NORTH AMERICAN NICKEL

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended June 30, 2020

(In accordance with International Financial Reporting Standards ("IFRS") and stated in thousands of Canadian dollars, unless otherwise indicated)

INDEX

NOTICE TO READER OF THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months period ended June 30, 2020

In accordance with National Instrument 51-102, of the Canadian Securities Administrators, North American Nickel Inc. (the "Company" or "North American Nickel") discloses that its auditors have not reviewed the unaudited condensed interim consolidated interim financial statements.

The unaudited condensed interim consolidated financial statements of the Company for the six months period ended June 30, 2020 ("Financial Statements") have been prepared by management. The Financial Statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto of the Company for the fiscal year ended December 31, 2019, which are available at the SEDAR website under the Company's profile (www.sedar.com). The Financial Statements are stated in thousands of Canadian dollars, unless otherwise indicated, and are prepared in accordance with International Financial Reporting Standards ("IFRS").

NORTH AMERICAN NICKEL

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in thousands of Canadian dollars)

	Notes	June 30, 2020	December 31, 2019
ASSETS			
CURRENT ASSETS			
Cash		86	1,098
Receivables and other current assets	4	67	161
Due from related party	8	132	95
TOTAL CURRENT ASSETS		**285**	**1,354**
NON-CURRENT ASSETS			
Equipment		24	28
Exploration and evaluation assets	5	38,711	38,633
Advance	8	130	24
TOTAL NON-CURRENT ASSETS		**38,865**	**38,685**
TOTAL ASSETS		**39,150**	**40,039**
LIABILITIES			
CURRENT LIABILITIES			
Trade payables and accrued liabilities	6, 8	752	519
Flow through share premium	7	89	89
TOTAL CURRENT LIABILITIES		**841**	**608**
TOTAL LIABILITIES		**841**	**608**
EQUITY			
Share capital - preferred	7	591	591
Share capital – common	7	89,006	89,006
Reserve	7	2,287	4,175
Deficit		(53,575)	(54,341)
TOTAL EQUITY		**38,309**	**39,431**
TOTAL LIABILITIES AND EQUITY		**39,150**	**40,039**

Nature of Operations (Note 1)
Commitments (Note 10)
Subsequent Events (Note 13)

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

Approved by the Board of Directors on August 19, 2020

"signed"

Keith Morrison
Director

"signed"

Doug Ford
Audit Committee Chair

NORTH AMERICAN NICKEL

Condensed Interim Consolidated Statements of Comprehensive Loss

(Unaudited - Expressed in thousands of Canadian dollars)

	Notes	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
EXPENSES					
General and administrative expenses	8, 12	(359)	(518)	(664)	(1,053)
Property investigation		(11)	(125)	(17)	(166)
Amortization		(2)	(2)	(4)	(5)
Share-based payments	7	-	-	(884)	-
		(372)	**(645)**	**(1,569)**	**(1,224)**
OTHER ITEMS					
Interest income		-	4	-	22
Impairment for exploration and evaluation assets	5	(437)	-	(437)	-
Foreign exchange gain (loss)		1	(2)	-	(1)
		(436)	**2**	**(437)**	**21**
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(808)**	**(643)**	**(2,006)**	**(1,203)**
Basic and diluted weighted average number of common shares outstanding on a post-consolidation basis		**88,690,791**	**78,792,860**	**88,690,791**	**78,792,860**
Basic and diluted loss per share		**(0.01)**	**(0.01)**	**(0.02)**	**(0.02)**

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

NORTH AMERICAN NICKEL

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited - Expressed in thousands of Canadian dollars)

	Notes	Number Shares on post-consolidation basis	Share Capital	Preferred Stock	Reserve	Deficit	Total Equity
BALANCE DECEMBER 31, 2018		**78,792,860**	**87,947**	**591**	**7,749**	**(29,343)**	**66,944**
Net and comprehensive loss for the period		-	-	-	-	(1,203)	(1,203)
Expired warrants	7	-	-	-	(1,561)	1,561	-
Forfeited/expired options	7	-	-	-	-	-	-
Share-based payments		-	-	-	-	-	-
BALANCE AT JUNE 30, 2019	7	**78,792,860**	**87,947**	**591**	**6,188**	**(28,985)**	**65,741**
BALANCE DECEMBER 31, 2019		**88,690,791**	**89,006**	**591**	**4,175**	**(54,341)**	**39,431**
Net and comprehensive loss for the period		-	-	-	-	(2,006)	(2,006)
Share-based payments	7	-	-	-	884	-	884
Value allocated to warrants	7	-	-	-	-	-	-
Expired warrants	7	-	-	-	(2,572)	2,572	-
Forfeited/expired options	7	-	-	-	(200)	200	-
BALANCE AT JUNE 30, 2020		**88,690,791**	**89,006**	**591**	**2,287**	**(53,575)**	**38,309**

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

NORTH AMERICAN NICKEL

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited - Expressed in thousands of Canadian dollars)

	Notes	Six months ended June 30, 2020	June 30, 2019
OPERATING ACTIVITIES			
Loss for the period		(2,006)	(1,203)
Items not affecting cash:			
Amortization		4	5
Share based payments	7	884	-
Interest income		-	(22)
Write-off exploration and evaluation assets	5	437	-
Changes in working capital	9	232	3
Other:			
Interest received		-	32
Net cash used in operating activities		**(449)**	**(1,185)**
INVESTING ACTIVITIES			
Expenditures on exploration and evaluation assets	5	(563)	(618)
Short-term investments		-	1,500
Net cash provided by (used in) investing activities		**(563)**	**882**
FINANCING ACTIVITIES			
Net cash provided by financing activities		**-**	**-**
Change in cash equivalents for the period		(1,012)	(303)
Cash and cash equivalents, beginning of the period		1,098	339
Cash and cash equivalents, end of the period		**86**	**36**

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

North American Nickel Inc. (the "Company" or "NA Nickel") was incorporated on September 23, 1983, under the laws of the Province of British Columbia, Canada. The primary mailing office is located at 3400 – 100 King Street West, PO Box 130, Toronto, Ontario, M5X 1A4 and the records office of the Company is located at 666 Burrard Street, Suite 2500, Vancouver BC V6C 2X8. The Company's common shares trade on the TSX Venture Exchange ("TSXV") under the symbol "NAN".

The Company's principal business activity is the exploration and development of mineral properties in Greenland, Canada and United States. The Company has not yet determined whether any of these properties contain ore reserves that are economically recoverable. The recoverability of carrying amounts shown for exploration and evaluation assets is dependent upon a number of factors including environmental risk, legal and political risk, the existence of economically recoverable mineral reserves, confirmation of the Company's interests in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete exploration and development, and to attain sufficient net cash flow from future profitable production or disposition proceeds.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The ability of the Company to continue operations as a going concern is ultimately dependent upon achieving profitable operations. To date, the Company has not generated profitable operations from its resource activities and will need to invest additional funds in carrying out its planned exploration, development and operational activities. These uncertainties cast substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The exploration and evaluation properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and cover administrative costs, the Company will use its existing working capital and raise additional amounts as needed. Although the Company has been successful in its past fundraising activities, there is no assurance as to the success of future fundraising efforts or as to the sufficiency of funds raised in the future. The Company will continue to assess new properties and seek to acquire interests in additional properties if there is sufficient geologic or economic potential and if adequate financial resources are available to do so.

Further, in March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

The condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on August 19, 2020. The discussion in notes to the financial statements is stated in Canadian dollars except amounts in tables are expressed in thousands of Canadian dollars.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These condensed interim consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"), including IAS 34 Interim Financial Statements. The condensed interim consolidated financial statements do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2019. Any subsequent changes to IFRS that are reflected in the Company's consolidated financial statements for the year ended December 31, 2020 could result in restatement of these condensed interim consolidated financial statements.

(b) Basis of Preparation

These condensed interim consolidated financial statements have been prepared under the historical cost convention, modified by the revaluation of any financial assets and financial liabilities where applicable. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies.

The significant accounting policies used in the preparation of these condensed interim consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2019.

(c) Basis of consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary, North American Nickel (US) Inc. which was incorporated in the State of Delaware on May 22, 2015. Consolidation is required when the Company is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

3. CHANGES IN ACCOUNTING POLICIES

New Standards, Interpretations and Amendments Effective This Year:

Amendments to References to the Conceptual Framework in IFRS Standards

On March 29, 2018 the International Accounting Standards Board ("IASB") issued a revised version of its Conceptual Framework for Financial Reporting (the Framework), that underpins IFRS Standards. The IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards (the Amendments) to update references in IFRS Standards to previous versions of the Conceptual Framework. Both documents are effective from January 1, 2020.

Some Standards include references to the 1989 and 2010 versions of the Framework. The IASB has published a separate document which contains consequential amendments to affected Standards so that they refer to the new Framework, with the exception of IFRS 3 Business Combinations which continues to refer to both the 1989 and 2010 Frameworks.

IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

In October 2018, the IASB issued amendments to International Accounting Standard ("IAS") 1, Presentation of Financial Statements and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The amendments are to clarify the definition of 'material' and to align the definition used in the Conceptual Framework and the standards themselves. The amendments are effective January 1, 2020.

The adoption of these amendments did not result in any impact to the Company's financial statements.

4. RECEIVABLES AND OTHER CURRENT ASSETS

A summary of the receivables and other current assets as of June 30, 2020 is detailed in the table below:

(All amounts in table are expressed in thousands of Canadian dollars)

	June 30, 2020	December 31, 2019
Sales taxes receivable	22	62
Other current assets	45	99
	67	161

Other current assets are comprised of prepaid expenses and amounts receivable.

5. EXPLORATION AND EVALUATION ASSETS

(All amounts in table are expressed in thousands of Canadian dollars)

	Canada					Greenland	
	Post Creek Property	Halcyon Property	Quetico Claims	Enid Creek	Lingman Lake	Maniitsoq Property	Total
Acquisition							
Balance, December 31, 2019	298	230	42	83	14	42	709
Acquisition costs – cash	5	4	-	-	-	4	13
Balance, June 30, 2020	303	234	42	83	14	46	722
Exploration							
Balance, December 31, 2019	1,498	233	39	33	13	36,108	37,924
Administration	-	-	-	-	-	8	8
Property maintenance	6	5	-	-	-	17	28
Drilling	-	-	6	166	-	-	172
Geology	10	6	46	83	-	51	196
Geophysics	1	1	21	72	-	3	98
Infrastructure	-	-	-	-	-	-	-
Write-off	-	-	-	(437)	-	-	(437)
	17	12	73	(116)	-	79	65
Balance, June 30 ,2020	1,515	245	112	(83)	13	36,187	37,989
Total, June 30, 2020	**1,818**	**479**	**154**	**-**	**27**	**36,233**	**38,711**

(All amounts in table are expressed in thousands of Canadian dollars)

	Canada				US	Greenland	
	Post Creek Property	**Halcyon Property**	**Quetico Claims**	**Lingman Lake**	**Section 35 Property**	**Maniitsoq Property**	**Total**
Acquisition							
Balance, December 31, 2018	288	222	42	-	8	42	602
Acquisition costs – cash	5	4	-	15	1	-	25
Balance, June 30 2019	293	226	42	15	9	42	627
Exploration							
Balance, December 31, 2018	1,431	209	22	-	-	62,215	63,877
Administration	1	1	-	-	-	9	11
Corporate social responsibility	1	-	-	-	-	-	1
Property maintenance	-	-	-	-	-	17	17
Drilling	24	-	2	3	-	191	220
Environmental, health and safety	-	-	-	-	-	8	8
Geology	15	7	-	-	2	105	129
Geophysics	1	1	4	1	1	27	35
	42	9	6	4	3	357	421
Balance, June 30 ,2019	1,473	218	28	4	3	62,572	64,298
Total, June 30, 2019	**1,766**	**444**	**70**	**19**	**12**	**62,614**	**64,925**

The following is a description of the Company's exploration and evaluation assets and the related spending commitments:

Post Creek

On December 23, 2009 and as last amended on March 12, 2013, the Company completed the required consideration and acquired the rights to a mineral claim known as the Post Creek Property located within the Sudbury Mining District of Ontario.

Commencing August 1, 2015, the Company is obligated to pay advances on net smelter return royalties ("NSR") of $10,000 per annum. The total advances paid during the six months period ended June 30, 2020 were $5,000, (June 30, 2019 - $5,000). The total of the advances will be deducted from any payments to be made under the NSR.

During the six months period ended June 30, 2020, the Company incurred exploration expenditures totalling $16,927 (June 30, 2019 - $42,108) on the Post Creek Property.

Halcyon

On December 31, 2015, the Company completed the required consideration of the option agreement and acquired rights to a mineral claim known as the Halcyon Property located within the Sudbury Mining District of Ontario, subject to certain NSR and advance royalty payments.

Commencing August 1, 2015, the Company is obligated to pay advances on the NSR of $8,000 per annum. The Company paid $4,000 during the three months period ended June 30, 2020, (June 30, 2019 - $4,000). The total of the advances will be deducted from any payments to be made under the NSR.

During the six months period ended June 30, 2020, the Company incurred $12,254 (June 30, 2019 - $12,209) in exploration and license related expenditures on the Halcyon Property.

Quetico

On April 26, 2018, the Company acquired the right to certain mineral claims known as Quetico located within the Sudbury Mining District of Ontario. The Company incurred total acquisition and exploration related costs of $64,256 during the year ended December 31, 2018.

The Company had no minimum required exploration commitment for the years ended December 31, 2019 and 2018 as it is not required to file any geoscience assessment work between the initial recording of a mining claim and the first anniversary date of the mining claim.

By the second anniversary of the recording of a claim and by each anniversary thereafter, a minimum of $400 worth of exploration activity per claim unit must be reported to the Provincial Recording Office. The Company could maintain mining claims by filing an Application to Distribute Banked Assessment Work Credits form before any due date. Payments in place of reporting assessment work may also be used to meet yearly assessment work requirements, provided the payments are not used for the first unit of assessment work and consecutively thereafter. Payments cannot be banked to be carried forward for future use. The claims are currently on HOLD SPECIAL CIRCUMSTANCES APPLY status, awaiting approval of an application for a one year exclusion. Once approved, the total annual work requirement for Quetico project after April 26, 2021 is $324,000 should the Company maintain the current size of the claims.

During the six months period ended June 30, 2020, the Company incurred exploration expenditures totalling $72,444 (June 30, 2019 - $6,330) on the Quetico Property.

Lingman Lake Property

During the year ended December 31, 2019, the Company staked certain mineral claims known as Lingman Lake located northwest of Thunder Bay, Ontario. The Company incurred total acquisition and exploration related costs of $27,376.

There were no exploration related costs incurred during the six months period ended June 30, 2020.

Loveland (Enid Creek) Property

On September 25, 2019, the Company entered into earn in agreement to acquire a 100% interest, subject to a 1% NSR, in certain claims known as the Loveland Nickel (Enid Creek) Property located in Timmins, Ontario. Consideration is as follows:

(All amounts in table are expressed in thousands of Canadian dollars)

	Acquisition costs	Exploration expenditures
Within 5 days of TSXV approval (received on October 24, 2019)	$25 cash (paid) and 300,000 post-consolidated common shares (issued)	-
On or before September 25, 2020	$100 cash	Aggregate of at least $500
On or before September 25, 2021	$200 cash	Aggregate of at least an additional $1,000
On or before September 25, 2022	$300 cash	Aggregate of at least an additional $1,000
On or before September 25, 2023	$400 cash	Aggregate of at least an additional $1,000
On or before September 25, 2024	$500 cash	Aggregate of at least an additional $1,000

In the event that the Company is unable to fund sufficient exploration expenditures, the Company may pay the required balance in cash by the relevant date. The Company may also, prior to the 5th anniversary date, accelerate its funding of exploration expenditures by paying in advance and in lieu of incurring the required exploration expenditure.

As of June 30, 2020, the Company incurred an aggregate exploration and acquisition expenditures of $436,897. Based on the results of the exploration program completed in April 2020, the management elected not to proceed with further exploration on the property and terminated the agreement. Accordingly, all acquisition and exploration related costs were written off as at June 30, 2020, totalling $436,897.

Section 35 Property

On January 4, 2016, the Company entered into a 10-year Metallic Minerals Lease (the "Lease") with the Michigan Department of Natural Resources for an area covering approximately 320 acres. The terms of the Lease required annual rental fees.

At the end of 2019 year, management of the Company made a decision to relinquish the mineral lease. As a result, all cumulative exploration related costs of $11,393 were written-off as at December 31, 2019. The Company applied and received approval for refund of a $13,016 (US $10,000) reclamation deposit held by the Department of Natural Resources in Michigan.

Maniitsoq

The Company has been granted certain exploration licenses, by the Bureau of Minerals and Petroleum ("BMP") of Greenland for exclusive exploration rights of an area comprising the Maniitsoq Property, located near Ininngui, Greenland. The Property is subject to a 2.5% NSR. The Company can reduce the NSR to 1% by paying $2,000,000 on or before 60 days from the decision to commence commercial production.

At the expiration of the first license period, the Company may apply for a second license period (years 6-10), and the Company may apply for a further 3-year license for years 11 to 13. Thereafter, the Company may apply for additional 3-year licenses for years 14 to 16, 17 to 19 and 20 to 22. The Company will be required to pay additional license fees and will be obligated to incur minimum eligible exploration expenses for such years.

The Company may terminate the licenses at any time, however any unfulfilled obligations according to the licenses will remain in force, regardless of the termination.

Future required minimum exploration expenditures will be adjusted each year on the basis of the change to the Danish Consumer Price Index.

During the six months period ended June 30, 2020, the Company spent in aggregate of $83,191 (June 30, 2019 - $357,187) in exploration and license related expenditures on the Maniitsoq Property, which is comprised of the Sulussugut, Ininngui and Carbonatite Licenses. Further details on the licenses and related expenditures are outlined below.

IFRS 6 requires management to assess the exploration and evaluation assets for impairment. Accordingly, management believed that facts and circumstances existed at December 31, 2019 to suggest that the carrying amount of the Maniitsoq Property exceeds its recoverable amount. As a result, management determined the Maniitsoq Property should be impaired by $26,499,159 and its recoverable amount at December 31, 2019 was $36,149,667. The valuation was based on historical drilling results and management's future exploration plans on the Maniitsoq Property. The Company intends to plan and budget for further exploration on the Maniitsoq Property in the future.

Further details on the licenses comprising the Maniitsoq Property and related expenditures are outlined below:

Sulussugut License (2011/54)

(All references to amounts in Danish Kroners, "DKK")

Effective August 15, 2011, the Company was granted an exploration license (the "Sulussugut License") by the BMP of Greenland for exclusive exploration rights of an area located near Sulussugut, Greenland. The Company paid a license fee of $5,742 (DKK 31,400) upon granting of the Sulussugut License. The application for another 5-year term on the Sulussugut License was submitted to the Greenland Mineral Licence & Safety Authority which was effective on April 11, 2016, with December 31, 2017 being the seventh year. During the year ended December 31, 2016, the Company paid a license fee of $7,982 (DKK 40,400) which provides for renewal of the Sulussugut License until 2020.

To December 31, 2015, under the terms of a preliminary license, the Company completed the exploration requirements of an estimated minimum of DKK 83,809,340 (approximately $15,808,386) between the years ended December 31, 2011 to 2015 by incurring $26,115,831 on the Sulussugut License. The accumulated exploration credits held at the end to December 31, 2015, of DKK 100,303,710 (approximately $19,067,735) were carried forward until 2019. Under the terms of the second license period, there was no required minimum exploration expenditures for the year ended

December 31, 2018. As of December 31, 2019, the Company has spent $55,960,762 on exploration costs for the Sulussugut License.

The Company had minimum required exploration commitment of DKK 44,755,600 approximately $8,905,514 for the year ended December 31, 2019 and available credits of DKK 326,111,805 (approximately $66,950,764) at the end of December 31, 2018. During the year ended December 31, 2019, the Company had approved exploration expenditures of DKK 1,724,248 (approximately $343,125) which results in a total cumulative surplus credit of DKK 283,080,453 (approximately $56,333,010). The credits may be carried forward until December 31, 2021. The Company has no exploration commitment for 2020 year.

During the year ended December 31, 2019, the Company spent a total of $228,925 (December 31, 2018 - $10,794,837) in exploration and license related expenditures on the Sulussugut License.

During the six months period ended June 30, 2020, the Company spent a total of $66,139 in exploration and license related expenditures, (June 30, 2019 - $197,476).

Ininngui License (2012/28)

Effective March 4, 2012, the Company was granted an exploration license (the "Ininngui License") by the BMP of Greenland for exclusive exploration rights of an area located near Ininngui, Greenland. The Company paid a license fee of $5,755 (DKK 32,200) upon granting of the Ininngui License. The Ininngui License was valid for an initial 5 years until December 31, 2016, with December 31, 2012 being the first year. The license was extended for a further 5 years, until December 31, 2021, with December 31, 2017 being the first year. The Ininngui License is contiguous with the Sulussugut License.

Should the Company not incur the minimum exploration expenditures on the license in any one year from years 2-5, the Company may pay 50% of the difference in cash to BMP as full compensation for that year. This procedure may not be used for more than 2 consecutive calendar years and as at December 31, 2019, the Company has not used the procedure for the license.

The Company had minimum required exploration commitment of DKK 5,510,400 for the year ended December 31, 2019. As of December 31, 2019, the Company has spent $5,158,454 on exploration costs for the Ininngui License and exceeded the minimum requirement with a total cumulative surplus credits of DKK 30,281,852 (approximately $6,026,089). The credits may be carried forward until December 31, 2021. The Company has no exploration commitment for 2020 year.

During the six months period ended June 30, 2020, the Company spent a total of $13,491 in exploration and license related expenditures, (June 30, 2019 - $37,230).

Carbonatite License (2018/21)

Effective May 4, 2018, the Company was granted an exploration license (the "Carbonatite License") by the BMP of Greenland for exclusive exploration rights of an area located near Maniitsoq in West Greenland. The Company paid a license fee of $6,523 (DKK 31,000) upon granting of the Carbonatite License. The Carbonatite License is valid for 5 years until December 31, 2022, with December 31, 2019 being the second year.

The Company had a minimum required exploration obligation of DKK 267,320, approximately $53,192 for the year ended December 31, 2019. As of December 31, 2019, the Company has spent $1,486,940 on exploration costs for the Carbonatite License. To December 31, 2019, the Company's expenditures exceeded the minimum requirement and the Company has a total surplus credit of DKK 10,496,522 (approximately $2,088,808). The credit from 2018 may be carried forward until December 31, 2022 and the credit from 2019 may be carried forward until December 31, 2023. The Company has no exploration commitment for 2020 year.

During the six months period ended June 30, 2020, the Company spent a total of $3,561 in exploration and license related expenditures, (June 30, 2019 - $122,484).

Ikertoq License

During the year ended December 31, 2018, the Company was granted an exploration license, (the "Ikertoq License") by the BMP of Greenland and spent total of $132,679 in exploration and license related expenditures. The license was later relinquished and the costs were expensed as at December 31, 2018.

6. TRADE PAYABLES AND ACCRUED LIABILITIES

(All amounts in table are expressed in thousands of Canadian dollars)

	June 30, 2020	**December 31, 2019**
Trade payables	468	310
Amounts due to related parties (Note 8)	281	169
Accrued liabilities	3	40
	752	519

7. SHARE CAPITAL, WARRANTS AND OPTIONS

The authorized capital of the Company comprises an unlimited number of common shares without par value and 100,000,000 Series 1 convertible preferred shares without par value.

a) Common shares issued and outstanding

There were no common shares issued during the three months period ended June 30, 2020 and June 30, 2019.

As at June 30, 2020, the Company has 88,690,791 common shares issued and outstanding, (June 30, 2019 – 78,792,860).

2019

Effective October 4, 2019, the Company completed a share consolidation of the Company's issued and outstanding common shares whereby for every ten (10) pre-consolidation common shares issued and outstanding, one (1) post-consolidation common share exists without par value. Share capital outstanding prior to the share consolidation was 787,928,500 common shares and 78,792,860 on a post-consolidation basis.

All references to share capital, warrants, options and weighted average number of shares outstanding have been adjusted retrospectively to reflect the Company's 10-for-1 share consolidation as if it occurred at the beginning of the earliest period presented.

On October 24, 2019 the TSXV approved the filing of the earn in agreement for the Loveland Nickel Property. As a result, on December 9, 2019, the Company issued 300,000 post-consolidation common shares at fair value of $51,000 (note 7).

On December 18, 2019, the Company closed a non-brokered private placement equity financing of 7,373,265 units at a price of $0.18 and 2,224,666 flow-through common shares at a price of $0.18 and raised aggregate gross proceeds of $1,727,628. Each unit issued consisted of one common share in the capital of the Company and one-half of one common share purchase warrant. Each warrant will entitle the holder to acquire one common share of the Company at an exercise price of $0.25 for a period of 24 months from its date of issuance. All Securities issued pursuant to this offering will be subject to a hold period expiring April 19, 2020. The Company incurred total share issuance costs of $343,639. The Company allocated a $265,217 fair value to the warrants issued in conjunction with the private placement and $21,445 to agent's warrants. The fair value of warrants was determined using the Black-Scholes Option Pricing Model with the following assumptions;

(Expressed in Canadian dollars)

expected life of 2 years, expected dividend yield of 0%, a risk-free interest rate of 1.73% and an expected volatility of 147.26%.

On issuance, the Company bifurcated the flow-through shares into i) a flow-through share premium of $88,987 that investors paid for the flow-through feature, which is recognized as a liability and; ii) share capital of $311,453. To December 31, 2019, the Company expended $Nil in eligible exploration expenditures and, accordingly, the flow-through liability was not reduced.

Sentient Executive GP IV Limited ("Sentient") and Contemporary Amperex Technology Limited ("CATL") have historically subscribed to private placements of the Company. At December 31, 2019, Sentient beneficially owns, or exercises control or direction over 36,980,982 shares (2018 - 36,980,982 on a post-consolidation basis) constituting approximately 41.70% (2018 - 46.93%) of the currently issued and outstanding shares of the Company. At December 31, 2019, CATL beneficially owns, or exercises control or direction over approximately 22,944,444 (2018 – 20,000,000) constituting approximately 25.87% (2018 - 25.38%) of the currently issued and outstanding shares of the Company. As per the subscription agreement, CATL has pre-emptive rights and the right to nominate one director to the board of directors of the Company.

As at December 31, 2019, the Company has 88,690,791 common shares issued and outstanding, (December 31, 2018 – 78,792,860) on a post-consolidation basis.

b) Preferred shares issued and outstanding

As at June 30, 2020 and June 30, 2019, there are 590,931 series 1 preferred shares outstanding.

The rights and restrictions of the preferred shares are as follows:

i) dividends shall be paid at the discretion of the directors;
ii) the holders of the preferred shares are not entitled to vote except at meetings of the holders of the preferred shares, where they are entitled to one vote for each preferred share held;
iii) the shares are convertible at any time after 6 months from the date of issuance, upon the holder serving the Company with 10 days written notice; and
iv) the number of the common shares to be received on conversion of the preferred shares is to be determined by dividing the conversion value of the share, $1 per share, by $9.00.

c) Warrants

A summary of common share purchase warrants activity during the six months period ended June 30, 2020, on a post-consolidation basis is as follows:

	June 30, 2020		**December 31, 2019**	
	Number Outstanding	**Weighted Average Exercise Price ($)**	**Number Outstanding**	**Weighted Average Exercise Price ($)**
Outstanding, beginning of the period	15,651,397	0.96	25,797,283	1.20
Issued	-	-	3,984,731	0.25
Cancelled / expired	(11,666,666)	1.20	(14,130,617)	1.20
Outstanding, end of the period	3,984,731	0.25	15,651,397	0.96

(Expressed in Canadian dollars)

At June 30, 2020, the Company had outstanding common share purchase warrants exercisable to acquire common shares of the Company as follows:

Warrants Outstanding	Expiry Date	Exercise Price ($)	Weighted Average remaining contractual life (years)
3,984,731	December 18, 2021	0.25	1.47
3,984,731			1.47

d) Stock options

The Company adopted a Stock Option Plan (the "Plan"), providing the authority to grant options to directors, officers, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the Plan, the exercise price of each option equals the market price or a discounted price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years.

A summary of option activity under the Plan during the three months period ended June 30, 2020 on a post-consolidation basis is as follows:

	June 30, 2020		December 31, 2019	
	Number Outstanding	Weighted Average Exercise Price ($)	Number Outstanding	Weighted Average Exercise Price ($)
Outstanding, beginning of the period	2,130,550	1.51	2,594,550	1.80
Issued	6,650,000	0.16	-	-
Cancelled / expired	(90,000)	2.75	(464,000)	4.23
Outstanding, end of the period	8,690,550	0.46	2,130,550	1.51

During the six months period ended June 30, 2020, the Company granted 6,650,000 stock options to purchase common shares in the capital of the Company pursuant to the Company's stock option plan. All of the options are exercisable for a period of five years at an exercise price of $0.16 per share.

There were no incentive stock options granted during the six months period ended June 30, 2019.

The fair value of stock options granted and vested during the six months period ended June 30, 2020 was calculated using the following assumptions:

	June 30, 2020	June 30, 2019
Expected dividend yield	0%	-
Expected share price volatility	121.55%	-
Risk free interest rate	1.21%	-
Expected life of options	5 years	-

Details of options outstanding as at June 30, 2020 on a post-consolidation basis are as follows:

Options Outstanding	Options Exercisable	Expiry Date	Exercise Price ($)	Weighted average remaining contractual life (years)
45,000	45,000	Oct 5, 2020	2.00	0.00
541,800	541,800	Jan 28, 2021	2.10	0.04
763,750	763,750	Feb 21, 2022	1.20	0.14
50,000	50,000	Dec 20, 2022	1.20	0.01
570,000	570,000	Feb 28, 2023	1.20	0.17
50,000	50,000	May 1, 2023	1.20	0.02
20,000	20,000	May 4, 2023	1.20	0.01
6,650,000	6,650,000	Feb 24, 2025	0.16	3.56
8,690,550	8,690,550			3.95

e) Reserve

The reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital. Amounts recorded for forfeited or expired unexercised options and warrants are transferred to deficit. During the six months period ended June 30, 2020, the Company transferred $199,971 to deficit for expired options (June 30, 2019 - $1,561,344) and $2,571,514 for expired warrants (June 30, 2019 - $Nil).

During the six months period ended June 30, 2020, the Company recorded $884,247 of share-based payments to reserves. There were no share-based payments during the six months period ended June 30, 2019.

8. RELATED PARTY TRANSACTIONS

The following amounts due to related parties are included in trade payables and accrued liabilities (Note 6):

(All amounts in table are expressed in thousands of Canadian dollars)

	June 30, 2020	December 31, 2019
Directors and officers of the Company	259	38
Related company	22	131
Total	281	169

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The following amount due from related party and advancement represent other receivable included in current assets as well as investment in a related private company.

(All amounts in table are expressed in thousands of Canadian dollars)

	June 30, 2020	December 31, 2019
Due from related party	132	95
Advancement	130	24

On September 30, 2019, the Company entered into a Memorandum of Understanding ("MOU") with a private company, Premium Nickel Resources ("PNR") incorporated in Ontario in which certain directors and officers of the Company also hold offices and minority investments.

Concurrent with the MOU, the Company subscribed for 2,400,000 common shares of PNR at $0.01, for a total investment of $24,000. Further, during the six months period ended June 30, 2020, the Company subscribed for additional 3,686,749 common shares at $0.02 and 652,152 common shares at $0.05 for an additional investment of $106,343. As of June 30, 2020, the Company's total investment amounts to $130,343 and constitutes a 10.87% holding in PNR and includes a provision that will give the Company the right to nominate two directors to the board of directors of PNR. To June 30, 2020, the Company's investment has been classified as an advance as PNR has not yet issued the common shares certificate nor has it issued the final form of the Warrant to the Company. PNR intends to issue the Company within the next few weeks both the common share certificates and a non-transferable share purchase warrant (the "Warrant"), entitling the Company to purchase common shares of PNR up to 15% of the capital of PNR upon payment of US $10 million prior to the fifth anniversary of the date of issue.

On January 1,2020, the Company entered into a Management and Technical Services Agreement (the "Services Agreement") with PNR, whereby the Company will provide certain technical, corporate, administrative and clerical, office and other services to PNR during the due diligence stage of the contemplated arrangement. The CEO, CFO and the co-chair of NAN's Board were appointed to be the CEO, CFO and the Chair of PNR.

At June 30, 2020, the Company recorded $132,324 due from the PNR.

(a) Related party transactions

As of June 30, 2020, Sentient beneficially owns 36,980,982 common shares on a post-consolidation basis constituting approximately 41.70% of the currently issued and outstanding common shares.

On June 30, 2020, CATL beneficially owns 22,944,444 common shares on a post-consolidation basis constituting approximately 25.87% of the currently issued and outstanding shares of the Company. CATL has pre-emptive rights and the right to nominate one director to the board of directors of the Company.

During the six months period ended June 30, 2020, the Company recorded $62,822 (June 30, 2019 - $29,277) in fees charged by a legal firm in which the Company's chairman is a consultant.

(b) Key management personnel are defined as members of the Board of Directors and senior officers.

Key management compensation was:

(All amounts in table are expressed in thousands of Canadian dollars)

	June 30, 2020	**June 30, 2019**
Geological consulting fees – expensed	5	56
Management fees – expensed	249	374
Salaries - expensed	81	95
Share-based payments	671	-
Total	**1,006**	**525**

9. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in working capital for the three months period ended June 30, 2020 and 2019 are as follows:

(All amounts in table are expressed in thousands of Canadian dollars)

	June 30, 2020	**June 30, 2019**
Decrease in accounts receivables	49	27
(Increase) in prepaid expenses	-	(1)
Increase (decrease)in trade payables and accrued liabilities	183	(23)
Total changes in working capital	**232**	**3**

During the six months period ended June 30, 2020, the Company:

i) transferred $2,771,485 from reserve to deficit;
ii) recorded $49,094 the net change for accrued in exploration and evaluation expenditures;
iii) Recorded $106,343 as a further investment in PNR through reduction of amount receivable from PNR.

During the six months period ended June 30, 2019, the Company:

i) transferred $1,561,344 from reserve to deficit;
ii) recorded $172,059 in accrued exploration and evaluation expenditures.

10. COMMITMENTS AND CONTINGENCIES

The Company has certain commitments to meet the minimum expenditures requirements on its mineral exploration assets it has interest in.

Effective July 1, 2014, the Company had changes to management and entered into the following agreements for services with directors of the Company and a company in which a director has an interest:

i) Directors' fees: $2,000 stipend per month for independent directors and $3,000 stipend per month for the chairman of the board, and $2,500 for committee chairmen.

ii) Management fees: $10,905 per month for the 1st quarter of 2020 and $16,907 per month from April 2020 onward

   Effectively on June 1, 2018, the Company changed the terms with Keith Morrison, the CEO, from direct employment to contracted consultant and entered into a service agreement with his company. Mr. Keith Morrison was appointed to CEO of PNR in January 2020 and has a separate service agreement with the private company.

Each of the agreements shall be continuous and may only be terminated by mutual agreement of the parties, subject to the provisions that in the event there is a change of effective control of the Company, the party shall have the right to terminate the agreement, within sixty days from the date of such change of effective control, upon written notice to the Company. Within thirty days from the date of delivery of such notice, the Company shall forward to the party the amount of money due and owing to the party hereunder to the extent accrued to the effective date of termination.

11. SEGMENTED INFORMATION

The Company operates in one reportable operating segment being that of the acquisition, exploration and development of mineral properties in three geographic segments being Canada, Greenland and United States (Note 5). The Company's geographic segments are as follows:

(All amounts in table are expressed in thousands of Canadian dollars)

	June 30, 2020	December 31, 2019
Equipment		
Canada	7	9
Greenland	17	19
Total	**24**	**28**

	June 30, 2020	December 31, 2019
Exploration and evaluation assets		
Canada	2,478	2,483
Greenland	36,233	36,150
Total	**38,711**	**38,633**

12. GENERAL AND ADMINISTRATIVE EXPENSES

Details of the general and administrative expenses by nature are presented in the following table:

(All amounts in table are expressed in thousands of Canadian dollars)

	Three Months Ended		Six Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Consulting fees	36	84	84	165
Professional fees	46	26	81	35
Management fees	140	185	256	373
Investor relations	11	11	14	27
Filing fees	12	17	21	28
Salaries and benefits	93	147	168	278
General office expenses	21	48	40	147
Total	**359**	**518**	**664**	**1,053**

13. SUBSEQUENT EVENTS

On July 14, 2020, the Company announced that it intends to complete a non-brokered private placement to raise up to $1,620,000. The placement will be by way of subscription agreement for up to 23,142,857 units at $0.07 per unit. Each Unit will consist of one common share in the capital of the Company and one transferable common share purchase warrant ("Warrant") of the Company. Each Warrant will entitle the holder to acquire one common share of the Company within twenty-four (24) months following its issuance date, at a price of $0.09. The warrants are subject to an acceleration clause such that if the closing market price of the common Shares on the TSX-V is greater than $0.12 per Common Share for a period of 10 consecutive trading days at any day before the expiration date of such warrants, the Company may, at its option, accelerate the warrant expiry date to within 30 days.

On August 13, the Company closed the first tranche of its non-brokered private placement consisting of an aggregate of 15,481,077 units of the Company at a price of $0.07 per Unit, for aggregate gross proceeds of $1,083,675.39.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") of North American Nickel Inc. ("North American Nickel" or the "Company") is designed to enable the reader to assess material changes in the financial condition of the Company between June 30, 2020 and December 31, 2019, and the results of operations for the three and six months ended June 30, 2020 (**"Q2 2020" and "YTD 2020",** respectively) and for the three and six months ended June 30, 2019 (**"Q2 2019 and "YTD 2019",** respectively). The MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2020 and with the audited consolidated financial statements and notes thereto of the Company for the fiscal year ended December 31, 2019 (**"FY 2019"**). In this MD&A, references to the Company are also references to North American Nickel and its wholly-owned subsidiary.

The financial statements, and the financial information contained in this MD&A were prepared in accordance with *International Financial Reporting Standards* ("IFRS*"), including International Accounting Standard, Interim Financial Reporting ("IAS 34").*

All amounts in the discussion are expressed in Canadian dollars and in Danish Kroners ("DKK"). All amounts in tables are expressed in thousands of Canadian dollars and in thousands of Danish Kroners where applicable, except per share data and unless otherwise indicated.

This MD&A contains forward-looking information within the meaning of Canadian securities legislation (see "*Forward-looking Information*" below for full discussion on the nature of forward-looking information). Information regarding the adequacy of cash resources to carry out the Company's exploration and development programs or the need for future financing is forward-looking information. All forward-looking information, including information not specifically identified herein, is made subject to cautionary language at the end of this document. Readers are advised to refer to the cautionary language included at the end of this MD&A under the heading "*Forward-looking Information*" when reading any forward-looking information. This MD&A is prepared in accordance with F1-102F1 and has been approved by the Company's board of directors (the "Board") prior to release.

This report is dated August 19, 2020. Readers are encouraged to read the Company's other public filings, which can be viewed on the SEDAR website under the Company's profile at www.sedar.com. Other pertinent information about the Company can be found on the Company's website at www.northamericannickel.com.

Effective October 4, 2019, the Company completed a share consolidation of the Company's issued and outstanding common shares whereby for every ten (10) pre-consolidation common shares issued and outstanding, one (1) post-consolidation common share exists without par value.

All references to share capital, warrants, options and weighted average number of shares outstanding have been adjusted in this discussion, in the consolidated financial statements and retrospectively to reflect the Company's 10-for-1 share consolidation as if it occurred at the beginning of the earliest period presented.

Company Overview and Highlights

North American Nickel is an international mineral exploration and resource development company listed on the TSX Venture Exchange ("TSXV") as at May 3, 2011 trading under the symbol NAN. The Company is focused on the exploration and development of a diversified portfolio of nickel-copper-cobalt-precious metals sulphide projects that should be economically feasible assuming conservative long-term commodity prices. The Company's principal asset is its Maniitsoq Property, in Southwest Greenland, a district scale land position.

North American Nickel was incorporated under the laws of the Province of British Columbia, Canada, by filing of Memorandum and Articles of Association on September 20, 1983, under the name Rainbow Resources Ltd.

Since 2011 the Company has continued the advancement of its camp scale Maniitsoq Project in Southwest Greenland and the Post Creek Property in Sudbury, Ontario. The 2018 exploration and drilling program at its Maniitsoq project was completed in September with a total 14,287 metres of drilling, representing an increase of 5,520 metres from the previous program in 2017. The drilling was focused on testing a geochemical strategy within several of the main Maniitsoq intrusions and has confirmed the presence of melanorite and re-affirmed the significance of the high magnesium oxide (MgO) melanorite control on NiS mineralization.

The Company's Post Creek project has been held as an asset since 2010 because of its prospective location. The Company has been exploring the project with a combination of geophysics, prospecting, trenching, mapping. A two-hole drill program was completed in 2018 with the objective of assessing magnetic and electromagnetic anomalies within a corridor of breccias and quartz diorite extending radially away from the Whistle Offset and to provide a platform for downhole geophysics. Base metal massive sulphide-type high-grade zinc with silver mineralization were discovered.

In early 2018, NAN initiated a strategy to assemble a diversified portfolio of highly prospective nickel-copper-cobalt projects that were located in countries with the Rule-of-Law and that should demonstrate sustainable economics assuming conservative long-term commodity prices. As a result of this work, NAN has acquired 3 new projects in Ontario which include: the Lingman Nickel Project, covering a portion of the Archean aged Lingman Lake Greenstone Belt and the Quetico Nickel Project which is known to host intrusions with Ni-Cu-Co-PGM mineralization related to a late 2690 Ma Archean magmatic event and the 1110-1090 Ma Proterozoic Mid-continent Rift.On September 25, 2019, the Company entered into an agreement to earn a 100% interest in the Loveland Nickel property in the Timmins area of Ontario and subsequently completed a 4-hole program for 1,086 metres of diamond drilling, with borehole electromagnetic (BHEM) surveys on the project. Based on the result of the exploration program, the management elected not to proceed with further exploration on the property and terminated the agreement.

On December 18, 2019, the Company completed a bought deal private placement issuing of 2,224,666 flow-through common shares of the Company at a price of $0.18 per FT Share and 7,373,265 common share units at a price of $0.18 per Unit for gross proceeds of $1,727,627.58.

On February 24, 2020, the Company granted incentive stock options to certain directors, officers, employees and consultants of the Company to purchase up to 6,650,000 common shares in the capital of the Company pursuant to the Company's stock option plan. All of the options are exercisable for a period of five years at an exercise price of $0.16 per share.

In Jun 2020, the company announced that Mr. John Sabine has stepped down from his position as Non-Executive Chairman and Director of the NAN Board. Subsequently, the Board appointed Mr. Charles Riopel as Interim Non-Executive Chairman and Mr. Douglas Ford as Interim Lead Independent Director.

On July 9, 2020, the company announced its ownership position in a private company, Premium Nickel Resources ("PNR") to have direct exposure to Ni-Cu-Co opportunities in the South African region. PNR has recently submitted an Indicative Offer to acquire the assets, currently in liquidation, formerly operated by Bamangwato Concessions Limited (BCL) in Botswana. NAN provides technical and management support to PNR through a Services Agreement and a Consulting Agreement. The CEO, CFO and the co-chair of NAN's Board were appointed to be the CEO, CFO and the Chair of PNR. NAN currently owns 10% of PNR and has a 5-year Warrant to purchase an additional 15% of PNR for USD$10 million.

On July 14, 2020, the Company announced that it intends to complete a non-brokered private placement to raise up to $1,620,000. The placement will be by way of subscription agreement for up to 23,142,857 units at $0.07 per unit. Each Unit will consist of one common share in the capital of the Company and one transferable common share purchase warrant ("Warrant") of the Company. Each Warrant will entitle the holder to acquire one common share of the Company within twenty-four (24) months following its issuance date, at a price of $0.09. The warrants are subject to an acceleration clause such that if the closing market price of the common Shares on the TSX-V is greater than $0.12 per Common Share for a period of 10 consecutive trading days at any day before the expiration date of such warrants, the Company may, at its option, accelerate the warrant expiry date to within 30 days.

On August 13, the Company closed the first tranche of its non-brokered private placement consisting of an aggregate of 15,481,077 units of the Company at a price of $0.07 per Unit, for aggregate gross proceeds of $1,083,675.39.

Maniitsoq Nickel-Copper-PGM Project, Southwest Greenland

The Greenland properties currently being explored for nickel-copper-cobalt-PGM sulphide by the Company have no mineral resources or reserves. The Maniitsoq project is centered 100 kilometres north of Nuuk, the capital of Greenland which is a safe, stable, mining-friendly jurisdiction. The centre of the project is located at 65 degrees 18 minutes north and 51 degrees 43 minutes west and has an arctic climate. It is accessible year-round either by helicopter or by boat from Nuuk or Maniitsoq, the latter located on the coast approximately 15 kilometres to the west. The deep-water coastline adjacent to Maniitsoq is typical of Greenland's southwest coast which is free of pack ice with a year-round shipping season. The optimum shipping conditions are due to the warming Gulf Stream flowing continuously past the south west coastline of Greenland. There is no infrastructure on the property; however, the Seqi deep water port and a quantified watershed for hydropower are located peripheral to the project.

The Maniitsoq property is centred on the 75 kilometre by 15 kilometre Greenland Norite Belt which hosts numerous high-grade nickel-copper sulphide occurrences associated with mafic and ultramafic intrusions. Between 1995 and 2011, various companies carried out exploration over portions of the project area. The most extensive work was carried out by Kryolitselskabet Øresund A/S Company ("KØ") who explored the project area from 1959 to 1973. KØ discovered numerous surface and near surface nickel-copper sulphide occurrences and this work was instrumental in demonstrating the nickel prospectivity of the Greenland Norite Belt.

The Company acquired the Maniitsoq project because it has potential for the discovery of significant magmatic sulfide deposits in a camp-scale belt. The company believed that modern, time-domain, helicopter-borne electromagnetic (EM) systems would be more effective at detecting nickel sulphide deposits in the rugged terrain of Maniitsoq than previous, older airborne fixed wing geophysical surveys available to previous explorers. In addition, modern, time domain surface and borehole EM systems could be used to target mineralization in the sub-surface.

The Maniitsoq property consists of three exploration licenses, Sulussagut No. 2011/54 and Ininngui No. 2012/28 comprising 2,689 and 296 square kilometres, respectively and the recently acquired Carbonatite property No. 2018/21 (63 km^2).

Sulussugut License – 2011/54

Effective August 15, 2011, the Company was granted an exploration license, No. 2011/54 (the "Sulussugut License"), by the Bureau of Minerals and Petroleum ("BMP") of Greenland for exclusive exploration rights of an area located near Sulussugut, Greenland. The Sulussugut License was valid for 5 years until December 31, 2015, with December 31, 2011 being the first year providing the Company meets the terms of the license, which includes that specified eligible exploration expenditures must be made. The application for another 5-year term on the Sulussugut License was submitted to the Greenland Mineral License & Safety Authority (MLSA) which was effective on April 11, 2016, with December 31, 2019 being the nineth year.

The Greenland MLSA for the year 2019 has adjusted the minimum required exploration expenditures to DKK 44,755,600. The Company has no exploration commitment for 2020 year.

The annual license fee on the Sulussugut License for year 9 and forward is approximately DKK 41,000.

Details of required work expenditures and accrued work credits are tabulated and given below:

Table 1: Sulussugut License – 2011/54 *(All amounts in table are expressed in thousands of DKK)*

Exploration Commitment		**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Fixed amount		313	317	-	650	659	656
4841 km^2 of DKK 1.460 per km^2							
4841 km^2 of DKK 1.490 per km^2							
3336 km^2 of DKK 7.760 per km^2							
2689 km^2 of DKK 7.830 per km^2		21,055					
2689 km^2 of DKK 7.940 per km^2			21,351				
2689 km^2 of DKK 16.260 per km^2				-	43,723		
2689 km^2 of DKK 16.500 per km^2						44,369	
2689 km^2 of DKK 16.400 per km^2							44,100
Exploration obligation		21,368	21,668	-	44,374	-	44,755
Approved exploration expenditures		55,509	59,150	61,109	85,094	79,604	1,724
Exploration obligation		(21,368)	(21,668)	-	-	-	(44,755)
Credit from previous year		28,681	62,822	100,304	161,413	246,507	326,111
Total Credit	DKK	62,822	100,304	161,413	246,507	326,111	283,080
Average Annual Rate DKK to CAD		0.1968	0.1901	0.1969	0.1968	0.2053	0.1990

The accumulated exploration credits held at the end of 2019, DKK 283,080,453 (approximately $56,333,010) can be carried forward as follows:

Carry forward period:

a) DKK 203,476,089 from 2017 until December 31, 2021

b) DKK 79,604,364 from 2018 until December 31, 2021

The Company has fulfilled the minimum exploration requirements and the Sulussugut License area was not reduced in 2019.

Ininngui License - 2012/28

Effective March 4, 2012, the Company was granted an additional exploration license, No. 2012/28 (the "Ininngui License"), by the BMP of Greenland for exclusive exploration rights over an area near Ininngui, Greenland. The Ininngui License is contiguous with the Sulussugut License. The Ininngui License was valid for 5 years until June 30, 2017. The application for another 5-year term on the Ininngui License was submitted to the Greenland Mineral Licence & Safety Authority (MLSA) which was effective March 14, 2017, with December 31, 2019 being the eighth year.

Details of required work expenditures and accrued work credits are tabulated and given below.

Table 2: Ininngui License - 2012/28 *(All amounts in table are expressed in thousands of DKK)*

Exploration Commitment		**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Fixed amount		313	318	323	-	659	656
142 km^2 of DKK 1.490 per km^2							
265 km^2 of DKK 1.550 per km^2							
265 km^2 of DKK 7.830 per km^2		2,075					
296 km^2 of DKK 7.940 per km^2			2,350				
296 km^2 of DKK 8.080 per km^2				2,392			
296 km^2 of DKK 8.080 per km^2							
296 km^2 of DKK 16.500 per km^2					-	4,884	
296 km^2 of DKK 16.400 per km^2							4,854
Exploration obligation		2,388	2,668	2,715	-	-	5,510
Total Credits Available							
Approved exploration expenditures		5,470	6,276	6,790	9,367	10,465	283
Exploration obligation		(2,388)	(2,668)	(2,715)	-	-	(5,510)
Credit from previous year		4,902	7,984	11,592	15,667	25,044	35,509
Total Credit	DKK	7,984	11,592	15,667	25,044	35,509	30,282
Average Annual Rate DKK to CAD		0.1968	0.1901	0.1969	0.1968	0.2053	0.1990

Carry forward period:

a) DKK 19,816,698 from 2017 until December 31, 2021

b) DKK 10,465,154 from 2018 until December 31, 2021

The Company has fulfilled the minimum exploration requirements and the Ininngui License area was not reduced in 2019. The annual license fee on the Ininngui License for year 8 and forward is approximately DKK 41,000. The Company has no exploration commitment for 2020 year.

For both licenses, future required minimum eligible exploration expenses will be adjusted each year on the basis of the change to the Danish Consumer Price Index.

For both licenses, at the expiration of the second license period (years 6-10), the Company may apply for a new 3-year license for years 11 to 13. Thereafter, the Company may apply 3 times for additional 3-year licenses for a total of 9 additional years. The Company will be required to pay additional license fees and will be obligated to incur minimum eligible exploration expenses for such years.

Carbonatite License - 2018/21

Effective May 4, 2018, the Company was granted an exploration license (the "Carbonatite License") by the BMP of Greenland for exclusive exploration rights of an area located near Maniitsoq in West Greenland. The Company paid a license fee of $6,523 (DKK 31,000) upon granting of the Carbonatite License. The Carbonatite License is valid for 5 years until December 31, 2022, with December 31, 2019 being the second year.

Details of required work expenditures and accrued work credits are tabulated and given below.

Table 3: - Carbonatite License 2018/21 *(All amounts in table are expressed in thousands of DKK)*

Exploration Commitment		**2017**	**2018**	**2019**
Fixed amount		-	165	164
63 km^2 of DKK 1.650 per km^2			104	
63 km^2 of DKK 1.640 per km^2				103
Exploration obligation		-	269	267
Approved exploration expenditures		-	10,099	934
Exploration obligation			-	(267)
Credit from previous year		-	-	9,830
Total Credit	DKK	-	9,830	10,497
Average Annual Rate DKK to CAD			0.2053	0.1990

Carry forward period:

a) **DKK 9,830,021** from 2018 until December 31, 2022
b) **DKK 666,501** from 2019 until December 31, 2023

The Company may terminate the licenses at any time; however, any unfulfilled obligations according to the licenses will remain in force, regardless of the termination. The Company has no exploration commitment for 2020 year.

Ikertoq License – 2018/31

The Company was granted a second exploration license, No. 2018/31 (the "Ikertoq License") on May 4, 2018 in an area approximately 110 km north of the Mannitsoq project. The license was subsequently relinquished after a program of field work downgraded the NiS potential.

Exploration and Development Activities

In 2019, The Company had planned to return to Maniitsoq and other regional target areas to continue our systematic exploration program. Unfortunately, the Company was not successful in completing a treasury financing within the lead-time required for the logistical planning in Greenland. The initial 2019 work program for Maniitsoq project has been postponed to the 2020 summer season subsequent to a successful financing capable of supporting an integrated exploration program. However, the 2020 summer program was further delayed due to the COVID-19 travel restrictions. Management is re-assessing the possibility of carrying out the program in 2021.The Company reported its remaining results from the 2018 exploration program on the Maniitsoq property in April 2019. Details are provided below. Holes drilled in 2018 are referenced in Figures 1 and 2 in Exploration and Development Activities section under *"2018 Exploration Activities"*.

Hydropower assessment of watershed 06.H was continued with the emplacement of devices to measure the seasonal variability of water levels in Lake Taserssuatsiaq and to provide a framework for further surveys over the next 3-5 years.

A prospecting permit for west Greenland was awarded by the Greenland government.

Fossilik

Detailed geological, geochemical, and geophysical investigations were undertaken to provide the framework to drill test the P-058 sulphide zone and the keel zone of the large Fossilik intrusion. The melanorite keel area is interpreted to be the primary control on high-grade mineralization previously identified in the P-058, P-059, and P-004 zones at the southwest margin of the intrusion. Historic exploration established a strong empirical relationship between the highest grades and tenors of magmatic sulphide mineralization and the distribution of high magnesium oxide (MgO) noritic rock, termed melanorite. Geochemical and geophysical data point to the importance of dense melanoritic bodies with elevated levels of MgO and chromium (Cr) as the principal repository of known magmatic sulphide mineralization. The strongly conductive signature of heavy disseminated, breccia, and massive sulphide mineralization makes this type of mineralization an exceptionally good target for deep-penetrating surface electromagnetic surveys (EM).

Holes MQ-18-161, 173 and 184 totaling 2,626.7 m were drilled within the southwest area of the intrusion and hole MQ-18-158 tested the margin of the main Fossilik Intrusion adjacent to the P-058 mineral zone. Holes MQ-18-158, drilled to a depth of 797 m and -161 did not intersect any significant mineralization. Assay results for holes MQ-18-173 and MQ-18-184 are given in Table 5.

The 2018 work program did not identify significant mineralization in the keel structure of the Fossilik intrusion however the potential for a discovery at depth remains open, and the most prospective keel portion lies below the bottom of drill hole MQ-18-173.

Table 5: Assay Results, P-058 Fossilik Intrusion.

Hole Number		From (m)	To (m)	Core Length (m)	Ni %	Cu %	Co %	S %	Pt g/t	Pd g/t	Au g/t	MgO %
MQ-18-173		893.05	894.10	1.05	0.26	0.06	0.01	1.21	0.04	0.01	0.02	19.91
MQ-18-184		543.00	547.20	4.20	0.31	0.09	0.01	1.52	0.04	0.01	0.04	18.30
Including		546.70	547.20	0.50	1.07	0.31	0.04	5.47	0.12	0.03	0.11	19.53
MQ-18-184		751.00	755.10	4.10	0.28	0.09	0.01	0.97	0.03	0.01	0.04	22.88

Imiak Hill

Four heavily deformed intrusions with gravity and IP anomalies were drill tested in 2018 at Imiak Hill. Intrusions G-017, G-025, G-026, and G-036 were tested with seven holes for a total of 3,499.8 m.

G-017 was tested by holes MQ-18-170 and 178 for 1,230.8 m to evaluate melanorite outcrop associated with a gravity high. No significant nickel or copper sulphide mineralization was intersected.

G-025 occurs on the western edge of the IHC and consists of discontinuous outcrops of melanorite. Hole MQ-18-176 undercut previous historic surface grab samples with values of up to 0.79% nickel and 0.42% copper. The hole was drilled to a depth of 516 m and intersected a thick interval of melanorite with maximum values of 0.54% nickel and 0.19% copper between 115.15 m to 121.0 m.

G-026 is located west of the Imiak Hill zone and was tested with holes MQ-18-165, -166 and -179 totaling 1,174 m. Hole MQ-18-165 was abandoned shortly after casing and restarted as 166 but failed to encounter melanorite or nickel sulfide mineralization. Hole MQ-18-179 tested a chargeability high and resistivity low and intersected low MgO noritic rocks with 0.43% Ni and 0.13% Cu over 7.0 m from 382m to 389m, and 0.56% Ni and 0.17% Cu between 399.45 m to 402 m.

G-036 is interpreted to be a possible faulted and displaced continuation of the mafic intrusive host to the Imiak Hill mineral zone. The intrusion, which may represent the keel of the system, is marked by a gravity high. Borehole MQ-18-160 was drilled to a depth of 579 m and intersected a thick sequence of melanorite with 0.37% Ni and 0.19% Cu over 1.65 m at 93.35 m.

Spotty Hill P-055

Hole MQ-18-157 tested a gravity anomaly within a melanorite keel 300 m down-plunge of known mineralization for 778 m. Previous drill hole intercept values included 1.35% Ni and 0.26% Cu over 7.8 m from hole MQ17-143. Sub-economic values of 0.27% Ni and 0.07% Cu over 4.63 m from 527.8 m to 532.43 m were intersected. BHEM results were negative.

P-030/P-031/P-032

The P-030-032 target area is located in the southern portion of the Greenland Norite Belt and is a two km long, northeast-striking norite intrusion with surface gossans that assay up to 2.26% Ni, 0.67% Cu and 0.33g/t PGM's. The intrusion was tested by holes MQ-18-181, MQ-18-186 and MQ-18-188. DDH MQ-18-181 intersected 0.86% Ni and 0.19% Cu between 194.10 m and 196.80 m. A systematic increase in MgO concentration with depth indicates that the primary keel of the intrusion extends below the depth of drilling.

MQ-18-188 tested the P-031 noritic intrusion northeast of the P-032 sulphide zone that had assay results of up to 0.49% Ni, 0.22% Cu and a combined PGM content of 0.7g/t. This hole was shut down early in melanorite at a depth of 672 m due to the termination of the 2018 exploration program. Based on MgO content the keel of the intrusion occurs at depths below current drilling.

MQ-18-186 was completed to a depth of 417 m to test if mineralized melanorite extended below the near-surface P-030 mineral zone. The hole failed to intercept and a follow-up BHEM survey did not identify any anomalies.

Pingo

Three holes totaling 1,017 m were drilled to evaluate the melanoritic Pingo dyke located approximately 23 km northwest of the Imiak Hill Complex. The melanoritic intrusion has an interpreted strike of >7 km and varies in width from 35 to 165 m. Historic surface grab samples collected along the intrusion returned values of 0.78% Ni and 0.26% Cu; 0.74% Ni and 0.34% Cu; and 0.78% Ni and 0.23% Cu.

Hole MQ-18-183 indicates that the gossanous melanorite exposed at surface extends to depth. BHEM did not identify strongly conductive plates in association with the intrusion.

Hole MQ-18-187 encountered noritic rocks underneath the surface outcrop of mineralized melanorite. The weakly conductive BHEM plates modelled from this hole point back towards the surface gossan and 3D modeling indicates the mineralized segment of the dyke has been tested for a conductive target satisfying an economic threshold above ~400 m depth. The VTEM airborne geophysical response does not provide a focus for further evaluation of the strike-extent of the dyke.

Other Noritic Instructions

P-005: MQ-18-164 was drilled to a depth of 122 m to evaluate a previously identified VTEM anomaly modelled with a 252 Siemen conductance plate. The hole intersected weak but high nickel tenor stringer sulphide mineralization and returned a best value of 0.27% Ni and 0.22% Cu with 1.51% S over 1 m. Follow up BHEM indicates an off-hole anomaly below the drill hole, indicating that the bulk of the mineralization potentially lies at depth.

P-012: MQ-18-159 targeted a near surface 400 Siemen conductance surface pulse EM anomaly and a historic 1483 Siemen off-hole anomaly, modelled from DDH MQ-15-093. The 329 m borehole intersected stringer/vein sulphide mineralization in mafic gneiss from 24.20 to 30.85 m with a best assay of 0.22% Ni, 0.14% Cu over 0.60 m.

P-293: Two holes, MQ-18-180 and 182 were drilled for 338 m to evaluate a set of known VTEM anomalies 2 km north east of the Mikissoq sulphide zone. Both holes intersected norite with associated barren sulphide mineralization.

Qeqertaasaq Carbonatite Complex

Two holes were drilled to follow up on potential nickel sulphide targets at the margin of the Qeqertaasaq Carbonatite Complex (QCC). DDH MQ-18-168 and 169 totaled 553 m and targeted EM anomalies detected during the 2018 surface EM program. MQ-18-168 encountered thin veins of barren pyrite and pyrrhotite. DDH MQ-18-169 intersected a 30 m thick interval of conductive magnetite. Four short drill holes totaling 752 m targeted the concentric radiometric high developed at the periphery of the carbonatite intrusion where historic grab samples from the fenite zone contained elevated tantalum and niobium concentrations. DDH MQ-18-171, the easternmost hole, returned the highest niobium values of 3218 ppm over 0.9 m and 3376 ppm over 0.3 m. The highest tantalum values occur in the northern part of the QCC with hole MQ-18-172 returning values of 166 ppm tantalum over 0.5 m and 163 ppm tantalum over 0.15 m. Mineralization occurs along narrow irregularly shaped veins and segregations in association with fenitized basement rocks.

Outlook - Exploration and Development for 2020-2023

Management is recommending a three-year exploration plan for Maniitsoq with the objective of maximizing the potential value of the asset while extending the period that the Company maintains control of the project. The impact of Covid-19 will prevent the planning and execution of field work in Greenland. The Greenland Government eliminated the expenditure requirements for 2020. Management will assess the situation with the expectation of implementing the three-year plan starting in 2021.

2020 – Apply the Company's cumulative knowledge to Maniitsoq and other areas of Western Greenland and identify the geoscience data gaps to effective targeting.

– Continue the assessment of hydropower development within watershed 06.H.

2021 - Acquire the additional required geoscience data and additional properties of merit; conduct test drilling if any priority targets are identified and drill ready.

2022 – Execute a major drill campaign of prioritized targets.

This three-year plan will allow for the generation of priority drill targets while drawing down on the three years of exploration credits (Table 1 & 2). The drilling expenditure in 2022 would extend the Company's 100% ownership of the Maniitsoq project until 2025.

Exploration History

The Company undertook numerous exploration activities and completed various mineralogical studies during the period from 2012 to 2016, including 9,596 metres of drilling in 2016. A National Instrument 43-101 was completed on the Maniitsoq property in March 2016 and QEMSCAN mineralogical analyses on drill core samples documenting favourable liberation and recovery characteristics for Maniitsoq mineralization was reported in April 2016.

Exploration program for the year 2017 commenced in May with the opening of the exploration base camp at Puiattoq Bay and was completed in September. The objective was step-out drilling at the Imiak Hill Complex (IHC), Fossilik and P-013SE, to advance one or more areas to the delineation drilling stage for 2018 (Figures 1 and 2). Infrastructure, environmental baseline studies and ongoing corporate social responsibility initiatives were also undertaken. 11,000 metres of diamond drilling were targeted for 2017 building on 2015 and 2016 exploration results. Borehole gyro, electromagnetic (BHEM), optical tele-viewer and physical properties surveys, surface electromagnetic and Induced Polarization ("IP") geophysical surveys, mapping, prospecting, sampling, structural geological studies and 3D modeling accompanied drilling.

Twenty-three drill holes totalling 8,767 metres were completed to test mineralized zones and geophysical targets. The 2017 program of drilling on the mineral zones of the IHC and Fossilik areas indicate that the plunging zones of mineralization in the IHC and Fossilik areas extend to depth, but these zones do not increase significantly in width and/or lateral extent, and they are often offset by shallow fault zones. Some of the zones are open and untested at depth, so there is some possibility that these zones link to more extensive zones of mineralization, but the strategy of following these zones with drilling and borehole geophysics was reconsidered as an outcome of the 2017 program of work.

Based on field mapping, prospecting and re-examination of exploration results, the high-MgO parts of the larger Norite Province Intrusions with proximal zones of mineralization (e.g. P-004, P-058, Imiak Hill Complex occurrences) were identified as a possible source for the high nickel grade and tenor mineralization. The larger melanorite (> ~12.5 wt MgO) domains have the capacity to host more extensive zones of breccia and semi-massive sulphide mineralization in association with disseminated sulfides. Although the intrusions are extensively modified by deformation and metamorphism, the contacts and keels of the larger bodies provided focus to next phase of exploration work.

2018 Exploration Activities

Exploration work in 2018 focussed on targeting the outer contacts and keels of differentiated intrusions containing significant amounts of melanorite. Work was prioritized intrusions at Fossilik, the Imiak Hill Complex, P-030, P-032, P-008 and Pingo which are believed to have good potential to host economic accumulations of Ni-Cu-Co-PGM sulfide mineralization. Exploration in 2018 utilized:

- Surface electromagnetic surveys targeting of the melanorite "keel" structures which may contain larger sulfide accumulations from which the known mineral zones were structurally detached;
- A targeted 12,500 metres of diamond drilling, including borehole electromagnetic (BHEM) surveys, and
- Mapping, prospecting, sampling, structural geological studies and 3D modeling

Systematic analysis of geochemical data indicates that melanorites are an important host to disseminated sulphide mineralization and this rock type also hosts thick zones of breccia and semi-massive sulphides. The known mineral lenses at P-004, P-058, and Spotty Hill are adjacent to under-explored intrusions containing melanorite. The melanorite keels of large mineralized intrusions such as Fossilik and target G-025 therefore represent an important geological environment to explore for large tonnage, high grade mineralization.

Figure 1-2 summarizes 2018 drill targets and drill holes including the location of P-008 and the newly identified mineral zone.

The 2018 exploration program commenced in June and was completed in September with 14,288 m of drilling that targeted the roots of large intrusions with thick intervals of melanorite. The total meterage is an increase of 5,521 m from the 2017 program and surpassed the initial planned program of 12,500 m.

A small but important intrusion comprising melanorite at the P-008 target south of Fossilik (Figure 1) was identified. Two holes (MQ-18-162, MQ-18-163) were drilled to test the surface EM target and both intersected significant sulphide mineralization. A third hole, MQ-18-167, followed-up on holes MQ-18-162 and MQ-18-163 and indicate that the zone is more extensive at depth and extends into the footwall at the north wall of the intrusion. A BHEM survey has identified further targets at depth that were tested with DDH MQ-18-177. This hole deviated and was drilled outside of the plunge of the mineralization. Selected drill and assay results are summarised in Table 4.

Melanorite is the host for the majority of the highest-grade nickel mineralization comprising heavily disseminated, net-textured, breccia and massive sulphide mineralization. Targeting of these holes was accomplished using optimized deep-penetrating surface electromagnetic methods including borehole EM surveys to target the melanorite and keel zones of prioritized intrusions at Fossilik, P-030-31-32, P-008, Pingo and in the footprint of the Imiak Hill Complex (Figure 2). The extensive program of work has generated the data and samples required to add significant value to the Maniitsoq database and provides a basis to refine future exploration strategies.

Figure 1. Location of 2018 drill targets.

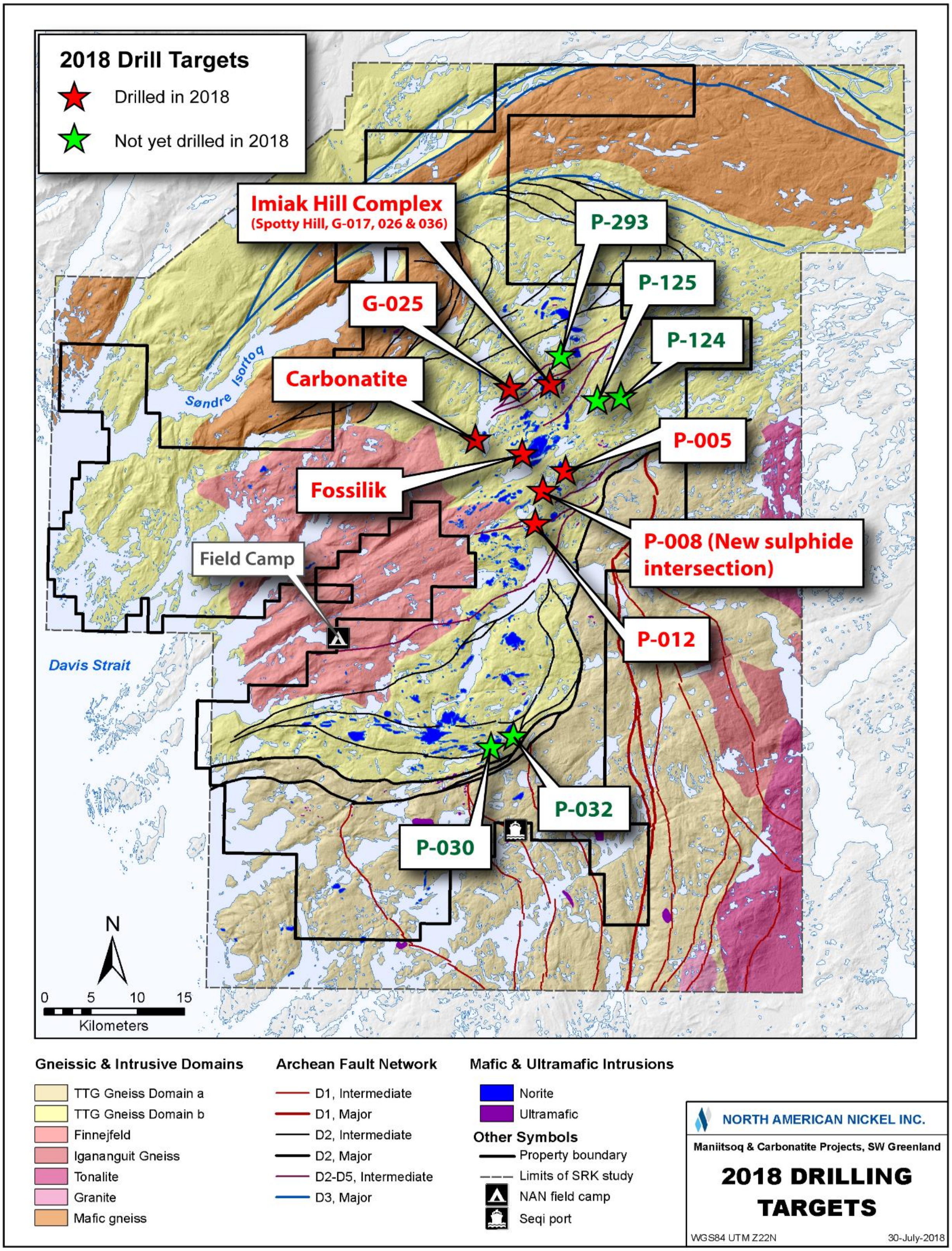


Figure 2. Location of 2018 drilling.

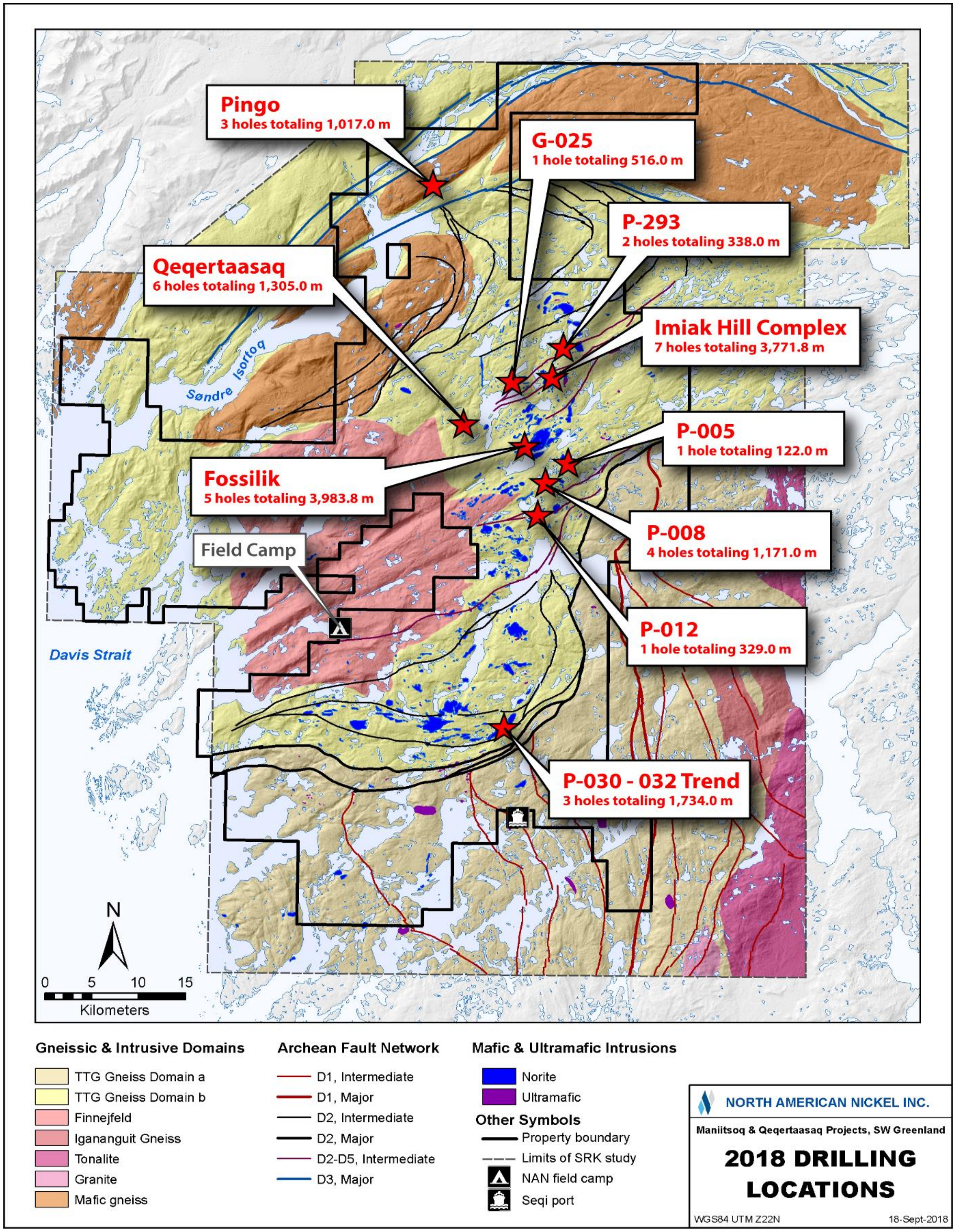


Table 4. Summary of drill and assay results, MQ-18-167.

Target	*Drill Hole*	*Location*	*Intercept*
P-008	MQ-18-167	Fossilik	7.50m @ 1.26% nickel, 0.24% copper, 0.05% Co and 0.47 g/t Pt+Pd+Au including 5.10m @ 1.68% nickel, 0.29% copper, 0.06% cobalt and 0.63 g/t Pt+Pd+Au

Drilling and electromagnetic (EM) data have indicated a 335-metre dip-extent to the P-008 mineralization that remains open down dip and along strike. It comprises high tenor (6.5-7.7% nickel), strongly conductive high-grade remobilized sulphide and, less conductive disseminated to blebby sulphide that is typical of the Maniitsoq style of mineralization.

Carbonatite and Ikertoq

On May 4, 2018 the Company was awarded an exploration license (2018/21; "Carbonatite") over a highly prospective block of ground to the west of the Fossilik Intrusion in an area which has very limited nickel exploration and contains the Qeqertassaq carbonatite complex. The work program for 2018 has consisted of compilation, field work, surface sampling for geochemistry, surface EM work in areas with possible norite-associated mineralization modified by the carbonatite complex and drilling to evaluate the potential for strategic metals (niobium, tantalum, and rare earth elements) in areas outside of the focus areas of historic drilling.

Compilation work and re-interpretation of historic data for the 15 km2 Qeqertassaq Carbonatite Complex, part of the Greenland Norite Belt, was commenced on September 10. The purpose was to identify norite-hosted nickel sulphide targets and focus exploration on the potential for rare and strategic metals. Ground EM surveys were undertaken over targets identified from a 1995 GEOTEM airborne survey. Two drill holes for a total of 553 m were drilled to test resultant conductive responses for potential nickel targets intersected stringers of barren pyrrhotite within a carbonate-magnetite host rock in association with a thick interval of magnetite. A surface rock sampling and drilling program was initiated to assess the strategic metal potential for pyrochlore-hosted tantalum and niobium. A total of 284 rock samples were collected from a zone of elevated tantalum and niobium correlated with historic airborne radiometric and magnetic anomalies at the margin of the Qeqertassaq Carbonatite Complex. Four holes were also drilled for a total of 1,305 m to assess this zone. A report on the strategic metal potential of the Qeqertassaq carbonatite was commissioned, and emphasis was placed on understanding the upside potential of the light rare earth element vein system, the niobium mineralization, and the potential for tantalum mineralization is association with soeviite series rocks.

A second new exploration license (2018/31; "Ikertoq") was awarded to the Company on May 4, 2018 in an area approximately 110 km north of the Maniitsoq project. This area was intermittently explored by KØ A/S Company, Greenland Gold Resources and Northern Shield Resources. A program of field work was undertaken in July of 2018 centered on the differentiated ultramafic Ikertoq Intrusion and within the footprint of potential ultramafic rocks identified as a result of processing of a Worldview-2 satellite image of the license. The high Ni-tenor sulphide mineralization associated with the center of the Ikertoq Intrusion was shown to be related to localized veins of coarse-grained late felsic micaceous pegmatites that have locally incorporated nickel to form pentlandite. No evidence of primary magmatic concentrations of nickel-cobalt sulfide were found either in association with the Ikertoq Intrusion or in association with the colour anomalies identified from the Worldview-2 satellite image. As of December 31, 2018, the license was relinquished due to no further plans to carry exploration work.

CSR, Environment and Infrastructure

Hydropower Development **–** A watershed prospecting license for the assessment and development of hydropower resources at Maniitsoq was awarded by the Ministry of Industry, Labour, Trade and Energy of the Greenland Government in March 2017. The two-year license provides for the exclusive right to assess and develop potential hydropower resources with an option for a three-year extension. EFLA Consulting Engineers completed a feasibility analysis of hydropower development within watershed 0.6H in January 2018. The analysis of hydropower within watershed 0.6H identifies two subordinate watersheds 7038-001 F03 and 7038-001 F04 with the capacity to supply a 12 MW base load and an 18 MW maximum load and generate 96 GWh per annum for the Maniitsoq Project. The two watersheds included in this assessment have the capacity to supply the required hydroelectricity at an installed cost of $5.621 USD/kW and $5.049 USD/kW respectively at a CAPEX of between $101.2 and $90.9 million USD respectively. Operating expenses are 1-2% of CAPEX. Both watersheds encapsulate or are close to priority nickel sulphide mineralized zones and the Seqi Port.

Corporate Social Responsibility - The 2018 program for Corporate Social Responsibility was completed on August 24 with community presentations in Sisimiut, Maniitsoq, Atammik and Napasoq and presentations to the Mineral Licencing and Safety Authority and the Ministry of Industry and Energy of the Greenland government in Nuuk. The National Association for Hunters and Fishers (KNAPF) also located in Nuuk was updated on 2018 exploration activities. The Company renewed its support for the annual Greenland mineral hunt.

Environmental Surveys – Sampling to establish baseline geochemical values for low total dissolved solids freshwaters, fauna and flora was continued in areas of active exploration and in the area of watershed 0.6H. Watershed survey area surveys were undertaken in support of ongoing hydropower assessments that are ongoing. All surveys have been undertaken by qualified personnel of Golder Associates (Copenhagen). Final reports have been received for both environmental surveys and weather station databases. Weather stations have been removed from the field as sufficient data has been acquired to prepare a model for wind-related particulate dispersion in the Maniitsoq area.

Tailings Facility - Discussions were held with the MLSA and the Greenland Department of Nature, Environment and Energy regarding the process for selecting and developing a tailings facility to support nickel mining and milling activities. This process is required to be undertaken as part of the submission of an exploitation license for extraction of nickel ore.

Canada Nickel Projects - Sudbury, Ontario

Post Creek Property

The Company entered into an option agreement in April 2010, subsequently amended in March 2013, to acquire rights to Post Creek Property located within the Sudbury Mining District of Ontario. On August 1, 2015, the company has completed the required consideration and acquired 100% interest in the property. The Company is obligated to pay advances on the NSR of $10,000 per annum, which will be deducted from any payments to be made under the NSR.

The property is located 35 kilometres east of Sudbury in Norman, Parkin, Alymer and Rathburn townships and consists of 39 unpatented mining claims in two separate blocks, covering a total area of 912 hectares held by the Company. The center of the property occurs at UTM coordinates 513000mE, 5184500mN (WGS84, UTM Zone 17N). The Post Creek property lies adjacent to the Whistle Offset Dyke Structure which hosts the past–producing Whistle Offset and Podolsky Cu-Ni-PGM mines. Post Creek lies along an interpreted northeast extension of the corridor containing the Whistle Offset Dyke. Offset Dykes and Footwall deposits account for a significant portion of all ore mined in the Sudbury nickel district and, as such, represent favourable exploration targets. Key lithologies are Quartz Diorite and metabreccia related to Offset Dykes and Sudbury Breccia associated with Footwall rocks of the Sudbury Igneous Complex which both represent potential controls on mineralization.

Outlook – Exploration and Development for 2020-2021

The objective of further compilation work on the Post Creek Project was to provide a basis for prospecting and sampling of parts of the property that have received incomplete historic exploration. The targets comprised radial and concentric offset dykes of the Sudbury Igneous Complex which are known to be associated with high grade Cu-Au-PGE sulfide mineralization.

2020 – Two targets in the southern part of the Post Creek Property were flagged for prospecting: 1. The footprint around a quartz diorite boulder which is slightly different in texture and composition to the main stripped outcrop of quartz diorite; 2. A grab sample from a gossan in a zone of Sudbury Breccia yielded 0.276g/t Au and 2.62% Cu, but no significant Ni, Pt, or Pd. Neither of these target domains has a response in historic IP, VTEM, or surface EM. The chalcopyrite mineralization sits within the main breccia belt that extends NNE of Whistle and controls the Podolsky Deposit, so it warrants follow-up with prospecting and sampling.

2021 – Prospect and search for mineralization and/or quartz diorite on parts of the Post Creek Properties that remain overlooked by previous exploration. Complete geophysical surveys over prospective target areas, and conduct test drilling if any priority targets are identified and drill ready.

This two-year plan will allow for the generation of priority drill targets while drawing down on the available exploration credits. The work expenditure in 2021 would extend the Company's 100% ownership of the Post Creek Project into 2025 and beyond.

Exploration History

(All drill intercepts described in this section refer to core lengths not true widths)

Previous operators completed geological, geophysical and Mobile Metal Ion soil geochemical surveys. Highlights of this work included:

- A drill intersection returning 0.48% copper, 0.08% nickel, 0.054 grams/tonne palladium, 0.034 grams/tonne platinum and 0.020 grams/tonne gold over a core length of 0.66 metres; and
- A grab sample from broken outcrop which returned 0.83% nickel, 0.74% copper, 0.07% cobalt, 2.24 grams/tonne Pt and 1.05 grams/tonne Pd.

A NI 43-101 compliant Technical Report was completed by Dr. Walter Peredery, formerly of INCO, in 2011 and subsequently accepted by the Securities Commission.

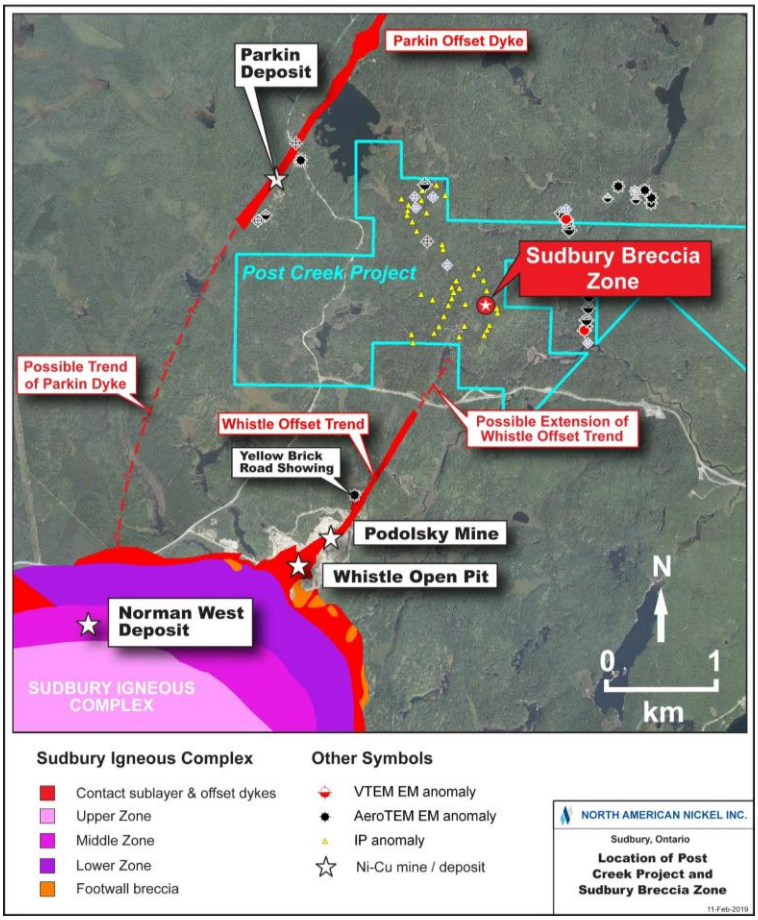
During the period of 2011 to 2016, the Company carried out exploration programs comprising ground geophysics (magnetics and electromagnetics), diamond drilling (1,533 metres in 7 drill holes), borehole electromagnetic surveys, georeferencing of selected claim posts, prospecting, trenching, geological mapping, sampling and petrographic studies. This work has identified new occurrences of Quartz Diorite dyke and Sudbury Breccia, both of which are geologically significant lithologies known to host ore deposits associated with the Sudbury structure. Ground traverses, trenching and mapping carried out in 2016 outlined a Sudbury Breccia belt of at least 300 metres by 300 metres in size which lies along the same trend at the Whistle Offset Dyke located on KGHM property to the southwest. These findings support the potential for the Post Creek property to host both Footwall and Offset Dyke type deposits.

In 2017, the Company initiated support for a two-year MITAC project whereby an M.Sc. student will be carrying out field and laboratory study aimed at understanding the mineral resource potential of the Post Creek Property.

2018 Exploration Activities

A two-hole drill program was completed in 2018 and reported in 2019 with the objectives of assessing magnetic and electromagnetic anomalies within a corridor of breccias and quartz diorite extending radially away from the Whistle Offset and to provide a platform for downhole geophysics (Figure 3).

Figure 3. Location of the Post Creek Project and the Sudbury Breccia Zone.



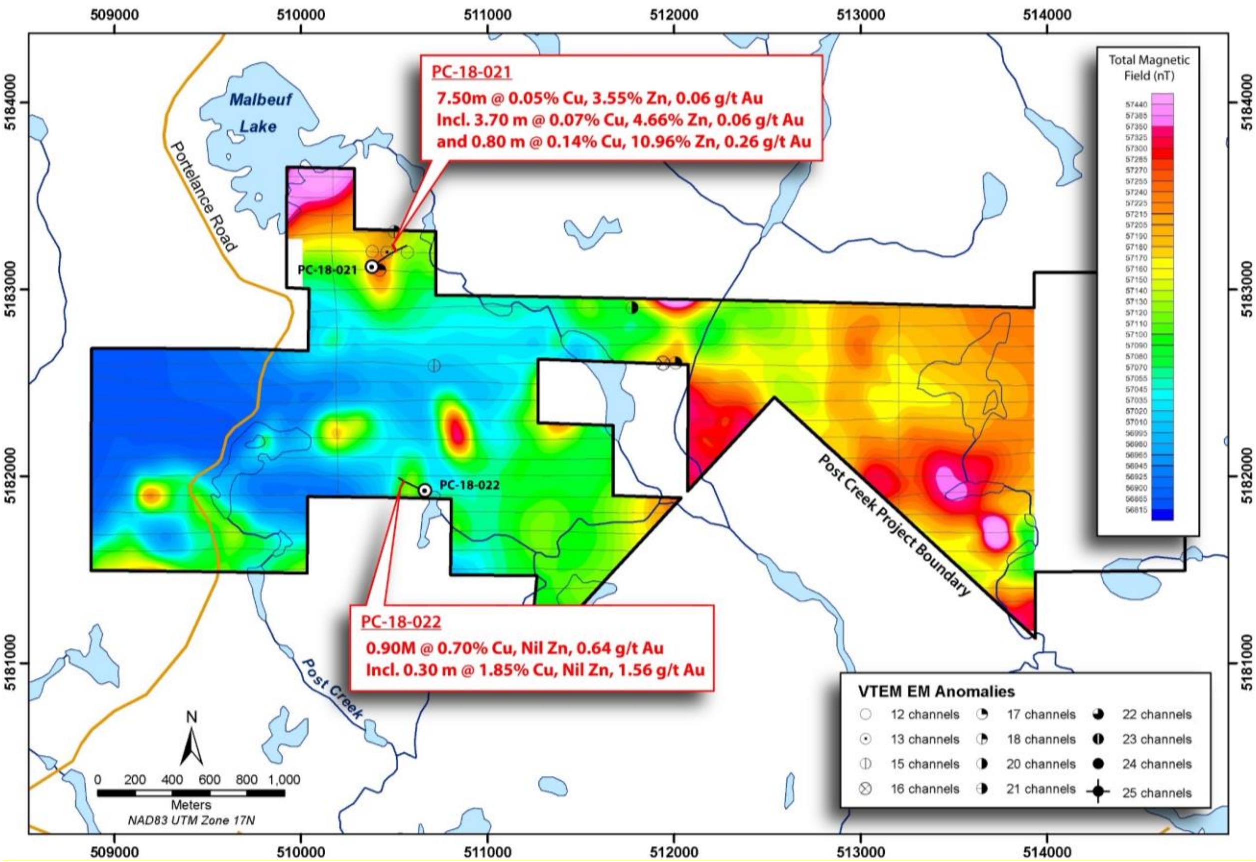
Hole PC-18-21 was drilled beneath an outcrop of quartz diorite to establish the depth extent of the dyke and hole PC-18-22 tested the breccia belt immediately to the north of the Whistle Offset Dyke (Figure 4). Both drill holes encountered a thick sequence of mafic volcanic rocks however quartz diorite, partially melted country rocks or Footwall-style mineralization were not encountered. DDH PC-18-21 did intersect a thick interval of volcanogenic massive sulphide-type sphalerite mineralization including:
7.50 m @ 3.55% zinc and 0.82 ppm silver including

- 3.70 m @ 4.66% zinc and 0.58 ppm silver and
- 0.8 m @ 10.96% zinc and 3.05 ppm silver

Multiple BHEM anomalies were detected both north and south of the zinc mineralization and are potential drill targets for volcanogenic massive sulfide mineralization.

Hole PC-18-022 tested the possible strike extension of the Whistle Offset in a broad corridor of Sudbury Breccia and was collared in an area of anomalous copper values in outcrop within a well-defined ground magnetic anomaly. A thick sequence of mafic volcanic rocks overprinted with locally developed shear and breccia zones were intersected. One of the shear zones hosted vein-type chalcopyrite mineralization. A strongly magnetic, highly altered ultramafic unit is responsible for the observed magnetic anomaly.

Figure 4. Location of the Post Creek VTEM magnetic and electromagnetic (EM) anomalies, 2018 drill holes and significant assay results.



Corporate Social Responsibility

The Company has established excellent working relationships with the Wahnapitae First Nation ("WFN") at Capreol (Ontario) commencing with a community presentation in May and followed up with ongoing contact with the Resource and Environmental officer. Prior to the initiation of drilling all drill sites and access routes to drill sites were reviewed by the WFN and no issues were identified. A post-drilling review of the drill sites indicated no problems related to drilling. The relationship with WFN continues to develop positively. In 2019 North American Nickel financially supported the 2019 Pow-Wow celebration held at Capreol. Prospecting and exploration on the property is planned and will include assistance of casual labour hired from the WFN community.

Halcyon Property

As at the date of this MD&A, the company holds 100% interest in Halcyon Property and is obligated to pay advances on the NSR of $8,000 per annum, which will be deducted from any payments to be made under the NSR.

The property is located 35 km northeast of Sudbury in the Parkin and Aylmer townships, and consists of 53 unpatented mining claims for a total of 864 hectares. It is readily accessible by paved and all-weather gravel road. Halcyon is adjacent to the Post Creek property and is approximately 2 km north of the producing Podolsky Mine of FNX Mining. Previous operators on the property defined numerous conductive zones based on induced polarization (I.P.) surveys with coincident anomalous Mobile Metal Ions soil geochemistry. Base and precious metal mineralization have been found in multiple locations on the property but follow-up work was never done. The former producing Jon Smith Mine (nickel-copper-cobalt-platinum) is situated 1 km North of the property.

Outlook – Exploration and Development for 2020-2021

The objective of further compilation work on the Halcyon Project was to provide a basis for prospecting and sampling of parts of the property that have received incomplete historic exploration. The targets comprised radial and concentric offset dykes of the Sudbury Igneous Complex which are known to be associated with high grade Cu-Au-PGE sulfide mineralization.

2020 – The Halcyon portion of the property has 2 priority areas flagged for follow-up in 2020, viz: 1. Possible Sudbury type quartz diorite in historic drill core associated with IP chargeability and B horizon soil Cu-Ni anomalies; 2. Two areas with minimal historic work that rest on the corridor projection of the Milnet Fault Offset of the Parkin QD with no EM or IP coverage. In these target areas, NAN will be prospecting for mineralization and/or radial/concentric offsets dykes located along stratigraphic horizons similar to those controlling the inflexion in the Parkin Offset at the historic Milnet Deposit.

2021 – Prospect and search for mineralization and/or quartz diorite on parts of the Halcyon Property that remain overlooked by previous exploration. Complete geophysical surveys over prospective target areas, and conduct test drilling if any priority targets are identified and drill ready.

This two-year plan will allow for the generation of priority drill targets while drawing down on the available exploration credits. The work expenditure in 2021 would extend the Company's 100% ownership of the Halcyon Project into 2025 and beyond.

Exploration History

During the period 2011 to 2016, the Company carried out a small amount of exploration including ground geophysics (magnetics and electromagnetics), diamond drilling (301 metres in 1 drill hole), a borehole electromagnetic survey, georeferencing of selected claim posts, prospecting, geological mapping, sampling and petrographic studies. The single hole located on the southeast corner of the property was drilled with the purpose of providing geological information and to provide a platform for borehole pulse EM ("BHPEM"). No anomalies were detected although quartz diorite breccia and partial melt material with 2-3% disseminated pyrrhotite and chalcopyrite was intersected over short core lengths. The property is strategically located adjacent to the Company's Post Creek property, located immediately to the south, where occurrences of both quartz diorite and Sudbury Breccia have been identified.

Work completed on the property during the year ending December 31, 2016 consisted of geological traverses, prospecting and sampling and was carried out on the southern portion of the Halcyon Property. This program was carried out concurrently with similar work on the Post Creek Property. Assay, whole rock and thin section samples were collected for analysis and study. Results have been received and compiled.

In November 2016, a georeferencing program was completed involving the acquisition of DGPS coordinates for claim posts for selected claims.

Quetico Property

During the year ended December 31, 2018, the Company acquired 809 claims known as Quetico located within the Sudbury Mining District of Ontario. As at June 30, 2020, the Company incurred total acquisition and exploration related costs of $153,875. Cells were acquired to assess (i) the Quetico Sub-province corridor, which hosts intrusions with Ni-Cu-Co-PGM mineralization related to a late 2690 Ma Archean magmatic event, and (ii). the Neoproterozoic (1100 Ma MCR) magmatic event and related intrusions. Three clusters of claims cells, labeled Quetico South, East and West cover magnetic features interpreted to represent small differentiated intrusions. The review of government geological and geophysical data, and historic assessment file data was completed in 2019 and recommendations for additional exploration work were prepared. An application has been lodged with the Mining Lands Administration of the Ontario Government to extend the tenure of the claim blocks due to impact from COVID-19 on implementation of exploration work.

A short program of prospecting, outcrop sampling and mapping was complete in Jun 2020.

Outlook – Exploration and Development for 2020-2021

2020 – The long-lived Quetico structural corridor controls a number of Mid-Continent Rift-related mafic-ultramafic intrusions formed during an early phase of rifting that is known to be prospective for small heavily mineralized intrusions such as Eagle and Tamarack. The Eastern Quetico claim block is located adjacent to the Current Lake Property where differentiated mafic-ultramafic intrusions in cross-linking structures of the Quetico Fault control the distribution of mineralization in the Current

Lake Deposit and other mineralized intrusions. MCR-aged peridotites and possible prospective reverse-polarity mafic intrusions on NAN ground next to Current Lake. Compilation work has identified peridotites with similar geochemical signature to the Current Lake Intrusion on the Eastern claim group. A program of prospecting, sampling and geochemical analysis will be completed in 2020.

2021 – Subject to the identification of mineralization and/or ultramafic intrusive rock bodies in the eastern claim block, NAN will revisit plans design to complete an airborne VTEM survey which was designed to identify coincident EM responses in association with the magnetic response expected from differentiated mafic-ultramafic intrusions in the Quetico structural zone.

Subject to the extension of the original Quetico claims, this two-year plan will allow for the generation of priority drill targets. The work expenditure in 2020 and 2021 will extend the Company's 100% ownership of the East Quetico Project into 2025 and beyond.

Lingman Lake Property

The Company digitally staked 188 cells/claims known as Lingman Lake on April 15, 2019. The property occurs about 65 km South East of Red Sucker Lake First Nation and about 35 km southwest of Sachigo Lake First Nation, approximately 650 km northwest of Thunder Bay. The Company incurred total acquisition and exploration related costs of $26,453. The Lingman Nickel Project, covers a portion of the Archean age Lingman Lake Greenstone Belt that includes tholeiitic-komatiitic rocks and sulphide facies iron formation. Historic field work has identified ultramafic rocks with elevated nickel and copper in grab samples. A 2011 VTEM survey shows a strong magnetic response over 13 km in strike length with numerous coincident magnetic/EM anomalies that are untested. The compilation of historic data has been completed and the Company is preparing plans for an initial program of field work to evaluate the Ni-Cu-Co and precious metal sulphide potential.

Loveland (Enid Creek) Nickel Property

The Loveland Nickel Property is located 30 km northwest of Timmins and has year-round access. The property is underlain by a mineralized differentiated mafic-ultramafic complex that is host to the historic Enid Creek showing. Analyses of a historic drill sample by the Ministry of Northern Development and Mines in Ontario returned 2.74% Ni, 1.3% Cu, 1.66ppm Pd. A VTEM_{MAX} survey completed in 2017 identified several new and untested conductors. One of the targets extends for 950 m in strike length and is located to the southeast along strike from the known mineralization. The exploration target is high grade nickel mineralization located in a depression or embayment structure at the base of the intrusion.

On September 25, 2019, the Company entered into earn in agreement with International Explorers and Prospectors Inc. whereby the Company may acquire a 100% interest in the Loveland Nickel. Consideration for the acquisition is $1,525,000 in cash, 300,000 post-consolidation common shares and $4,500,000 in work commitments over a 5-year period. The TSX Venture Exchange approved the transaction for filing on October 24, 2019. The 300,000 common shares were issued subsequent to the quarter as a purchase consideration with a value of $60,000.

During FY 2019, the Company incurred acquisition related costs of $82,560.

Exploration and Development in 2020

A 4-hole drill program with downhole BHEM survey work was completed and reported in April 2020. The exploration tested a series of conductors identified from a VTEMMAX survey completed in 2017. The conductive plates associated with the interpreted lateral extent of the contact of the differentiated intrusion was explained by pyrrhotite stringers in the country rocks. No significant lateral or depth extension of mineralization was encountered. DDH LN25-20-002 intersected gabbroic rocks of the Enid Creek Gabbro Complex (ECGC), and narrow intervals of mineralization with up to 0.18% Cu, 0.13% Ni, and 0.23g/t Pd over 0.7m. A subsequent borehole EM survey indicated that the center of conductivity is located up-dip towards the known historic mineralization.

On June 1, 2020, the Company announced it has elected not to proceed with further exploration at Loveland and has terminated the agreement. Accordingly, all acquisition and exploration costs incurred for a total of $436,897 were written off as of June 30, 2020.

Project Pipeline

Due to long term nickel market forecasts indicating a supply deficit developing, the Company believes that it is a good time to acquire nickel exploration and development projects that could be developed assuming conservative long-term nickel prices. The company maintains a nickel project generation activity focusing on high prospectivity projects in countries with the Rule of Law and reasonable development economics.

In the context of rising nickel prices and positive developments in the electric vehicle market, the Company will look to enhance shareholder value by aggressively expanding its nickel sulphide project pipeline. The Company's staff are proceeding with compilation work on prospective geological environments related to North American Archean craton margins where structural space controls the development of mafic-ultramafic intrusions. The objective of this work is to identify underexplored or unexplored open system intrusions where large zones of high-grade sulphide mineralization are controlled within the footprints of very small intrusions. For the past year, the Company has been evaluating opportunities in Africa, including a direct investment in Premium Nickel Resources (PNR), a private Canadian company who has recently submitted an Indicative Offer to acquire the assets, currently in liquidation, formerly operated by Bamangwato Concessions Limited (BCL) in Botswana. In addition, the development of a Moroccan-based subsidiary company is proceeding and will provide an opportunity to assess nickel sulphide potential throughout the country.

Financial Capability

The Company is an exploration and development stage entity and has not yet achieved profitable operations. The business of the Company entails significant risks. The recoverability of amounts shown for mineral property costs is dependent upon several factors including environmental risk, legal and political risk, the existence of economically recoverable mineral reserves, confirmation of the Company's interests in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete exploration and development, and to attain sufficient net cash flow from future profitable production or disposition proceeds.

At the end of Q2 2020, the Company had a negative working capital of $555,511 (Q2 2019 - $772,716) and reported accumulated deficit of $53,575,132 (Q2 2019 - $28,984,713). The Company will require additional funds to continue its planned operations and meet its obligations.

As at June 30, 2020, the Company had $85,648 in available cash (December 31, 2019— $1,097,856). There are no sources of operating cash flows. Given the Company's current financial position and the ongoing exploration and evaluation expenditures, the Company will need to raise additional capital through the issuance of equity or other available financing alternatives to continue funding its operating, exploration and evaluation activities, and eventual development of the mineral properties. Although the Company has been successful in its past fund-raising activities, there is no assurance as to the success of future fundraising efforts or as to the sufficiency of funds raised in the future.

On July 14, 2020, the Company announced that it intends to complete a non-brokered private placement to raise up to $1,620,000 and close the first tranche on August 13, consisting of an aggregate of 15,481,077 units of the Company at a price of $0.07 per Unit, for aggregate gross proceeds of $1,083,675.39.

On December 18, 2019, the Company closed a non-brokered private placement equity financing for gross proceeds of $1,727,628.

Selected Financial Information

The amounts are derived from the condensed interim consolidated financial statements prepared under IFRS.

In thousands of CDN dollars, except per share amounts	**Three months ended June 30,**		**Six months ended June 30,**	
	2020	**2019**	**2020**	**2019**
Net loss	808	643	2,006	1,203
Basic and diluted loss per share	0.01	0.01	0.02	0.02
Share capital	89,006	88,538	89,006	88,538
Common shares issued	88,690,791	78,792,860	88,690,791	78,792,860
Weighted average shares outstanding	88,690,791	78,792,860	88,690,791	78,792,860
Total assets	39,150	66,102	39,150	66,102
Investment in exploration and evaluation assets	267	223	563	618

Results of Operations

Net loss of $807,906 in Q2 2020 was higher by $165,471 compared to a loss of $642,435 in Q2 2019. The higher loss in Q2 2020 was mainly driven by write off mineral property costs offset by lower general and administrative expenses and lower property investigation costs during Q2 2020 compared to Q2 2019.

Total Assets

Total assets during Q2 2020 decreased by a net of $889,536 from the end of FY 2019. The decrease is mainly attributed to a decrease in cash of $1,012,209, a decrease in receivables and other current assets of $56,873 and decrease in equipment of $4,076, offset by a net increase to exploration and evaluation assets of $77,280 and increase to advances of $106,342.

Investment in Exploration and Evaluation Assets

Investment in exploration and evaluation assets relates to the Greenland property and properties in Ontario. During Q2 2020, the Company spent a total of $173,951 (YTD 2020 - $514,176) in cash additions to exploration and evaluation assets, of which $55,663 related to Greenland (YTD 2020 - $83,191) and $118,288 to other properties located in Canada (YTD 2020 - $430,985). The Company also recorded a write-off of Canadian property costs for an aggregate total of $436,897, out of which $321,360 was incurred during YTD 2020.

Quarterly Results of Operations

All amounts in table are expressed in thousands of CDN dollars, except per share amounts	**2020 2nd quarter**	**2020 1st quarter**	**2019 4th quarter**	**2019 3rd quarter**
Statement of Loss				
Interest income	-	-	-	4
Net loss	808	1,198	27,007	649
Net loss per share - basic and diluted	0.01	0.01	0.34	0.01
Statement of Financial Position				
Cash, cash equivalents and short-term investments	86	197	1,098	325
Total assets	39,150	39,753	40,039	65,452
Net assets	38,309	39,117	39,431	65,092
Share capital	89,006	89,006	89,597	88,538
Common shares issued	88,690,791	88,690,791	88,690,791	78,792,860
Weighted average shares outstanding	88,690,791	80,690,791	80,220,829	78,792,860

All amounts in table are expressed in thousands of CDN dollars, except per share amounts	2019 2nd quarter	2019 1st quarter	2018 4th quarter	2018 3rd quarter
Statement of Loss				
Interest income	4	18	22	31
Net loss	643	560	814	645
Net loss per share - basic and diluted	0.01	0.01	0.01	0.01
Statement of Financial Position				
Cash, cash equivalents and short-term investments	1,036	1,847	2,839	5,372
Total assets	66,102	66,768	67,500	69,391
Net assets	65,741	66,384	66,944	67,763
Share capital	88,538	88,538	87,947	88,543
Common shares issued	78,792,860	78,792,860	78,792,860	78,792,860
Weighted average shares outstanding	78,792,860	78,792,860	78,792,860	78,792,860

Three Months Ended June 30, 2020, and June 30, 2019

A net loss of $807,906 in Q2 2020 compared to a net loss of $642,435 in Q2 2019 resulted in an increased loss of $165,471 quarter-over-quarter and was due to the following events with write off mineral property cost being the most significant:

- Exploration and evaluation assets were written off by $436,897 during Q2 2020 compared to $nil amount during Q2 2019. The write-off related to a Canadian property (Loveland/Enid Creek project) as a result of management's decision not to pursue with further exploration on the property.

- Interest income was $Nil in Q2 2020 compared to $4,279 in Q2 2019.

The higher loss in Q2 2020 was offset by the following lower expenditures in Q2 2020 compared to Q2 2019:

- General and administrative costs of $359,326 in Q2 2020 were lower by $157,845 compared to $517,171 expenses in Q2 2019. Higher general and administrative expenses in Q2 2019 mainly related to higher salaries and benefits, consulting fees, travel costs and general office expenses.

- Property investigation costs were $11,006 in Q2 2020 and were lower by $113,757 compared to $124,763 costs in Q2 2019.

- Amortization expense was $1,939 in Q2 2020 and was lower by $464 compared to $2,403 in Q2 2019.

- Foreign exchange gain totaled $1,262 in Q2 2020 and was higher by $3,639 compared to a foreign exchange loss of $2,377 in Q2 2019.

Six Months Ended June 30, 2020, and June 30, 2019

The Company incurred a net loss of $2,006,262 during YTD 2020 compared to a net loss of $1,202,418 during YTD 2019 resulting in an increased loss of $803,844 (period-over-period). The higher loss in YTD 2020 was due to the following events with share-based payments being the most significant:

- Share-based payments were $884,247 during YTD 2020 compared to $nil amount during YTD 2019. The costs during the current year resulted from stock options issuance.

- Exploration and evaluation assets were written off by $436,897 during YTD 2020 compared to $nil amount during YTD 2019.

- Interest income was minimal, $41 during YTD 2020 compared to $22,182 during YTD 2019.

The higher loss during YTD 2020 was offset by the following lower expenditures in YTD 2020 compared to YTD 2019:

- General and administrative costs of $664,518 during YTD 2020 were lower by $387,905 compared to $1,052,423 expenses during YTD 2019. Higher general and administrative expenses during YTD 2019 mainly related to higher salaries and benefits, consulting fees, travel costs and general office expenses.

- Property investigation costs were $17,063 during YTD 2020 and were lower by $148,420 compared to $165,483 costs during YTD 2019.

- Amortization expense was $4,076 during YTD 2020 and was lower by $971 compared to $5,047 during YTD 2019.

- Foreign exchange gain totaled $499 during YTD 2020 and was higher by $2,145 compared to a foreign exchange loss of $1,646 during YTD 2019.

Liquidity, Capital Resources and Going Concern

Liquidity
The Company has financed its operations to date primarily through the issuance of common shares and exercise of stock options and warrants. The Company continues to seek capital through various means including the issuance of equity and/or debt and the securing of joint venture partners where appropriate.

The Company's principal requirements for cash over the next twelve months will be to fund the ongoing exploration costs at its mineral properties, general corporate and administrative costs and to service the Company's current trade and other payables.

On July 14, 2020, the Company announced that it intends to complete a non-brokered private placement to raise up to $1,620,000. The placement will be by way of subscription agreement for up to 23,142,857 units at $0.07 per unit. The first tranche of the private placement was closed on August 13, consisting of an aggregate of 15,481,077 units of the Company for aggregate gross proceeds of $1,083,675.39. This financing will improve the liquidity and increase the capital resources of the Company.

On December 18, 2019, the Company closed a non-brokered private placement equity financing for gross proceeds of $1,727,628. The offering consisted of the issuance of 2,224,666 flow-through common shares of the Company at a price of $0.18 per flow-through share and 7,373,265 units of the Company.

The net proceeds from the sale of the units have been used for general corporate and working capital purposes.

As at June 30, 2020, the Company had $85,648 in available cash.

Working Capital
As at June 30, 2020, The Company had a negative working capital of $555,511 (June 30, 2019 - $772,716), calculated as total current assets less total current liabilities. The decrease in working capital is mainly due to a decrease in cash and short-term investments.

Going Concern
As at June 30, 2020, the Company had accumulated losses totaling $53,575,132. The continuation of the Company is dependent upon the continued financial support of shareholders, its ability to raise capital through the issuance of its securities, and/or obtaining long-term financing.

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition and exploration of mineral properties.

The properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Contractual Obligations and Contingencies

Post Creek

Commencing August 1, 2015, the Company is obligated to pay advances on the NSR of $10,000 per annum. During YTD 2020, the Company paid $5,000 which will be deducted from any payments to be made under the NSR.

Halcyon

Commencing August 1, 2015, the Company is obligated to pay advances on the NSR of $8,000 per annum. During YTD 2020, the Company paid $4,000 which will be deducted from any payments to be made under the NSR.

Flow-through shares

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended December 31, 2019, the Company received $400,440 from the issue of flow-through shares and has incurred $1,238 of eligible expenditures during the year ended December 31, 2019. As at June 30, 2020, the Company incurred $406,792 of eligible expenditures.

Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price of common shares. The incremental proceeds, or "premium", are recorded as deferred income. As at December 31, 2019, the Company has renounced $399,202 of the proceeds from flow-through shares and is committed to expend the proceeds on qualifying exploration expenditures.

The Company had no contingent liabilities as at June 30, 2020.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements as at June 30, 2020.

Financial Instruments

All amounts in table are expressed in thousands of CDN dollars	**Fair Value at March 31, 2020**	**Basis of Measurement**	**Associated Risks**
Cash and cash equivalents	86	Loans and receivables	Credit and foreign exchange
Receivable and other current assets	199	Loans and receivables	Credit, foreign exchange
Trade, payables and accrued liabilities	752	Amortized cost	Foreign exchange

Loans and receivables— Cash and cash equivalents, accounts receivables and other current assets, trade, other payables and accrued liabilities mature in the short term and their carrying values approximate their fair values.

Future Accounting Standards and Pronouncements

Amendments to References to the Conceptual Framework in IFRS Standards

IAS 1 - Presentation of Financial Statements

In January 2020, the IASB issued further amendments to International Accounting Standard ("IAS") 1, Presentation of Financial Statements. IAS 1 has been revised to (i) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability; (ii) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and (iii) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and are to be applied retrospectively. Earlier application is permitted. The extent of the impact of these amendments has not yet been determined.

Risk and Uncertainties

The business of the Company entails significant risks that may have a material and adverse impact on the future operations and financial performance of the Company and the value of the common shares of the Company. These risks that are widespread risks associated with any form of business and specific risks associated with involvement in the exploration and mining industry. Hence, investment in the securities of the Company should be considered highly speculative. An investment in the securities of the Company should only be undertaken by persons who have sufficient financial resources to enable them to assume such risks.

The following is a general description of all material risks and uncertainties:

- The Company has negative operating cash flows and might not be able to continue as a going concern;
- The Company will require additional funding in the future and no assurances can be given that such funding will be available on the terms acceptable to the Company or at all;
- The speculative nature of resource exploration and development projects;
- The uncertainty of mineral resource estimates and the Company's lack of mineral reserves;
- The Company's ability to successfully establish mining operations and profitable production;
- Operations of the Company are carried out in geographical areas that are subject to various other risk factors;
- The economic uncertainty of operating in a developing country such as PNG, such as the availability of local labour, local and outside contractors and equipment when required to carry out the Company's exploration and development activities;
- Other foreign operations risks; potential changes in applicable laws and government or investment policies;
- The Company is not insured against all possible risks;
- Environmental risks and hazards;
- The title of the Company's mineral properties cannot be guaranteed and may be subject to prior unregistered agreements, transfers and other defects, and the risk of obtaining a mining permit and the successful renewal of currently pending renewal applications;
- The commodity prices may affect the Company's value, changes in and volatility of commodity prices and its hedging policies;
- Increased competition in the mineral resource sector;
- The Company may have difficulty recruiting and retaining key personnel;
- Currency fluctuations risk;
- Repatriation of earnings, no assurances that Greenland or any other foreign country that the Company may operate in the future will not impose restrictions on repatriation of earnings to foreign entities;
- No production revenues;
- Stock exchange prices;
- Conflicts of interest;
- Ability to exercise statutory rights and remedies under Canadian securities law;

- Enforceability of foreign judgements;
- Unforeseen litigation;
- The Company's future sales or issuance of common shares;
- Risk of suspension of public listing due to failure to comply with local securities regulations;
- The Company's auditors have indicated that U.S. reporting standards would require them to raise a concern about the company's ability to continue as a going concern;
- Risk of fines and penalties; and
- Risk of improper use of funds in local entity.

Share Capital Information

As of the date of this MD&A the following number of common shares of the Company and other securities of the Company exercisable for common shares of the Company are outstanding:

Securities	Common shares on exercise on post-consolidation basis
Common shares	104,171,868
Preferred shares	65,659
Stock options	8,690,550
Warrants	20,029,962
Fully diluted share capital	**132,958,039**

Disclosure Controls and Procedures

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
ii. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's accounting policies.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Caution Regarding Forward Looking Statements

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of metals; the estimation of mineral reserves and resources, the realization of mineral reserve estimates; the timing and amount of estimated future production, costs of production, and capital expenditures; costs and timing of the development of new deposits; success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the sections entitled "Risks and Uncertainties" in this MD&A. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

Forward-looking statements and other information contained herein concerning the mining industry and general expectations concerning the mining industry are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

Additional Information

Additional information about the Company and its business activities is available under the Company's profile on the Canadian SEDAR website at www.sedar.com.

Qualified Person and Technical Information

The scientific and technical information contained in this MD&A was prepared by or under the supervision of and reviewed and approved by Peter C. Lightfoot, PhD, P. Geo, the qualified person for the Company under National Instrument 43-101. Dr. Lightfoot is a "**Qualified Person**" as defined by NI 43-101. Dr. Lightfoot verified the data underlying the information in this MD&A.

For further information relating to the Maniitsoq Project in southwest Greenland, please see the technical report titled *Updated Independent Technical Report for the Maniitsoq Nickel-Copper-Cobalt-PGM Project, Greenland"* dated March 17, 2017 prepared by SRK Consulting (US) Inc. which is available under the Company's issuer profile on SEDAR at www.sedar.com as well as the company website at www.northamericannickel.com