option owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price shall be not less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant; or

(ii) granted to any Eligible Participant other than an Eligible Participant described in the preceding paragraph, the per Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant;

(b) subject to Part 9, in the case of a Non-Qualified Stock Option, the per Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant unless otherwise determined by the Administrator;

(c) in the case of Awards intended to qualify as Performance-Based Compensation, the exercise or purchase price, if any, shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant; or

(d) subject to Part 9, in the case of other Awards, such price as is determined by the Administrator.

Manner of Exercise

12.3 Subject to section 7.1, A Grantee who wishes to exercise an Award shall do so by delivering to the Company a written notice in which the Grantee shall

(a) specify the number of Award Rights that the Grantee is exercising, and

(b) elect whether to

(i) exercise those Award Rights in the normal manner, in which case the Grantee shall also deliver with the notice, cash or a certified check payable to the Company for the aggregate exercise price (calculated in accordance with Section 12.2) for the Shares to be acquired upon exercise of an Award, or

(ii) dispose of those Award Rights in a net-stock settled manner, in which case the Grantee shall be deemed to have disposed of the Grantee s rights under this Plan to

exercise the specified number of Award Rights in the normal manner, and to have received as consideration therefore, and in full and final satisfaction of those disposed Award Rights ,the right to receive that number of Shares calculated in accordance with Section 12.6.

Deemed Net-Stock Exercise

12.4 Subject to Section 4.2, the Company may in its sole discretion by written notice, delivered within the time limit set out in Section 12.5, to a Grantee who elects under Section 12.3 with respect to some or all of the Grantee s Award Rights, require the Grantee to accept that number of Shares determined in accordance with Section 12.6, and upon delivery of such notice the Grantee shall be deemed to have elected to dispose of those Awards pursuant to paragraph 12.3(b)(ii) with effect as of the day on which the Grantee actually delivered the Grantee s notice in accordance with Section 12.3.

12.5 A notice delivered pursuant to Section 12.4 shall be delivered within five business days after the date on which the Grantee delivered the Grantee s notice to the Company in accordance with Section 12.3.

Calculation of Shares To Be Issued on Net-Stock Exercise

12.6 The number of Shares to be issued to a Grantee who elects, or is deemed to have elected, under paragraph 12.3(b)(ii) to dispose of a specified number of Award Rights shall be calculated as follows, rounded down to the nearest whole integer:

where:

a = number of Shares to be calculated
b = specified number of Award Rights
c = Current price of a Share
d = Exercise price of the Award Rights

12.7 In Section 12.6 Current Price of a Share means the amount that would be the exercise price of an Award granted on the date on which the Grantee elected, or is deemed to have elected, to have disposed of the specified number of Award Rights in accordance with Section 12.3.

Taxes

12.8 No Shares shall be delivered under the Plan to any Grantee or other person until such Grantee or other person has made arrangements acceptable to the Administrator for the satisfaction of any foreign, federal, state, provincial, or local income and employment tax withholding obligations, including, without limitation, obligations incident to the receipt of Shares or the disqualifying disposition of Shares received on exercise of an Option. Upon exercise of an Award, the Company shall withhold or collect from Grantee an amount sufficient to satisfy such tax obligations.

Reload Options

12.9 In the event the exercise price or tax withholding of an Option is satisfied by the Company or the Grantee s employer withholding Shares otherwise deliverable to the Grantee, the

Administrator may issue the Grantee an additional Option, with terms identical to the Award Agreement under which the Option was exercised, but at an exercise price as determined by the Administrator in accordance with the Plan.

13. EXERCISE OF AWARD

Procedure for Exercise; Rights as a Shareholder

13.1 Any Award granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator under the terms of the Plan and specified in the Award Agreement.

13.2 An Award shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Award by the person entitled to exercise the Award and full payment for the Shares with respect to which the Award is received by the Company. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the stock certificate evidencing such Shares, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to Shares subject to an Award, notwithstanding the exercise of the Award. The Company shall issue (or cause to be issued) such stock certificate promptly upon exercise of the Award. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in the Award Agreement or Part 15.

Exercise of Award Following Termination of Continuous Service

13.3 An Award may not be exercised after the termination date of such Award set forth in the Award Agreement and may be exercised following the termination of a Grantee s Continuous Service only to the extent provided in the Award Agreement.

13.4 Where the Award Agreement permits a Grantee to exercise an Award following the termination of the Grantee s Continuous Service for a specified period, the Award shall terminate to the extent not exercised on the last day of the specified period or the last day of the original term of the Award, whichever occurs first.

13.5 Any Award designated as an Incentive Stock Option to the extent not exercised within the time permitted by law for the exercise of Incentive Stock Options following the termination of a Grantee s Continuous Service shall convert automatically to a Non-Qualified Stock Option and thereafter shall be exercisable as such to the extent exercisable by its terms for the period specified in the Award Agreement.

Buyout Provisions

13.6 The Administrator may at any time offer to buy out for a payment in cash or Shares, an Award previously granted, based on such terms and conditions as the Administrator shall establish and communicate to the Grantee at the time that such offer is made.

14. CONDITIONS UPON ISSUANCE OF SHARES

14.1 Shares shall not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares pursuant thereto shall comply with all

Applicable Laws, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

14.2 As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any Applicable Laws.

14.3 Except as otherwise provided in this Part 14, and subject to applicable securities laws, Shares covered by each Restricted Stock grant will become freely transferable by the Grantee after the last day of the applicable Restriction Period, and Share equivalent units covered by a Restricted Unit will be paid out in Shares to the Grantee following the first day of the applicable Restriction Period, or on the date provided in the Award Agreement.

15. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION

15.1 Subject to any required action by the shareholders of the Company, the number of Shares covered by each outstanding Award, and the number of Shares which have been authorized for issuance under the Plan but as to which no Awards have yet been granted or which have been returned to the Plan, the exercise or purchase price of each such outstanding Award, as well as any other terms that the Administrator determines require adjustment shall be proportionately adjusted for (i) any increase or decrease in the number of issued Shares resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Shares, (ii) any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company, or (iii) as the Administrator may determine in its discretion, any other reorganization transaction with respect to Common Stock to which Section 424(a) of the Code applies; provided, however that conversion of any convertible securities of the Company shall not be deemed to have been effected without receipt of consideration. Such adjustment shall be made by the Administrator and its determination shall be final, binding and conclusive. Except as the Administrator determines, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or price of Shares subject to an Award.

16. CORPORATE TRANSACTIONS/CHANGES IN CONTROL/RELATED ENTITY DISPOSITIONS

16.1 Except as may be provided in an Award Agreement:

(a) the Administrator shall have the authority, exercisable either in advance of any actual or anticipated Corporate Transaction, Change in Control or Related Entity Disposition or at the time of an actual Corporate Transaction, Change in Control or Related Entity Disposition and exercisable at the time of the grant of an Award under the Plan or any time while an Award remains outstanding, to provide for the full automatic vesting and exercisability of one or more outstanding unvested Awards under the Plan and the release from restrictions on transfer and repurchase or forfeiture rights of such Awards in connection with a Corporate Transaction, Change in Control or Related Entity Disposition, on such terms and conditions as the Administrator may specify. The Administrator also shall have the authority to condition any such Award vesting and exercisability or release from such limitations upon the subsequent termination of the Continuous Service of the Grantee within a specified period following the effective date of the Corporate Transaction, Change in Control or Related Entity Disposition. The Administrator may provide that any Awards so vested or released from such limitations in connection with a Change in Control or Related Entity Disposition, shall remain fully exercisable

until the expiration or sooner termination of the Award. Effective upon the consummation of a Corporate Transaction, all outstanding Awards under the Plan shall terminate unless assumed by the successor company or its parent; and

(b) the portion of any Option accelerated under this Part 16 in connection with a Corporate Transaction, Change in Control or Related Entity Disposition shall remain exercisable as an Incentive Stock Option under the Code only to the extent the $100,000 dollar limitation of Section 422(d) of the Code is not exceeded. To the extent such dollar limitation is exceeded, the accelerated excess portion of such Option shall be exercisable as a Non-Qualified Stock Option.

17. EFFECTIVE DATE AND TERM OF PLAN

17.1 The Plan shall become effective upon the earlier to occur of its adoption by the Board or its approval by the shareholders of the Company. It shall continue in effect for a term of ten (10) years unless sooner terminated.

18. AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

18.1 The Board may at any time amend, suspend or terminate the Plan. To the extent necessary to comply with Applicable Laws, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required.

18.2 No Award may be granted during any suspension of the Plan or after termination of the Plan.

18.3 Any amendment, suspension or termination of the Plan (including termination of the Plan under Section 18.1) shall not affect Awards already granted, and such Awards shall remain in full force and effect as if the Plan had not been amended, suspended or terminated, unless mutually agreed otherwise between the Grantee and the Administrator, which agreement must be in writing and signed by the Grantee and the Company.

19. RESERVATION OF SHARES

19.1 The Company, during the term of the Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

19.2 The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company s counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

20. SHAREHOLDER APPROVAL

20.1 The Plan shall be subject to the Plan s approval by the shareholders of the Company within twelve (12) months from the date the Plan is adopted by the Company s Board of Directors. Such shareholder approval shall be obtained in the degree and manner required under Applicable Laws. The Administrator may grant Awards under the Plan prior to approval by the shareholders, but until such approval is obtained, no such Award shall be exercisable. In the event that shareholder approval is not obtained within the twelve (12) month period provided above, all Awards previously granted under the Plan shall be cancelled and of no force or effect.

21. GOVERNING LAW

21.1 The Plan shall be governed by the laws of the State of Arizona; provided, however, that any Award Agreement may provide by its terms that it shall be governed by the laws of any other jurisdiction as may be deemed appropriate by the parties thereto.

22. MISCELLANEOUS

22.1 The Plan shall not confer upon any Grantee any right with respect to the Grantee s Continuous Service, nor shall it interfere in any way with his or her right or the Company s right to terminate the Grantee s Continuous Service at any time, with or without cause.

22.2 Except as specifically provided in a retirement or other benefit plan of the Company or a Related Entity, Awards shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or a Related Entity, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation. The Plan is not a Retirement-Plan or Welfare Plan under the *Employee Retirement Income Security Act of 1974*, as amended.

EXHIBIT F

2006 DEFERRED STOCK UNIT PLAN FOR DIRECTORS

NORD RESOURCES CORPORATION

2006 DEFERRED STOCK UNIT PLAN FOR DIRECTORS

SECTION 1
GENERAL PROVISIONS

1.1 Purpose

This Plan supplements the 2006 Stock Incentive Plan and will at all times be read in conjunction with, and subject to, the 2006 Stock Incentive Plan. It is contemplated that Annual Retainers may be payable to Eligible Persons in the form of Stock, Restricted Stock or Restricted Stock Units under Award Agreements entered into pursuant to the 2006 Stock Incentive Plan, subject to the right of such Eligible Persons to elect to have the Awards converted or payable in Deferred Stock Units under this Plan. Eligible Persons may also have to right to elect to have other Eligible Remuneration and/or Attendance Fees payable in Deferred Stock Units under this Plan.

1.2 2006 STOCK INCENTIVE PLAN

Unless otherwise determined by the Administrator, the 2006 Stock Incentive Plan will be used to govern Deferred Stock Units that are redeemed for Stock.

1.3 Definitions

As used in the Plan, the following terms have the respective meanings:

Administrator has the meaning assigned in the 2006 Stock Incentive Plan;

Annual Retainer for a particular Director means the annual retainer (including any additional amounts payable for serving as lead Director or on any committee of the Board), payable to that Director for serving as a Director for the relevant Remuneration Period, as determined by the Board;

Applicable Laws means the legal requirements relating to the administration of deferred stock unit plans, if any, under applicable provisions of federal securities laws, state corporate and securities laws, provincial securities law, the Code, the Canadian Tax Act, the rules of any applicable stock exchange or national market system, and the laws of any foreign jurisdiction applicable to Awards granted to residents therein;

Applicable Withholding Tax has the meaning assigned in section 2.5.3. ;

Attendance Fee means amounts payable annually to a Director as a Board meeting attendance fee or a committee meeting attendance fee, or any portion thereof;

Award has the meaning assigned in the 2006 Stock Incentive Plan;

Award Agreement has the meaning set forth in the 2006 Stock Incentive Plan;

Board means the Board of Directors of the Company or Related Entity;

Canadian Director means a Director who is a resident of Canada for the purposes of the Canadian Tax Act, and whose income from employment by the Company or Related Entity is subject to Canadian income tax, notwithstanding any provision of the Canada-United States Income Tax Convention (1980), as amended;

Canadian Tax Act means the *Income Tax Act* (Canada), as amended; *Code* means the United States *Internal Revenue Code of 1986*, as amended; *Company* means Nord Resources Corporation;

Deferred Stock Unit means a right granted by the Company to an Eligible Person to receive, on a deferred payment basis, Stock under the Plan;

Director means a member of the Board;

Effective Date has the meaning set forth in section 1.4;

Eligible Person means each Director who elects or whom the Board determines is eligible to participate in the Plan;

Eligible Remuneration means all amounts, not including Attendance Fees, payable to an Eligible Person by the Company or Related Entity as determined by the Board in its sole and absolute discretion, including all or part of amounts payable in satisfaction of the Annual Retainer payable to an Eligible Person or in satisfaction of rights or property surrendered by an Eligible Person to the Company; it being understood that the amount of Eligible Remuneration payable to any Eligible Person may be calculated by the Board in a different manner than Eligible Remuneration payable to another Eligible Person;

Fair Market Value means, as of any date, the value of a Share on that date determined as follows:

(i) where there exists a public market for Stock, the Fair Market Value shall be (A) the closing price for a Share for the last market trading day prior to the time of the determination (or, if no closing price was reported on that date, on the last trading date on which a closing price was reported) on the stock exchange determined by the Administrator to be the primary market for the Stock or the Nasdaq National Market, whichever is applicable, or (B) if the rules of the applicable stock exchange require, the volume-weighted average trading price for five (5) days prior to the date the Board approves the grant of Award, or (C) if the Stock is not traded on any such exchange or national market system, the average of the closing bid and asked prices of a Share on the Nasdaq SmallCap Market for the day prior to the time of the determination (or, if no such prices were reported on that date, on the last date on which such prices were reported), in

each case, as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or

(ii) in the absence of a public market for Stock of the type described in paragraph (i), the Fair Market Value of a Share shall be determined by the Administrator in good faith;

Filing Date has the meaning given to that term in section 2.5.1.1;

Plan means this 2006 Deferred Stock Unit Plan for Directors, as amended from time to time;

Related Entity has the meaning assigned in the 2006 Stock Incentive Plan;

Remuneration Period means, as applicable, (a) the period commencing on the Effective Date and ending on the first annual meeting of the shareholders of the Company thereafter; and (b) thereafter each period commencing immediately after an annual meeting of shareholders of the Company and ending on the next annual meeting, or where the context requires, any portion of such period;

Restricted Stock has the meaning assigned in the 2006 Stock Incentive Plan;

Restricted Stock Unit has the meaning assigned in the 2006 Stock Incentive Plan;

Salary Deferral Arrangement means a salary deferral arrangement as defined in the Canadian Tax Act;

Share means a share of Stock;

Stock means the common stock of the Company;

Terminated Service means that an Eligible Person has, except as a result of death, ceased to be a Director;

U.S. Director means a Director who is a United States citizen or a United States resident as defined under U.S. tax law; and

2006 Stock Incentive Plan means the 2006 Stock Incentive Plan of the Company.

1.4 Effective Date and Term of Plan

The Plan shall be effective on the date (the Effective Date) of its adoption by the Board or its approval by the shareholders of the Company, whichever is earlier, and shall at all times operate together with the 2006 Stock Incentive Plan. If a conflict between the terms of the Plan and the 2006 Stock Incentive Plan arises, the terms of the 2006 Stock Incentive Plan shall govern. The Plan shall continue in effect for a term of ten (10) years after the Effective Date unless sooner terminated.

1.5 Administration

The Administrator will, in its sole and absolute discretion, but subject to Applicable Laws: (i) interpret and administer the Plan, (ii) establish, amend and rescind any rules and regulations relating to the Plan, and (iii) make any other determinations that the Administrator deems necessary or desirable for the administration of the Plan. The Administrator may correct any defect or any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Administrator deems, in its sole and absolute discretion, necessary or desirable. Any decision of the Administrator in the interpretation and administration of the Plan will be final, conclusive and binding on all parties concerned. Notwithstanding the foregoing, no such act by the Administrator other than authorized by this section 1.5 may cause any Deferred Stock Units held or subsequently acquired by a Canadian Director to be a Salary Deferred Arrangement. All expenses of administration of the Plan will be paid by the Company.

1.6 Annual Election

Each Eligible Person who wishes to elect, with respect to a Remuneration Period, to be paid any percentage of his or her Eligible Remuneration or Attendance Fee in Deferred Stock Units, must complete, sign and deliver a written election to that effect to the Company as follows:

(i) subject to (iii), for the Remuneration Period from the Effective Date of the Plan until the first annual meeting of shareholders of the Company, within 30 days after the Effective Date, in which case the election will apply to the portion of the Eligible Remuneration or Attendance Fee, as applicable, payable for services rendered 30 days or more after delivery of the election,

(ii) subject to (iii), for any other Remuneration Period, within 30 days after the commencement of the Remuneration Period, in which case the election will apply to all amounts of the Eligible Remuneration or Attendance Fee, as applicable, payable for services rendered during the entire Remuneration Period, and

(iii) for an Eligible Person who becomes an Eligible Person after the commencement of a particular Remuneration Period, within 30 days after becoming an Eligible Person, in which case the election will apply to the portion of the Eligible Remuneration or Attendance Fee, as applicable, payable with respect to services rendered in the particular Remuneration Period 30 days or more after delivery of the election.

If the Eligible Person does not deliver an election in respect of a particular Remuneration Period, the new or existing Eligible Person will receive the Eligible Remuneration in the form provided for in the Award Agreement, with the exception of the Attendance Fee which will be paid in cash, unless otherwise determined by the Administrator or set out in the Award Agreement.

SECTION 2
AWARDS UNDER THE PLAN

2.1 Determination of Deferred Stock Units

The Company will maintain a separate account for each Eligible Person to which it will semi-annually credit Deferred Stock Units in March and September, or as otherwise determined by the Administrator, the Deferred Stock Units granted to the Eligible Person for the relevant Remuneration Period. The number of Deferred Stock Units (including fractional Deferred Stock Units, computed to three digits) to be credited to an account for an Eligible Person will be determined on the date approved by the Board by dividing the appropriate amount of Eligible Remuneration to be deferred into Deferred Stock Units by the Fair Market Value on that date.

2.2 Dividend Equivalents

The Company will, on any date on which a dividend is paid on Stock, credit to each Eligible Person s account that number of additional Deferred Stock Units (including fractional Deferred Stock Units, computed to three digits) calculated by (i) multiplying the amount of the dividend per Share by the number of Deferred Stock Units in the account as of the record date for payment of the dividend, and (ii) dividing the amount obtained in (i) by the Fair Market Value on the date on which the dividend is paid.

2.3 Eligible Person s Account

A written confirmation of the balance in each Eligible Person s Account will be sent by the Company to the Eligible Person upon request of the Eligible Person.

2.4 Adjustments and Reorganizations

In the event of any stock dividend, stock split, combination or exchange of Stock, merger, consolidation, spin-off or other distribution of Company assets to shareholders, or any other change in the capital of the Company affecting Stock, the Administrator, in its sole and absolute discretion, will make, with respect to the number of Deferred Stock Units, any proportionate adjustments as it considers appropriate to reflect that change.

2.5 Termination of Service

2.5.1 Non-U.S. Directors

2.5.1.1 An Eligible Person who is not a U.S. Director and who has Terminated Service may receive Shares in respect of the Deferred Stock Units credited to the Eligible Person s account (determined in accordance with section 2.5.1.2) by filing with the Secretary of the Company a notice of redemption in the form prescribed from time to time by the Company on or before December 15 of the first calendar year commencing after the date of the Eligible Person s Terminated Service. If the Eligible Person fails to file such notice on or before that December 15, the Eligible Person will be deemed to have filed with the Secretary of the Company a notice of redemption on that

December 15. The date on which a notice is filed or deemed to be filed with the Secretary of the Company is the Filing Date . The Administrator shall have the discretion to defer the Filing Date to any other date if such deferral is, in the sole opinion of the Company, desirable to ensure compliance with section 3.3 provided that, unless otherwise expressly required by Applicable Law, no such deferral may cause the Deferred Stock Units of a non-U.S. Director who is a Canadian Director to become a Salary Deferral Arrangement.

2.5.1.2 The notice filed by the Eligible Person who is not a U.S. Director will specify that the Eligible Person desires to receive a Share for each Deferred Stock Unit (net of any Applicable Withholding Tax). The Company shall issue one Share for each whole Deferred Stock Unit to the Eligible Person. Such payment shall be made by the Company as soon as reasonably possible following the Filing Date. In no event will payment be made later than December 31 of the first calendar year commencing after the Eligible Person has Terminated Service. Fractional Shares shall not be issued, and where an Eligible Person would be entitled to receive fractional Share in respect of any fractional Deferred Stock Unit, the Company shall pay to such Eligible Person, in lieu of such fractional Share, cash equal to the Fair Market Value of such fractional Share, calculated as of the day before such payment is made, net of any Applicable Withholding Tax.

2.5.1.3 If an Eligible Person who is not a U.S. Director dies, the Company will, within two months of the Eligible Person s death, issue one Share for each whole Deferred Stock Unit credited to the deceased Eligible Person s account (net of any Applicable Withholding Tax) to or for the benefit of the legal representative of the Eligible Person. Fractional Shares shall not be issued, and where the legal representative would be entitled to receive fractional Share in respect of any fractional Deferred Stock Unit, the Company shall pay to such legal representative, in lieu of such fractional Share, cash equal to the Fair Market Value of such fractional Shares, calculated as of the day before such payment is made, net of any Applicable Withholding Tax.

2.5.1.4 If an Eligible Person who is not a U.S. Director dies after the Eligible Person has Terminated Service but before filing a notice of redemption with the Corporate Secretary of the Company, section 2.5.1.3 will apply provided that, in no event will payment be made later than December 31 of the first calendar year commencing after the Eligible Person has Terminated Service.

2.5.1.5 No Eligible Person who is a Canadian Director will be awarded a Deferred Stock Unit on terms whereby such Deferred Stock Unit would constitute a Salary Deferred Arrangement.

2.5.2 U.S. Directors

2.5.2.1 In the event that an Eligible Person who is a U.S. Director has Terminated Service, the Company will issue one share of Stock for each whole Deferred Stock Unit credited to the Eligible Person s account (net of any Applicable Withholding Tax) to the Eligible Person. Such payment shall be made by the Company as soon as reasonably possible following the date the Eligible Person Terminated Service. Fractional Stock shall not be issued, and where the Eligible Person would be entitled to receive a fractional Stock in respect of any fractional Deferred Stock Unit, the Company shall pay to such Eligible Person, in lieu of such fractional Stock, cash equal to the Fair Market Value of such fractional Stock, calculated as of the day before such payment is made.

2.5.2.2 In the event of the death of an Eligible Person who is a U.S. Director, the Company will issue one share of Stock for each whole Deferred Stock Unit credited to the deceased Eligible Person s account (net of any Applicable Withholding Tax) to or for the benefit of the legal representative of the Eligible Person. Such payment shall be made by the Company as soon as reasonably possible following the date of death of the Eligible Person.

Fractional Stock shall not be issued, and where the legal representative would be entitled to receive fractional Stock in respect of any fractional Deferred Stock Unit, the Company shall pay to such legal representative, in lieu of such fractional Stock, cash equal to the Fair Market Value of such fractional Stock, calculated as of the day before such payment is made.

2.5.3 Applicable Withholding Tax

2.5.3.1 The Company is authorized to deduct such taxes and other amounts as it may be required by law to withhold, in such manner as it determines (Applicable Withholding Tax). The Company may require Eligible Persons to deliver undertakings to, or indemnities in favour of, the Company respecting the payment by such Eligible Persons of applicable income or other taxes.

SECTION 3
GENERAL

3.1 Transferability of Awards

No Eligible Person may assign any Deferred Stock Unit or any other right, benefit or interest in this Plan without the prior written consent of the Company, and no Canadian Director may assign any Deferred Stock Unit or any other right, benefit or interest in this Plan, and any purported assignment that does not comply with this provision will be void and need not be recognized by the Company, except that in the event of the death of the Eligible Person, the legal representatives of the Eligible Person will be entitled to receive the amount of any payment otherwise payable to the Eligible Person hereunder in accordance with the provisions hereof.

3.2 No Right to Service

Neither participation in the Plan nor any action under the Plan will be construed to give any Eligible Person a right to be retained in the service of the Company.

3.3 Applicable Trading Policies

The Board and each Eligible Person will ensure that all actions taken and decisions made by the Board or an Eligible Person, as the case may be, pursuant to the Plan comply with any Applicable Laws and policies of the Company relating to insider trading or blackout periods.

3.4 Successors and Assigns

This Plan will enure to the benefit of and be binding upon the respective legal representatives of the Eligible Person.

3.5 Plan Amendment

The Board may amend the Plan as it deems necessary or appropriate, subject to the 2006 Stock Incentive Plan, and Applicable Laws, but no amendment will, without the consent of the Eligible Person or unless required under Applicable Laws, adversely affect the rights of an Eligible Person with respect to Deferred Stock Units to which the Eligible Person is then entitled under the Plan.

3.6 Plan Termination

The Board may terminate the Plan at any time, but no termination will, without the consent of the Eligible Person or unless required by Applicable Law, adversely affect the rights of an Eligible Person with respect to Deferred Stock Units to which the Eligible Person is then entitled under the Plan.

3.7 Governing Law

The Plan shall be governed by the laws of the State of Arizona; provided, however, that any Award Agreement may provide by its terms that it shall be governed by the laws of any other jurisdiction as may be deemed appropriate by the parties thereto.

3.8 Reorganization of the Company

The existence of any Deferred Stock Units shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or to create or issue any bonds, debentures, stock or other securities of the Company or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Company, or any amalgamation, combination, merger or consolidation involving the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

3.9 No Shareholder Rights

Under no circumstances shall Deferred Stock Units be considered Stock or other securities of the Company, nor shall they entitle any Eligible Person to exercise voting rights or any other rights attaching to the ownership of Stock of other securities of the Company (except for dividends paid in accordance with section 2.2), nor shall any Eligible Person be considered the owner of the Stock by virtue of the award of Deferred Stock Units.

3.10 No Other Benefit

No amount will be paid to, or in respect of, an Eligible Person under the Plan to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, an Eligible Person for such purpose.

NORD RESOURCES CORPORATION

1 West Wetmore Road, Suite 107
Tucson, Arizona 85705

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Nicholas Tintor and John T. Perry as proxies, each with full power of substitution, to represent and vote as designated on the reverse side, all the shares of Common Stock of Nord Resources Corporation held of record by the undersigned on February 16, 2006, at the Annual Meeting of Stockholders to be held at u, on u, 2006 or any adjournment or postponement thereof. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting.

IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED IN FAVOUR OF THE ELECTION OF THE NAMED NOMINEES TO THE BOARD AND FOR THE APPROVAL OF ALL OTHER PROPOSALS.

THE UNDERSIGNED HEREBY REVOKES ANY PROXY PREVIOUSLY GIVEN.

To be represented at the Meeting, this proxy form must be received at the office of American Stock Transfer & Trust Company, the transfer agent of the Company, by mail no later than forty-eight (48) hours (excluding Saturdays Sundays and holidays) prior to the time of the Meeting, or adjournment thereof or may be accepted by the Chairman of the Meeting prior to the commencement of the Meeting. The mailing address is:

u

ANNUAL MEETING OF STOCKHOLDERS OF
NORD RESOURCES CORPORATION
u, 2006

Please date, sign and mail your proxy card in the envelope provided as soon as possible.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF DIRECTORS AND FOR PROPOSALS 1 THROUGH 5. **PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.** **PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE** 7

1. Election of Directors.

[ ] FOR ALL NOMINEES

[ ] WITHHOLD AUTHORITY FOR ALL NOMINEES

[ ] FOR ALL EXCEPT (see instruction below)

Instruction: To withhold authority to vote for any individual nominee(s), mark FOR ALL EXCEPT and fill in the box next to each nominee you wish to withhold as shown here:n

Nominees:

[ ] Ronald A. Hirsch

[ ] Nicholas Tintor

[ ] Stephen D. Seymour

[ ] Wade D. Nesmith

[ ] Douglas P. Hamilton

[ ] John F. Cook

		For	Against	Abstain
2.	To approve the grant of discretionary authority to the Company s Board of Directors to effect a reverse stock split of the Company s issued and outstanding common stock at a ratio within the range from one-for-two to one-for-six.	[ ]	[ ]	[ ]
3.	To approve an amendment to the Company s Amended Certificate of Incorporation to increase the number of authorized shares of common stock from 50,000,000 to 100,000,000.	[ ]	[ ]	[ ]
4.	To approve the Company s 2006 Stock Incentive Plan.	[ ]	[ ]	[ ]
5.	To ratify the selection of Mayer Hoffman McCann P.C. as the Company s independent registered public accounting firm.	[ ]	[ ]	[ ]

To change the address on your account, please check the box at right and indicate your new address in the address space above. Please note that changes to the registered name(s) on the account may not be submitted via this method.	[ ]

Signature of Stockholder: Date:	Signature of Stockholder: Date:

Note: Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.